



OFFICE OF THE  
SECRETARY  
2020 JAN 21 PM 5:04

**MURIEL BOWSER**  
**MAYOR**

JAN 21 2020

The Honorable Phil Mendelson, Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004

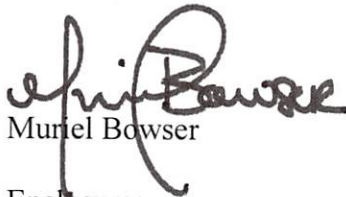
Dear Chairman Mendelson:

Enclosed for consideration and approval is the "Department of Consumer and Regulatory Affairs Fiscal Streamlining Amendment Act of 2020". This legislation will streamline six special purpose revenue funds to more effectively fund the missions and operations of the Department of Consumer and Regulatory Affairs (DCRA).

Specifically, the legislation broadens the way the following special purpose revenue funds can be used, while remaining true to the funds' respective purposes: the Nuisance Abatement Fund, the Basic Business License Fund, the Green Building Fund, the Corporate Recordation Fund, the Vending Regulation Fund, and the Expedited Building Permit Review Program Fund. The legislation also prevents unspent funds in these special purpose revenue funds from transferring over to the General Fund at the end of the fiscal year.


I urge the Council to take prompt and favorable action on the proposed legislation.

Sincerely,

  
Muriel Bowser

Enclosures



  
Chairman Phil Mendelson  
at the request of the Mayor

A BILL  
\_\_\_\_\_

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
\_\_\_\_\_

Chairman Phil Mendelson, at the request of the Mayor, introduced the following bill, which was referred to the Committee on \_\_\_\_\_.

To streamline the special purpose revenue funds to properly fund the missions and operations of the Department of Consumer and Regulatory Affairs.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this act may be cited as the “Department of Consumer and Regulatory Affairs Fiscal Streamlining Amendment Act of 2020”.

Sec. 2. Section 1 of An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01), is amended as follows:

(a) Subsection (b) is amended to read as follows:

“(b)(1) There is established as a special purpose revenue fund the Nuisance Abatement Fund (“Fund”), which shall be administered by the Mayor in accordance with paragraph (3) of this subsection.

“(2) Revenue from the following sources shall be deposited in the Fund:

“(A) All fees, fines, and penalties imposed under this act, as provided in section 14(b), including:

“(i) The fees imposed pursuant to subsection (d) of this section;

33                                   “(ii) The vacant property registration fees collected pursuant to  
34 sections 6 and 9;

35                                   “(iii) Civil fines, penalties, and fees imposed under section 10;

36                                   “(B) The proactive inspection program fees collected pursuant to  
37 subsection 207.1(d) of Title 14 of the District of Columbia Municipal Regulations;

38                                   “(C) The portion of the rental unit fee set aside for the Fund pursuant to  
39 section 401(a)(2)(A) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10;  
40 D.C. Official Code § 42-3504.01(a)(2)(A));

41                                   “(D) Amounts collected by the District under Subtitle B of Title IV-A of  
42 the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000,  
43 effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-3173.01 et seq.), as  
44 provided in section 451 of that subtitle (D.C. Official Code § 42-3173.11);

45                                   “(E) All fees and penalties collected under An Act to create a board for the  
46 condemnation of insanitary buildings in the District of Columbia, and for other purposes,  
47 approved May 1, 1906 (34 Stat. 157; D.C. Official Code § 6-901), as provided in section 16(b) of  
48 that act (D.C. Official Code § 6-916(b));

49                                   “(F) If an accounting is made in accordance with, and subject to, D.C.  
50 Official Code § 47-1340(f), amounts assessed and collected as a tax against real property under  
51 subsection (a) of this section, including any interest and any penalties thereon, or otherwise  
52 received to recoup any amounts, incidental expenses or costs incurred, obligated, or expended for  
53 the purposes of the Fund;

54                                   “(G) Recoveries from enforcement actions brought by the Office of the  
55 Attorney General on behalf of the District of Columbia or District of Columbia agencies for the

56 abatement of violations of Chapters 1 through 16 of Title 14 of the District of Columbia Code of  
57 Municipal Regulations, excluding funds obtained through administrative proceedings;

58                   “(H) Grants, donations, or restitution from any source to the Fund or to the  
59 District of Columbia for the purposes of the Fund; and

60                   “(I) Interest earned from the deposit or investment of monies of the Fund.

61                   “(3) Money in the Fund shall be used for the following purposes:

62                   “(A) Paying the costs of ensuring property maintenance and housing  
63 inspections are timely and accurate;

64                   “(B) Paying the costs, as well as any incident expenses, of any inspection  
65 of a condition, or any correction of a condition, that the Mayor may order or cause pursuant to  
66 subsection (a) of this section;

67                   “(C) Paying the costs of demolishing or enclosing a structure under  
68 Subtitle B of Title IV-A of the Abatement and Condemnation Nuisance Properties Amendment  
69 Act of 2000, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code 42-3171.01 et seq.);

70                   “(D) Paying the costs of the administration of the Board for the  
71 Condemnation of Insanitary Buildings, established by section 2 of An Act To create a board for  
72 the condemnation of insanitary buildings in the District of Columbia, and for other purposes,  
73 approved May 1, 1906 (34 Stat. 157; DC Official Code § 6-902); and

74                   “(E) Paying personnel and non-personnel costs related to abatement, and  
75 enhancing internal processes and solutions to improve the operations of the Department of  
76 Consumer and Regulatory Affairs.

77                   “(4)(A) The money deposited into the Fund shall not revert to the unrestricted  
78 fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any  
79 other time.

80                   “(B) Subject to authorization in an approved budget and financial plan,  
81 any funds appropriated in the Fund shall be continually available without regard to fiscal year  
82 limitation.”.

83                   (b) Subsection (c)(1)(F)(ii)(II) is amended to read as follows:

84   “(II) The term “imminent danger” may also include:

85   “(aa) A vacant building, as defined in section 5(5);

86   “(bb) The interruption of electrical, heat, gas, water,  
87 or other essential services, when the interruption results from other than natural causes;

88   “(cc) The presence of graffiti; or

89   “(dd) Any building, property maintenance, or  
90 housing code violation that threatens the health or safety of District residents or visitors, as  
91 determined by the Mayor.”.

92                   Sec. 3. Section 47-2851.13 of the District of Columbia Official Code is amended as  
93 follows:

94                   (a) Subsection (c) is amended to read as follows:

95                   “(c) Revenue credited to the Fund shall be expended by the Department for the purposes  
96 of:

97   “(1) Maintaining and upgrading the basic business licensing system, including  
98 copying fees, automation upgrades, personnel costs, and supplies; and

99   “(2) Otherwise supporting the Department’s business services functions.”.

100 (b) A new subsection (e) is added to read as follows:

101 “(e) The Mayor, pursuant to subchapter I of Chapter 5 of Title 2 [§ 2-501 et seq.], may  
102 issue rules to implement this act.”.

103 Sec. 4. Section 8(c)(2) of the Green Building Act of 2006, effective March 8, 2007 (D.C.  
104 Law 16-234; D.C. Official Code § 6-1451.07(c)(2)), is amended as follows:

105 (a) Subparagraph (D) is amended by striking the phrase “; and” and inserting a  
106 semicolon in its place.

107 (b) Subparagraph (E) is amended by striking the period at the end and inserting a  
108 semicolon in its place.

109 (c) New subparagraphs (F) and (G) are added to read as follows:

110 “(F) Abatement costs, including the use of green building materials for  
111 abatement; and”

112 “(G) Costs incurred to make green building materials accessible to low-  
113 income residents.”.

114 Sec. 5. Section 29-102.13 of the District of Columbia Official Code is amended as  
115 follows:

116 (a) Subsection (b) is amended to read as follows:

117 “(b) Revenue credited to the Fund shall be expended by the Department of Consumer and  
118 Regulatory Affairs for the purposes of maintaining and upgrading the corporate filing system and  
119 supporting the Department’s overall functions.”.

120 (b) New subsections (g), (h) and (i) are added to read as follows:

121 “(g) The money deposited into the Fund shall not revert to the unrestricted fund balance  
122 of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

123           “(h) Subject to authorization in an approved budget and financial plan, any funds  
124 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

125           “(i) The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure  
126 Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et seq.), may issue  
127 rules to implement this section.”.

128           Sec. 6. Section 8(b)(4) of the Vending Regulation Act of 2009, effective October 22,  
129 2009 (D.C. Law 18-71; D.C. Official Code § 37-131.07(b)(4)), is amended to read as follows:

130           “(4) Funds in the Fund may be used to pay the costs of administering this act and  
131 other responsibilities of the Department of Consumer and Regulatory Affairs, including costs  
132 associated with the application for, and issuance of, a basic business license as set forth in  
133 paragraph (2)(A) of this subsection, and the administration and enforcement of any rules issued  
134 by the Department of Consumer and Regulatory Affairs.”.

135           Sec. 7. Section 63(c) of the Construction Codes Approval and Amendments Act of 1986,  
136 effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 6-1405.05(c)), is amended  
137 as follows:

138           (a) Subsection (c) is amended to read as follows:

139           “(c) Money in the Fund shall be used to operate and administer building permit review  
140 programs, and to support functions of the Department.”.

141           (b) New subsections (d) and (e) are added to read as follows:

142           “(d)(1) The money deposited into the Fund shall not revert to the unrestricted fund  
143 balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any  
144 other time.

145           “(2) Subject to authorization in an approved budget and financial plan, any funds

146 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

147           “(e) The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure  
148 Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et seq.), may issue  
149 rules to implement this section.”.

150           Sec. 8. Conforming Amendment.

151           Section 16(b) of An Act to create a board for the condemnation of insanitary buildings in  
152 the District of Columbia, and for other purposes, approved May 1, 1906 (34 Stat. 161; D.C.  
153 Official Code § 6-916(b)), is amended to read as follows:

154           “(b) All fees and penalties collected under this act shall be deposited in the fund  
155 established by section 1(b) of An Act To provide for the abatement of nuisances in the District of  
156 Columbia by the Commissioners of said District, and for other purposes, approved April 14,  
157 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01(b)).”.

158           Sec. 9. Fiscal impact statement.

159           The Council adopts the fiscal impact statement in the committee report as the fiscal  
160 impact statement required by section 4a of the General Legislative Procedures Act of 1975,  
161 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

162           Sec. 10. Effective date.

163           This act shall take effect following approval by the Mayor (or in the event of veto by  
164 the Mayor, action by the Council to override the veto), a 30-day period of Congressional  
165 review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved  
166 December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the  
167 District of Columbia Register.



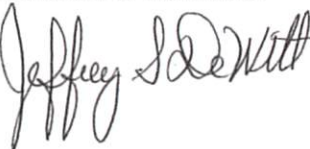
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** November 13, 2019

**SUBJECT:** Fiscal Impact Statement – Department of Consumer and Regulatory  
Affairs Fiscal Streamlining Amendment Act of 2019

**REFERENCE:** Draft bill provided to the Office of Revenue Analysis on September 19,  
2019

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**Conclusion**

Funds are not sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill directs an estimated \$10,000 in fines levied on vacant properties per year to the Nuisance Abatement Fund, lowering local fund revenues by that amount. This will reduce local fund revenue by \$10,000 in fiscal year 2020 and \$40,000 over the four-year financial plan.

**Background**

The bill expands the types of allowable expenditures from five special purpose revenue funds under the purview of the Department of Consumer and Regulatory Affairs (DCRA).

First, the bill expands the allowable use of the Nuisance Abatement Fund<sup>1</sup>, directs certain vacant property fines<sup>2</sup> into the fund and makes the fund non-lapsing. Currently the fund may only be used to improve conditions at nuisance properties. The bill expands the allowable use to include inspections, demolition or enclosure of a property, and administrative and personnel costs associated with all DCRA operations. The bill also expands the definition of imminent danger in

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<sup>1</sup> D.C. Official Code § 42-3131.01.

<sup>2</sup> The bill directs fines and penalties associated with vacant property enforcement into the Nuisance Abatement Fund. Currently, these are directed to the local fund. Specifically, fines under Section 10 of the Construction Codes Approval and Amendments Act of 1986, effective March 21, 1987 (D.C. Law 6- 216; D.C. Official Code § 6-1409) will now be directed to the Nuisance Abatement Fund.

The Honorable Phil Mendelson

FIS: "Department of Consumer and Regulatory Affairs Fiscal Streamlining Amendment Act of 2019," Draft bill shared with the Office of Revenue Analysis on September 19, 2019

nuisance properties to include any code violation that threatens health or safety of residents as determined by the Mayor.

Second, the bill expands the allowable use of the Basic Business License Fund<sup>3</sup> to include support of all DCRA services. Currently the fund may only be used for maintaining the basic business licensing systems.

Third, the bill expands the use of the Green Building Fund<sup>4</sup> to include support of all DCRA services, costs of abatement, and making green building materials accessible to disenfranchised residents. Currently the fund can be used for inspections and monitoring of green buildings, training, and technical assistance of green code development, research of green building practices and seed support for green building projects.

Fourth the bill expands the use of the Corporate Recordation Fund<sup>5</sup> to include support of all DCRA services and makes the fund non-lapsing. Currently the fund is dedicated to maintaining and upgrading the corporate filing system.

Lastly, the bill expands the use of the Expedited Building Permit Review Program Fund<sup>6</sup> to include support of all DCRA services and makes the fund non-lapsing. Currently the fund is dedicated only to meeting the operational and administrative costs of the expedited building permit review program. Any remaining balances in the fund revert to the General Fund.

### **Financial Plan Impact**

Funds are not sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill directs an estimated \$10,000 in fines levied on vacant properties per year to the Nuisance Abatement Fund, lowering local fund revenues by that amount. This will reduce local fund revenue by \$10,000 in fiscal year 2020 and \$40,000 over the four-year financial plan. This estimate takes into consideration the fact that collections on fines levied on vacant properties are historically small and inconsistent.

Expanding the allowable uses of these funds does not have a fiscal impact. The bill does not require any additional spending and the agency must limit overall spending in the affected funds to approved budgets. Making these funds non-lapsing does not have a fiscal impact because the unspent revenue from the funds is not required to balance the current financial plan.

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<sup>3</sup> D.C. Official Code § 47-2851.13c.

<sup>4</sup> D.C. Official Code § 6-1451.07.

<sup>5</sup> D.C. Official Code § 47-2855.05.

<sup>6</sup> D.C. Official Code § 6-1405.05.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General



ATTORNEY GENERAL  
KARL A. RACINE

Legal Counsel Division

MEMORANDUM

**TO:** Ronan Gulstone  
Director  
Office of Policy and Legislative Affairs

**FROM:** Brian K. Flowers  
Deputy Attorney General  
Legal Counsel Division

**DATE:** January 14, 2020

**SUBJECT:** Legal Sufficiency Review - Draft "Department of Consumer and Regulatory Affairs Fiscal Streamlining Amendment Act of 2019"  
(AE-19-589)

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**This is to Certify that** this Office has reviewed the above-referenced draft legislation and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

A handwritten signature in black ink, appearing to read "Brian K. Flowers". The signature is written in a cursive style and is positioned above a horizontal line.

Brian K. Flowers