

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



**Natwar M. Gandhi**  
Chief Financial Officer  
**MEMORANDUM**

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**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar Gandhi  
Chief Financial Officer

**DATE:** OCT 13 2005

**SUBJECT:** Fiscal Impact Statement: "National Community Reinvestment Coalition Real Property Tax Exemption Act of 2005"

**REFERENCE:** B16-409

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**Conclusion**

Funds are not sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the "National Community Reinvestment Coalition Real Property Tax Exemption Act of 2005." However, the bill provides that it shall take effect subject to the inclusion of its fiscal effects in an approved budget and financial plan. If funds were made available in FY 2007, the proposed legislation would refund \$415,913 for taxes paid for FY 2004 – FY 2006 and exempt taxes of \$201,291 due for FY 2007.<sup>1</sup> The overall impact for FY 2007 through FY 2010 would be \$1,385,079.

**Background**

The proposed legislation amends Chapter 10 of Title 47 of the District of Columbia Official Code to exempt from taxation property owned by the National Community Reinvestment Coalition and located at lot 20, square 222. The legislation allows for the exemption to continue as long as the property is owned and occupied by nonprofit tenants and is not used for commercial purposes.

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<sup>1</sup> FY 2004-2006 fiscal impact includes retroactive reach of proposed legislation, encompassing the period from February 24, 2004 through September 30, 2007.

### Financial Plan Impact

The proposed legislation is subject to the inclusion of the bill's fiscal effects in an approved budget and financial plan. If enacted and funds were made available in the FY 2007-FY 2010 budget and financial plan, the bill would have a fiscal impact of \$617,204 in FY 2007 and an overall impact of \$1,385,079 from FY 2007 through FY 2010 as illustrated in the following table.

<b>FY2007 – FY2010 Fiscal Impact of National Community Reinvestment Coalition Real Property Tax Exemption</b>					
	<b>FY 2007<sup>2</sup></b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4-year total</b>
<b>Real Property Tax Lot 20, Square 222</b>	\$617,204	\$226,451	\$254,788	\$286,636	\$1,385,079

<sup>2</sup> FY 2006 fiscal impact includes retroactive reach of proposed legislation, encompassing the period from February 24, 2004 through September 30, 2007. FY2004 real property tax for lot 20, square 222 was \$113,572; including the actual taxes, penalties, and interest paid and assuming an average increase in assessment and tax rate of 12.5%, FY 2004 – FY 2006 inclusive is calculated at \$617,204.