

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

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

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: July 10, 2003

SUBJECT: Fiscal Impact Statement: "Equity in Real Property Tax Assessment Act of 2003"

REFERENCE: Bill 15-210 as Introduced

Conclusion

Funds are not sufficient in the proposed FY 2004 through FY 2007 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. Implementing the proposed legislation will result in unbudgeted costs of \$141,000 in FY 2004 and \$594,000 in FY 2004 through FY 2007.

Anti-deficiency laws, 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitur* (2003), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the District Office of Tax and Revenue determine that funding is available to absorb the additional costs in FY 2004, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures.

Background

The proposed legislation requires that any real property tax assessment that is revised by BRPAA shall be the basis for all subsequent assessments of a property. The proposed legislation specifically requires that the Office of the Real Property Assessor, as the Mayor's representative, use the written decision of BRPAA and the reasons for the modification in all subsequent assessments.

Financial Plan Impact

Funds are not sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation will require additional staff and resources to implement. The Office of Tax and Revenue (OTR), Real Property Assessment Division (RPAD) will require two additional persons to review, process and implement all the assessment and billing changes required by the proposed legislation.

The table in Figure 1 presents the personnel services costs impacting the financial plan.

Figure 1.

PS Costs to the Financial Plan					
(\$ in 000s)					
Item	FY 2004	FY 2005	FY 2006	FY 2007	4-Year Total
(2) FTEs @ DS 13 Step 5	\$122	\$126	\$131	\$135	\$514
Benefits	19	20	20	21	80
Net Annual Impact	\$141	\$146	\$151	\$156	\$594

The Chief Financial Officer's legislative fiscal analysis is prepared by the Special Projects and Fiscal Analysis Administration in the Office of Research and Analysis. Contact us at 441 4th Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.