

**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:** September 27, 2010

**SUBJECT:** Fiscal Impact Statement – “Basic Business License Balanced Budget Approval Resolution of 2010”

**REFERENCE:** No Bill Number Available – Draft Resolution to Be Introduced

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**Conclusion**

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed resolution.

**Background**

The proposed resolution would approve the proposed rules to add a new Chapter 5 (Basic Business License Schedule of Fees) to Title 17 (Business, Occupations, and Professions) of the District of Columbia Municipal Regulations to establish the fees to be charged by the Department of Consumer and Regulatory Affairs (DCRA) for all basic business licenses. Specifically, the proposed rules would authorize the Director of DCRA to charge an additional fee of 10 percent on the total cost of each basic business license to cover the costs of enhanced technological capabilities of the basic business licensing system of DCRA,<sup>1</sup> starting on October 1, 2010 and to expire on October 1, 2013.

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<sup>1</sup> The entire basic business license application fees and application renewal fees, including the current \$70 for each basic business license, plus a fee of \$25 for each endorsement added to the basic business license, are deposited in the Basic Business License Fund, a special-purpose fund.

Additionally, the proposed rules would establish a tiered fee structure<sup>2</sup> for special event license applications to cover the administrative costs necessary to expedite and process applications.

### **Financial Plan Impact**

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed resolution. The proposed resolution would generate, through the surcharge on business licenses, \$750,000 in FY 2011 and \$2.0 million over the four-year financial plan period to be deposited into the Basic Business License Fund. The effect of this increase is already incorporated into the approved FY 2011 through FY 2014 budget and financial plan thus the proposed increase would not generate any new revenues not accounted for in the budget.

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<sup>2</sup> The tiered fee structure found at 17 DCMR 501.1(1) of the proposed regulations follows: if the application for the license is submitted:

- 30 days or more before the event, \$205,
- between 15 and 29 days before the event, \$205, plus \$100 expediting fee, and
- 14 or fewer days before the event, \$205, plus \$200 expediting fee.