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## Testimony of Jen Jenkins Policy Counsel, Systemic Advocacy and Law Reform Legal Aid DC

## Before the Committee on Business and Economic Development Council of the District of Columbia

Public Hearing Regarding:
B25-619 "Clean Hands Certification Economic Expansion and Revitalization
Amendment Act of 2023"

June 20, 2024

Legal Aid DC¹ submits this testimony in support of Bill 25-619, the Clean Hands Certification Economic Expansion and Revitalization Amendment Act of 2023, which would exempt the issuance of occupational and business licenses from the Clean Hands Certification requirement and increase the debt threshold applicable under D.C. Code § 47–2862, the "Clean Hands Act." This measure's promise to improve access to business and occupational licenses is vital for the nearly 24,000 workers in D.C. who rely on occupational and businesses for their livelihood.² Reforming the District's Clean Hands Act by raising the debt threshold from \$100 to \$5,000 would also mitigate the impacts of poverty while ensuring District businesses have access to a larger workforce.³ While

<sup>&</sup>lt;sup>1</sup> Legal Aid DC is the oldest and largest general civil legal services program in the District of Columbia. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal legal system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. For more information, visit <a href="https://www.LegalAidDC.org">www.LegalAidDC.org</a>.

<sup>&</sup>lt;sup>2</sup> Tzedek DC, LOCKED OUT: 2023 How DC Bans Workers with Unpaid Fines from More than 125 Jobs or Starting a Business, and What We Can Do About It, <a href="https://tinyurl.com/bdezprx5">https://tinyurl.com/bdezprx5</a>.

<sup>&</sup>lt;sup>3</sup> See id.



Legal Aid appreciates the proposed increase to the Clean Hands debt threshold from \$100 to \$1,000 in the FY2025 Budget Support Act,<sup>4</sup> we ask that this Committee pass this measure to increase the threshold further to \$5,000 so District residents can obtain the licensure needed to gain or sustain income. The increased access to occupational and business licenses would benefit residents like our clients who are living at or below 200% of the Federal Poverty Level, many of whom may be interested in obtaining occupational or business licenses to increase their income but cannot afford to pay off their debt to the District.

Thousands of residents cannot afford to pay off their debt to the District, and are therefore excluded from working in 125 different occupations, including plumbers, HVAC technicians, food vendors, nurses, nursing assistants, pharmacy assistants, barbers, cosmetologists, electricians, pharmacy assistants, and many more. The Clean Hands fines-and fees-based ban on occupational and small business licenses exists for one purpose only: to generate revenue for the District, regardless of a worker's ability to pay. While the payment of a fine or ticket is a mere inconvenience to most high-income residents, it can be the difference between paying rent or buying food for low-income, disproportionately Black and brown residents. Further, the personal and community consequences of being shut out of the workforce cannot be overstated. This must change. The Committee should correct this harmful policy choice by passing this proposed legislation.

## Conclusion

The Committee should increase the Clean Hands debt threshold and exclude occupational and business licenses from the Clean Hands Act in order help close the untenable racial wealth gap between Black and white DC residents, to increase the likelihood of new businesses in the District and to expand the available workforce for businesses. Thank you for the opportunity to testify.

<sup>&</sup>lt;sup>4</sup> See Fiscal Year 2025 Budget Support Act of 2024, Subtitle U. Clean Hands Certification Economic Expansion and Revitalization Amendment Act of 2024, as approved by the Committee of the Whole on May 29, 2024 (Committee Print of Bill 25-0784).

<sup>&</sup>lt;sup>5</sup> *Id.* at 1.

<sup>&</sup>lt;sup>6</sup> See National Center for Access to Justice at Fordham Law School, Fines and Fees Index District of Columbia, <a href="https://ncaj.org/state-policy-report/DC">https://ncaj.org/state-policy-report/DC</a>.