

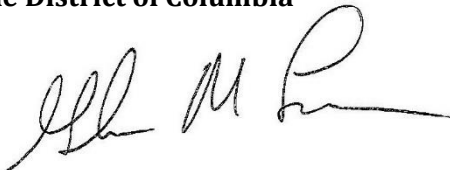
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** October 17, 2022

**SUBJECT:** Fiscal Impact Statement – Bedbug Control Act of 2022

**REFERENCE:** Bill 24-142, Committee Print as provided to the Office of Revenue  
Analysis on October 7, 2022

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**Conclusion**

Funds are not sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will cost \$1.4 million in fiscal year 2023, and \$5.2 million over the four year financial plan.

**Background**

The bill establishes rights and responsibilities of both tenants and housing providers on the control of bedbug infestations in the District. The bill requires the Department of Buildings (DOB) to manage a process to track complaints from tenants when housing providers do not comply with their responsibilities, and it requires DOB to enforce compliance. The bill also establishes a Bedbug Remediation and Assistance Program within DOB to provide eligible District residents financial assistance to remediate bedbug infestations.

The bill requires housing providers to:

- Provide notice to prospective tenants if a unit has been infested with bedbugs within the past 120 days;
- Respond to a complaint from a tenant of a potential infestation within five business days, and obtain pest control services within ten days of complaint;
- Provide reasonable notice of inspection or treatment for bedbugs;
- Provide bedbug treatment (at no cost to tenant, with certain exceptions) until a pest control professional determines no evidence of bedbugs in the unit;
- Monitor unit for bedbugs for a year following determination of no infestation;

- Maintain record of complaints and treatment measures for two years and provide copies of any reports from pest control professionals to tenant upon request.

The bill requires tenants to:

- Notify a housing provider within five days of a suspected bedbug infestation. Failure to do so does not constitute grounds for denial of inspection or remediation, or recovery of unit;
- Grant housing provider and pest control professionals access to the unit for inspection or treatment, provided reasonable notice was received;
- Make necessary preparations for any scheduled treatment. A tenant may request assistance from a housing provider if a physical limitation prevents them from making necessary preparations;
- Cooperate with reasonable requests from pest control professionals;
- Pay cost of treatment if the tenant knowingly interferes with inspection or treatment, or if repeated eradications are necessary due to the tenant's failure to properly maintain the unit.

The bill requires pest control professionals to:

- Report annually to DOB the number of inspections and treatments made during that year, and the address of any repeated treatments during that year;
- Maintain records of treatments of rental properties in the District for two years;
- Provide a tenant copies of any pest control reports regarding the tenant's unit or overall rental property within five days of request.

The bill requires the Department of Buildings to:

- Receive and track tenant complaints about bedbug infestations and housing provider's failure to address them;
- Notify the housing provider of a complaint within ten business days of receipt;
- Review documentation provided in response to the complaint, which must be provided within ten business days of the notice of complaint;
- Issue a notice of infraction, which will be a Class 4 infraction<sup>1</sup>, if sufficient documentation has not been provided showing there is no infestation, or that the infestation is in the process of being treated. If a housing provider receives a notice of infraction from DOB, they may file an appeal with the Office of Administrative Hearings within 15 days;
- Order a housing provider to accommodate tenant through an inspection or treatment of the unit, if they have not provided required documentation showing a treatment is in progress or completed;
- Conduct outreach to housing providers and tenants educating the public about bedbugs, including the creation of an educational pamphlet;
- Enter into an agreement with the Department of Energy and the Environment to access information on licensed pest control professionals in the District;
- Collect annual reports on bedbug inspections and treatments from pest control professionals;
- Manage the Bedbug Remediation and Assistance Program to provide financial assistance to District residents with a household income of 80 percent of the area median income or less, for the purpose of remediating bedbug infestations. Applicants must provide documentation of

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<sup>1</sup> Pursuant to 16 DCMR 3201.1(d).

residency and income level to be eligible. Applicants with incomes between 70 and 80 percent of the area median income can receive a rebate of up to 80 percent of the costs incurred, and applicants with incomes below 70 percent of the area median income can receive up to 100 percent of costs incurred. Rebates cannot exceed \$3,000 per year per dwelling. The program will also maintain contracts for pest control services, and an applicant may elect to have the program pay for the service directly.

## Financial Plan Impact

Funds are not sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will cost \$1.4 million in fiscal year 2023, and \$5.2 million over the four year financial plan.

Based on per capita complaints received by the New York City Department of Preservation and Housing, we estimate the Department of Buildings will receive approximately 500 bedbug complaints annually, necessitating two FTEs to manage the complaint process. DOB will also require two FTEs to manage the Bedbug Remediation and Assistance Program, collect and review applications to ensure eligibility, and disburse rebates. Lastly, DOB requires one FTE to manage the outreach and education material creation required by the bill.

The Office of Administrative Hearings (OAH) estimates approximately 30 percent of infractions will be appealed. Based on 500 complaints, they would expect fewer than 150 appeals, and likely far fewer, because not all complaints will become infractions. OAH will absorb the increased workload of appeals related to bedbugs, but its overall rate of case closure may be negatively impacted.

The new programs will also require information technology support to manage complaints, collect required reports from pest control professionals, and to manage applications for the Remediation and Assistance Program. The exact scope of the system updates or licenses required and how it may or may not interface with existing systems is not known, but the Office of Revenue Analysis estimates \$50,000 will be sufficient to store documents and do basic tracking of requirements.

Lastly, the Remediation and Assistance Program will require funding to pay for rebates to applicants and for direct payment to pest control professionals. While any District resident (renters or property owners alike) with the required income level may apply for assistance, it is likely most applicants will come from the population of expected tenant complainants. We assume 50 percent of complainants will receive assistance for an estimated total cost of \$750,000. The program is not an entitlement, and if funding runs out rebates will stop being paid.

<b>Bill 24-142, Bedbug Control Act of 2022</b>					
<b>Total Cost</b>					
	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>Total</b>
Personnel (5 FTEs) <sup>(a)</sup>	\$402,641	\$409,687	\$416,857	\$424,152	\$1,653,337
Fringe	\$97,842	\$100,166	\$102,544	\$104,980	\$405,532
Supplies and Equipment	\$61,000	\$3,500	\$3,520	\$3,540	\$71,560
Information Technology	\$50,000	\$4,000	\$4,000	\$4,000	\$62,000
Assistance Fund	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000
<b>Total</b>	<b>\$1,361,483</b>	<b>\$1,267,353</b>	<b>\$1,276,921</b>	<b>\$1,286,672</b>	<b>\$5,192,429</b>

The Honorable Phil Mendelson

FIS: Bill 24-142, "Bedbug Control Act of 2022," Draft Committee Print as provided to the Office of Revenue  
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Table Notes:

(a) 2 FTEs Grade 12/5, 3 FTEs Grade 11/5.