

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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Mary M. Cheh  
Acting Chair, Council of the District of Columbia

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

**DATE:** June 11, 2012

**SUBJECT:** Fiscal Impact Statement – “Anacostia River Clean Up and Protection Amendment Act of 2012”

**REFERENCE:** Bill 19-515, Draft Committee Print Shared with the Office of Revenue Analysis on May 21, 2012

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**Conclusion**

Funds are sufficient in FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

The Anacostia River Clean Up and Protection Act of 2009<sup>1</sup> established a 5-cent fee for disposable carryout bags, an Anacostia River commemorative license plate, the Anacostia River Clean Up and Protection Fund (Fund), and a voluntary income tax check-off. Proceeds deposited in the Fund can be used for public education campaigns, reusable carryout bags, funding community cleanup events, restoring wetlands, and other environmental programs to benefit the Anacostia River. Current law also imposes a mandatory warning and subsequent fine structure for those entities out of compliance with the disposable carryout bag program.

The bill adds two new allowable uses of the Fund’s resources. The first is to provide financial incentives for a newly established pilot program under which an entity<sup>2</sup> adopts a section of the Anacostia River. The pilot program must run for six months and can be extended in time and coverage area<sup>3</sup> with a determination by the District Department of the Environment. The second is the purchase and installation of anti-littering signs in areas where litter could impact the river.

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<sup>1</sup> Effective September 23, 2009 (D.C. Law 18-55; D.C. Official Code § 8-102.01 *et seq.*)

<sup>2</sup> The entity’s organizational mission must be related to preservation of the District’s waterways.

<sup>3</sup> The current coverage area only applies to the Anacostia River.

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The bill also amends the fine structure associated with the disposable carryout bag program by classifying a violation as a Class 4 infraction under the schedule of fines<sup>4</sup> and eliminating the mandatory warning for the first violation.

### **Financial Plan Impact**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

The new pilot program would be the second priority expenditure of available funds in the Fund. The Fund is certified to receive \$1.92 million in FY 2013 and \$7.68 million during the four year financial plan period. Details of the incentive program have not been determined, but the District Department of the Environment (DDOE) is confident there will be sufficient funds available to implement a pilot program without significantly impacting other planned projects. The bill also allows, but does not require, the DDOE to install anti-littering signs with the Fund's resources, if funds are available.

The elimination of the mandatory warning and the reclassification of violations as Class 4 infractions could result in a small increase in revenues, but the issuance of violations is an unpredictable activity and the amount of the increase cannot be certified at this time. In FY 2011, DDOE issued 13 notices of *infraction*<sup>5</sup> and 187 notices of *violation*;<sup>6</sup> of these almost half were for violations of the required 5-cent fee for disposable carryout bags. DDOE will continue to issue notices of *violation* at its discretion to violators of the law's bag material and labeling provisions,<sup>7</sup> but will likely issue a notice of *infraction* upon the first violation of the law's 5-cent fee,<sup>8</sup> which will generate additional fine revenue.

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<sup>4</sup> 16 DCMR § 3201: Fine Amounts.

<sup>5</sup> Notices of infraction have a fine attached.

<sup>6</sup> Notices of violation are the mandatory warning notices and do not have a fine attached.

<sup>7</sup> 21 DCMR § 1002: Disposable Carryout Bag Material and Labeling Requirements.

<sup>8</sup> 21 DCMR § 1001: Disposable Carryout Bag Fee Requirement.