

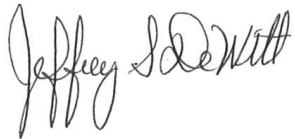
Government of the District of Columbia  
Office of the Chief Financial Officer



**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:** November 29, 2016

**SUBJECT:** Fiscal Impact Statement – Vehicle-for-Hire Accessibility Amendment Act of 2016

**REFERENCE:** Bill 21-540, Draft Committee Print as shared with the Office of Revenue Analysis on November 29, 2016

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**Conclusion**

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. It will cost \$2.3 million beginning in fiscal year 2018 and \$6.5 million over the four year budget and financial plan.

**Background**

The bill renames the Disability Taxicab Advisory Committee the Vehicle-for-Hire Accessibility Advisory Committee and adds private vehicle-for-hire companies and operators to the Committee's representation. The bill formalizes the structure of the Committee to include a chairperson elected from among the community representatives, quarterly meetings, and administrative support from the Department of For-Hire Vehicles (DFHV). The Committee also must publish its annual report on for-hire vehicle accessibility online in lieu of submitting it to the Mayor and the Council.

The bill requires public and private for-hire vehicle companies to maintain records about wheelchair-accessible service requests for three years, including the number of filled and unfilled requests, the ZIP codes of trip origination and termination, and the method by which the trip was requested. This information must be shared with DFHV annually. Digital dispatch companies will also be required to provide a digital option to request wheelchair-accessible transportation or refer a wheelchair passenger to a company that can fulfill the request.

The bill also offers a corporate or unincorporated business<sup>1</sup> tax credit for any for-hire vehicle owner who converts an existing vehicle or puts a new vehicle into service that is wheelchair-accessible. The Mayor must review and approve tax credit applications for up to \$10,000 of the cost of a vehicle upgrade, or the cost of a new vehicle. The vehicle owner has two years to put the vehicle into service as an accessible public for-hire vehicle and must notify the Mayor if the vehicle is sold or taken out of service. The credit is refundable and is available for tax years beginning after January 1, 2017, but before January 1, 2022.

### Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. It will cost \$2.3 million beginning in FY 2018, and \$6.5 million over the four year budget and financial plan.

There are over 200 wheelchair-accessible public for-hire vehicles in service in the District among over 6,500 total vehicles. The \$10,000 tax credit, available beginning tax year 2017, will cost approximately \$2.2 million annually beginning in fiscal year 2018. This assumes that public for-hire vehicle companies will continue to increase the number of accessible vehicles due to the mandated thresholds<sup>2</sup> – which are not currently being met – and the proposed tax credit. This also assumes that non-company owned for-hire vehicle owners will grow at a similar rate.<sup>3</sup>

<b>Vehicle-for-Hire Accessibility Amendment Act of 2016</b>					
<b>Bill 21-540</b>					
<b>Cost of Refundable Tax Credit</b>					
<b>FY 2017 – FY 2020</b>					
	<b>FY 2017<sup>a</sup></b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020<sup>b</sup></b>	<b>Total</b>
<b>Tax Credit</b>	\$0	\$2,294,000	\$2,294,000	\$1,960,000	\$6,548,000

#### Table Notes

<sup>a</sup> The first year of the credit is tax year 2017 which would be paid out in fiscal year 2018.

<sup>b</sup> The last mandated threshold for companies is 20 percent by the end of 2018. There is no additional mandate to further incentivize new accessible vehicles, so the number of tax credit requests is expected to decline slightly in tax year 2019 (redeemable in fiscal year 2020).

The requirements for companies to maintain and share information about wheelchair-accessible trips and trip requests is the responsibility of private companies and will not require any additional resources at DFHV. The requirement for digital dispatch companies to provide a wheelchair selection on their digital platforms or to make a referral to another company is also a private company responsibility and will not require additional DFHV resources.

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<sup>1</sup> Title 47, D.C. Code Enactment Act of 1996, effective April 9, 1997 (D.C. Law 11-254; D.C. Official Code §§ 47-1807.01 and 47-1808.01 et seq.).

<sup>2</sup> Taxicab Service Improvement Amendment Act of 2012, effective October 22, 2012 (D.C. Law 19-184; D.C. Official Code § 50-301.25).

<sup>3</sup> Company owned vehicles increased the number of accessible vehicles by approximately 294 percent between 2014 and the end of 2016 while non-company owned vehicles grew by approximately 282 percent over the same time period. This similar growth pattern occurred while companies were responsible to meet a threshold of 12 percent accessible vehicles by the end of 2016.

The Honorable Phil Mendelson

FIS: Bill 21-540, "Vehicle-for-Hire Accessibility Amendment Act of 2016," Draft Committee Print as shared with the Office of Revenue Analysis on November 29, 2016

The Vehicle-for-Hire Accessibility Advisory Committee currently exists under a different name, but its functions will remain largely the same. DFHV can absorb any costs associated with changes to the Committee.