



2017 SEP 18 AM 9:01  
OFFICE OF THE  
SECRETARY

MURIEL BOWSER  
MAYOR

SEP 18 2017

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:


Enclosed for consideration by the Council of the District of Columbia is the "Subrogation Fund Establishment Act of 2017." The proposed bill would establish a special non-lapsing Subrogation Fund ("Fund") that would include any funds appropriated for its purposes, plus all revenue arising from subrogation claims brought by or for the Chief Risk Officer for damage to or destruction of District property. The Fund would also include revenue obtained through claims for property damage or destruction referred by the Chief Risk Officer to the Office of the Attorney General ("OAG") for prosecution.

The contents of the Fund would be used for the repair and replacement of District property damaged or destroyed by the actions or negligence of persons who caused such damage or destruction; to pay for the cost of administering the subrogation functions of the Office of Risk Management; and to pay for the costs incurred by the OAG in the collection and prosecution of subrogation claims referred to OAG by the Chief Risk Officer. The bill would also authorize the Chief Risk Officer to issue rules to implement its purposes.

I look forward to a favorable consideration of this Bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".  
Muriel Bowser

  
Chairman Phil Mendelson  
at the request of the Mayor

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

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 establish a subrogation fund for the District.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Subrogation Fund Establishment Act of 2017”.

Sec. 2. Subrogation Fund.

(a) There is hereby established as a special fund the Subrogation Fund (“Fund”),  
which shall be administered by the Chief Risk Officer in accordance with subsections (c)  
and (d) of this section.

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

(1) Funds appropriated for the Fund;

(2) Revenue arising from subrogation claims brought by or for the Chief  
Risk Officer, including revenue arising from subrogation claims referred by the Chief  
Risk Officer to the Office of the Attorney General for prosecution except, prior to deposit  
of such revenue into the Fund in fiscal years 2018 through 2021, the following amounts  
of revenue arising from subrogation claims in fiscal years 2018 through 2021 shall be  
deposited first into the General Fund of the District of Columbia: \$310,000 in FY 2018;  
\$315,000 in FY 2019; \$322,000 in FY 2020; and \$328,000 in FY 2021.

1 (c) Money in the Fund shall be used for the following purposes:

2 (1) To repair and replace District property damaged or destroyed by the  
3 actions or negligence of persons who caused such damage or destruction;

4 (2) To pay for the costs of administering the subrogation functions of the  
5 Office of Risk Management; and

6 (3) To pay for the costs incurred by the Office of the Attorney General in  
7 the collection and prosecution of subrogation claims referred to it by the Chief Risk  
8 Officer.

9 (d)(1) The money deposited into the Fund, and interest earned, shall not revert to  
10 the unrestricted fund balance of the General Fund of the District of Columbia at the end  
11 of a fiscal year, or at any other time.

12 (2) Subject to authorization in an approved budget and financial plan, any  
13 funds appropriated in the Fund shall be continually available without regard to fiscal year  
14 limitation.

15 (e) The Chief Risk Officer, pursuant to Title I of the District of Columbia  
16 Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official  
17 Code § 2-501 *et seq.*), may issue rules to implement the provisions of this section.

18 (f) For the purposes of this section, the term:

19 (1) "Chief Risk Officer" means the director of the Office of Risk  
20 Management established by Reorganization Plan No. 1 of 2003, effective December 15,  
21 2003 (50 DCR 7298; D.C. Official Code § 1-15-35).

22 (2) "Subrogation" means the right of the District to pursue claims against  
23 persons who caused loss or damage to the District.

1           Sec.4. Fiscal impact statement.

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

5           Sec. 5. Effective date.

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

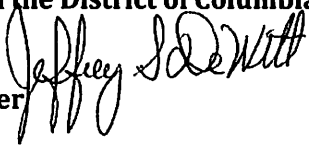
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** June 28, 2017

**SUBJECT:** Fiscal Impact Statement – Subrogation Fund Establishment Act of 2017

**REFERENCE:** Draft bill provided to the Office of Revenue Analysis on June 28, 2017

---

**Conclusion**

Funds are sufficient in fiscal year 2017 and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

**Background**

The bill creates a non-lapsing special purpose fund called the Subrogation Fund (“Fund”), to be administered by the Chief Risk Officer (“CRO”). The bill directs revenue arising from subrogation<sup>1</sup> claims brought by or for the CRO, including revenue arising from subrogation claims referred by the CRO to the Office of the Attorney General for prosecution, to the Fund, except for the revenue currently incorporated into local fund revenue in the budget and financial plan. Currently, revenue received as a result of subrogation claims varies by agency, but some agencies deposit the revenue directly into the local fund.

The Fund may be used to repair and replace District property damaged or lost by negligence, and to pay for administrative costs related to subrogation within the Office of Risk Management and the Office of the Attorney General.

**Financial Plan Impact**

Funds are sufficient in fiscal year 2017 and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

---

<sup>1</sup> Subrogation is defined in the bill as the right of the District to pursue claims against persons who caused loss or damage to District property.

The Honorable Phil Mendelson

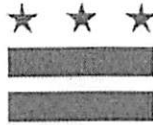
FIS: "Subrogation Fund Establishment Act of 2017," draft bill as provided to the Office of Revenue Analysis on June 28, 2017.

The bill ensures that only subrogation revenue above the amount currently incorporated into the local fund revenue in the budget and financial plan will be directed to the new Fund. Because these local funds are the only subrogation revenues with a basis for estimation, there is no projection at this time for any revenues for the new special purpose revenue Fund. If additional revenues are received by the District and deposited into the Fund, the Office of Risk Management and the Office of the Attorney General would need to request budget authority in a supplemental or subsequent budget before spending such revenues.

<b>Subrogation Fund Establishment Act of 2017</b>					
<b>Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)</b>					
	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Four Year Total</b>
Amount of revenue remaining in the local fund	\$310	\$315	\$322	\$328	\$1,275

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL

ATTORNEY GENERAL  
KARL A. RACINE



Legal Counsel Division

MEMORANDUM

**TO:** Lolita S. Alston  
Director  
Office of Legislative Support


**FROM:** Janet M. Robins  
Deputy Attorney General  
Legal Counsel Division

**DATE:** June 27, 2017

**SUBJECT:** Certification of Legal Sufficiency of Draft Bill, the "Subrogation Fund  
Establishment Act of 2017"  
(AE-17-005-D)

---

**This is to Certify that** this Office has reviewed the above-referenced bill and has found it to be legally sufficient. If you have any questions regarding this certification, please do not hesitate to contact me at 724-5524.

  
Janet M. Robins