

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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

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

**DATE:** January 10, 2012

**SUBJECT:** Fiscal Impact Statement – “Car Wash Employee Overtime Act of 2011”

**REFERENCE:** Bill Number 19-247 – As Introduced

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**Conclusion**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the bill.

**Background**

The bill would repeal language in the D.C. Code<sup>1</sup> that grants an exemption from the standard overtime pay regulations to car wash establishments. The exemption states that some car wash employees<sup>2</sup> only earn 1.5 times their base salary for time worked over 160 hours in a consecutive four-week period. This bill would repeal that exemption, allowing these car wash employees to earn 1.5 times their base salary for any hours over 40 worked in any given week.

**Financial Plan Impact**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the bill. The District Department of Employment Services would administer this change by adding car wash employees to the groups covered by the District’s overtime pay statute, and would not incur any additional costs for administration.

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<sup>1</sup> Subsection (b)(4) of the District of Columbia Minimum Wage Act Revision Act of 1992, effective March 25, 1993, (D.C. Law 9-248; D.C. Official Code § 32-1004).

<sup>2</sup> Those “employed primarily to wash automobiles.”

The Honorable Kwame R. Brown

FIS: B19-247, "Car Wash Employee Overtime Act of 2011," as Introduced

Conceptually, this bill could lead to increased revenue for the District because car wash employees who now receive more overtime pay would pay marginally more in income taxes as well. However, there are few employees affected by this change, and presumably the impact would be smaller still because car wash establishments would revise employee schedules to lower their exposure to overtime costs. Thus, we anticipate that any revenue increases resulting from this bill would be negligible.