

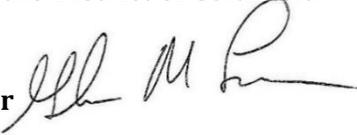
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** January 9, 2024

**SUBJECT:** REVISED Fiscal Impact Statement - Strengthening Traffic Enforcement, Education, and Responsibility ("STEER") Amendment Act of 2024

**REFERENCE:** Bill 25-425, Amendment in the Nature of a Substitute as Circulated on January 8, 2024

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*This revised fiscal impact statement replaces the statement issued on December 6, 2023. The Amendment in the Nature of a Substitute (ANS) distinguishes the bill's proposed vehicle point system from the District's existing driver's license point system. This clarification reduces the Office of Revenue Analysis' projected number of individuals who will avail themselves of the bill's safe driving course from 200,000 individuals to 50,000. Consequently, this reduces the forgone traffic fine revenues from an expected loss of \$85.3 million to an expected loss of \$40.6 million over the financial plan period. Other changes in the ANS will have various other fiscal impacts that are reflected in this revised statement.*

**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 \$11.5 million in fiscal year 2024 and \$77.3 million over the four-year financial plan period. Administrative costs account for \$7.8 million in fiscal year 2024 and \$21.6 million over the financial plan, office space leasing costs account for \$3.7 million in fiscal year 2024 and \$15.1 million over the financial plan, and reduced traffic fine revenues account for \$40.6 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 vehicle points for speeding or reckless driving to participate in a safe driving course in order to release the vehicle.<sup>1</sup>

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 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,<sup>2</sup> 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,<sup>3</sup> and enrolling in the Intelligent Speed Assistance Program.<sup>4</sup>

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 the vehicle has been assessed ten or more points for convictions or sustained infractions according to the following newly established vehicle 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	5
Reckless Driving	5
Aggravated Reckless Driving	10

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

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

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

<sup>3</sup> If the driver was intoxicated. D.C. Code § 50-2201.05a

<sup>4</sup> 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.

third or subsequent offense.<sup>5</sup> 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.<sup>6</sup> 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 driving or aggravated reckless driving infraction. The Attorney General can seek monetary damages,<sup>7</sup> 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 contesting the violation, has paid or is paying a related fine through a payment plan, or 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 a law enforcement officer, when probable cause exists that an individual has committed a covered offense,<sup>8</sup> 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.<sup>9</sup> Within 72 hours of interacting with the individual, the law enforcement 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.<sup>10</sup> 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.

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<sup>5</sup> A conviction could result in a period of incarceration of up to 90 days for a first or second reckless driving offense or up to one year for a third or subsequent offense, the related fine under the Criminal Fine Proportionality Amendment Act of 2012 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or both.

<sup>6</sup> A conviction could result in a period of incarceration of up to 180 days for a first or second reckless driving offense or up to two years for a third or subsequent offense, the related fine under the Criminal Fine Proportionality Amendment Act of 2012 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or both.

<sup>7</sup> Monetary damages cannot exceed the available fine for the violation.

<sup>8</sup> As defined in D.C. Official Code 50-2201.05a(a).

<sup>9</sup> 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.

<sup>10</sup> The individual cannot have their driving privileges reinstated until the \$1,000 fine is paid.

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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 that will limit the vehicle's speed based on the applicable speed limit 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. An individual must participate in the Intelligent Speed Assistance Program for one year following the first commission of aggravated reckless driving, two years following a second offense, three years following a third offense, and indefinitely following a fourth offense. 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 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, 2025.

When the Metropolitan Police Department (MPD) has a credible report that a vehicle has been stolen, the bill requires MPD to report to DMV, the District Department of Transportation (DDOT), and the Department of Public Works (DPW) the identifying and contact information for the vehicle and its owner and the dates the vehicle is allegedly stolen. The bill prohibits DDOT from issuing an ATE ticket to any vehicle where DDOT 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. DPW should also not issue a parking notice of violation to any vehicle where DPW has received notice from MPD that the vehicle was stolen at the time the infraction occurred.

### **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 \$11.5 million in fiscal year 2024 and \$77.3 million over the four-year financial plan period. Administrative costs account for \$7.8 million in fiscal year 2024 and \$21.6 million over the financial plan, office space leasing costs account for \$3.7 million in fiscal year 2024 and \$15.1 million over the financial plan, and reduced traffic fine revenues account for \$40.6 million over the financial plan (beginning in fiscal year 2025). DMV requires one year to perform 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 approximately 50,000 drivers who are expected to take the safety courses. DMV will need to hire five staffers in fiscal year 2024, including managers and supervisors, to work with course providers, interact with internal stakeholders, and manage the volume of customer service interactions. The total staff costs for the safety curriculum program are \$662,000 in fiscal year 2024 and \$2.7 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 \$3.5 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 need or would like the fee reduction. 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 approximately 50,000 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 \$41 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 vehicle registration systems to create this new point system 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 \$1.1 million in fiscal year 2024 and \$101,000 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 one overall program coordinator, 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 \$1.1 million in fiscal year 2024 and \$4.6 million over the four-year financial plan period. In total, DMV requires an additional \$2.2 million in fiscal year 2024 and \$6 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

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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.

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 DDOT, DMV, and DPW so that the agencies can ensure the owners of those vehicles do not receive ATE or parking 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 DDOT, DMV, or DPW. 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 DMV ticketing system update costs \$250,000 in fiscal year 2024 and \$25,000 annually thereafter for ongoing maintenance. DPW will also require \$250,000 in fiscal year 2024 and \$25,000 annually thereafter to support system updates to ensure coordination with MPD. DMV may require additional resources under the ticket processing contract to ensure stolen vehicles are not ticketed, but DMV was unable to determine those costs at this time.

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 30 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 \$3.7 million in fiscal year 2024 and \$15.1 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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<b>Bill 25-425, Strengthening Traffic Enforcement, Education, and Responsibility ("STEER") Amendment Act of 2023 Implementation Costs Fiscal Year 2024 – Fiscal Year 2027 (\$ thousands)</b>					
	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Total</b>
<b>Safety Curriculum</b>					
Course Management	\$350	\$35	\$35	\$35	\$455
System Updates	\$250	\$25	\$25	\$25	\$325
Staff	\$662	\$673	\$688	\$704	\$2,727
<b>Total Safety Curriculum</b>	<b>\$1,262</b>	<b>\$733</b>	<b>\$748</b>	<b>\$764</b>	<b>\$3,507</b>
<b>New Point System/Vehicle Immobilization</b>					
System Updates	\$1,100	\$101	\$101	\$101	\$1,403
Staff	\$1,120	\$1,144	\$1,168	\$1,188	\$4,620
<b>Total Point System</b>	<b>\$2,220</b>	<b>\$1,245</b>	<b>\$1,269</b>	<b>\$1,289</b>	<b>\$6,023</b>
<b>Attorney General Staff</b>	<b>\$516</b>	<b>\$528</b>	<b>\$540</b>	<b>\$552</b>	<b>\$2,136</b>
<b>Ignition Interlock Program (IIP) and Intelligent Speed Assistance Program (ISAP)</b>					
System Updates	\$1,350	\$178	\$178	\$178	\$1,884
Staff	\$266	\$270	\$275	\$281	\$1,092
Other Program Costs	\$108	\$65	\$67	\$69	\$309
<b>Total IIP/ISAP</b>	<b>\$1,724</b>	<b>\$513</b>	<b>\$520</b>	<b>\$528</b>	<b>\$3,285</b>
<b>Stolen Vehicle Updates<sup>b</sup></b>	<b>\$500</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$650</b>
<b>General Costs</b>					
Staff	\$1,359	\$1,387	\$1,417	\$1,444	\$5,607
System Updates	\$250	\$33	\$33	\$33	\$349
<b>Total General Costs</b>	<b>\$1,609</b>	<b>\$1,420</b>	<b>\$1,450</b>	<b>\$1,477</b>	<b>\$5,956</b>
<b>TOTAL NON-LEASE COSTS</b>	<b>\$7,831</b>	<b>\$4,489</b>	<b>\$4,577</b>	<b>\$4,660</b>	<b>\$21,557</b>
<b>OFFICE LEASE COST</b>	<b>\$3,672</b>	<b>\$3,734</b>	<b>\$3,797</b>	<b>\$3,862</b>	<b>\$15,065</b>
<b>TOTAL REVENUE LOSS<sup>a</sup></b>	<b>\$0</b>	<b>\$14,082</b>	<b>\$13,521</b>	<b>\$13,041</b>	<b>\$40,644</b>
<b>TOTAL IMPLEMENTATION COSTS, INCLUDING REVENUE LOSS</b>	<b>\$11,503</b>	<b>\$22,305</b>	<b>\$21,895</b>	<b>\$21,563</b>	<b>\$77,266</b>

**Table Notes**

<sup>a</sup> 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.

<sup>b</sup> This includes costs at both DMV and DPW to coordinate with MPD on stolen vehicles.