


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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: December 21, 2018

SUBJECT: Fiscal Impact Statement – Natural Disaster Consumer Protection
Amendment Act of 2019

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on December 4,
2018

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

Current law¹ provides consumers with price overcharging protections when the Mayor declares a state of emergency during natural disasters.² During these events, individuals and businesses are prohibited from charging more than the normal retail price³ for merchandise and services. The bill expands consumer price overcharging protections to include all public emergencies. Consumer price overcharging protections will now apply during:

- An enemy attack, sabotage, or other military, terrorist, or hostile action;
- A severe and unanticipated resource shortage;
- A fire, explosion, conflagration, or power failure;
- A hurricane, tornado, flood, earthquake, storm, or other serious act of nature;
- Serious civil disorder;
- Serious industrial, nuclear, or transportation accident;

¹ Section 2 of the Natural Disaster Consumer Protection Act of 1992, effective March 20, 1992 (D.C. Law 9–80; D.C. Official Code § 28–4102).

² Including fires, floods, earthquakes, storms, or other serious acts of nature.

³ In the case of merchandise, the price equal to the wholesale cost plus a retail mark-up in the 90-day period that preceded an emergency. In the case of services, not more than 10 percent more than the price at which similar services were sold or offered during the 90-day period that preceded an emergency.

The Honorable Phil Mendelson

FIS: "Natural Disaster Consumer Protection Amendment Act of 2019," Draft Bill as shared with the Office of Revenue Analysis on December 4, 2018

- Injurious environmental contamination that threatens or causes damage to life, health, or property; or
- An outbreak of a communicable disease that causes or may cause damage to life, health, or property.

The bill also expands the duration of a declared state of emergency from 30 days to 60 days and increases the fine for violating consumer price overcharging protections from \$1,000 to \$10,000.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. In the event of public emergency, the Homeland Security and Emergency Management Agency can enforce consumer price overcharging protections without additional resources.