

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: September 26, 2017

SUBJECT: Fiscal Impact Statement – DMV Services Amendment Act of 2017

REFERENCE: Bill 22-118, Draft Committee Print as shared with the Office of Revenue Analysis on August 25, 2017

Conclusion

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

Background

The bill amends a number of practices at the Department of Motor Vehicles (DMV).

The bill extends the grace period to 60 days before a non-District resident must obtain a District driver's license and register his or her vehicle. Currently, DMV gives licensed drivers who move to the District a 30-day grace period to obtain a District license and register a vehicle (if applicable) registered in his or her former jurisdiction. If the individual does not obtain a District license or register a car, and is not otherwise exempt,¹ he or she can obtain a part-time resident, 180-day reciprocity sticker.

Potential applicants for these and annual reciprocity stickers are a full-time college or university student in the District, a member of Congress or staff member, Presidential appointees, U.S. military personnel on active duty, diplomats, part-time residents, or District residents with non-District registered company vehicles. Applicants pay a fee of \$50, \$250, or \$338 depending on which reciprocity category they are eligible for. The bill allows DMV to charge \$20 for a replacement reciprocity sticker.

¹ See D.C. Official Code § 50-1401.02(c). Exempt individuals can include members of Congress, the President and Vice-President, presidential appointees, members of a foreign mission, and full-time higher education students.

The bill also allows the personal representative of a decedent to apply to the District for a transfer of a vehicle title from the deceased registered owner to the person entitled to receive it. The personal representative must include with the application a small estate order,² a letter of testamentary, or a letter of administration³ authorizing the representative to take action on the vehicle.⁴ The legal guardian of a minor can nominate an alternative recipient of the vehicle if the transfer was directed to the minor.

Under current law, the title transfer can only occur after the decedent's estate provides proof that all debts and taxes owed by the decedent have been satisfied.⁵

Financial Plan Impact

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the proposed resolution.

The additional 30 days to obtain a District license and register a vehicle in the District will not impact license or registration revenues and DMV can implement the bill within its existing resources. The Department of Public Works (DPW) enforces the 30-day limit through the issuance of a warning notice while enforcing the District's Registration of Out-of-State Automobiles (ROSA) exemption program.⁶ DPW will need to make changes to its enforcement system to accommodate the new 60-day grace period, but the agency can absorb any associated costs within its existing resources.

DMV has been charging \$20 for replacement reciprocity stickers in practice and codifying this charge will not increase DMV's costs or generate additional revenues.

The bill's transfer of title changes align District law with the current practices of DMV and there are no additional costs associated with the bill's implementation.

² A small estate order must include the vehicle on the list of assets.

³ Letters testamentary and letters of administration are documents a probate court issues authorizing the personal representative of an estate to settle the estate according to a will (testamentary) or the state's intestate succession laws (administration).

⁴ If the probate matter is initiated in another jurisdiction, the personal representative can present that jurisdiction's equivalent of a small estate order or letter of testamentary or administration.

⁵ District of Columbia Revenue Act of 1937, approved August 17, 1937 (50 Stat. 680; D.C. Official Code § 50-1501.02(e)(6)).

⁶ The ROSA exemption allows a recurring visitor (frequent, short-term visits) to avoid the District's vehicle registration requirement for up to one year.