

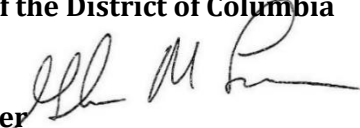
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** November 21, 2024

**SUBJECT:** Fiscal Impact Statement – Fraudulent Vehicle Tag and Parking  
Enforcement Modernization Amendment Act of 2024

**REFERENCE:** Bill 25-435, Draft Committee Print as circulated on November 20, 2024

---

**Conclusion**

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill's implementation will cost \$4.5 million in fiscal year 2025 and \$10.9 million over the four-year financial plan period.

**Background**

The District Department of Transportation (DDOT), Department of Motor Vehicles (DMV), Department of Public Works (DPW), and the Metropolitan Police Department (MPD) are all involved in regulating and enforcing vehicle traffic in the District. The bill reorganizes several D.C. Official Code sections around enforcement actions the District agencies can take against vehicles illegally parked or abandoned in public space. The bill formally establishes, in D.C. Official Code, the Parking Enforcement Management Administration within DPW which is responsible for on-street parking enforcement, the removal of abandoned and dangerous vehicles, and the management of impounded vehicles. The bill also enhances the District's ability to enforce against vehicles that use fraudulent or obscure vehicle tags, including legislating that DPW prioritize the immobilization and impoundment of abandoned, unidentifiable, and dangerous vehicles with infractions related to traffic safety.

The bill creates a new definition for unidentifiable vehicles that are eligible for immobilization and impoundment. The bill defines these vehicles as those without an affixed license plate or temporary tag; with counterfeit, stolen, or fraudulent tags; that utilize any tint, markings, or objects that cover a tags' characters or distort an image taken by an automated traffic enforcement device; that are covered by a cover, tarp, or otherwise obstructed from receiving a notice of infraction; or that are

affixed with a tag not included in the bill's required database of license plate and temporary tags. The bill also allows the District to consider an unidentifiable vehicle as an abandoned vehicle for enforcement purposes.

The bill establishes that a license plate or temporary tag must be securely fastened to a vehicle or trailer and cannot be obscured in any way. This includes a prohibition on any covers regardless of whether the information on the plate or tag is legible.

The District is also required to immobilize and impound vehicles that receive ten vehicle points within a consecutive six-month period according to a newly created, but not yet funded, vehicle point system for automated traffic enforcement and other moving infractions.<sup>1</sup> The bill establishes additional categories of non-moving violations where a vehicle can accrue vehicle points that count toward the ten where the vehicle could be immobilized and impounded. A vehicle can receive two points for any safety-sensitive parking violation,<sup>2</sup> one point for an expired tag or registration within thirty days, two points for an expired tag or registration between thirty and ninety days, five points for an expired tag or registration greater than ninety days, and one point for any other non-moving violation.

The bill requires the Mayor to issue rules guiding the use of automated license plate readers (ALPR) and the data they collect for all agencies that utilize ALPRs. The rules should ensure security for ALPR data, usage and privacy policies, and consistent access and processes across agencies using ALPRs.<sup>3</sup> The bill also requires the Mayor to develop a database of images of each kind of license plate and temporary tag issued by all jurisdictions. The Mayor should develop the database within ninety days of the bill's effective date, for use by District agencies with ALPRs. The Mayor must ensure that all enforcement agencies are trained on how to identify real and fraudulent tags. The Mayor should work with the Office of the Attorney General (OAG) to investigate and prosecute any entity that knowingly sells, counterfeit, stolen, or fraudulent temporary vehicle tags. The bill makes motor vehicle permanent and temporary tags written instruments for purposes of enforcing laws against forgery. The bill also expands MPD's motor vehicle theft teams' responsibilities to include the enforcement of laws governing vehicle tags.

The bill requires the Mayor to establish procedures to forgive infractions issued as a result of a stolen, counterfeit, or fraudulent version of an individual's vehicle tag. The bill also waives any registration expiration fines if the vehicle's owner proves that they have cured the violation within fifteen days of the violation issuance.

---

<sup>1</sup> Strengthening Traffic Enforcement, Education, and Responsibility Amendment Act of 2024, effective April 20, 2024 (D.C. Law 25-161; 71 DCR 5020).

<sup>2</sup> The bill defines safety-sensitive parking Violations as those that involve obstruction of a crosswalk, sidewalk, or intersection; stopping, standing, or parking within ten feet of a fire hydrant or otherwise interfering with fire and emergency response; stopping, standing, or parking in a location reserved for persons with disabilities; or stopping, standing, or parking in a bus lane, bus parking zone, bike lane, or other shared use path.

<sup>3</sup> The bill prohibits the sharing of any information related to criminal investigations.

## **Financial Plan Impact**

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill's implementation will cost \$4.5 million in fiscal year 2025 and \$10.9 million over the four-year financial plan period.

DPW is the primary enforcement agency for illegally parked vehicles and already enforces against invalid tags. This means they could be expired, obstructed, or otherwise illegal. The bill, through an expanded definition of unidentifiable vehicles, expands the population of vehicles that could be subject to immobilization or impoundment, but not in such a way that it changes DPW's current operations. DPW does not require additional enforcement resources to continue its current enforcement of invalid tags.

The bill requires the Mayor to develop a database of what parking tags look like in other jurisdictions so that DPW can identify fraudulent tags. DPW will work with DMV to build out a database and connect the information to enforcement officers. DMV will have to work with all issuing agencies to obtain images of valid tags and will only be able to build a database to the extent jurisdictions are willing to support the effort. DMV and DPW are uncertain as to whether jurisdictions will have information regarding the appearance of valid paper tags. DMV requires \$350,000 in fiscal year 2025 and \$455,000 over the four-year financial plan period. DPW also requires resources to connect to the DMV database and ensure the information is available to enforcement officers. DPW requires \$115,000 in fiscal year 2025 and \$151,000 over the four-year financial plan period. The combined cost of operationalizing the database is \$465,000 in fiscal year 2025 and \$606,000 over the four-year financial plan period.

The bill's requirements to coordinate across ALPR-using agencies will require technology updates to allow for interagency cooperation and alignment of policies and procedures. The Mayor requires \$233,000 in fiscal year 2025 and \$305,000 over the four-year financial plan period to implement this provision.

DMV is responsible for implementing the bill's provisions to assign points to vehicles as opposed to licensed drivers. The vehicle point system for automated traffic enforcement and reckless driving infractions was first created under the Strengthening Traffic Enforcement, Education, and Responsibility Amendment Act, but this provision of that Act was not funded. The bill adopts the same vehicle point system, but expands it to include certain non-moving violations. DMV requires system updates and new staff to implement the expanded vehicle point system. The cost to update both the licensing and ticketing systems is \$1.4 million in fiscal year 2025 and \$1.9 million over the four-year financial plan period. The additional staff, which includes hearing examiners, legal instrument examiners, and investigators will cost \$1.3 million in fiscal year 2025 and \$5.8 million over the four-year financial plan period.<sup>4</sup> It will take DMV one year to develop the vehicle point system.

DMV will also require additional system updates to account for the bill's provisions around the forgiveness of fines for stolen vehicles, fines for registration lapses, and other bill provisions that require DMV to change current processes. These system updates will cost \$850,000 in fiscal year 2025 and \$1.2 million over the four-year financial plan period. DMV also requires general policy and

---

<sup>4</sup> These costs are inclusive of and enhanced from the fiscal impact statement issued for the STEER Act on January 9, 2024, to account for the bill's changes to the point system.

The Honorable Phil Mendelson

FIS: Bill 25-435, "Fraudulent Vehicle Tag and Parking Enforcement Modernization Amendment Act of 2024,"  
Draft Committee Print as circulated on November 20, 2024

data analysis staff to implement the bill's provisions. This staff will cost \$243,000 in fiscal year 2025 and \$1.1 million over the four-year financial plan period.

OAG currently has the authority to prosecute persons who use or create fraudulent tags and does not need additional resources to continue those efforts. OAG can absorb any costs associated with working with the Mayor as needed within the agency's existing budgeted resources.

<b>Fraudulent Vehicle Tag and Parking Enforcement Modernization Amendment Act of 2024 Implementation Costs Fiscal Year 2025 – Fiscal Year 2028 (\$ thousands)</b>					
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Total</b>
<b>Parking Tag Database Development Costs</b>	\$465	\$47	\$47	\$47	\$606
<b>ALPR Coordination</b>	\$233	\$24	\$24	\$24	\$305
<b>Vehicle Point System</b>					
DMV System Updates	\$1,400	\$176	\$176	\$176	\$1,928
DMV Personnel	\$1,297	\$1,397	\$1,499	\$1,608	\$5,801
<b>Total Vehicle Point System<sup>a</sup></b>	<b>\$2,697</b>	<b>\$1,573</b>	<b>\$1,675</b>	<b>\$1,784</b>	<b>\$7,729</b>
<b>Other DMV System Updates</b>	<b>\$850</b>	<b>\$106</b>	<b>\$106</b>	<b>\$106</b>	<b>\$1,168</b>
<b>Additional DMV Personnel</b>	<b>\$243</b>	<b>\$261</b>	<b>\$281</b>	<b>\$302</b>	<b>\$1,087</b>
<b>TOTAL BILL COSTS</b>	<b>\$4,488</b>	<b>\$2,011</b>	<b>\$2,133</b>	<b>\$2,263</b>	<b>\$10,895</b>

Table Notes

<sup>a</sup> The vehicle point system costs are inclusive of and enhanced from costs included in the evaluation of the Strengthening Traffic Enforcement, Education, and Responsibility Amendment Act of 2024.