

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 [signature]
Chief Financial Officer

DATE: March 2, 2004

SUBJECT: Fiscal Impact Statement: "Bread for the City Community
Garden Equitable Real Property Tax Relief Act of 2004"

REFERENCE: Bill Number 15-585 as Introduced

Conclusion

Funds are not sufficient in the FY 2004 through FY 2007 budget and financial plan to implement the proposed legislation. **The proposed legislation will result in unbudgeted reductions in real property tax revenue by approximately \$9,946 beginning in FY 2004 and \$28,217 in FY 2004 through FY 2007.**

Background

The proposed legislation requires all real property taxes, interest, penalties, fees, and other related charges be forgiven for property located at Square 445, Lot numbers 198, 199, 200. The proposed legislation states that this forgiveness will begin in tax year 2003 and an exemption will remain in effect in perpetuity as long as the property remains publicly accessible and used for non-commercial purposes.

Financial Plan Impact

Funds are not sufficient in the FY 2004 through FY 2007 budget and financial plan to implement the proposed legislation because this bill will result in reductions in local General Fund revenue. The table in Figure 1 presents the projected reductions in real property tax revenue.

Figure 1.

| Impact on Local General Fund Revenue | | | | |
|---|----------------|----------------|----------------|----------------------|
| (\$) | | | | |
| FY 2004 | FY 2005 | FY 2006 | FY 2007 | 4 -Year Total |
| \$9,946 | \$5,882 | \$6,088 | \$6,301 | \$28,217 |