

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: September 21, 2020

SUBJECT: Fiscal Impact Statement – Shared Fleet Devices Amendment Act of 2020

REFERENCE: Bill 23-359, Draft Committee Print as provided to the Office of Revenue Analysis on September 18, 2020

Conclusion

Funds are not sufficient in the fiscal year 2020 budget and the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill's implementation will cost \$40,000 in fiscal year 2021 and \$523,000 over the four-year financial plan period.

Background

The bill establishes responsibilities and a structure for the operation and oversight of shared fleet rental operators and devices, more commonly known as scooters, bicycles, and other electric mobility devices, in the District. The bill requires the Mayor to issue rules related to permitting, enforcement, fleet management, insurance, and bonding for shared fleet operators and devices.

The bill creates a shared fleet device permitting program whereby any operator seeking to rent shared fleet devices in the District must obtain a permit from the District Department of Transportation (DDOT). DDOT can limit the number of permitted operators to any number over two, so long as the total combined number of shared fleet devices does not exceed 20,000 before October 1, 2023. The bill requires a shared fleet operator to submit to DDOT, on the seventh day of each month, a report outlining detailed trip activity data from the prior month,¹ information on complaints filed with the operator, and any other information DDOT determines is relevant to maintaining safe

¹ This includes the time, route, and starting and ending location for all trips.

The Honorable Phil Mendelson

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streets and infrastructure. DDOT must securely store any data received and bind any third-party contractors to non-disclosure agreements because the information is considered personal information. The bill also requires DDOT to install signage or pavement markings on main routes headed into the Central Business District,² where sidewalk riding is prohibited, and 200 bicycle racks annually by October 1st each year through October 1, 2024 to support the safe operation and parking of shared fleet devices.

The bill also imposes specific requirements on how permitted operators manage their fleets and what components the shared fleet devices must have. Operators must start each day with at least 3 percent of their fleets located in each ward³ unless the operator has a fleet of less than 200 shared fleet devices. However, the bill prohibits operators from deploying devices within 300 feet of an elementary school, middle school, or senior wellness center. Operators must equip all devices with a lock-to mechanism by October 1, 2021 so that users can lock a device to a rack or other infrastructure when ending a ride and parking. Operators must remove or reposition any illegally parked devices within two hours of a being notified of a violation. Operators are required to equip devices with safety apparatus, including headlights, taillights, reflective markings, audible signals, and a speed governor. Operators must also display its name, logo, and contact information on devices and provide a 24-hour toll-free customer service line.

Operators must provide educational information on safe operations⁴ and legal parking of shared fleet devices and offer an optional monthly in-person or virtual educational course on using the operator's devices. Operators can offer to ship helmets to any user at a price agreed upon with DDOT. Operators need to compile crash and injury data associated with shared fleet device usage and comply with police requests regarding any devices involved in an incident. This data must be aggregated and shared with DDOT. Operators need to make available on their website or app information regarding the recyclability of devices or their component parts.

The bill includes amendments to ensure shared fleet devices are treated like pedestrians and bicyclists when they are legally used on sidewalks and to make it illegal to operate a shared fleet device while under the influence of alcohol or drugs.⁵ There are several conforming amendments to ensure that shared fleet devices are not subject to certain laws governing motor vehicles⁶ and that they are subject to laws and rules for bicycles, motorized bicycles, and personal mobility devices.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2020 budget and the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. DDOT currently operates a program to regulate and permit shared fleet rental operators and their devices and the bill's provisions largely codify that

² Definitions, effective April 24, 2020 (18 DCMR § 9901; 67 DCR 4555).

³ This fleet balancing needs to occur between 5:00 a.m. and 7:00 a.m. daily.

⁴ Users must be at least 16 years of age, wear helmets if under 18 years of age, legally park devices, abide by cargo restrictions, only ride in designated areas, and not ride with passengers.

⁵ The bill imposes a fine of up to \$150 for driving while under the influence.

⁶ This includes laws regulating inspections, insurance, taxation, and enforcement.

The Honorable Phil Mendelson

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program. DDOT can absorb any provisions that require enhancements to the current regulated program with its existing budgeted resources.

The bill requires DDOT to install 200 racks annually through fiscal year 2024. In its approved fiscal year 2021 budget, DDOT has funding for the installation of 150 racks. There is no funding for the installation of racks beyond fiscal year 2021. DDOT requires funding to install an additional 50 racks in fiscal year 2021 and 200 annually thereafter through fiscal year 2024. These bike racks will cost approximately \$40,000 in fiscal year 2021 and \$523,000 over the four-year financial plan period. DDOT can absorb the costs to install signage or pavement markings along major routes headed into the Central Business District with its existing budgeted resources.

The bill makes the operators responsible for educational programs, device safety apparatus, data collection, and compliance and they will bear the burden of any costs associated with these requirements.

Shared Fleet Devices Amendment Act of 2020					
Bill 23-193					
Implementation Costs					
Fiscal Year 2021 - Fiscal Year 2024					
(\$ thousands)					
	FY 2021	FY 2022	FY 2023	FY 2024	Total
Bicycle Racks	\$40	\$161	\$161	\$161	\$523