

**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
Office of the Chief Financial Officer

DATE: July 1, 2008

SUBJECT: Fiscal Impact Statement – “Taxation Without Representation Federal Tax Pay-Out Message Board Installation Act of 2008”

REFERENCE: Bill Number 17-28 – Draft Committee Print dated June 17, 2008

Conclusion

The total estimated cost of the two proposed message boards required by this Act is \$55,000. Funds for the message board to be installed adjacent to the front wall of the John A. Wilson Building have been identified in the Wilson Building Capital Fund; however, funds have not yet been identified for the message board to be placed within 200 feet of the new baseball stadium.

Background

The proposed legislation would require the Council of the District of Columbia to install, adjacent to the outside front wall of the John A. Wilson Building, a programmable electronic message board sign showing the dollar amount of federal taxes paid by the residents of the District of Columbia. The sign would be required to be large enough for the public to easily read, and should be designed and placed in a location so as not to deter from the architectural character of the exterior of the John A. Wilson building.

The proposed bill would also require the Mayor to install, on public space within 200 feet of the new baseball stadium, a programmable electronic message board sign showing the dollar amount of federal taxes paid by the residents of the District of Columbia. The sign would be required to be large enough for the public to easily read, and should be designed and placed in a location so as not to deter from the architectural character of the exterior of the stadium.

The proposed bill would require that preference be given to businesses certified as small, local, or disadvantaged business enterprises by the Department of Small and Local Business Development for the design, manufacture, installation, and maintenance of the signs.

Financial Plan Impact

The total estimated cost of the two proposed message boards required by this Act is \$55,000. Funds for the message board to be installed adjacent to the front wall of the John A. Wilson Building have been identified in the Wilson Building Capital Fund; however, funds have not yet been identified for the message board to be placed within 200 feet of the new baseball stadium.

Using assumptions provided to the Office of the Chief Financial Officer (OCFO) from Gelberg Signs, Inc., a District of Columbia Certified Business Enterprise,¹ the cost of each sign would be approximately \$27,500, for a total of \$55,000. It is expected that these would be one-time costs and that ongoing costs to operate the signs, including electricity costs,² would be negligible.

These costs represent a mid-point estimate based upon the requirements identified in the proposed legislation. The actual cost of the signs may be higher or lower depending on Council and Mayoral decision-making after enactment of the bill.

¹ According to the Department of Small and Local Business Development, Gelberg Signs, Inc. receives preference points for being a local business enterprise (LBE), small business enterprise (SBE), and longtime resident business (LRB).

² Given that each LED sign would be "green," using only about 130 watts of electricity, the ongoing electricity cost would be approximately \$22.00 per year, according to an electrical service manager at Gelberg Signs, Inc.