

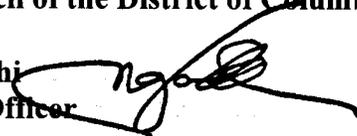
**Government of the District of Columbia
Office of the Chief Financial Officer**



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: January 28, 2010

SUBJECT: Fiscal Impact Statement – “Veterans License Plates Establishment Act of 2009”

REFERENCE: Bill Number 18-235 – Committee Print received on October 27, 2009

This revision replaces the fiscal impact statement issued by the OCFO on June 25, 2009.

Conclusion

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. The proposed legislation would generate \$42,000 in FY 2010 in application fees, which would be deposited in a special purpose fund to support programs and services for the District’s veterans. Any additional revenues that could be collected in the following years cannot be reliably estimated at this time. Separately, the proposed legislation would impose implementation costs of \$5,785 in FY 2010 on the Department of Motor Vehicles (DMV), which could be absorbed within the agency budget. No additional implementation funds are required in future years.

Background

The proposed legislation would create veterans¹ license plates and a special fund for associated fees to generate a revenue source for the Office of Veterans Affairs. The application fee for these plates (a one-time fee of \$100 and no annual display fee) would be the same as existing

¹ Veteran is defined as any person who has served on active duty in the armed forces of the United States. The term would also include members of the National Guard and Reserves, who are either called to active duty or have twenty or more years of service. The veteran must have been honorably discharged from the armed forces to receive the license plates; a medical discharge or general discharge would be considered as an honorable discharge. Upon the death of a veteran, the plates would be transferred to the surviving spouse for the spouse’s lifetime until he or she remarries.

organizational tag fees. The proposed District of Columbia Veterans Fund (Fund) would be created in the Treasury of the District of Columbia as a continuing and non-lapsing fund, separate and distinct from the General Fund, and available to the Director of the Office of Veterans Affairs to provide programs and services to the District's veterans. Within six months of the effective date of this proposed legislation, the Mayor would be required to design and make available for issue one or more veterans plates, and establish an application process for the issuance of these plates. If more than one design of veterans plate would be made available, the Mayor would be authorized to establish additional qualifications for the issue of a veterans plate, so long as any additional qualifications relate solely to the applicant's service record. Regardless of any additional qualifications established for the issuance of a veterans plate, the legislation would require that every qualified veteran would be eligible for at least one veterans plate.

Financial Plan Impact

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation.

The proposed specialty plates for veterans are expected to generate \$42,000 in FY 2010. There might be small numbers of additional applications through the four year financial plan period, which would add \$100 per application. The number of these additional applications is difficult to estimate at present, but is likely to be very small. As drafted, the proposed legislation does allow for the payment of the costs of designing and manufacturing the license plates for veterans through the Fund proceeds. Manufacturing a specialty plate costs an average of \$6.63 to the DMV, and there is a fixed computer programming cost of \$3,000 for a new type of specialty plate. Thus, the proposed legislation would require \$5,785 in implementation costs in FY 2010. This cost can be absorbed within DMV's budget. The table below summarizes the impact of this legislation on the budget and financial plan.

Estimated Fiscal Impact					
	FY 2010	FY 2011	FY 2012	FY 2013	4 Year Total
Revenues from total fee collection to the Fund ^(a)	\$42,000	Negligible	Negligible	Negligible	\$42,000
Cost of manufacturing plates and programming ^(b)	\$5,785	-	-	-	\$5,785

^(a)Based on the Census data, there are close to 45,000 civilian veterans living in District of Columbia, and a separate study reports that the car ownership rate among households in the District is 63 percent (Mayor's Parking Taskforce Report, December 2003). Extrapolating, this would represent 28,350 veterans with cars, and, assuming a 1.5 percent take up rate for the veterans license plates, there would be 420 applications. As a point of reference, in 2008, there were 859 new applications and renewals for specialty plates, with 302 for historical plates, the highest demand category.

^(b)This represents a \$6.63 manufacturing cost per plate for 420 plates and a \$3,000 fixed cost for programming.