

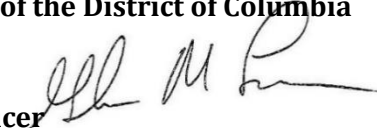
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: December 6, 2023

SUBJECT: Fiscal Impact Statement – Strengthening Traffic Enforcement,
Education, and Responsibility (“STEER”) Amendment Act of 2023

REFERENCE: Bill 25-425, Draft Committee Print as provided to the Office of Revenue
Analysis on November 29, 2023

Conclusion

Funds are not sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The bill’s implementation costs \$10.8 million in fiscal year 2024 and \$123.3 million over the four-year financial plan period. Administrative costs account for \$10.8 million in fiscal year 2024 and \$20.9 million over the financial plan, office space leasing costs account for \$4.1 million in fiscal year 2024 and \$17.1 million over the financial plan, and reduced traffic fine revenues account for \$85.3 million over the financial plan (beginning in fiscal year 2025).

Background

The bill requires the DMV to develop and administer a safe driving curriculum. The bill allows DMV to waive outstanding traffic fines for individuals who complete courses in DMV’s safe driving curriculum. The bill allows an individual to offset \$100 of outstanding traffic fines for each hour of safe driving courses taken, up to \$500 over a consecutive 12-month period. The bill also requires a driver whose vehicle has been immobilized or impounded as a result of accumulating ten points for speeding or reckless driving to participate in a safe driving course in order to release the vehicle.¹

The bill clarifies the codified definition of license to plainly state that it includes the privilege of a non-District resident to operate a motor vehicle in the District. The bill establishes a series of offenses

¹ Completing the safe driving course is in addition to the driver paying all outstanding fines, fees, charges, or penalties to release the vehicle.

whereby DMV should suspend a driver's license and vehicle registration for six months upon a conviction or failure to appear for a trial for a violation of one of the relevant offenses. The offenses include driving under the influence, operating a motor vehicle while impaired, committing homicide with a motor vehicle, leaving after a collision, committing aggravated reckless driving, using the vehicle in the commission of a felony, and committing any similar offense in another jurisdiction. The bill also ensures that DMV does not suspend the vehicle registration if the United States, District of Columbia, or other jurisdiction is the owner or lessee of the vehicle. The bill codifies a process for the Superior Court of the District of Columbia to transmit a final judgment of a conviction for a relevant offense to DMV, including when the final judgment calls for the revocation of a driver's license,² and the process for DMV to handle a final judgment of a nonresident. The bill establishes the conditions by which DMV can lift the suspension of a license or vehicle registration following a judgment. These conditions include the operator completing the six-month suspension period, paying a \$100 fee, enrolling in the Ignition Interlock Program,³ and enrolling in the Intelligent Speed Assistance Program.⁴

The bill formally defines an immobilization device and allows the District to designate a vehicle eligible to receive an immobilization device based on points assessed for traffic violations over a consecutive six-month period, including violations issued from the Automated Traffic Enforcement (ATE) program. Immobilization-eligible vehicles are those where the owner has two or more unpaid notices of infraction or vehicle conveyance fees, has received two or more warrants, or has been assessed ten or more points for convictions or sustained infractions according to the following point system:

Infractions/Offenses	Points
Speeding 11-15 miles per hour over the speed limit	2
Speeding 16-19 miles per hour over the speed limit	3
Speeding 20 miles per hour or more over the speed limit	4
Reckless Driving	4
Aggravated Reckless Driving	8

The bill expands the definitions of reckless and aggravated reckless driving and amends the penalties and enforcement options around both infractions. A driver commits reckless driving when they travel 20 miles per hour or more over the posted speed limit or travel in a manner that displays a conscious disregard for the risk of bodily injury or property damage. The bill reduces the penalty for a second reckless driving offense to be consistent with a first offense and maintains the penalty for a third or subsequent offense. A driver commits aggravated reckless driving when they travel 30 miles per hour or more over the posted speed limit or they travel 20 miles per hour more over the speed limit and cause bodily injury, collide with another vehicle, or cause \$1,000 or more in property damage. The bill reduces the penalty for a second aggravated reckless driving offense to be consistent with a first offense and maintains the penalty for a third or subsequent offense. The bill authorizes the DC Courts to consider offenses committed in other jurisdictions that would be considered reckless or aggravated reckless driving in the District as prior offenses. The bill also expands the authority of the Attorney General of the District of Columbia to bring a civil action against either an individual or a motor vehicle that is suspected of committing or being used to commit a reckless

² The bill requires DMV to act on a revocation judgment within 10 business days.

³ If the driver was intoxicated. D.C. Code § 50-2201.05a

⁴ If the driver was traveling at least 20 miles per hour over the speed limit during the commission of the offense that led to the suspension.

driving or aggravated reckless driving infraction. The Attorney General can seek monetary damages,⁵ attorney's fees, the suspension or revocation of a driver's license, and the immobilization or impoundment of a motor vehicle. The Attorney General can seek to enforce a final judgment in any court of competent jurisdiction related to the individual who committed the offense. The Attorney General cannot pursue a civil action if the individual has been convicted of either offense and is serving or has served the associated criminal penalty.

The bill enhances the processes, uses, and penalties associated with the Ignition Interlock Program. The bill requires the Metropolitan Police Department (MPD), when probable cause exists that an individual has committed a covered offense,⁶ to notify the individual that DMV will seek to revoke their license, that DMV could require them to enroll in the Ignition Interlock Program, that they have 10 days to seek a hearing, and that failure to request a hearing will result in immediate license revocation.⁷ Within 72 hours of interacting with the individual, the MPD officer should provide DMV with information about the driver, the officer, the covered offense alleged to have been violated, and the officer's available hearing dates. DMV must schedule a hearing for the individual within ten days of requesting the hearing or revoke their license if a hearing is not requested. If DMV determines that the individual has committed the covered offense by clear and convincing evidence and that the individual does not pose a safety risk to themselves or the public, then DMV should revoke their license, require them to participate in the Ignition Interlock Program, and issue them a restricted license. If DMV believes that the person is a risk to their own safety or the public, then DMV should not enroll them in the Ignition Interlock Program. An individual must participate in the Ignition Interlock Program for one year following the first commission of a covered offense, two years following a second offense, three years following a third offense, and indefinitely following a fourth offense. DMV should revoke the restricted license and impose a \$1,000 fine upon anyone violating the Ignition Interlock Program's requirements.⁸ The bill limits the District's liability to pay for an indigent participant in the Ignition Interlock Program to one year following the commission of a first offense.

The bill establishes a new Intelligent Speed Assistance Program at DMV. Under the program, an individual who commits an aggravated reckless driving offense must install an intelligent speed assistance system in their vehicle to have their driving privileges reinstated under a restricted license. A driver who is required to participate in the Intelligent Speed Assistance Program must pay for the device installation and only operate a vehicle with the device installed. If a driver fails to comply with the program's requirements, DMV should revoke their license and issue a \$1,000 fine. The bill requires DMV to pay an indigent participant's cost to participate in the program for six months.

The bill clarifies the Mayor's authority to suspend or revoke a license or require participation in the Ignition Interlock or Intelligent Speed Assistance Programs related to both District residents and non-residents. The bill establishes the notice requirements for the Mayor to take any of these actions. The bill also directs the Mayor to utilize this authority when they receive notice from another state that a District resident has committed an offense that led to the suspension or revocation of the resident's driving privileges in that state and would lead to the suspension or revocation of a license

⁵ Monetary damages cannot exceed the available fine for the violation.

⁶ As defined in D.C. Official Code 50-2201.05a(a).

⁷ The notice should note that a person whose license is revoked is still eligible for a restricted license if they enroll in the Ignition Interlock Program.

⁸ The individual cannot have their driving privileges reinstated until the \$1,000 fine is paid.

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under District law. The bill limits the Mayor's ability to revoke, suspend, or restrict a license to a period not exceeding five years.

The bill requires DMV to issue two regular reports related to court judgments requiring a license revocation. First, DMV must report monthly to the Superior Court and the Attorney General a list of all license revocations executed by DMV. Second, DMV must report biannually to the Council Committee with oversight of DMV a list of all license revocations executed by DMV, excluding any personally identifying information. DMV should begin issuing these reports on January 1, 2024.

When MPD has a credible report that a vehicle has been stolen, the bill requires MPD to report to DMV identifying and contact information for the vehicle and its owner and the dates the vehicle is allegedly stolen. The bill prohibits DMV from issuing an ATE ticket to any vehicle where DMV has received notice from MPD that the vehicle was stolen at the time the infraction occurred. MPD should notify DMV within five days after it determines that the vehicle is not stolen.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The bill's implementation costs \$10.8 million in fiscal year 2024 and \$123.3 million over the four-year financial plan period. Administrative costs account for \$10.8 million in fiscal year 2024 and \$20.9 million over the financial plan, office space leasing costs account for \$4.1 million in fiscal year 2024 and \$17.1 million over the financial plan, and reduced traffic fine revenues account for \$85.3 million over the financial plan (beginning in fiscal year 2025). DMV requires one year to perform the administrative tasks, such as system updates, before the bill's provisions can be fully implemented.

The bill requires DMV to establish a safe driving curriculum for drivers who want to take a course to offset up to \$500 in fines or who are required to as a condition to release a towed or immobilized vehicle. DMV will need to research and identify safe driving course providers, approve them through an accreditation process, and develop a management tool and interface to interact with those providers and receive information about course participants. DMV will need to build out a team to oversee the program, interact with providers, and provide customer support to the nearly 200,000 drivers who are expected to take the safety courses. DMV will need to hire eight staffers in fiscal year 2024, including managers and supervisors, to work with course providers, interact with internal stakeholders, and manage what is expected to be a significant volume of customer service interactions. DMV will need to add four additional staffers beginning in fiscal year 2025 to support the first full year of the expanded ATE program. The total staff costs for the safety curriculum program are \$744,000 in fiscal year 2024 and \$4.1 million over the four-year financial plan period. The development of the management tool and interface will cost \$350,000 in fiscal year 2024 and \$35,000 annually thereafter. DMV must also update its ticketing system to ensure the outstanding fines are waived correctly. This will cost \$250,000 in fiscal year 2024 and \$25,000 annually thereafter. The total cost to implement the safe driving curriculum is \$1.3 million in fiscal year 2024 and \$4.9 million over the four-year financial plan period.

In addition to the implementation cost of the safe driving curriculum, the District will collect less in traffic fine revenues from drivers who complete the safety course because they would like the fee

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reduction or want to reduce points on their license.⁹ As noted below, DMV does not currently assess points for ATE violations, which are a significant number of the violations processed by DMV, so thousands more drivers are expected to take the course to alleviate point burdens. The Office of Revenue Analysis expects nearly 200,000 drivers may take advantage of the program annually beginning in fiscal year 2025. This level of participation will reduce traffic fine violation revenues by approximately \$85.3 million over the four-year financial plan period.

The bill requires DMV to establish a new point system, that includes assessing points for most ATE violations. When DMV assesses ten points to a vehicle over a consecutive six-month period, they will notify the Department of Public Works, and that vehicle will become eligible for immobilization or towing. DMV must update both its ticketing and licensing systems to assess points for ATE tickets. These updates will ensure that points are properly assessed, that the ticketing, driver licensing, and vehicle registration systems are all coordinated, and that the agency can manage an increase in adjudications associated with assigning points to the largest category of tickets that DMV processes. The required system updates will cost DMV \$400,000 in fiscal year 2024 and \$49,000 annually thereafter. Since the bill's point system adds a further punitive measure to traffic tickets, DMV estimates more drivers will contest tickets and DMV will require five additional hearing examiners, two legal instrument examiners, and two investigators to manage the increase in adjudications and questions around the system. This staff will cost \$1 million in fiscal year 2024 and \$4.2 million over the four-year financial plan period. In total, DMV requires an additional \$1.4 million in fiscal year 2024 and \$4.7 million over the four-year financial plan period to implement the new point system.

The bill amends or newly establishes two safety programs: the Ignition Interlock Program and the Intelligent Speed Assistance Program. The Ignition Interlock Program currently exists, but the bill amends how DMV should provide notice and requires an increased level of determination by DMV's hearing examiners. DMV will need to update its licensing and registration system to accommodate the bill's changes to the Ignition Interlock Program. These updates cost \$350,000 in fiscal year 2024 and \$46,000 annually thereafter. DMV requires an additional analyst to ensure successful implementation of the changes and overall Ignition Interlock Program. This staff costs \$82,000 in fiscal year 2024 and \$337,000 over the four-year financial plan period. DMV must establish the Intelligent Speed Assistance Program for drivers convicted of aggravated reckless driving offenses. DMV must implement a significant update to its licensing and registration system to support the program. This update costs \$1 million in fiscal year 2024 and \$132,000 annually thereafter. DMV must also hire an Intelligent Speed Assistance Program coordinator and analyst. The staff will cost \$184,000 in fiscal year 2024 and \$755,000 over the four-year financial plan period. The total costs to implement changes to the Ignition Interlock Program and establish the Intelligent Speed Assistance Program are \$1.7 million in fiscal year 2024 and \$3.3 million over the four-year financial plan period.

The Office of the Attorney General does not file cases in jurisdictions outside of the District related to reckless and aggravated reckless driving infractions. The bill authorizes the Attorney General to do this, so the Office will need to increase its staff with four attorneys who can try cases in other jurisdictions, especially Maryland and Virginia. The additional attorneys cost approximately \$516,000 in fiscal year 2024 and \$2.1 million over the four-year financial plan period.

⁹ Current law allows drivers to take a safe driving course to reduce points on their license (D.C. Official Code §§ 50-2301.04, 50-2302.05, and 50-2302.06). When drivers, who may not otherwise be seeking to offset fines by taking a safety course, take the course to reduce points, they will also take advantage of the \$100 fine reduction.

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MPD provides a DMV-developed form to individuals who have allegedly committed alcohol- or drug-related driving offenses and participates in DMV hearings around license suspensions and revocations and a driver's participation in the Ignition Interlock Program. DMV will need to update the form to ensure it complies with the bill's provisions, but MPD does not require additional resources to continue providing the DMV form. Additionally, MPD does not require additional resources to continue its participation in the DMV hearings.

The bill requires MPD to share stolen vehicle information with DMV so that DMV can ensure the owners of those vehicles do not receive ATE violations during the time period in which the vehicle is believed to be stolen. MPD has the bill's required information on stolen vehicles, but it does not report that to DMV. MPD can absorb any costs associated with sharing these reports with DMV within its existing budgeted resources. However, DMV will need to enhance its ticketing system to receive the reports from MPD and ensure that any tickets issued to a stolen vehicle are not processed during the period of time when the vehicle is believed to be stolen. The ticketing system update costs \$250,000 in fiscal year 2024 and \$25,000 annually thereafter for ongoing maintenance.

DMV requires several additional staff to support the bill's overall implementation, including changes to suspension and revocation practices and reporting requirements. These staff resources support administration (seven staffers), policy and data needs (two staffers), audit and quality assurance functions (three staffers), and technology and training needs (three staffers). These resources cost approximately \$1.4 million in fiscal year 2024 and \$5.6 million over the four-year financial plan period. DMV also needs \$250,000 in fiscal year 2024 and \$33,000 annually thereafter to update DMV's licensing system to accommodate the bill's suspension and revocation amendments.

DMV will also need to lease office space for the approximately 34 employees needed to support the bill's implementation that will not be located in existing service centers. The cost to lease sufficient space is approximately \$4.2 million in fiscal year 2024 and \$17.1 million over the four-year financial plan period.

The chart on the following page summarizes the costs to implement the bill.

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Bill 25-425, Strengthening Traffic Enforcement, Education, and Responsibility ("STEER") Amendment Act of 2023 Implementation Costs Fiscal Year 2024 – Fiscal Year 2027 (\$ thousands)					
	FY 2024	FY 2025	FY 2026	FY 2027	Total
Safety Curriculum					
Course Management	\$350	\$35	\$35	\$35	\$455
System Updates	\$250	\$25	\$25	\$25	\$325
Staff	\$744	\$1,088	\$1,113	\$1,139	\$4,084
Total Safety Curriculum	\$1,344	\$1,148	\$1,173	\$1,199	\$4,864
New Point System/Vehicle Immobilization					
System Updates	\$400	\$49	\$49	\$49	\$547
Staff	\$1,009	\$1,032	\$1,053	\$1,074	\$4,168
Total Point System	\$1,409	\$1,081	\$1,102	\$1,123	\$4,715
Attorney General Staff	\$516	\$528	\$540	\$552	\$2,136
Ignition Interlock Program (IIP) and Intelligent Speed Assistance Program (ISAP)					
System Updates	\$1,350	\$178	\$178	\$178	\$1,884
Staff	\$266	\$270	\$275	\$281	\$1,092
Other Program Costs	\$108	\$65	\$67	\$69	\$309
Total IIP/ISAP	\$1,724	\$513	\$520	\$528	\$3,285
Stolen Vehicle Updates	\$250	\$25	\$25	\$25	\$325
General Costs					
Staff	\$1,359	\$1,420	\$1,450	\$1,477	\$5,640
System Updates	\$250	\$33	\$33	\$33	\$349
Total General Costs	\$1,609	\$1,453	\$1,483	\$1,510	\$5,956
TOTAL NON-LEASE COSTS	\$6,602	\$4,682	\$4,777	\$4,871	\$20,932
OFFICE LEASE COST	\$4,162	\$4,233	\$4,305	\$4,378	\$17,078
TOTAL REVENUE LOSS^a	\$0	\$29,544	\$28,367	\$27,360	\$85,271
TOTAL IMPLEMENTATION COSTS, INCLUDING REVENUE LOSS	\$10,764	\$38,459	\$37,449	\$36,609	\$123,281

Table Notes

^a DMV requires one year to implement the systems and processes necessary before a driver can take advantage of a safe driving course, thereby reducing their traffic fine liabilities.