

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: MAY 5 2005

SUBJECT: Fiscal Impact Statement: "Mechanic's Lien Amendment Act of 2005"

REFERENCE: Bill Number 16-105 as Introduced

RECEIVED
2005 MAY -5 PM 2:57
CHAIRMAN CROPP

Conclusion

The proposed legislation will have no impact on the District's budget and financial plan. No additional staff or resources will be required.

Background

The proposed legislation requires that only a properly licensed contractor may file a mechanic's lien. The proposed legislation requires separate requirements when establishing the lien for residential and commercial properties. In addition, the proposed legislation broadens and requires expeditious filings and notifications. The proposed legislation also establishes the requirements for subcontractors who wish to file Mechanic's Liens. All home improvement contracts must be approved by the District Department of Consumer and Regulatory Affairs. All land record filings must be made with the Recorder of Deeds in the Office of Tax and Revenue.

Financial Plan Impact

The proposed legislation will have no impact on the FY 2005 budget or the Mayor's proposed FY 2006 through FY 2009 budget and financial plan. The Office of Tax and Revenue will not require any additional staff or resources to implement the provisions of the proposed legislation. The Office of Tax and Revenue can absorb any additional operational requirements.