

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:** October 3, 2016

**SUBJECT:** Fiscal Impact Statement – Improving Access to Identity Documents  
Amendment Act of 2016

**REFERENCE:** Bill 21-736, Draft Committee Print as shared with the Office of Revenue  
Analysis on September 12, 2016

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**Conclusion**

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill's implementation will cost \$2.4 million in fiscal year 2017 and \$9.6 million over the four-year financial plan period.

**Background**

The bill waives fees for documents produced by the Department of Motor Vehicles (DMV) and the Department of Health's (DOH) Vital Records Office for residents who earn under 200 percent of the federal poverty level. The bill waives the fees for a standard or limited-purpose driver's license, provisional license, identification card, or learner's permit issued by DMV. It also waives the fees for any document, such as a birth certificate, death certificate, divorce record, or other document amendments, issued by the Vital Records Office.

**Financial Plan Impact**

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

According to the Kaiser Family Foundation, approximately 210,900 District residents live below 200 percent of the federal poverty level.<sup>1</sup> DMV, which generated approximately \$4.3 million in revenue from its services from all residents in fiscal year 2016, would lose \$1.6 million annually

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<sup>1</sup> Kaiser Family Foundation estimates based on the Census Bureau's March 2016 Current Population Survey.

The Honorable Phil Mendelson

FIS: Bill 21-736, "Improving Access to Identity Documents Amendment Act of 2016," Draft Committee Print as shared with the Office of Revenue Analysis on September 12, 2016

when fees are waived for residents under 200 percent of the federal poverty level. The Vital Records Office, which generates nearly \$2.5 million annually, would lose approximately \$783,000 annually. The revenue loss for DOH could be less because DOH indicated, anecdotally, that there are folks who visit requesting documents, but decline to follow through due to the cost. DOH does not track this information, so it is not possible to quantify this impact. However, those residents who currently turn away may seek documents when the Office does not charge for them, increasing the overall number of requests. The Office may need to increase staff and resources to accommodate the increased requests.

| <b>Improving Access to Identity Documents Amendment Act of 2016</b> |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Revenue Reduction Associated with Implementation</b>             |                    |                    |                    |                    |                    |
| <b>Bill 21-736</b>  |                    |                    |                    |                    |                    |
| <b>Fiscal Year 2017 – Fiscal Year 2020</b>                          |                    |                    |                    |                    |                    |
|   | <b>FY 2017</b>     | <b>FY 2018</b>     | <b>FY 2019</b>     | <b>FY 2020</b>     | <b>Total</b>       |
| DMV Cost <sup>a</sup>   | \$1,621,000        | \$1,621,000        | \$1,621,000        | \$1,621,000        | <b>\$6,484,000</b> |
| DOH Cost <sup>b</sup>   | \$759,000          | \$776,000          | \$791,000          | \$806,000          | <b>\$3,132,000</b> |
| <b>Total Cost</b>   | <b>\$2,380,000</b> | <b>\$2,397,000</b> | <b>\$2,412,000</b> | <b>\$2,427,000</b> | <b>\$9,616,000</b> |

Table Notes

<sup>a</sup> These fees are dedicated to the District's General Fund.

<sup>b</sup> These fees are dedicated to the Vital Records Fees Fund.<sup>2</sup>

The Department of Human Services (DHS) will be responsible for verifying a resident's eligibility for a free document from DMV or the Vital Records Office. DHS will need to update its system to accommodate an income verification process, but DHS is unable to provide a system update cost at this time.

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<sup>2</sup> Fiscal Year 2017 Budget Support Act of 2016, enacted August 18, 2016 (D.C. Act 21-488; D.C. Official Code § 7-221).