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

**Glen Lee**
Chief Financial Officer

**MEMORANDUM**

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| **TO:** | **The Honorable Phil Mendelson**<br>**Chairman, Council of the District of Columbia** |
| **FROM:** | **Glen Lee**<br>**Chief Financial Officer** |
| **DATE:** | **November 19, 2026** |
| **SUBJECT:** | **Fiscal Impact Statement – Vending Modernization Amendment Act of 2026** |
| **REFERENCE:** | **Bill 26-332, Draft Committee Print as provided to the Office of Revenue Analysis on November 17, 2026** |

## Conclusion

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The Department of Licensing and Consumer Protection (DLCP) requires $784,000 in fiscal year 2027 and $3.95 million across the financial plan to implement the bill. The bill's change to the quarterly minimum sales tax payments from vendors is projected to have a de minimus impact on revenue.

## Background

District law[1] restricts vending from a public space during permitted hours[2] to persons who hold a basic business license, a vending site permit issued by the Mayor, or meet certain exemptions (including an employee/youth assisting a licensed vendor, vending at a licenses special event, or vending at a farmer's market). DLCP issues vending licenses and permits for vending.[3] The bill

[1] Vending Regulation Act of 2009, effective October 22, 2009 (D.C. Law 18-71; D.C. Official Code § 37-131.02).
[2] Permitted hours are Sunday through Thursday, from 5:00 a.m. to 12:00 a.m.; and Friday and Saturday from 5:00 a.m. to 1:00 a.m. the next day; provided, that vendors operating in Residential Zones do not vend past 10:00 p.m. on any night of the week.
[3] Department of Licensing and Consumer Protection. (2025, September 2). Vending Steps to Licensing. Retrieved from DC Department of Licensing and Consumer Protection: https://dlcp.dc.gov/page/vendinglicensingsteps#:~:text=The%20Department%20of%20Licensing%20and

creates two new specific vending licenses: a sidewalk vending license for vending from the sidewalk or other non-roadway location, and a mobile vending license, for vending from trucks in the portion of a roadway reserved for parking.

Under the bill, a person may vend from a sidewalk or other public space other than a roadway, if they:

- Hold a sidewalk vending license .
- Hold any other required permits or authorizations, including a vending location permit.
- Vend only at an authorized sidewalk vending location during authorized hours.

Similarly, a person may operate from a mobile vending location only if they are a licensed[4] mobile vendor[5] and have a vending location permit issued specifically for that spot. A vending location permit is issued by the Mayor authorizing a vendor to vend in public space at a specific location, and includes a sidewalk vending license and mobile license. Under the bill, the authorized exemptions to requiring a sidewalk vending license or mobile vending license are similar to current law, except that the farmer's market exemption is changed to a licensed public market exemption and the bill establishes a new exemption for a "brick-and-mortar partner," where a sidewalk vendor is permitted to sell merchandise or consumables produced by a business licensed in the District under a partnership agreement.

District law[6] requires the Mayor to designate specific vending locations on sidewalks, roadways, and other public spaces. The bill allows the Mayor to identify vending locations and sidewalk vending zones with pavement markings, signs, or other visual indicators.

The bill changes the process of assigning vending locations under vending site permits. Currently[7], vending locations are assigned through lotteries conducted by the Mayor. The bill amends current law to reference sidewalk vending locations and mobile vending locations. A sidewalk vendor[8] licensed before the effective date of the bill is permitted to continue using the vending location listed on their license until the license expires or is revoked, and no other vendor may use that spot during that time.

The bill specifies characteristics of locations where sidewalk vending and mobile vending may not occur, including specific distances from police and fire stations, Metro bus stops and railway entrances, loading zones, and diplomatic parking space. Mobile vending locations are also prohibited within an area under the exclusive jurisdiction of the United States Park Police, the United States Capitol Police, or any other agency of the United States government. If specific locations are not designated to sidewalk vendors per rule or under licenses previously issued and not expired, a sidewalk vendor may vend from any designated sidewalk vending location. Mobile vending locations shall be assigned by lottery, unless the Mayor establishes an alternate means of assignment by rule.

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%20Consumer%20Protection%20(DLCP)%20is%20excited,Business%20Licensing%20Portal%20vending%20application.

[4] The bill defines this as a basic business license that authorizes a person to sell food, goods, merchandise, and services from a mobile vending location.

[5] The bill defines this to mean a person who sells or offers food, goods, merchandise, or services while occupying a portion of roadway.

[6] D.C. Official Code § 37–131.03.

[7] D.C. Official Code § 37-131.04.

[8] The bill defines this as a person who sells or offers food, goods, merchandise, or services from public space other than a roadway.

The bill repeals Vending Development Zones[9] (VDZ), or areas where the Mayor could waive certain regulatory provisions as long as a procedure for reviewing applications for the establishment of a VDZ was enacted through rulemaking.

The bill makes it illegal to parkany vehicle at a mobile vending location unless it is an authorized vending truck and only during the permitted operating hours. The bill further prohibits storing merchandiseor other vending property or equipment in public space outside of authorized vending hours.

Current law[10] authorizes the Mayor to require permits for public and farmers markets operating on public property. The Mayor may also require that managers of these markets, whether on public or private property, be licensed. The bill repeals the requirement that the Mayor create a centralized online application system to streamline licensing and permitting for farmers markets by January 1, 2028.[11] Instead, the bill requires the Mayor to create a centralized online application system[12] that streamlines licensing and permitting for vendors and farmers markets. The system must allow applicants to submit all required documents to one agency, share those documents with other relevant agencies, display real-time application status and missing requirements, and notify applicants when each license or permit is approved.
Applicants for sidewalk vending or mobile vending licenses, vending location permits, or any other required vending permits cannot be required to undergo a criminal background check or provide a certified criminal history report at any point in the application process. This is a conforming change for District law[13], which currently references applicants for basic business license and a vending site permit. The bill makes further conforming changes to District law[14] to reference vending trucks, carts, and stands at it relates to design standards.

The bill authorizes the Mayor is to seize merchandise and vending property, such as carts and stands, that is used on public space if the vendor lacks required authorization and fails to provide proof when asked, presents altered or falsified authorization, displays falsified authorization at the vending site, or leaves merchandise or vending property in public space outside of authorized vending hours. The seizure may occur without a prior hearing, but the Mayor must first hand deliver a notice of infraction and seizure[15]. The Bill also allows the Mayor to seiz ea vending truck, without a prior hearing and upon issuing a notice of infraction[16], when the operator is vending without authorization, fails to provide proof of authorization when asked, or is operating the vending truck illegally in public space. Towing and impoundment may also occur when the vending truck is illegally parked, or parked in a mobile vending location after authorized vending hours. If towing is not immediately available, the Mayor may immobilize the vehicle until towing can occur.

[9] D.C. Official Code § 37–131.05.
[10] D.C. Official Code § 37–131.06.
[11] The system must allow markets to submit all required documents to one agency, share those documents with other relevant agencies, display application status and missing items, and notify applicants when each license or permit is approved. Additionally, the Mayor must publicly post the standard requirements for operating a farmers market, farm stand, or mobile market in the District.
[12] By January 1, 2028.
[13] D.C. Official Code § 37–131.06a.
[14] D.C. Official Code § 37–131.06b.
[15] The bill provides alternatives when the person selling the merchandise is not the business owner or the vendor is not present.
[16] Notices must also be provided to lienholders.

The bill permits a vendor or owner to reclaim seized merchandise or property by paying the seizure, transportation, and storage fees. Anyone reclaiming property after receiving only a notice of seizure must provide their legal name, address, identification, and proof of ownership or right to possess the items, after which the Mayor may issue an notice of infraction. To reclaim a vending truck, a vending truck owner or a person duly authorized by a vending truck owner, must show they are licensed to operate in the District or demonstrate a reasonable or good faith effort to become licensed; pay the impoundment and towing fees, if applicable, for the impounded vending truck; and provide proof of entitlement to possession of the vehicle. The bill sets the maximum rates for the towing of a vending truck at $750 within the District; $20 per mile beyond the District, and $75 for storage per 24-hour period. The bill permits a private tow company to charge more than the standard towing fee if it submits a written request and receives approval from the DLCP Director, but the fee cannot exceed three times the normal maximum rate. The Mayor is authorized to contract with private entities to handle towing, impoundment, storage, release, and related services.

The bill requires all notices of seizures and impoundment issued to vendors to include information on hearing and appeal rights[17]. Sidewalk vendors whose property was seized have fifteen business days to request an expedited hearing; mobile vendors have three business days to do so. The Office of Administrative Hearings (OAH) must hold the hearing within three business days of the request and issue a decision within ten business days after the hearing. If the underlying violation is dismissed or overturned with no remaining appeals, the vendor or owner is entitled to a refund of all seizure-related fees, including, for vehicles, impoundment, towing, and immobilization fees, plus up to three days of storage costs. A person whose seized merchandise or property is not reclaimed within 21 days[18] after seizure and is subsequently sold, destroyed, or otherwise disposed of, may still recover the fair market value if they timely requested a hearing; the Administrative Law Judge dismisses the NOI, and the person proves the fair market value by a preponderance of the evidence.[19]

The bill establishes a new definition for a civil enforcement officer[20] to mean a person authorized to enforce the provisions of the bill, except for officers or members of the Metropolitan Police Department (MPD).[21] The bill establishes vending without the required license or permit; vending from an unauthorized location; failing to display a vending license; knowingly altering or falsifying required authorizations; and failing to produce a license or authorization when asked by a civil enforcement officer as Class 1 civil infractions that may result in fines or the removal and/or impoundment of vending materials.
The bill makes conforming edits to sidewalk vending zone provisions of current law and also allows theatres, sports venues, and entertainment venues to submit a written request to the Mayor for the establishment of a sidewalk vending zone. The bill repeals this allowance for citizens associations.

[17] Section 201(b) of the Civil Infractions Act (D.C. Official Code § 2-1802.01(b)).
[18] Or such later date as may be set forth in the notice of infraction and seizure or notice of seizure, or such earlier date in the case of seized merchandise or property that is likely to perish or be greatly reduced in value by or after its seizure or for which the expense of keeping the merchandise or property is disproportionate to its value.
[19] If the Mayor sold the property, the sale price paid by a good-faith purchaser is presumed to be the fair market value unless rebutted.
[20] The phrase "enforcement officer" is struck each time it appears and the phrase "civil enforcement officer" is inserted in its place.
[21] Nothing in D.C. Official Code § 37–131.08 is to be construed to restrict the authority of a law enforcement officer, as defined in D.C. Official Code § 23-501, to enforce any other provisions of the law against a person who is vending.

The bill extends the timeline of the Street Vending Amnesty Program[22] for applicants with minimum sales tax payments owed[23] from 2010 through the effective date of the bill.[24] DLCP administers the Street Vending Amnesty Program[25], which is available to applicants for five years to allow street vendors with certain debt to qualify to obtain vending licenses.

Under the bill, street vendors must file a sales tax return each quarter and pay the minimum sales tax (MST) if they collected less than the required MST amount, which is $500 for mobile vendors and $50 for sidewalk vendors. MST payments must follow procedures set by the Office of Tax and Revenue (OTR), and unpaid MST is treated as unpaid sales tax, with all applicable penalties.

The bill transfers statutory responsibility for providing a home occupancy permit for a microenterprise home kitchen business from DLCP to the Department of Buildings (DOB).[26] DOB is responsible for issuing these permits.

**Financial Plan Impact**

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. DLCP requires $784,000 in fiscal year 2027 and a total of $3.95 million through fiscal year 2030. These costs assume DLCP can manage all of the towing and impoundment requirements under private contract so that the Department of Public Works is not impacted. The bill's change to the quarterly MST payments from vendors is projected to have a de minimus impact on revenue.

**Bill 26-332, Vending Modernization Amendment Act of 2026**
**Total Costs, Fiscal Year 2027 – Fiscal Year 2030**

| | FY27 | FY28 | FY29 | FY30 | Total |
|---|---|---|---|---|---|
| Geographic Information System (GIS) Analyst | 46,328 | 94,509 | - | - | 140,837 |
| Field Surveyor | 62,158 | 126,802 | - | - | 188,960 |
| Manager | 60,000 | 122,400 | 124,848 | 127,345 | 434,593 |
| Administrative Support Specialist | 46,328 | 92,656 | 94,509 | 96,399 | 329,892 |
| Program Coordinator | 37,447 | 76,391 | 77,919 | 79,477 | 271,233 |
| Enforcement/ Investigators | - | 152,782 | 155,837 | 158,954 | 467,573 |
| Attorney Advisor | - | 121,512 | 123,942 | 126,421 | 371,874 |
| Property Control/Inventory Personnel | - | 63,401 | 64,669 | 65,963 | 194,033 |

[22] D.C. Official Code § 37–131.08c.
[23] Pursuant to § 47-2002.01.
[24] The bill makes a conforming change in D.C. Official Code § 47–2002.01(e)(3).
[25] Section 9c of the Street Vendor Advancement Amendment Act of 2023, effective July 1, 2023 (D.C. Law 25-21; D.C. Official Code § 37-131.08c).
[26] D.C. Official Code § 7–742.11(3)(c).

| Bill 26-332, Vending Modernization Amendment Act of 2026<br>Total Costs, Fiscal Year 2027 – Fiscal Year 2030 | | | | | |
|---|---|---|---|---|---|
| | **FY27** | **FY28** | **FY29** | **FY30** | **Total** |
| Fringe | 61,804 | 208,361 | 157,222 | 160,367 | 587,754 |
| **Subtotal: Personnel** | **314,064** | **1,058,814** | **798,947** | **814,925** | **2,986,750** |
| Vending Portal | 300,000 | 36,000 | 36,720 | 37,454 | 410,174 |
| GIS and Property Databases; other software | 105,000 | 15,300 | 15,606 | 15,918 | 151,824 |
| Computers, printers and supplies | 65,000 | 10,000 | 10,200 | 10,404 | 95,604 |
| Tow Contractor Services | | 100,000 | 102,000 | 104,040 | 306,040 |
| **Subtotal: Nonpersonal Services** | **470,000** | **161,300** | **164,526** | **167,817** | **963,643** |
| **Total Costs** | **784,064** | **1,220,114** | **963,473** | **982,742** | **3,950,393** |

DLCP's budget for the street vending compliance program was eliminated in the fiscal year 2027 budget. DLCP will require new program staff to establish the bill's authorized sidewalk and mobile vending locations and to enforce licensing and location permit requirements for vendors, including using the bill's seizure and impoundment authorities. In fiscal year 2027, DLCP requires a total of five staff to establish the vending compliance program. Two field surveyors and a GIS mapping analyst will be required through fiscal year 2028 to establish sidewalk vending locations and mobile vending locations that fit the allowed parameters of the bill. Field surveyors will physically assess potential vending locations by measuring clearances and identifying potential conflicts with pedestrian access, building entrances, fire hydrants, Metro entrances, driveways, bus stops, and other restricted areas. The GIS mapping analyst will develop and maintain the location database, incorporate field survey findings, and update the availability and assignment status of vending locations. An administrative support specialist will be needed to manage enforcement records, notices, hearings, seizure-case tracking, reclamation deadlines, documentation, statutory deadlines, and correspondence. A program coordinator will oversee location assessments, coordinate with relevant agencies such as the District Department of Transportation and the Department of Public Works , maintain the inventory of available locations, and manage the location assignment process. Finally, DLCP requires a new manager to oversee this staff and the enforcement staff (outlined below).

After the program is fully established, DLCP will need to have staff to carry out the bill's enforcement provisions. Starting in fiscal year 2028, the program will also require two new investigators to verify licensing and issue infraction notices; an attorney advisor to address enforcement authority and support expedited hearings regarding seizure and impoundment disputes; and an employee for property/inventory control to keep track of the items that are seized, record/log them, and maintain the inventory.

Total personnel costs for DLCP, including fringe, are $314,000 in fiscal year 2027 and approximately $3 million over the financial plan.

DLCP will also require nonpersonal budget in the total amount of $410,000 in fiscal year 2027 and $893,000 through fiscal year 2030. This cost includes programming for the centralized online

application system, costing $300,000 in fiscal year 2027 for development and $36,000 annually thereafter for maintenance. Additional software and databases required for the program, including vending location development and seized property tracking will cost $105,000 in fiscal year 2027 and $152,000 over the financial plan. Supplies, including staff computers, phones, mobile printers, and supplies to set up seized property storage will require $65,000 in fiscal year 2027 and $96,000 over the financial plan. Finally, a contract with a private towing company is expected to cost $100,000 annually, beginning in fiscal year 2028.

The bill's provisions that allow a vendor to request an expedited hearing at OAH in response to a DLCP notice of violation may put pressure on OAH's current caseloads to the extent vendors request expedited hearings. While additional resources for OAH are not included in this fiscal impact, the bill will require OAH to prioritize expedited hearings, and other cases at OAH will receive a corresponding delay.

The bill's provisions extending the vending amnesty program are not projected to cause a loss of revenue. OTR can continue to provide notice of the amnesty program using existing resources. The bill changes the quarterly required MST amounts for vendors. Currently, all vendors who do not owe more than the quarterly minimum sales tax of $375 must pay and file the $375, regardless of whether they are vending from a sidewalk or from a food truck. The bill establishes new distinct minimum payments for each vendor type. A sidewalk vendor will owe quarterly minimum sales tax of $50, while a mobile vendor will owe quarterly minimum sales tax of $500. Office of Revenue Analysis assumes that increased minimum tax payments from mobile vendors will offset reduced collections from sidewalk vendors, for a de minimus cost. However, current vendor sales tax filings do not indicate the type of vendor filing the tax, so there is some uncertainty in this estimate.