

The Hon. Phil Mendelson
The Hon. Charles Allen
The Hon. Anita Bonds
The Hon. Matt Frumin
The Hon. Janeese Lewis George
The Hon. Vincent C. Gray
The Hon. Christina Henderson
The Hon. Kenyan R. McDuffie
The Hon. Brianna K. Nadeau
The Hon. Zachary Parker
The Hon. Brooke Pinto
The Hon. Robert C. White Jr.
The Hon. Trayon White, Sr.

Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Via email

Re: The Need to Reform DC's Clean Hands law that disqualifies residents from obtaining or renewing occupational or small business license as punishment for unpaid fines and fees

Dear Members of the Council of the District of Columbia,

We, the undersigned organizations are a coalition of anti-poverty, civil rights, faith-based, consumer protection, and justice advocacy groups. We are writing to show our support of urgent, systemic reform to end DC's current system of preventing residents from obtaining or renewing occupational and small business licenses due to even small debts (\$101+) owed to the government without any consideration for a resident's ability to pay. We support the reforms proposed by the Clean Hands Economic Expansion and Revitalization Amendment Act of 2023. The bill, introduced by Councilmember McDuffie on December 6, 2023, would exclude Clean Hands from preventing licensing of DC residents for occupational and small business, and would also raise the Clean Hands threshold limit from \$100 to \$2,500 to ensure that District residents seeking government support, benefits, and services, are not prevented from accessing these services over modest amounts of debt.

The report being released by coalition member Tzedek DC, Locked Out: How DC Bans Workers with Unpaid Fines from More Than 125 Jobs or Starting a Business, and What We Can Do About It, documents the ways in which DC's Clean Hands law disqualifies thousands of DC residents from obtaining or renewing an occupational or small business license due to their inability to pay underlying government debts. As the Council's Office of Racial Equity (CORE) has previously concluded "[b]ecause of the Clean Hands policy, Black residents are disproportionately blocked from occupational licenses, starting a business, or competing for contracts, among other wealth

building activities. This leaves Black residents disproportionately impacted by fines but with fewer opportunities to build wealth that may help them pay debts resulting from fines.”¹

Further, Black residents are *three times* more likely to experience a disability, and adults with disabilities are *twice* as likely to live in poverty as those without a disability. Without reform, applicants with disabilities, *particularly* applicants of color, will continue to be particularly impacted by the risks of losing their ability to obtain or renew an occupational or small business license.

The District’s policy of automatically prohibiting occupational or small business licenses as punishment for \$101 or more in debts to the government is unique in the region, made even worse by the District ranking the highest for fines and fees per capita in the nation. The District’s Clean Hands policy results in District residents working instead in our neighboring jurisdictions rather than in our own, since Maryland and Virginia will license our residents as social workers, nurses, plumbers, HVAC servicers, beauticians, and barbers, in situations where the only obstacle preventing them from working in those occupations in DC are fines, fees, or other debts they have not yet been able to pay the D.C. Government.

We look forward to working with the Committee and the Council on the important chance to reform this policy through this bill.

Signed,

1199SEIU United Healthcare Workers East
Beloved Community Incubator (BCI)
Bread for the City
Building Bridges Across the River / Skyland Workforce Development Center
Capital Area Asset Builders (CAAB)
CARECEN
DC Affordable Law Firm
DC Bar Pro Bono Center
DC Fiscal Policy Institute (DCFPI)
DC Justice Lab
DC Volunteer Lawyers Project (DCVLP)
Fines and Fees Justice Center (FFJC)
Jewish Community Relations Council of Greater Washington (JCRC)
Jews United for Justice
Legal Aid Justice Center
Legal Aid Society of the District of Columbia
Legal Counsel for the Elderly (LCE)
Network for Victim Recovery of DC (NVRDC)
Peter Edelman, Carmack Waterhouse Professor of Law and Public Policy, Georgetown
University Law Center
Pro Bono Institute
Tzedek DC

¹ D.C. COUNCIL, COMM. ON BUS. & ECON. DEV., Report on Bill 24-0237, at 118 (2022)

United Planning Organization
Washington Interfaith Network (WIN)
Washington Lawyers Committee for Civil Rights and Urban Affairs
Washington Legal Clinic for the Homeless (WLCH)