

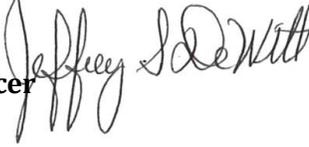
Government of the District of Columbia
Office of the Chief Financial Officer



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: April 26, 2016

SUBJECT: Fiscal Impact Statement – “New Bethany Baptist Church Real Property Tax Exemption Act of 2016”

REFERENCE: Bill 21-178, Committee Print provided to the Office of Revenue Analysis on April 25, 2016

Conclusion

Funds are not sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the bill. The bill will reduce revenue by \$590,079 in fiscal year 2016 and \$775,743 over the four-year financial plan.

Background

The bill forgives all current real property tax liabilities assessed for tax years 2009 through 2015 and exempts parcels¹ owned by the New Bethany Baptist Church (“Church”) from all future real property taxes, provided the Church meets the following conditions:

- 1) The property must continue to be owned by the Church and proper reports filed;
- 2) The Church does not accept payment for parking on the property; and
- 3) Within five years, the Church must negotiate an agreement with the Mayor to provide affordable housing on the property.

Currently, the portion of the property used for religious purposes is tax-exempt and the portion used for public parking is taxable.

¹ The Church is located at 1300 10th Street, NW. The exempted parcels are Lots 31, 32, and 806 in Square 339 and Lots 23, 71, 72, 811, and 812 in Square 367.

The Honorable Phil Mendelson

FIS: "New Bethany Baptist Church Real Property Tax Exemption Act of 2016," Bill 21-178, Committee Print provided to the Office of Revenue Analysis on April 25, 2016.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the bill. The bill will reduce revenue by \$590,079 in FY 2016 and \$775,743 over the four-year financial plan. The bill forgives \$590,079 of current property taxes, interest, penalties and fees and exempts all future real property tax assessment.

Fiscal Impact of Bill 21-178					
New Bethany Baptist Church Real Property Tax Exemption Act of 2016					
FY 2016 through FY 2019					
	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
Real Property Tax Liability that would be forgiven	\$531,483	\$0	\$0	\$0	\$531,483
Real Property Tax Abatement	\$58,596	\$59,798	\$61,927	\$63,939	\$244,260
TOTAL	\$590,079	\$59,798	\$61,927	\$63,939	\$775,743