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RESOLUTION OF ADVISORY NEIGHBORHOOD COMMISSION 4D CONCERNING CLEAN HANDS AMENDMENT

Advisory Neighborhood Commission 4D takes note of the following:

- 1. WHEREAS the current Clean Hands law (<u>D.C. Official Code § 47–2861 et seq.</u>) automatically disqualifies anyone with more than \$100 in unpaid fines and fees, of any kind, from obtaining DC government occupational and small business licenses.¹
- 2. WHEREAS Clean Hands deprives critical income from working-class families, reinforces cycles of poverty, and exacerbates racial inequalities by automatically disqualifying already financially distressed residents from securing employment.²
- 3. WHEREAS Clean Hands affects more than 125 occupations, representing

¹ Jeremy Conrad (September 06, 2023). "<u>Cleaning Up the District's Clean Hands Law</u>". *The District of Columbia Bar*.

Washington Lawyers' Committee (June 21, 2023). "Constitutional Challenge on Behalf of Workers Against DC's Clean Hands Law".

more than 48,000 DC workers,³ including barbers, cosmetologists, nurses, therapists, funeral directors, social workers,⁴ plumbers, HVAC technicians, vendors,⁵ and dozens of other vocations crucial to the District's economy.

- **4. WHEREAS** nearly one in five DC workers must get an occupational license before they can legally do their jobs, but the Clean Hands law disqualifies tens of thousands of DC residents from obtaining or renewing an occupational or small business license due to their inability to pay minor government fines and fees.^{6, 7}
- **5. WHEREAS** residents of ANC 4D are particularly affected by this, especially those working as a street vendor⁸ who only recently achieved passage of the Street Vendor Advancement Amendment Act of 2023 which fully decriminalized the practice.⁹
- **6. WHEREAS** DC's current system prevents residents from obtaining or renewing occupational and small business licenses due to debts as small as \$101 owed to the District, and no consideration is made of the resident's ability to pay, leading many working-class people into a debt trap while at the same time unable to work.
- 7. WHEREAS the <u>Clean Hands Economic Expansion and Revitalization</u>
 <u>Amendment Act of 2023 (B25-0619)</u>, introduced in the DC Council on
 December 6, 2023, would stop Clean Hands from preventing DC residents

³ Tzedek DC (December 12, 2023). "<u>Tzedek DC and Allies Applaud Clean Hands Reform</u> <u>Introduced by Councilmember McDuffie</u>".

⁴ Camila Bailey (November 6, 2023). "<u>The Broader Impact of the District's 'Clean Hands' Mandate</u>". *Washington City Paper*.

⁵ Amanda Michelle Gomez (June 21, 2023). <u>Street Vendors File Lawsuit Against D.C. Law</u> That Denies Licenses Over Unpaid Debt". *DCist*.

⁶ Tzedek DC (2023). <u>Locked Out: How DC Bans Workers with Unpaid Fines from More Than</u> <u>125 Jobs or Starting a Business, and What We Can Do About It</u>. p. 4, 7.

⁷ Beloved Community Incubator (November 16, 2022). "Where the Sidewalk Ends, Part II: A Vision for Decriminalizing and Investing in DC Street Vendors".

⁸ At the January 17, 2024, meeting of the ANC 4D, residents Ma Theresa G. (4D01) and Mari G. (4D01) both spoke about their experience with Clean Hands as street vendors and how it is a barrier to getting a license.

⁹ Council of the District of Columbia (July 1, 2023). <u>Street Vendor Advancement Amendment Act of 2023</u>. D.C. Law 25-21.

from obtaining their occupational and small business licenses.

- **8. WHEREAS** B25-0619 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 unpaid fines and fees.
- **9. WHEREAS** the Council Office of Racial Equity 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."¹⁰
- **10. WHEREAS** the District's policy of automatically prohibiting occupational or small business licenses as punishment for just \$101 in unpaid fines and fees owed 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.¹¹
- **11. WHEREAS** B25-0619 would end the Clean Hands lockout of occupational and small business licenses for those with unpaid fines and fees to DC.

THEREFORE, BE IT RESOLVED That Advisory Neighborhood Commission 4D:

- **1. Endorses** the proposed Clean Hands Economic Expansion and Revitalization Amendment Act of 2023 (B25-0619).
- **2. Calls upon** the Council's Committee on Business and Economic Development to hold a hearing on and mark up B25-0619.
- **3. Recommends** that the Committee amend the bill to tie the Clean Hands threshold limit to an economic index that adjusts with changing conditions rather than a fixed amount of \$2,500 which may again become a barrier because of rising cost of living.
- **4. Urges** the Council to pass B25-0619 and remove Clean Hands as a barrier to working-class people obtaining or renewing their occupational or small

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¹⁰ Council Office of Racial Equity (June 22, 2022). <u>Bill 24-0237 Racial Equity Impact</u>

Assessment: Clean Hands Certification Equity Amendment Act of 2022. p. 4.

¹¹ Tzedek DC (2023). *Locked Out*. p. 9, 13.

business license.

BE IT FURTHER RESOLVED That Commissioner Abel is hereby authorized to represent the Commission in all matters relating to this resolution.

BE IT FURTHER RESOLVED That, in the event the designated representative Commissioner cannot carry out their representative duties for any reason, the Commission authorizes the Chair to designate another Commissioner to represent the Commission in all matters relating to this resolution.

This Resolution of Advisory Neighborhood Commission 4D concerning the Clean Hands Amendment was considered on March 20, 2024 before ANC 4D at a duly noticed meeting of the Commission in the presence of a quorum. The vote of the Commission was 7 in favor, 0 against, and 0 abstentions. The resolution is hereby adopted as resolution number 4D-2024-04.

Signed by:	Dated:	_May 16, 2024_
/s/ Anthony Pirrotti		
Anthony Pirrotti, ANC 4D Chair		