

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 30, 2016

SUBJECT: Fiscal Impact Statement – Department of Motor Vehicles Reform
Amendment Act of 2016

REFERENCE: Bill 21-403, Draft Committee Print as shared with the Office of Revenue
Analysis on September 30, 2016

Conclusion

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

Background

The United States Department of Justice directs the National Motor Vehicle Title Information System.¹ The system contains information reported by state vehicle titling agencies, insurance carriers, auto recyclers, and junk and salvage yards. The system provides state vehicle administrators and consumers with information about vehicles to prevent the introduction and reintroduction of stolen vehicles across states, fraud, the resale of unsafe vehicles, and the use of stolen vehicles in criminal activities. In order for the system to work effectively, all users should utilize common terminology when uploading data.

The District will be joining the system in 2016, but the District uses an inconsistent term for vehicles no longer capable of operating on a roadway and that are only valuable as scrap or parts. The bill renames these as junk vehicles as opposed to non-repairable vehicles to align with other system users.

¹ The Anti-Car Theft Act of 1992, approved October 25, 1992 (Public Law 102-519; 106 Stat. 3384).

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FIS: Bill 21-403, "Department of Motor Vehicles Reform Amendment Act of 2016," Draft Committee Print as shared with the Office of Revenue Analysis on September 30, 2016

The bill also eliminates the option to renew a learner's permit, extends the life of a learner's permit from one year to two years, and requires an applicant to pay for a new learner's permit and pass the associated examinations² if the previous one expired.

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. There is no impact on the District's budget to rename inoperable vehicles as junk to be consistent with other participants in the National Motor Vehicle Title Information System.

The bill extends the term of a learner's permit from one year to two years, which will reduce permit revenues from renewals. The District processes approximately 1,000 renewals annually, however, some residents who pay the renewal fees may have been paying for a second renewal. They would continue to pay the fee if they need a permit after the new two-year permit expires. DMV believes the number of annual renewals that are a second renewal is small, and payments for renewals after year two would reduce the revenue loss potential from this provision. Fewer renewals will also reduce demand on Department of Motor Vehicle services. The Department can absorb the revenue loss and any costs within its existing resources.

² The applicant will not need to retake the driving demonstration test.