

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



Natwar M. Gandhi  
Chief Financial Officer

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MEMORANDUM

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

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** JUN 20 2005

**SUBJECT:** Fiscal Impact Statement: "Fiscal Year 2006 Budget Support Act of 2005"

**REFERENCE:** Bill 16-200 from the Engrossed Original

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**Conclusion**

The proposed legislation implements the FY 2006 through FY 2009 budget and financial plan. Overall, this bill, together with anticipated Mayoral rulemaking, tax initiatives and agency operational plans, will result in a \$7.35 billion budget. The combined initiatives provide sufficient funds to implement the \$4.95 billion FY 2006 proposed local budget and financial plan.

Federal and District anti-deficiency laws<sup>1</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the District determine that funding is available to absorb any additional costs in FY 2006, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures.

*The proposed legislation, the Fiscal Year 2006 Budget Support Act of 2005, is the legislative vehicle for adopting statutory changes needed to implement the District's proposed FY 2006 through FY 2009 budget and financial plan. The purpose and the impact of each title are summarized in the following pages.*

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<sup>1</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).

## **Title I – Government Direction and Support**

### **Subtitle (A) – Fiscal Year 2006 Budget Submission Amendment Act of 2005:**

#### **Background**

The proposed subtitle amends Title I, Subtitle E of the Fiscal Year 2005 Budget Support Act of 2004<sup>2</sup> to require the Mayor to submit the annual budget and financial plan segmented as follows:

1. Identify in the budget submission those amounts that are consistent with prior year spending and in the Committee of the Whole Report on the budget and the budget request act;
2. Identify any additional proposed budget amounts that are supported by revenue certified by the District's Chief Financial Officer and not included in the previous provision; and
3. Requires that beginning with the FY 2007 budget submission the District's Chief Financial Officer shall outline the portion of the District's annual budget that is directed toward services and programs included in the budget that serve children and youth from birth to 18 years of age.

The proposed subtitle makes additional requirements for the budget submission.

#### **Financial Plan Impact**

The proposed subtitle has no impact on the budget and financial plan. No additional staff or resources will be required.

### **Subtitle (I)(B) – Performance-Based Budgeting Amendment Act of 2005:**

#### **Background**

The proposed subtitle establishes the legal definitions of "Relevant Key Results Measures" and "Relevant Performance Measures." The proposed subtitle requires the Mayor in consultation with the District CFO to produce a report by May 31<sup>st</sup> of any year that details and evaluates each District agency's performance for the prior fiscal year. The proposed subtitle sets deadlines for submission; establishes requirements for performance measures and the detail required; and links the agency's performance measures to the agency head's contract or performance agreement.

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<sup>2</sup> Bill 15-768, D.C. Law 15-205, 51 DCR 8441; enacted August 2, 2004, effective December 7, 2004.

### **Financial Plan Impact**

The proposed FY 2006 through FY 2009 budget and financial plan has sufficient resources to implement the provisions of the proposed legislation. Appropriated funds and staff are provided to the Executive Offices of the Mayor (EOM), District agencies, and the Office of Budget and Planning (OBP) for these purposes.

### **Subtitle (I)(C) – Criteria for Spending Pay-As-You-Go (PAYGO) Contingency Funding Act of 2005:**

#### **Background**

The proposed title establishes criteria for spending a portion of the District's \$12.46 million FY 2006 contingency funding. Triggered through notification by the Mayor and certification by the District's Chief Financial Officer that funds are necessary for the designated purpose(s), the Chairman of the Council will circulate the request. The request is deemed approved after 14 calendar days barring no objection or disapproval. Objections or disapprovals may be made through written notice to the Secretary of the Council or orally during a meeting of the Council during the 14-day circulation period. Notifications of use of PAYGO financing will not be deemed accepted by the Council for circulation during a recess period.

The proposed subtitle lists the eligible agencies and operations, and the funding level limitations. The proposed subtitle requires that no public resolution requesting the use of PAYGO may be submitted while the Council is on recess.

#### **Financial Plan Impact**

The proposed title will have no impact on the District's budget and financial plan because \$12.46 million has been included in the FY 2006 budget and financial plan for the purposes previously described. The proposed title serves to make clear procedures for the use of PAYGO funds.

When contracts with vendors are entered into for a portion or part-year period, costs for goods and services have a lower value for the dollar than contracts entered into for one-year periods. Therefore, if an agency requires PAYGO funding to finance contractual services for less than a year, the restrictions on the use of the funds may result in higher costs per unit/value.

### **Subtitle (I)(D) – Allocation of Additional Revenue Act of 2005:**

#### **Background**

The proposed subtitle provides that if the District's Chief financial Officer certifies, through revised quarterly revenue estimates for FY 2006, that local funds exceed the

annual revenue estimates incorporated in the approval of the FY 2006 budget and financial plan, a minimum of \$21 million shall be allocated to specified District agencies. The proposed subtitle identifies the agency or operation and the funding level authority.

#### **Financial Plan Impact**

The proposed subtitle specifies that the additional allocations will be made only if funds become available as the result of increased revenue. Funds to be allocated to the previously mentioned agencies and operations will need to be certified by the District Chief Financial Officer at a later time. It is presumed that the proposed subtitle will expire on September 30, 2006.

#### **Subtitle (I)(E) – Retroactive Pay in Collective Bargaining Agreements Amendment Act of 2005:**

##### **Background**

The proposed subtitle requires that no subordinate agency has the authority to negotiate a collective bargaining agreement.

##### **Financial Plan Impact**

The proposed subtitle will have no impact on the District's budget and financial plan. Agencies are limited to their existing appropriations when making personnel decisions.

#### **Subtitle (I)(F) – Support for Voting-Rights Educational and Informational Activities Act of 2005:**

##### **Background**

The proposed subtitle appropriates \$1 million for the purposes of supporting educational and informational activities concerning District voting rights. The Mayor may expend them under the authority of EOM, or these funds may be granted to non-government entities for the same purposes. The Mayor will have the authority to make one or more sole-source, non-competitive, grants or sub-grants.

##### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. Although the proposed legislation results in expenditures of \$1 million in FY 2006, this amount was considered when developing the proposed contingency budget. The table in Figure 1 presents the contingency budget as it would impact the proposed FY 2006 through FY 2009 budget and financial plan.

Figure 1.

Estimated Impact on the Financial Plan				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$1.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$1.0)

**Subtitle (I)(G) – Leasing Fees Working Fund Amendment Act of 2005:**

**Background**

The District collects fees from the leasing of real property belonging to the City. The District has expenses associated with maintaining and managing this property. The purpose of the proposed subtitle is to dedicate fee revenue as a resource for property maintenance and management expenditure obligations.

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing proceeds from lease agreements of District government property. Currently the proceeds from such leases are deposited into the District's local General Fund. All prior year funds remain available until fully expended less 10 percent that will revert to the local General Fund.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

The Office of Property Management (OPM) has a Special Purpose Revenue budget in the amount of \$3,625,000 in FY 2006. This consists of \$375,000 from parking fees and \$3,250,000 from rental fees. The account established in the proposed subtitle will be the repository of approximately \$3.25 million annually which will be retained until fully expended without fiscal year limitations. The table in Figure 2 presents the estimated fee revenue.

Figure 2.

Estimated Lease Fee Revenue				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
\$3.25	\$3.25	\$3.25	\$3.25	\$13.00

**Subtitle (I)(H) – Tobacco Settlement Trust Fund Board of Trustees Meetings  
Amendment Act of 2005:**

**Background**

The proposed subtitle amends the existing Board operations authority<sup>3</sup> to provide that the Board does not meet until funds are deposited into the Trust.

**Financial Plan Impact**

The proposed subtitle has no impact on the District's budget and financial plan.

**Subtitle (I)(Eye) – District of Columbia Surplus Personal Property Sales Operating  
Fund Amendment Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing the net proceeds from the sales of surplus District government personal property. Currently the proceeds from such leases are deposited into the District's local General Fund. All prior year funds that do not revert to the local General Fund remain available until fully expended.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required.

The Office of the Chief Procurement Officer (OCPO) will establish a special purpose fund called DC Surplus Personal Property Sales Operating Fund. The account established in the proposed subtitle could achieve approximately \$500,000 annually in net proceeds which will be retained until fully expended without fiscal year limitations. A minimum of \$27,000 will be required to fund contractual services. The table in Figure 3 presents the estimate net proceeds in the financial plan.

*Figure 3.*

<b>Estimated Revenue from Net of Sales</b>				
<b>(\$ in 000s)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
\$0.5	\$0.5	\$0.5	\$0.5	\$2.0

<sup>3</sup> D.C. Official Code Title 7 § 1811.02(d), enacted June 26, 2000, effective October 19, 2000.

**Subtitle (I)(J) – Standard Deduction and Personal Exemption Act of 2005:**

**Background**

The proposed subtitle increases the standard deduction when filing an individual income tax return from \$2,000 to \$2,500. In addition, it increases the personal exemption from \$1,370 to \$2,500. The provisions of the proposed subtitle will be implemented effective January 1, 2006.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. Although the proposed legislation results in reductions in individual income tax revenue of \$6.9 million in FY 2006, this amount was considered when developing the proposed budget and financial plan. The table in Figure 4 presents the budgeted revenue reductions as they would impact the proposed FY 2006 through FY 2009 budget and financial plan.

Figure 4.

Tax Revenue Reductions Impacting the Financial Plan					
(S in millions)					
Item	FY 2006	FY 2007	FY 2008	FY 2009	4 - Year Total
Increase the Standard Deduction	(\$3.4) <sup>4</sup>	(\$4.6)	(\$4.8)	(\$4.9)	(\$17.7)
Increase to the Personal Exemption	(3.5) <sup>5</sup>	(4.8)	(5.0)	(5.1)	(18.4)
<b>Net Annual Impact</b>	<b>(\$6.9)</b>	<b>(\$9.4)</b>	<b>(\$9.8)</b>	<b>(\$10.0)</b>	<b>(\$54.5)</b>

**Subtitle (I)(K) – Expansion of the Earned Income Tax Credit Act of 2005:**

**Background**

The proposed subtitle increases the current earned income tax credit<sup>6</sup> from 25 percent to 35 percent for all tax returns filed after December 31, 2004. The credit may be used as a payment against local tax liabilities.<sup>7</sup> This tax credit may not be used if the filer elects to use the low-income credit.<sup>8</sup> The provisions of the proposed subtitle will be implemented effective January 1, 2006. The Mayor may issue rules pertaining to the implementation of the proposed subtitle.

To be eligible for the proposed non-custodial parent earned income tax credit a person must be a District resident, between the ages of 18 to 30 years old, must be the parent of a

<sup>4</sup> Figure projects three-quarters of the fiscal year beginning January 1, 2006.

<sup>5</sup> IBID.

<sup>6</sup> Allowed under § 32 of the Internal Revenue Code of 1986.

<sup>7</sup> D.C. Official Code Title 47, Chapter VI(6), § 1806 *et sequitor*.

<sup>8</sup> The Low-Income credit is §§(e) of the same title, chapter and section.

minor child with whom the taxpayer does not reside, must file a tax return in the District of Columbia, must have a court order to make child support payments through a government-sponsored support collection unit, and must have paid an amount in child support in the taxable year at least equal to the amount of child support due during the tax year for which the tax credit is to be applied.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. Although the proposed legislation results in reductions in individual income tax revenue of \$7.1 million in FY 2006, this amount was considered when developing the proposed budget and financial plan. The table in Figure 5 presents the revenue reductions as they would impact the current financial plan.

*Figure 5.*

Estimated Reductions in Income Tax Revenue				
(\$ in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4-Year Total
(\$7.1) <sup>9</sup>	(\$9.5)	(\$10.1)	(\$10.6)	(\$37.3)

**Subtitle (I)(L) – Assessment of Collection Fees Act of 2005:**

**Background**

The proposed subtitle allows the assessment of a fee not to exceed 25 percent on the collection of delinquent taxation. The taxes must be deemed delinquent and the fee is to be applied to taxation due as well as all interest, penalties and other types of fees.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed fee increases revenue by \$3.8 million in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 6 presents the projected revenue as it impacts the financial plan.

*Figure 6.*

Estimated Fee Collection Revenue				
(\$ in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4-Year Total
\$3.8	\$3.8	\$3.8	\$3.8	\$15.2

<sup>9</sup> Figure projects three-quarters of the fiscal year beginning January 1, 2006.

**Subtitle (I)(M) – Establishment of Compliance and Tax Administration Fund Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing proceeds from the assessment of fees on delinquent taxation. All fees deposited into the Fund will be retained until fully expended.

The fees are authorized by the proposed subtitle and will be dedicated to the collection operations in the Compliance Administration of the Office of Tax and Revenue. The fee is not to exceed 25 percent on the collection of delinquent taxes. These fees are in addition to existing penalties and interest imposed on the tax liability.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The account established in the proposed subtitle will be the repository of approximately \$3.8 million annually which will be retained until fully expended without fiscal year limitations. The net annual impact to the local General Fund is disclosed in Figure 6.

**Subtitle (I)(N) – Real Property Tax Relief Amendment Act of 2005:**

**Background**

The proposed subtitle increases the Homestead Deduction from \$38,000 to \$60,000. To be eligible a person must file an individual income tax return in the District of Columbia.

**Financial Plan Income**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional Staff or resources will be required. The increase to the Homestead Deduction is estimated to reduce revenue by \$18.7 million in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 7 presents the projected revenue reductions as they impact the financial plan.

*Figure 7.*

<b>Tax Revenue Reductions Impacting the Financial Plan</b>				
<b>(\$ in millions)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 - Year Total</b>
<b>(\$18.7)</b>	<b>(\$19.6)</b>	<b>(\$20.6)</b>	<b>(\$21.6)</b>	<b>(\$80.5)</b>

**Subtitle (I)(O) – Establishment of the Commodities Cost Reserve Fund Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing appropriations that are unobligated and unexpended from spending authority of all consumption-driven commodities such as electricity, fuel, postage, telephone, etc. All funds transferred into the Fund will remain available until fully expended and without fiscal year limitation. The Office of the Chief Financial Officer will transfer the funds at the close of each fiscal year.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. All funds deposited will be retained until fully expended without fiscal year limitations.

**Subtitle (I)(P) – Dishonored Check Fee Collection Fund Establishment Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing fees assessed on bank dishonored checks written to the District government. The fund is non-lapsing and non-reverting. Funds may be expended without fiscal year limitation with the exception that 10 percent of the prior year's unexpended balance will be transferred to the District's local General Fund at the end of every fiscal year.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The account established in the proposed subtitle will be the repository of approximately \$450,000 annually which will be retained until fully expended without fiscal year limitations. The net annual impact to the local General Fund is disclosed in Figure 8.

*Figure 8.*

<b>Estimated Fee Collection Revenue</b>				
<i>(\$ in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
\$0.45	\$0.45	\$0.45	\$0.45	\$1.80

**Subtitle (I)(R) – Tax Deferral for Low-Income Property Owners Act of 2005:**

**Background**

The proposed subtitle provides a real property tax deferral in the amount of the increase in real property tax, bearing interest at 8 percent per annum, for low-income District resident property owners whose adjusted gross household income is less than \$50,000 per year. Eligible persons may apply for a tax deferral of up to 25 percent of the assessed value of the property for the tax year the deferral is being requested. In addition, a deferral for all real property tax is provided to senior citizens with an Adjusted Gross Income of less than \$50,000.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. Deferred amounts will decrease revenue collections estimated to be \$2 million in FY 2006. These amounts were considered when developing the proposed budget and financial plan. The table in Figure 9 presents the projected revenue reductions as they impact the financial plan.

*Figure 9.*

<b>Tax Revenue Reductions Impacting the Financial Plan</b>				
<i>(S in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 - Year Total</b>
<b>(\$2.0)</b>	<b>(\$2.3)</b>	<b>(\$2.1)</b>	<b>(\$1.9)</b>	<b>(\$8.3)</b>

**Subtitle (I)(S) – Fee Collection Incentive Act of 2005:**

**Background**

District agencies generally collect fees and charges as two types of revenue. Proprietary or special purpose revenue is non-reverting, non-lapsing and dedicated to a specific agency operation(s). The proposed legislation will not affect this type of revenue because dedicated non-tax revenue is not available for General Fund use. However, some fees and charges are collected as type 'A' revenue and deposited in the local General Fund for District-wide use.

The proposed subtitle would earmark 5 percent of all type 'A' non-tax revenue collected above the amounts projected in an agency's budget as available for agency operating expenses. The intent is to provide an incentive to the District's agencies to make fee-collecting operations more efficient.

The proposed legislation requires that beginning October 1, 2005, 5 percent of all supplemental revenue<sup>10</sup> received through fee collections will be deposited into the Fee Collection Incentive Fund and made available to the agency in the year allocated. Agencies are precluded from using these funds for employee bonuses. The legislation requires that these funds be used to enhance the agency's efficiencies and at the end of the dispersal year are to be transferred to the District's local General Fund.

### Financial Plan Impact

The table in Figure 10 shows the amount of revenue<sup>11</sup> that would have been transferred from the local General Fund to the agency when revenue collections exceeded FY 2004 projections.

Figure 10.

Revenue Impact to the Financial Plan (S in millions)	
Item	Example
Actual FY 2004 Revenue	\$117.10
FY 2004 Revenue Estimate	92.40
Actual FY 2004 Supplemental Revenue	24.70
5% Agency Recovery – Transfer from General Fund	\$ 1.25

### Subtitle (D)(T) – The Catholic University of America Tax Exemption Act of 2005:

#### Background

The proposed subtitle requires real property exemption, real property tax relief and an exemption from deed recordation and deed transfer taxes as long as the subject property is not used for commercial purposes. The property to be made exempt is owned by the Catholic University of America Soldiers and Airman's Home, Parcel Number 121/29 located in the northeast quadrant of the District and comprising approximately 49 acres of land generally bound by North Capitol Street, Irving Street, Irving Street, Michigan Avenue, Harewood Road, and the Pope John-Paul II Cultural Center. The proposed legislation also forgives all interest penalties, fees and other related charges. The proposed subtitle forgives all tax liabilities owed for a period beginning April 29, 2004 through the effective date of the proposed legislation.

<sup>10</sup> Supplemental revenue is defined for the purposes of the proposed legislation as funds exceeding the agency's revenue estimates from fees and fines as those estimates were projected for the current fiscal year.

<sup>11</sup> This revenue results from fees and fines that exceeded the original FY 2004 estimates. It does not include reimbursements from the U.S. Marshall Service, interest income, unclaimed property, sales of surplus property, or miscellaneous income.

### Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional Staff or resources will be required. The proposed legislation will result in reductions in real property tax revenue of \$1 million in FY 2006. The table in Figure 11 presents the revenue reductions as they would impact the current financial plan.

Figure 11.

Estimated Reductions in Real Property Tax Revenue (S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$1.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$1.0)

### Subtitle (I)(U) – Carver 2000 Low-Income and Senior Housing Project Act of 2005:

#### Background

The proposed legislation continues an existing Act (Act 15-768) that allows tax and fee waivers and exemptions for qualifying persons for the Carver 2000 Low-Income and Senior Housing project. The project is a renovation and redevelopment project located in 18 lots and squares (buildings) specified in Act 15-768. The project includes land and improvements that are to be renovated into approximately 176 apartment units and town homes, and all common areas and ancillary improvements identified in any existing financing agreement. Residents will need to qualify as seniors or low-income in order to be eligible for tenancy and the provisions of the proposed legislation.

The proposed legislation will relieve the tenants/occupants of real property taxation and personal property taxation for eight years beginning in FY 2003. In addition, the proposed legislation will forgive deed transfer taxes for the same period. The proposed subtitle limits the aggregate of the personal property, and sales and use tax exemption authorized by this bill to \$300,000.

The Carver 2000 Tenant's Association is the recipient of \$2.4 million in grants from the District in order to improve home ownership.

#### Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The table in Figure 12 presents the impact of the proposed legislation on the District's financial plan. As the bill's provisions would be in effect for eight years, the total estimated revenue reductions for the eight-year period could be \$400,000. These amounts were considered when developing the proposed budget and financial plan.

Figure 12.

Estimated Reductions in Real Property Tax Revenue				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$0.05)	(\$0.05)	(\$0.05)	(\$0.05)	(\$0.20)

**Subtitle (D)(Vee) – DuPont Commons Low-Income Housing Tax Relief Amendment Act of 2005:**

**Background**

The proposed subtitle authorizes real property tax exemptions and real property tax forgiveness for any non-profit entity that has acquired more than 10 units of residential housing for the purpose of rehabilitation and dedication as low-income housing. The exemptions and forgiveness also applies for the same entities if they have acquired property and partitioned or condominiumized it into more than 10 units for rehabilitation and dedicated for the same purposes. In the case of the latter, the non-profit entity has a two-year limitation from real property tax liability.

The rehabilitating entity will be exempt from all recordation and transfer tax. All sales must be completed within four years of the date of property acquisition.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed legislation will result in reductions in sales and use tax revenue of \$100,000 in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 13 presents the real property tax revenue reductions as they would impact the current financial plan.

Figure 13.

Estimated Reductions in Real Property Tax Revenue				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$0.1)	\$0.0	\$0.0	\$0.0	(\$0.1)

**Subtitle (D)(W) – Way of the Cross Church of Christ Real Property Tax Exemption and Equitable Real Property Tax Relief Act of 2005:**

**Background**

The proposed legislation requires real property exemption, real property tax relief as long as the subject property is not used for commercial purposes. The property to be made exempt is owned by the Way of the Cross Church of Christ. The property is designated

as Square 5730, Lots 918, 7, 9, 11, 118, 119, 120, 121, 122, 123, 124, 125, 126, 800, 801, 861, 863, 865, 867, 869, and 871. The proposed legislation also requires the refund of all taxes, interest, penalties, fees and other related charges effective January 1, 2004 through the effective date of the proposed legislation.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed subtitle will result in reductions in real property tax revenue of \$9,200 in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 14 presents the revenue reductions as they would impact the current financial plan.

*Figure 14.*

<b>Estimated Reductions in Real Property Tax Revenue</b>				
<i>(S in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 – Year Total</b>
<b>(\$0.01)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$0.01)</b>

### **Subtitle (I)(X) – Appalachian State University Real Property Tax Exemption and Equitable Real Property Tax Relief Act of 2005:**

#### **Background**

The proposed legislation requires real property exemption, real property tax relief and an exemption from deed recordation and deed transfer taxes as long as the subject property is not used for commercial purposes. The property to be made exempt is owned by the Board of Trustees of the Endowment Fund of Appalachian State University located adjacent to North Carolina Avenue, S.E. The property is designated as Square 871, Lot 42. The proposed legislation also forgives all interest penalties, fees and other related charges effective October 31 2003.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed subtitle will result in reductions in real property tax revenue of \$19,400 in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 15 presents the revenue reductions as they would impact the current financial plan.

Figure 15.

Estimated Reductions in Real Property Tax Revenue				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 - Year Total
(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.08)

**Subtitle (I)(Y) – Family Property Recordation and Transfer Tax Exemption Act of 2005:**

**Background**

The proposed subtitle amends existing provisions of the law that currently allow an exemption from deed recordation and deed transfer taxation when a property is transferred from a parent to a child. The amendment would allow the same exemption for the transfer from a grandparent to a grandchild or registered Domestic Partners.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed legislation will result in reductions in real property tax revenue of approximately \$44,000 in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 16 presents the revenue reductions as they would impact the current financial plan.

Figure 16.

Estimated Reductions in Real Property Tax Revenue				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$0.04)	(\$0.04)	(\$0.04)	(\$0.05)	(\$0.17)

**Subtitle (I)(Z) – American Psychological Association Partial Real Property Tax Exemption Continuation Exemption Act of 2005:**

**Background**

The proposed legislation exempts a portion of Lot 146, Square 677 located at 750 1<sup>st</sup> Street, N.E. and owned by the American Psychological Association (APA), APA 750 LLC. The APA is a District of Columbia non-profit corporation. The APA had a tax exempt status<sup>12</sup> until October 1, 2003 where 47.2 percent of the property was exempt. The proposed exemption will become effective with the implementation of the provisions of the bill.

<sup>12</sup> D.C. Official Code Title 47 § 1010.01(d)(2); Effective December 24, 1942.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional Staff or resources will be required. The proposed subtitle will result in reductions in real property tax revenue of approximately \$940,000 in FY 2006. This amount was considered when developing the proposed budget and financial plan. The table in Figure 17 presents the revenue reductions as they would impact the current financial plan.

*Figure 17.*

Estimated Reductions in Real Property Tax Revenue (S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$0.94)	(\$0.97)	(\$1.01)	(\$1.04)	(\$3.96)

**Subtitle (I)(AA) – Recyclable Material Sales Tax Clarification Act of 2005:**

**Background**

The proposed subtitle requires that all taxes and interest on recyclable materials owed by Consolidated Waste Industries shall be forgiven. The provisions of the proposed subtitle are limited to a period beginning July 25, 1989 through the implementation date of the proposed legislation.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed subtitle will result in reductions in sales and use tax in the amount of \$373,000 in FY 2006. This amount was considered in the development of the proposed budget and financial plan. The table in Figure 18 presents the revenue reduction impacting the proposed budget and financial plan.

*Figure 18.*

Estimated Reductions in Real Property Tax Revenue (S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$0.37)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.67)

**Subtitle (I)(BB) – Nursing Home Provider Tax Technical Amendment Act of 2005:**

**Background**

Subtitle B of Title V(5) of the FY 2005 Budget Support Act of 2004<sup>13</sup> established a new tax on nursing homes not to exceed 6 percent per annum of net resident revenue expressed as a uniform amount per licensed bed. For FY 2005 nursing homes were required to pay \$3,600 per licensed bed on an annualized basis.

The proposed subtitle requires that nursing facilities provide the Office of Tax and Revenue a self-assessment of the amount owed based on net resident revenue. This is in lieu of a notification of tax liability by the Office of Tax and Revenue. The report is due by September 1 of any year with the exception of FY 2005. The District Chief Financial Officer may determine the manner in which payments are made. In addition, the proposed subtitle removes a limitation of taxes owed of \$1,000 and makes the tax liability all of the taxes owed with no limitation.

**Financial Plan Impact**

The proposed subtitle will have no impact on the District's budget and financial plan. No additional staff or resources will be required. With no limitation, the District could achieve all tax liabilities currently and subsequently owed to the City.

**Subtitle (I)(CC) – Washington Convention Center Marketing Fund Amendment Act of 2005:**

**Background**

The proposed subtitle clarifies the activities and accounting of a proprietary fund which has the purpose of being the repository of tax revenue used as the fund source for operations associated with the Washington Convention Center Authority (WCCA). All prior year funds remain available until fully expended without fiscal year limitation.

A portion (4.45 percent) of the 14.5 percent hotel tax and a portion (1 percent) of the 10 percent restaurant tax funds WCCA operations. The taxation is on all hotels and restaurants in the District. From the hotel tax, 17.4 percent is deposited into a non-reverting, non-lapsing proprietary fund for the purposes of the WCCA Marketing Fund.

The proposed subtitle adds the 1 percent portion of the restaurant tax to the basis for calculated amounts to be deposited into the Marketing Fund. In addition, the proposed subtitle places audit requirements on WCCA for the Marketing Fund's activities.

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<sup>13</sup> Bill 15-768, D.C. Law 15-205, 51 DCR 8441; enacted August 2, 2004, effective December 7, 2004.

**Financial Plan Impact**

The proposed subtitle does not impact the District's budget and financial plan. No additional staff or resources will be required.

**Subtitle (I)(DD) – Residential Property Tax Rate and Cap Reduction Act of 2005:**

**Background**

The proposed subtitle decreases the Class 1 residential real property tax rate from \$0.96 per \$100 of the assessment to \$0.94 per \$100 of the assessment for the fiscal year beginning October 1, 2005 (FY 2006). The proposed subtitle also reduces the real property tax increase limitation from 112 percent of the prior year's tax liability to 110 percent of the prior year's tax liability. Both provisions are conditioned on the District's Chief Financial Officer transmitting a revised quarterly revenue estimate exceeding the annual revenue estimate incorporated in the approval of the FY 2006 budget and financial plan, and the Revised Revenue Estimate Contingency Priority of the Fiscal Year 2006 Budget Request Act of 2005, by an amount sufficient to account for the fiscal effect of implementing the 110 percent real property tax increase limitation. These provisions will expire on August 5, 2006 if the subsection of the subtitle's provisions are not triggered for implementation.

**Financial Plan Impact**

The proposed subtitle will only become effective if increased revenue is certified by the District CFO. Should the provisions of the proposed subtitle become effective, the proposed subtitle will result in reductions in real property tax revenue of \$12.5 million in FY 2006. The table in Figure 19 presents the revenue reductions and the funding requirement as they would impact the financial plan.

*Figure 19.*

<b>Estimated Reductions in Real Property Tax Revenue</b>				
<b>(S in millions)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 – Year Total</b>
<b>(\$12.5)</b>	<b>(\$13.7)</b>	<b>(\$14.8)</b>	<b>(\$15.8)</b>	<b>(\$56.8)</b>

**Subtitle (I)(EE) – Calculated Residential Property Tax Rate Establishment Act of 2005:**

**Background**

The proposed subtitle requires the Mayor to submit to the Council of the District of Columbia (Council) before September 16, 2006 a Class 1 real property tax rate that yields the same amount of gross taxes from the prior year, plus 9 percent. For the subsequent year, before September 16, 2007 the rate shall be calculated to yield the prior year's gross

taxes plus 8.7 percent. After 2007, before September 16 of any year, the rate shall be calculated to yield the prior year's gross taxes plus 8.0 percent.

### **Financial Plan Impact**

The proposed subtitle will have no impact on the District's budget and financial plan as contained in the FY 2006 budget. The FY 2006 budget and financial plan is built on the assumption of 9 percent growth in FY 2007 and 8 percent in FY 2008.

## **Title II – Economic Development and Regulation**

### **Subtitle (A) – Office of the People's Counsel Amendment Act of 2005:**

#### **Background**

The Office of the People's Counsel (OPC) charges its prosecutorial expenses against a fund collecting a franchise tax on the public utilities. The rate is determined by the Public Services Commission and is expressed as a percentage of the jurisdictional valuation (or in our case the portion of the overall business operating in the District of Columbia) of the utility and existing sub-contractual service providers.

The OPC has been representing the District's ratepayers in the Mirant Power Company bankruptcy proceeding, but has been unsuccessful in assessing the company for its legal representation of the public interest.

The proposed subtitle would allow the Public Service Commission to approve an assessment for the OPC of a special franchise tax deposit in certain defined instances involving bankruptcy proceedings where the public interest of the District taxpayers would be adversely affected.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (II)(B) – Tax Increment Financing (TIF) Re-Authorization Act of 2005:**

#### **Background**

The proposed title amends the TIF authorization law to extend the deadline for the sale of TIF Bonds from January 1, 2003 to August 1, 2006. The provisions of this law allow the dedication of tax revenue to support debt service and bond defeasement of TIF Bonds not to exceed \$300 million.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (II)(C) – District of Columbia Support for Public Housing Amendment Act of 2005:**

#### **Background**

The District of Columbia Public Housing Authority (DCPHA) administers a non-tax revenue, non-reverting proprietary fund called the District of Columbia Housing Authority Fund. The Fund is the repository of monies collected in the form of rents, or proceeds from whatever source derived. The proposed subtitle requires all management and expenditures from the Fund to comply with District budgetary practices and law. The proposed subtitle requires that the DCPHA account for their financial matters in the same manner as any District government agency. In addition, the proposed subtitle stipulates that all unexpended funds revert to the District's local General Fund at the conclusion of the fiscal year.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (II)(D) – Department of Consumer and Regulatory Affairs Consumer Protection Revitalization Act of 2005:**

#### **Background**

The proposed subtitle authorizes the Department of Consumer and Regulatory Affairs (DCRA) to promulgate rules to improve the District's Consumer Protection Act. Provisions of the proposed subtitle require submission to the Mayor and the Council of plans and reports, coordination with the Office of the Attorney General for the District of Columbia (OAG), and the promulgation of improved municipal regulations.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

**Subtitle (II)(E) – Unemployment Compensation Administrative Funding Assessment Amendment Act of 2005:**

**Background**

The proposed subtitle requires, commencing January 1, 2006, an administrative funding assessment of 0.2 percent of all wages paid employees be collected and deposited into a newly established non-tax revenue proprietary fund for the purpose of administering the Unemployment Compensation System by the Department of Employment Services (DOES). All funds will remain available in the new account until fully expended without fiscal year limitation. Collections are limited to \$4 million per year.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The table in Figure 20 presents the annual revenue associated with implementing the provisions of the proposed subtitle.

*Figure 20.*

<b>Estimated Annual Revenue Impacting the Financial Plan</b>				
<i>(\$ in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
\$4.0	\$4.0	\$4.0	\$4.0	\$16.0

**Subtitle (II)(F) – Youth Employment Services Initiative Amendment Act of 2005:**

**Background**

The proposed subtitle establishes a year round youth employment program to be administrated by DOES. Resident youths between the ages of 16 and 24 years old would be eligible to participate in the program.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. An enhancement of \$11.3 million was added to DOES to cover the "Way-to-Work" Youth Employment Program.

*Figure 21.*

<b>Estimated Expenditures Impacting the Financial Plan</b>				
<i>(\$ in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
(\$11.3)	(\$11.3)	(\$11.3)	(\$11.3)	(\$45.2)

**Subtitle (II)(G) – The Office of the Chief Tenant Advocate Establishment Act of 2005:**

**Background**

The proposed subtitle establishes within DCRA an Office of the Chief Tenant Advocate. The Mayor shall appoint this person with the advice and consent of the Council. The Chief shall be in the Excepted Service and is required to be a resident of the District of Columbia.<sup>14</sup> Provisions of the proposed legislation allow the newly established Office to include the addition of staff and resources to support the mission of the Office. The proposed subtitle requires salary limitations.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. The proposed subtitle will result in new personnel and non-personal services expenditures in DCRA in FY 2006. This amount was considered in the development of the proposed budget and financial plan.

In addition to the salary of the Chief, the proposed budget and financial plan includes funding of \$669,650 for staff members and NPS funding for administrative and operational resources. The table in Figure 22 presents the planned expenditures in the proposed budget and financial plan.

Figure 22.

Estimated Reductions in Real Property Tax Revenue				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$0.67)	(\$0.69)	(\$0.72)	(\$0.74)	(\$2.82)

**Subtitle (II)(H) – Transitional Employment Program and Apprenticeship Initiative Establishment Act of 2005:**

**Background**

The proposed subtitle establishes a new program in the Department of Employment Services for the purpose of expanding transition to workforce programs and apprenticeship programs.

<sup>14</sup> Provisions of the proposed subtitle give a non-resident appointee 180 days to establish residents in the District of Columbia. The 180 days begins on the date of the approval of appointment by Council and must remain a resident during their tenure. The subtitle allows exceptions under certain circumstances.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2007 budget and financial plan to implement the provisions of the proposed legislation. The provisions of the proposed legislation were taken into consideration when developing the proposed budget and financial plan. The table in Figure 23 presents the proposed funding requirements for the newly established programs.

*Figure 23.*

<b>Estimated Expenditures Impacting the Financial Plan</b>				
<b>(S in millions)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
<b>(\$9.1)</b>	<b>(\$9.1)</b>	<b>(\$9.1)</b>	<b>(\$9.1)</b>	<b>(\$36.4)</b>

### **Subtitle (I)(E) – District of Columbia Great Streets Development Act of 2005:**

#### **Background**

The proposed subtitle authorizes the Mayor to issue and sell Industrial Revenue Bonds as a financial resource for the Great Streets Initiative.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2006 capital improvement plan to implement the provisions of the proposed subtitle.

### **Subtitle (I)(J) – Housing Production Trust Fund and New Communities Financing Act of 2005:**

#### **Background**

The proposed subtitle would authorize the Mayor to issue long-term bonds securitized by revenue dedicated to the Housing Production Trust Fund (HPTF). In addition, the proposed subtitle authorizes net annual debt service of up to \$6 million for such bonds for the Sursum Corda development.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. No additional staff or resources will be required. The table in Figure 24 presents the impact on the District's financial plan.

Figure 24.

Capitalization Impacting the Financial Plan				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 - Year Total
(\$6.0)	(\$6.0)	(\$6.0)	(\$6.0)	(\$24.0)

**Subtitle (II)(K) – Natural Gas Fund Amendment Act of 2005:**

**Background**

The proposed subtitle amends the recently established Natural Gas Trust Fund to ensure that revenue can be expended for both the low-income and the energy efficiency programs. The proposed subtitle is a technical correction to ensure the intent of the original legislation.<sup>15</sup> In a key provision of the law<sup>16</sup> only the low-income program is referenced.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

**Subtitle (II)(L) – Insurance Regulatory Trust Fund Enhancement Act of 2005:**

**Background**

The proposed subtitle diverts the annual Certified Capital Company fee (\$10,000) from the local General Fund to the Insurance Regulatory Trust Fund. The Fund is a non-tax, proprietary fund. Currently the Fund is the repository of licensing fees and collected fines from insurance, banking and securities regulation. All remaining balances revert to the local General Fund at the conclusion of the fiscal year. Funds are available upon deposit and can be expended for the purposes of operational and administrative costs for the Banking Bureau, and compensation for the Commissioner and the central office staff of the Department of Insurance, Securities and Banking Regulation (DISBR).

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

<sup>15</sup> Bill 15-872, D.C. Law 15-342 enacted January 31, 2005, effective April 12, 2005.

<sup>16</sup> D.C. Official Code Title 34 § 1671(a)(3).

**Subtitle (ID)(M) – Targeted Historic Housing Tax Credit Amendment Act of 2005:**

**Background**

The proposed subtitle provides that the Mayor may expend up to \$1.25 million annually for any credit authorized.<sup>17</sup> In addition, the proposed subtitle authorizes the use of 5 percent of annual authorization (\$62,500) for reasonable administrative costs.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

Figure 25.

Expenditure Limitation on the Financial Plan				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
\$1.25	\$1.25	\$1.25	\$1.25	\$5.0

**Subtitle (II)(N) – District of Columbia Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005:**

**Background**

The proposed title establishes a new cabinet level position and office for the purposes of monitoring and developing LSDBE involvement in government operations. Section 2332 of the subtitle establishes the requirements to be certified as a Local, Small and Disadvantaged Business Enterprise (LSDBE).

The proposed subtitle requires that each District agency set aside contracts and procurements of \$250,000 or less for LSDBE businesses. In addition, the proposed subtitle requires that each District agency shall set aside every contract of \$100,000 or less for LSDBE businesses. The proposed subtitle also requires that 50 percent of construction contracts be performed by LSDBE businesses. Other penalties, discounts procurement, waivers, reporting and performance requirements are prescribed by the provisions of this subtitle.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. The proposed title was

<sup>17</sup> Credits are authorized by D.C. Official Code Title 47 § 1806.08 *et sequitor*; Effective April 19, 2002, D.C. Law 14-114, § 302(b)(2), 49 DCR 1468.

considered when developing the Mayor's proposed budget. The Table in Figure 26 presents the budget authority required to establish the new office.

Figure 26.

<b>Estimated Expenditure Impact on the Financial Plan</b>					
<b>(S in 000s)</b>					
<b>Item</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 - Year Total</b>
Personal Services Budget	(\$350.00)	(\$350.00)	(\$350.00)	(\$350.00)	(\$1,400.00)
Non-personnel Services Budget	(0.35)	(0.35)	(0.35)	(0.35)	(1.40)
<b>Net Annual Impact</b>	<b>(\$350.35)</b>	<b>(\$350.35)</b>	<b>(\$350.35)</b>	<b>(\$350.35)</b>	<b>(\$1,401.40)</b>

**Title III – Public Safety and Justice**

**Subtitle (A) – Office of the Chief Medical Examiner (CME) Management Fund Amendment Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing proceeds from:

1. Reproducing records and other information for those qualified to receive them;
2. Providing services with regard to records that can be admissible in court and autopsies; and
3. Other funds as appropriated to the fund established by the proposed subtitle.

Currently the proceeds from CME operations previously described are deposited into the District's local General Fund.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required. The account established in the proposed subtitle will be the repository of approximately \$140,000 annually which will be retained until fully expended without fiscal year limitations. These funds support 2 FTEs and some supplies, thus making the proposed subtitle expenditure/revenue neutral. The table in Figure 27 presents the budgeted revenue estimate.

Figure 27.

Estimated Expenditure Impact to the Financial Plan (S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4-Year Total
(\$0.14)	(\$0.14)	(\$0.14)	(\$0.14)	(\$0.56)

**Subtitle (III)(B) – Legal Service Amendment Act of 2005:**

**Background**

The proposed subtitle structures the relationship of any attorney who reports to the Attorney General of the District of Columbia (AG). The subtitle establishes a legal service for independent and subordinate agencies with the AG as the director with hire and dismissal authority. The proposed subtitle clarifies that Senior Executive Attorneys serve at the pleasure of the AG and all attorneys are under the direction, supervision and control of the AG. Counsels for the Chief Financial Officer, the Inspector General, and DCPS are excluded from the subtitle's provisions.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required.

**Subtitle (III)(C) – Department of Corrections Reimbursement Fund Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing proceeds from fee collections for housing, transporting, and handling of Superior Court adult pretrial or sentenced felons.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required. The account established in the proposed subtitle will be the repository of approximately \$30,000 annually which will be retained until fully expended without fiscal year limitations. The table in Figure 28 presents the impact on the District's financial plan.

Figure 28.

Estimated Revenue Impact to the Financial Plan				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
\$0.03	\$0.03	\$0.03	\$0.03	\$0.12

**Title IV – Public Education System**

**Subtitle (A) – Educational Licensure Commission Amendment Act of 2005:**

**Background**

The proposed subtitle establishes a commission for the purpose of examining educational facilities to be regulated by the proposed commission. The Commission will also examine evaluations made by accrediting associations.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required. The Educational Licensure Commission is budgeted at the local level at \$0.4 million, federal \$1.9 million with an estimated \$30,000 in examination fees. The account established in the proposed subtitle will be the repository of approximately \$30,000 annually which will be retained until fully expended without fiscal year limitations. The table in Figure 29 presents the budgeted estimate of license fee revenue.

Figure 29.

Estimated Revenue Impact to the Financial Plan				
(S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
\$0.03	\$0.03	\$0.03	\$0.03	\$0.12

**Subtitle (IV)(B) – Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2005:**

**Background**

The proposed subtitle increases the base funding amount from \$6,903.60 to \$7,115.54. In addition, the proposed subtitle places audit requirements on the District of Columbia Public Schools (DCPS) and Public Charter Schools.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 though FY 2009 budget and financial plan to implement the provisions of the proposed legislation. The transfer amount from the

District government to DCPS and Public Charter Schools is approximately \$794.2 million. The amount earmarked for DCPS is approximately \$554.9 million, and approximately \$239.3 million is earmarked for Public Charter Schools.

**Subtitle (IV)(C) – Preservation of School-Based Staff Positions Amendment Act of 2005:**

**Background**

The proposed subtitle defines a school-based educational position, then places restrictions on staff reductions. In addition, the proposed legislation requires DCPS to absorb the cost of employee step increases with non-local budgetary funding. The restriction is predicated with the requirement that the School Board make a determination that:

1. Fewer school-based positions are needed to maintain established pupil-to-staff ratios; or
2. Reductions in positions for other than school-based employees are not practicable.

**Financial Plan Impact**

The proposed subtitle is a management of resources requirement. Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle if resources are allocated to conform with the requirements of the proposed subtitle.

Federal and District anti-deficiency laws<sup>18</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should DCPS determine that funding is available to absorb any additional costs in FY 2006, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures.

**Subtitle (IV)(D) – FY 2006 Educational Investments Fund for District of Columbia Public Schools and Public Charter Schools Establishment Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue non-reverting, non-lapsing proprietary fund for the purpose of depositing \$21 million and \$4.2 million for the District of Columbia Public Schools and Public Charter Schools respectively. Funds are to be used for improving academic achievement by District students. Funds will not be expended until the School Superintendent and chartering authorities submit spending plans to the Mayor. The plans are due by December 31, 2005.

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<sup>18</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).

### Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required. The account established in the proposed subtitle will be the repository of approximately \$25.2 million which will be retained until fully expended without fiscal year limitations.

Figure 30.

Estimated Revenue Impact on the Financial Plan (S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
(\$25.2)	\$0.0	\$0.0	\$0.0	(\$25.2)

### Subtitle (IV)(D) – Schools Modernization Establishment Act of 2005:

#### Background

The proposed subtitle establishes within the local General Fund a separate budget line for a non-tax revenue non-lapsing, non-reverting proprietary fund. All monies deposited in the fund shall remain available until fully expended without fiscal year limitation. The Fund shall be partitioned in the following manner:

1. Debt service account which is funded through:
  - a. Local funds;
  - b. Federal funds;
  - c. Federal grant funds;
  - d. All other grants, gifts or subsidies from public or private sources;
  - e. Any return on the investment of assets from the Debt Service account;
  - f. All other funds; and
2. The Bond revenue account.

The proposed subtitle requires the Mayor to appropriate all funds in the previously mentioned accounts. The proposed title authorizes the Mayor to issue Bonds as resources for the accounts established in the proposed subtitle. The proposed subtitle establishes the requirements for use of money in the Fund.

#### Financial Plan Impact

The proposed subtitle has no impact on the FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required.

**Title V – Human Support Services**

**Subtitle (A) – Health Care and Child Development Facilities Licensure Fees  
Amendment Act of 2005:**

**Background**

The proposed subtitle authorizes the Mayor to establish and adjust licensure fees for certain types of health care facilities in the District.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required. The fees established in the proposed subtitle will be approximately \$30,000 annually. The table in Figure 31 presents the approximate annual revenue for fees to be later promulgated by the Mayor.

*Figure 31.*

<b>Estimated Revenue Impact to the Financial Plan</b>				
<b>(S in millions)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
\$0.03	\$0.03	\$0.03	\$0.03	\$0.12

**Subtitle (V)(B) – Clinical Laboratory Act of 2005:**

**Background**

The proposed subtitle regulates hygienic-facility laboratories that analyze and report on biological, microbiological, serological, chemical, immunohematological, hematological, biophysical, cytological, pathological or other examination of items derived from the human body. These facilities provide information for the diagnosis, prevention, or treatment of any disease, impairment or the assessment of the health condition of a human being.

**Financial Plan Impact**

The proposed subtitle will have no impact on the FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required. The District Department of Health (DoH) will be required to remain within existing resources when implementing the provisions of the proposed subtitle.

**Subtitle (V)(C) – Board of Medicine Amendment Act of 2005:**

**Background**

The proposed subtitle makes technical corrections to existing law and clarifies the personnel make-up of the Board.

**Financial Plan Impact**

The proposed subtitle will have no impact on the FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required. The District Department of Health (DoH) will be required to remain within existing resources when implementing the provisions of the proposed subtitle.

**Subtitle (V)(D) – Child Support Pass-Through Establishment Amendment Act of 2005:**

**Background**

The proposed title diverts \$150 of child support payments passing through the collection entities on their way to their Court-ordered repositories to the minor child's family. Funds will offset the Child Support Enforcement Division (CSED) operations in the Office of the Attorney General of the District of Columbia (OAG).

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required. The proposed subtitle is expenditure/revenue neutral. The table in Figure 32 presents the estimated revenue that will be used to offset OAG/CSED operations.

*Figure 32.*

<b>Estimated Expenditure Impact on the Financial Plan</b>				
<i>(S in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
<b>(\$1.4)</b>	<b>(\$1.4)</b>	<b>(\$1.4)</b>	<b>(\$1.4)</b>	<b>(\$5.6)</b>

**Subtitle (V)(E) – Choice in Drug Treatment Amendment Act of 2005:**

**Background**

The proposed subtitle provides the Director of the Department of Mental Health (DMH) independent contracting and procurement authority for the purposes of obtaining goods and services delivery for the purpose of satisfying the care and treatment plan of persons eligible under the enabling legislation. DMH will fund any expenditures from their

operating budget and will be limited to resources available to DMH's Addiction Prevention and Recovery Administration. The Director of DMH will be required to exercise this new authority consistent with the District of Columbia Procurement Practices Act of 1985.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan. Because the proposed subtitle does not provide any additional resources to implement the bill's provisions, DMH will be limited to their existing staff and resources.

Federal and District anti-deficiency laws<sup>19</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should DMH determine that funding is available to absorb any additional costs in FY 2006, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures for the agency.

### **Subtitle (V)(F) – Department of Health Functions Clarification Amendment Act of 2005:**

#### **Background**

The proposed subtitle requires that, beginning in FY 2007, the Mayor shall ensure that all fees and fines received from enforcement and regulation of 14 operations described in D.C. Official Code Title 7 § 731 *et sequitur* be deposited into the Regulatory Enforcement Fund. In addition, the proposed legislation requires that beginning in FY 2007 all licensing fees, civil fines, and interest related to the practice of health occupations in the District shall be deposited into the Health Occupations Regulations Fund.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed subtitle was considered when developing the District's FY 2006 budget and financial plan. The table in Figure 33 presents the estimated revenue impacting the District's financial plan.

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<sup>19</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitur* (2003).

Figure 33.

Revenue Diverted to Existing Proprietary Funds					
(\$ in millions)					
Item	FY 2006	FY 2007	FY 2008	FY 2009	4 - Year Total
Regulatory Enforcement	\$0.5	\$0.5	\$0.5	\$0.5	\$ 2.0
Health Occupations	4.2	4.7	4.9	5.0	18.8
<b>Net Annual Impact</b>	<b>\$4.7</b>	<b>\$5.2</b>	<b>\$5.4</b>	<b>\$5.5</b>	<b>\$20.8</b>

**Subtitle (V)(G) – School-Based Mental Health Plan Act of 2005:**

**Background**

The proposed subtitle requires the Maternal and Family Health Administration in DoH to provide the Council a plan (and proposed legislation if required) for supplying Medicaid eligible services to children enrolled in District public and charter schools. The plan and legislative proposals are due October 1, 2005.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

**Subtitle (V)(H) – Access Rx Amendment Act of 2005:**

**Background**

The proposed subtitle requires the DoH to establish a prescription resource center to assist District residents in enrolling in prescription access programs. The proposed subtitle partitions \$1.956 million of DoH's existing appropriations for the purpose of contracting with the Archdiocesan Health Care Network, Catholic Charities as a provider of prescription, non-prescription and other medical supplies to eligible individuals. The proposed subtitle dictates eligibility as a person who:

1. Is a resident of the District;
2. Has a household income not to exceed 300 percent of the federal poverty level; and
3. Does not have prescription insurance coverage.

In addition, the proposed subtitle requires that an individual's eligibility for District Medicaid, DC Healthcare Alliance, and other public programs be reviewed at the time of application. The subtitle also requires referrals, where appropriate, to the Income Maintenance Administration in the Department of human Services (DHS).

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (V)(Eye) – Health Reporting Requirements Act of 2005:**

#### **Background**

The proposed subtitle requires DoH to provide the Council a report of Agency efforts to ensure that private community service providers, treating individuals in the Medicaid program, are billing appropriate costs to Medicaid instead of Ryan White Funding. The report is due October 1, 2005.

The proposed subtitle requires DoH to provide to the Council a report on the status of the \$250,000 authorized in the Fiscal Year 2005 Operating Cash Reserve Allocation Temporary Act of 2005. The purpose of the funding was to conduct analysis of the health of residents and former residents of the area in the District known as Spring Valley. The area was discovered to have been a military ordinance testing range. The report is due October 1, 2005.

The proposed subtitle requires DoH to report on the number of residents in long-term care facilities located outside of the District of Columbia. The report is to indicate the amount paid monthly and annually by the District for the subject residents. The report is due October 1, 2005.

The proposed subtitle requires DoH to report on the status of the proposed update state plan amendment(s). The report is due October 1, 2005.

The proposed subtitle requires DoH to report to the Council on Agency efforts to use State Children's Health Insurance Program (SCHIP) funds to expand eligibility for health services provided by DC Healthy Families. The report is to specifically target residents age 18 years or less, and whose gross household income exceeds 200 percent but not 250 percent of the federal poverty guidelines. The proposed subtitle requires additional detail. The report is due October 1, 2005.

The proposed subtitle requires DoH to report on Agency efforts to enter into a written agreement with the Office of Administrative Hearings (OAH). The agreement is to authorize OAH to conduct hearings from cases referred by DoH. The report is due October 1, 2005.

The proposed subtitle requires DoH to report to:

- Convert term employees to full-time staff;

- Offer training for employees including budget for all bureaus;

The report is due October 1, 2005.

The proposed subtitle requires the Department of Mental Health (DMH) to provide the Council a report of Agency efforts to ensure that private community service providers, treating individuals in the Medicaid program, are billing appropriate costs to Medicaid instead of local funds. The report is due October 1, 2005.

The proposed subtitle requires DoH to report on all leases or tenancies for properties occupied by DoH during fiscal years 2005 and 2006. The proposed subtitle requires certain details. The report is due October 1, 2005.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (V)(J) – Residential Treatment Centers Placement Act of 2005:**

#### **Background**

The proposed subtitle requires DMH, the Child and Family Services Agency (CFSA), and the Department of Youth Rehabilitation Services (DYRS) to enter into an agreement. The purpose of the agreement is to authorize DMH to place all children and youth with emotional and mental disorders in residential treatment centers. In addition, the proposed subtitle requires that all residential treatment centers that are not certified, become certified in order to continue to receive placements.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan. Because the proposed subtitle does not provide any additional resources to implement the bill's provisions, DMH, DYRS and CFSA will be limited to their existing staff and resources.

Federal and District anti-deficiency laws<sup>20</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should DMH, DYRS, and CFSA determine that funding is available to absorb any additional costs in FY 2006, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures for the agency.

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<sup>20</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitur* (2003).

**Subtitle (V)(K) – Department of Mental Health Retirement Incentive Programs Act of 2005:**

**Background**

The proposed title authorizes DMH to establish an early out/easy out retirement incentive program for those persons on DMH staff who are eligible. DMH may offer a retirement incentive of 50 percent of the employee's annual rate of base pay on the pay schedule in effect on October 1, 2005, and not to exceed \$25,000, to be paid within one year of the employee's separation date. The retirement incentive is prorated in the case of part-time employees. The retirement incentive payments shall not be considered basic pay for computing retirement entitlement, insurance entitlement, any category of premium pay entitlement, lump-sum leave, or any other entitlement that is computed on basic pay.

The proposed title describes certain nullifiers for eligibility.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan. Because the proposed subtitle does not provide any additional resources to implement the bill's provisions, DMH will be limited to their existing resources.

Federal and District anti-deficiency laws<sup>21</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should DMH determine that funding is available to absorb any additional costs in FY 2006, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures for the agency.

**Subtitle (V)(L) – Department of Mental Health Acute Care Initiative Act of 2005:**

**Background**

The proposed subtitle requires DMH to request the Medical Assistance Administration (MAA) of DoH to seek approval from the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services to amend the District's Medicaid State Plan to provide for a per diem reimbursement for in-patient psychiatric treatment for cases where the authorized length of stay exceeds 7 days, and the Diagnostic Related Group reimbursement does not exceed the per diem reimbursement schedule for Medicaid-eligible involuntary, emergency psychiatric admissions. MAA is required to submit the Amendment to the Medicaid State Plan to the Council within 30 days of receipt of approval of the Amendment from the federal government.

<sup>21</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitur* (2003).

On the effective date of the proposed subtitle any increase in the licensed psychiatric bed capacity by a private general hospital, psychiatric hospital, or rehabilitation hospital, shall provide DMH with a copy of the notice required by SHPDA for projects exempt from certificate of need review.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan. Because the proposed subtitle does not provide any additional resources to implement the bill's provisions, DMH will be limited to their existing resources. No additional staff or resources should be required.

### **Subtitle (V)(M) – HIV/AIDS Crisis Area Capacity Building Fund Act of 2005:**

#### **Background**

The proposed subtitle authorizes the Mayor to establish a fund for the purpose of providing loans and grants to develop, support, expand, repair or improve service delivery to persons with HIV/AIDS. Eligibility is determined by ward and then only to those wards that have not received such grants during fiscal year 2005.

The proposed subtitle authorizes the expenditure of up to \$500,000 for the purposes previously described. In addition, the proposed subtitle makes reporting requirements.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed legislation authorizes the expenditure of \$500,000 by the Mayor under certain conditions. This amount was considered when developing the proposed budget and financial plan. The table in Figure 34 presents the budgeted expenditures as they would impact the proposed FY 2006 through FY 2009 budget and financial plan.

*Figure 34.*

<b>Expenditure Impact to the Financial Plan</b>				
<i>(S in millions)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
<b>(\$0.5)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$0.5)</b>

**Subtitle (V)(N) – Designated Appropriation Allocation Act of 2005:**

**Background**

The proposed subtitle makes 33 specific allocations to DoH and DMH programs from federal funding sources.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required. These expenditures are bound by the terms and conditions from the source of the funding. As in every case of these provisions in the proposed subtitle, the source is a federal authority whose terms and conditions supercede local authority.

**Title VI – Public Works**

**Subtitle (A) – Traffic Amendment Act of 2005:**

**Background**

The proposed subtitle increases the motor vehicle booting fee from \$50 to \$75.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 though FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed subtitle will increase revenue by approximately \$340,000 annually. The table in Figure 35 presents the estimated annual increase impacting the financial plan.

*Figure 35.*

<b>Estimated Revenue Impact on the Financial Plan</b>				
<b>(S in millions)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 –Year Total</b>
\$0.34	\$0.34	\$0.34	\$0.34	\$1.36

**Subtitle (VI)(B) – Parking Fines Increase Act of 2005:**

**Background**

The proposed subtitle increases parking fines for nine types of violations.

### Financial Plan Impact

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required. The proposed subtitle will increase revenue by approximately \$1.3 million annually. The table in Figure 36 presents the estimated annual increase impacting the financial plan.

Figure 36.

Estimated Revenue Impact on the Financial Plan (\$ in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
\$1.3	\$1.3	\$1.3	\$1.3	\$5.2

### Subtitle (VI)(C) – Local Roads Construction and Maintenance Fund Amendment Act of 2005:

#### Background

The proposed subtitle establishes an account in the Highway Trust Fund for the purpose of depositing proceeds from:

1. Directing Public Space Rentals into the fund. In addition, the proposed subtitle increases the portion from 33 percent to 100 percent;
2. Directing proceeds from the sales and use tax on parking and storing vehicles into the fund. In addition, the proposed subtitle requires the funds be used for payments to debt service associated with East Washington Traffic Relief; and
3. Directing parking meter revenue into the fund. In addition, the proposed subtitle increases the portion from 50 percent to 100 percent.

#### Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required. The account established in the proposed subtitle will be the repository of approximately \$29.3 million annually which will be retained until fully expended without fiscal year limitations. The table in Figure 37 presents the net annual impact to the local General Fund.

Figure 37.

Estimated Revenue Impact on the Financial Plan (S in millions)				
FY 2006	FY 2007	FY 2008	FY 2009	4 -Year Total
\$29.3	\$29.3	\$29.3	\$29.3	\$117.2

**Subtitle (VI)(D) – International Registration Plan Fund Revision Act of 2005:**

**Background**

Currently the International Registration Plan Fund reimburses member jurisdictions for their costs to administrate the plan. The proposed subtitle allows that once the monies in the Fund have been expended for the current requirements, they may then be allowed to defray operating costs for the Department of Motor Vehicles.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required.

**Subtitle (VI)(E) – District of Columbia Surplus Personal Property Sales Operating Fund Amendment Act of 2005:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary fund for the purpose of depositing the net proceeds from the sales of surplus District government personal property. Currently the proceeds from such leases are deposited into the District's local General Fund. All prior year funds remain available until fully expended that will not revert to the local General Fund.

**Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed title. No additional staff or resources will be required.

The Office of the Chief Procurement Officer (OCPO) will establish a special purpose fund called DC Surplus Personal Property Sales Operating Fund. The account established in the proposed subtitle could achieve approximately \$500,000 annually in net proceeds which will be retained until fully expended without fiscal year limitations. A minimum of \$27,000 will be required to fund contractual services. The table in Figure 38 presents the estimated revenue impact to the financial plan.

*Figure 3B.*

<b>Estimated Revenue Impact on the Financial Plan</b>				
<b>(S in millions)</b>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 -Year Total</b>
\$0.5	\$0.5	\$0.5	\$0.5	\$2.0