

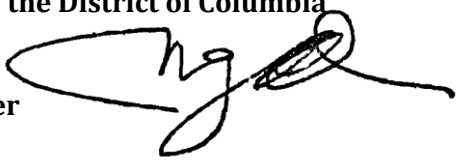
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

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

**DATE:** November 27, 2012

**SUBJECT:** Fiscal Impact Statement – “Basic Business License Renewal Amendment Act of 2012”

**REFERENCE:** Bill 19-825 – Draft Committee Print as shared with the Office of Revenue Analysis on November 26, 2012

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**Conclusion**

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

**Background**

Under current law<sup>1</sup>, basic business licenses must be renewed every two years. The bill gives licensees the option to choose a four-year renewal period. The fee for a four year renewal under the bill is twice the amount charged for a two year renewal, and it must be paid up front.

**Financial Plan Impact**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill does not change the total fees to renew a business license, so total revenues during the four year financial period will be sustained.

The Department of Consumer and Regulatory Affairs (DCRA) special purpose fund<sup>2</sup> that collects the fees may see an increase in revenue at the start of the four year financial period, if businesses choose the four year renewal option. However, because the fund is non-lapsing, and renewal fees must be paid up front, the change in timing of revenue receipts will not affect overall agency funding.

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<sup>1</sup> D.C. Official Code § 47-2851.09.

<sup>2</sup> Basic Business License fund, D.C. Official Code § 47-2851.13.

The Honorable Phil Mendelson

FIS: Bill 19-825, "Basic Business License Renewal Amendment Act of 2012," Draft Committee Print shared with the Office of Revenue Analysis on November 26, 2012

Additionally, DCRA estimates a cost of \$300,000 to update information technology systems to accommodate the change in renewal options. The agency has stated it can absorb this in its current budget.