

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 1, 2004

SUBJECT: Fiscal Impact Statement: "Television Production Studios and
Equipment Use Amendment Act of 2004"

REFERENCE: Bill 15-686 as Introduced

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan. Implementing the proposed legislation may result in a benefit to the District's budget and financial plan of approximately \$19,000 in FY 2005 and \$76,000 in FY 2005 through FY 2008.

Background

The proposed legislation would authorize the Office of Cable Television and Telecommunications (OCTT) to rent or lease District property associated with television production to outside entities. The proposed legislation is an industry practice by commercial entities in the Washington Metropolitan Area and New York City.

Financial Plan Impact

Funds are sufficient in the FY 2005 budget to implement the proposed legislation. OCTT will propose regulations that publish a rental payment schedule competitive in the regional market. OCTT is currently considering renting the mobile truck and equipment for approximately \$6,300 per day. OCTT believes customers would engage the equipment for an average of 3 days per fiscal year. A limitation on the rental engagement is that the equipment must be available for rent and not required for government use. The table in Figure 1 presents the estimated non-tax revenue impacting the local financial plan.

Figure 1.

Impact on Local General Fund Revenue (\$ in 000s)				
FY 2005	FY 2006	FY 2007	FY 2008	4 -Year Total
\$19	\$19	\$19	\$19	\$76

OCTT is unable to accurately predict the likelihood of rental engagements nor how aggressively they would be able to advertise availability.