


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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: February 26, 2018

SUBJECT: Fiscal Impact Statement – University of the District of Columbia Leased
Property Tax Abatement Act of 2018

REFERENCE: Bill 22-513, Committee Print provided to the Office of Revenue
Analysis on February 22, 2018

Conclusion

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will reduce real property tax revenues by \$426,000 in fiscal year 2018 and \$3,160,000 over the four-year financial plan. The bill is subject to appropriation in an approved budget and financial plan.

Background

The bill exempts property located at 801 North Capitol Street N.E.¹ from real property taxation, provided the property continues to be leased by the University of the District of Columbia (UDC). UDC leases the building from a for-profit entity, which makes the property subject to real property taxation. Under the terms of the lease, UDC is responsible for paying the landlord the equivalent of the property taxes attributable to UDC's leased space. The property tax exemption is expected to be available at least until UDC's current lease expires in 2027, or longer if UDC exercises its option to extend the lease an additional 10 years.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will reduce real property tax revenues by \$426,000 in fiscal year 2018 and \$3,160,000 over the four-year financial plan. The bill is subject to appropriation in an approved budget and financial plan.

¹ Known for taxation and assessment purposes as Square 676, Lot 0114.

The Honorable Phil Mendelson

FIS: "University of the District of Columbia Leased Property Tax Abatement Act of 2018," Bill 22-513,
Committee Print provided to the Office of Revenue Analysis on February 22, 2018

Fiscal Impact of Bill 22-513 "University of the District of Columbia Leased Property Tax Abatement Act of 2018"					
FY 2018 - FY 2021					
	FY 2018 (a)	FY 2019	FY 2020	FY 2021	FY 2018 - FY 2021
Reduced real property tax revenue	\$426,000	\$881,000	\$912,000	\$941,000	\$3,160,000

(a) Assumes the bill is effective in the third quarter of fiscal year 2018. The bill does not exempt the property retroactively.