

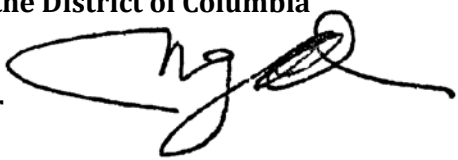
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** May 15, 2012

**SUBJECT:** Fiscal Impact Statement – “Department of Motor Vehicles Reciprocity Amendment Act of 2012”

**REFERENCE:** Draft Bill shared with the Office of Revenue Analysis on May 7, 2012

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**Conclusion**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

The Department of Motor Vehicles (DMV) runs a reciprocity permit program that exempts temporary residents from registering their motor vehicle in the District. Under current law, full-time students, members of Congress, presidential appointees, active U.S. military personnel, diplomats, and other temporary residents<sup>1</sup> are exempt from registration as long the vehicles and drivers are all legally registered in another jurisdiction or through the State Department and the driver can show proof of his or her temporary status. The bill adds two new exceptions to the registration requirements and imposes a \$338 fee for a reciprocity permit:

- a legal nonresident who owns real property and is a part-time resident; and
- a vehicle belonging to a corporation or other entity that is being used by an employee who is domiciled in the District

**Financial Plan Impact**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill. DMV currently offers an option<sup>2</sup> for corporate vehicles to register in the District, but not for part-time residents. The \$338 fee is higher than what DMV

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<sup>1</sup> The permit for temporary residents is non-renewable and only valid for six months.

<sup>2</sup> DMV will register, but not title, corporate vehicles used by District residents for a fee of \$72 or \$115.

The Honorable Kwame R. Brown

FIS: Draft Bill "Department of Motor Vehicles Reciprocity Amendment Act of 2012," as shared with the Office of Revenue Analysis on May 7, 2012.

currently charges for corporate vehicle registration and is new for part-time residents. These fees will result in positive revenues for the District, but DMV does not track requests for these residents and sufficient data is not available to certify additional revenues.