

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: October 21, 2016

SUBJECT: Fiscal Impact Statement – End Taxation Without Representation
Amendment Act of 2016

REFERENCE: Bill 21-708, Draft Committee Print as shared with the Office of Revenue
Analysis on October 19, 2016

Conclusion

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

Background

The standard District of Columbia vehicle tag carries the phrase *Taxation Without Representation*. The bill amends the standard vehicle tag phrase to state *End Taxation Without Representation*¹ and requires the Mayor to create an optional standard tag design that states *We Demand Statehood*. A resident who chooses a *We Demand Statehood* vehicle tag will pay a \$51 application fee and an annual display fee of \$26. The Mayor will deposit *We Demand Statehood* plate revenues into the New Columbia Statehood Fund.²

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The Department of Motor Vehicles can absorb any costs associated with the bill's implementation within existing resources. It will take three to six months for the Agency to

¹ Individuals who do not want to display *End Taxation Without Representation* tags can opt out and receive an alternative standard tag from the DMV.

² New Columbia Statehood Initiative and Omnibus Boards and Commissions Reform Amendment Act of 2014, effective May 2, 2015 (D.C. Law 20-271; D.C. Official Code § 1-129.22).

The Honorable Phil Mendelson

FIS: Bill 21-708, "End Taxation Without Representation Amendment Act of 2016," Draft Committee Print as shared with the Office of Revenue Analysis on October 19, 2016

work with the relevant District agencies and other organizations to design and produce the new *We Demand Statehood* tags before the Agency can offer them to vehicle registrants.

There are currently 308,000 active vehicle tags in the District and just over one percent are specialty or organizational tags.³ However, the number of residents who are willing to pay an additional fee for and register their cars with the *We Demand Statehood* tags is unknown. If drivers choose to obtain the enhanced standard tags, then the application and display fees will be deposited into the New Columbia Statehood Fund. The Mayor must request budget authority in order to spend any new revenues the *We Demand Statehood* designed tags may generate.

³ The Agency currently offers three specialty tags and twenty-eight organizational tags.