

**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
Chair, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: MAY 29 2008

SUBJECT: Fiscal Impact Statement: "Fireworks Neighborhood Safety Act of 2008"

REFERENCE: Draft¹ – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would prohibit the manufacture, possession, storage, display, sale, setting off, or discharge of fireworks in the District of Columbia except in certain instances. The sale of fireworks would be a civil offense punishable by a maximum fine of \$3,000. The proposed bill would also provide for criminal penalties for the manufacture of fireworks. The proposed legislation provides that enforcement of this act would be by the Fire Chief and the Chief of Police. Last, the proposed bill makes conforming amendments to the D.C. Official Code and D.C. Municipal Regulations consistent with the intent of the act.

Financial Plan Impact

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed legislation. The expected loss in license and sales tax revenues due to banning the sale of fireworks is estimated to be

¹ This fiscal impact statement is based on draft legislation submitted to the Office of the Chief Financial Officer (OCFO) on May 27, 2008.

approximately \$35,000 in FY 2008. The license revenue lost from implementing the proposed bill would be approximately \$10,000 in FY 2008, which would have otherwise been remitted by fireworks stands and wholesalers and deposited into a Department of Consumer and Regulatory Affairs (DCRA) Special Revenue Account called the Basic Business License Fund. Funds are sufficient in the Fund to absorb this loss. The loss in fireworks sales tax revenue that is deposited into the Local fund portion of the General Fund would be approximately \$24,000 in FY 2008. This loss could be absorbed with existing funds in the Local fund. Out-year losses to the DCRA Fund and the Local fund could be absorbed.

The Fire and Emergency Medical Services Department and the Metropolitan Police Department could absorb the impact of implementing the proposed bill with existing resources.

Estimated Revenue Impact on the Budget and Financial Plan						
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Total
Foregone License Revenue (<i>DCRA Special Revenue Account</i>)	(\$10,326)	(\$9,078)	(\$8,371)	(\$8,371)	(\$8,371)	(\$44,516)
Foregone Sales Tax Revenue (<i>Local fund</i>)	(\$24,300)	(\$20,655)	(\$18,590)	(\$18,590)	(\$18,590)	(\$100,724)
Total	(\$34,626)	(\$29,733)	(\$26,961)	(\$26,961)	(\$26,961)	(145,240)