

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

Natwar M. Gandhi
Chief Financial Officer



2006 NOV - 2 AM 9: 52
CHAIRMAN CROPP

MEMORANDUM

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

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: NOV - 2 2006

SUBJECT: Fiscal Impact Statement: "Mount Vernon Triangle BID Amendment Act of 2006"

REFERENCE: Bill 16-937 As Introduced

Conclusion

Funds are sufficient in the FY 2007 budget and the proposed FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation amends the existing Mount Vernon Triangle BID under the Business Improvement District Act of 1996. This amendment changes the tax rate on non-exempt businesses in the BID from twenty cents per square foot of land to:

- \$.33 per square foot of land,
- \$.15 per rentable square foot of commercial buildings,
- \$90 per hotel room annually, and
- \$120 per unit annually for nonexempt residential properties.

The proposed amendment also authorizes a 5% increase to per square foot of land tax rate.

These taxes are paid in addition to regularly paid property taxes. The taxes support the BID, which promotes economic growth and employment in the District.

Financial Plan Impact

Funds are sufficient in the FY 2007 budget and the proposed FY 2007- FY 2010 budget and financial plan to implement the provisions of the proposed title. The ongoing cost of administration is not affected by the proposed amendment. However, a reimbursable one-time administrative cost of \$3,000 will be incurred by the Office of Tax and Revenue in FY 2007.