

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: May 24, 2012

SUBJECT: Fiscal Impact Statement - "Downtown BID Amendment Act of 2012"

REFERENCE: Bill Number 19-764 - As Introduced

Conclusion

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill.

Background

The bill increases the special assessments levied on non-residential property owners in the area designated as the Downtown Business Improvement District (BID) and clarifies which buildings are subject to which rates.

The Downtown BID is a non-profit organization focused on promoting economic development activities in downtown DC. The special assessment taxes levied on non-exempt properties owners are in addition to real property taxes; however, revenue from these special assessments do not accrue to the District's general fund, but instead are directed to and used by the Downtown BID to carry out its mission.

The bill increases the BID taxes to:

- \$0.16 per each net rentable square foot for commercial buildings from \$0.15;
- \$0.16 per square foot of land for surface parking lots or unimproved lots without buildings or other improvements on them from \$0.15; and
- \$82.00 per hotel room from \$74.22 per room.

Financial Plan Impact

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill. Increasing the BID taxes and clarifying the types of properties subject to the special assessments does not have an impact on the District's budget and financial plan. As mentioned above, all revenue collected through BID taxes are directed to the Downtown BID to carry out its mission.