

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: March 3, 2003

SUBJECT: Fiscal Impact Statement: Towing Regulations

REFERENCE: Public Resolution 15-053 as Introduced

Conclusion

Funds are not sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the proposed towing regulations. **Implementing the new regulations will cost the District approximately \$100,000 in FY 2003 and \$400,000 for FY 2003 through FY 2006.**

Background

The proposed rulemaking amends the District of Columbia Municipal Regulations' chapter on Towing Service for Motor Vehicles to: establish procedures for licensure of towing service providers; establish rules pertaining to public (non-consensual) tows and private (consensual) tows; establish new, specific requirements for tow truck equipment and markings; identify specific prohibited acts; and establish new penalty and enforcement procedures.

Financial Plan Impact

The inspection and enforcement responsibilities assigned to the Department of Community and Regulatory Affairs (DCRA) in the new towing regulations will result in increased resource needs for DCRA. Random inspections by three investigators are estimated to cost \$5,000. Scheduled inspections by three investigators are estimated to cost \$20,000. Investigations of towing complaints are estimated to cost \$70,000. DCRA also will require an additional leased vehicle at a cost of \$5,000. This amounts to a total

negative fiscal impact of \$100,000 in FY 2003 and a combined total negative fiscal impact of \$400,000 for FY 2003 through FY 2006.

FY 2003	FY 2004	FY 2005	FY 2006	4 - Year Total
\$100,000	\$100,000	\$100,000	\$100,000	\$400,000