MURIEL BOWSER
MAYOR

MAR - 3  2017

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A Wilson Building
1350 Pennsylvania Avenue, NW Room 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is a measure entitled the “Business License Technology Fee Reauthorization Emergency Amendment Act of 2017” and the accompanying declaration and temporary.

The enclosed measure will approve a business licensing technology fee assessed between January 14, 2014 – January 20, 2017, despite lapsed authorization.

On May 25, 2010, the Department of Consumer and Regulatory Affairs promulgated emergency and proposed rules establishing a 10% technology fee to be added to each new business license issued in the District, with the new fee set to take effect on June 1, 2010. The agency extended the emergency rules on September 17, 2010 and adopted final rules on December 24, 2010. The rules included a sunset date of October 1, 2013. On August 9, 2013, DCRA issued a notice of proposed rulemaking eliminating the sunset date. The agency eliminated the sunset date on an emergency basis September 17, 2013 (expired January 15, 2014). At the request of the Mayor, the Chairman introduced PR20-579 on December 3, 2013 to adopt the proposed rulemaking dropping the sunset date. The resolution was deemed approved on February 11, 2014. After identifying the lapse, the agency issued a Notice of final Rulemaking on January 20, 2017. The final rulemaking formally approves the assessment of the fee from January 20, but Council approval is still required for the fee assessed between January 2014 and January 2017.

I urge prompt consideration and approval of this measure.
If you have questions on this matter, please contact Melinda Bolling, Director, Department of Consumer and Regulatory Affairs, at (202) 442-8935.

Sincerely,

[Signature]
Muriel Bowser

Enclosures
A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, Title 17, Chapter 5 of the District of Columbia Municipal Regulations to reauthorize the technology enhancement fee.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Business License Technology Fee Reauthorization Temporary Amendment Act of 2017”.

Sec. 2. Section 500.4 of Chapter 5 (Basic Business License Schedule of Fees) of Title 17 (Business, Occupations, and Professions) of the District of Columbia Municipal Regulations is amended to read as follows:

“500.4 Starting on October 1, 2010, the Director shall charge an additional fee of ten percent (10%) on the total cost of each basic business license to cover the costs of enhanced technological capabilities of the basic business licensing system.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved
December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(l)), and publication in the
District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.
MEMORANDUM

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

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: March 2, 2017

SUBJECT: Fiscal Impact Statement – Business License Technology Fee Reauthorization Amendment Act of 2017

REFERENCE: Draft bill provided to the Office of Revenue Analysis on February 23, 2017

Conclusion

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

Background

The bill approves the continued collection of a 10 percent fee on the cost of each basic business license by the Department of Consumer and Regulatory Affairs, and retroactively approves the fee collection that has occurred since 2013.

The fee was established 2010 to pay for enhancing the basic business licensing information technology system at DCRA, and was set to expire on October 1, 2013. In August 2013, a DCRA rulemaking, approved by Council in February 2014, extended the fee. However, DCRA did not publish the final rulemaking until January 2017. Despite the gap in time between Council approval and publishing the final rulemaking, the fee has continued to be collected after the 2013 expiration date. The bill retroactively authorizes the collection during that gap.

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1 By amending Section 500.4 of Chapter 5 (Basic Business License Schedule of Fees) of Title 17 of the District of Columbia Municipal Regulations.
2 See D.C. Official Code § 47-2851.01, et seq. for more on Basic Business Licenses.
4 As published in the D.C. Register on August 9, 2013 (60 DCR 11636)
The Honorable Phil Mendelson

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. Continuing the collection of the fee does not have a fiscal impact.
MEMORANDUM

TO: Lolita S. Alston  
   Director  
   Office of Legislative Support

FROM: Janet M. Robins  
   Deputy Attorney General  
   Legal Counsel Division

DATE: February 24, 2017


This is to Certify that this Office has reviewed the above-referenced draft legislation and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

Janet M. Robins