

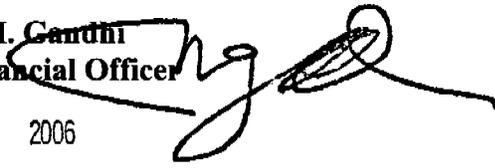
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



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 1 2006

SUBJECT: Fiscal Impact Statement: "Triangle Community Garden Equitable Real Property Tax Exemption and Relief Act of 2006."

REFERENCE: Bill Number 16-647 as Introduced

Conclusion

The proposed legislation would result in reduced revenues in the local General Fund of \$79,000 in FY 2006 and an overall impact of \$89,000 for FY 2006 through FY 2009.

Background

The proposed legislation exempts from taxation real property described as Lot 58 in Square 1966 for an indefinite period of time. The legislation stipulates that the property remains exempt from taxation until it is used for a purpose other than a community garden. If the property is used for a purpose other than a community garden, the legislation requires collection of property taxes plus 5 percent interest from the property owner.

Financial Plan Impact

It is estimated that the proposed property tax exemption will reduce property tax collections by an estimated \$79,000 in FY 2006 and \$89,000 in FY 2006 through FY 2009. The modest cost to The Office of Tax and Revenue (OTR) of programming changes in FY 2006 can be absorbed. The table in Figure 1 illustrates the estimated revenue impact on the District's financial plan associated with implementing the legislation. In total, the proposed legislation would result in a

negative fiscal impact on the local General Fund of \$79,000 in FY 2006 and an overall impact of \$89,000 for FY 2006 through FY 2009.

Figure 1.

Summary Table					
Estimated Impacts to the Financial Plan					
<i>(S in 000s)</i>					
Item	FY 2006	FY 2007	FY 2008	FY 2009	4 - Year Total
Reduced Revenue Collections	(\$79.0)	(\$3.2)	(\$3.2)	(\$3.2)	(\$89.0)
Net Annual Impact	(\$79.0)	(\$3.2)	(\$3.2)	(\$3.2)	(\$89.0)