

**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** JAN 24 2008

**SUBJECT:** Fiscal Impact Statement: "Reduced Ignition Propensity Cigarettes Act of 2008"

**REFERENCE:** Bill Number 17-373 – Committee Print dated 1/25/08

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**Conclusion**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

**Background**

The proposed legislation is intended to help reduce fires and related personal injury and property damage caused by cigarettes by providing that only reduced ignition propensity cigarettes could be sold in the District of Columbia.

Specifically, the proposed legislation would establish test methodology and performance standards for fire-safety cigarettes, require manufacturers to self-certify that their cigarettes meet the requirements of the proposed legislation and to submit said certification to the Mayor every three years, and would establish fines and penalties for non-compliance with the proposed legislation.

The proposed bill would also authorize the Mayor to promulgate rules and regulations necessary to implement the proposed legislation, including regulations regarding the conduct of random inspections of wholesale and retail dealers to ensure compliance with the proposed legislation, and would authorize the Mayor to establish fines and penalties for non-compliance in addition to those established in Section 7 of the proposed bill.

### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed legislation. No additional resources would be required to implement the proposed bill.

In a letter dated November 26, 2007 to Councilmember Phil Mendelson, Fire Chief Dennis L. Rubin indicated that D.C. Fire and Emergency Medical Services (F/EMS) could implement the random inspection provision of the proposed legislation with existing resources, which Chief Rubin indicated would be done in conjunction with routine building inspections.

In addition, agency<sup>1</sup> resources are sufficient to implement Section 5 of the proposed bill, which requires each manufacturer to submit written certification to the Mayor that its cigarettes have been tested in accordance with requirements set forth in the proposed bill every three years.

This fiscal impact statement does not take into account the potential for increased revenues from fines or penalties resulting from the implementation of the proposed bill, as these would only be realized in cases of non-compliance. The number and type of violations, and revenues associated with them, cannot be reliably estimated.

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<sup>1</sup> Although the proposed legislation does not specifically state which entity in the Mayor's office would be responsible for implementing this provision, the Office of the Attorney General indicated to the Office of the Chief Financial Officer that it could absorb this function with existing resources.