

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: December 3, 2013

SUBJECT: Revised Fiscal Impact Statement – “Fiscal Year 2014 Budget Support
Technical Clarification Act of 2013”

REFERENCE: Bill 20-482, Draft Committee Print shared with the Office of Revenue
Analysis on November 27, 2013

This revised fiscal impact statement incorporates the changes made in the committee print and replaces the fiscal impact statement issued for the emergency version on this bill on September 16, 2013.

Conclusion

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Background

The bill proposes technical amendments and clarifications to various provisions of the Fiscal Year 2014 Budget Support Act of 2013. These amendments do the following:

- Clarify that placement of first-priority homeless families be guided by the special eligibility criteria set forth in 29 DCMR §§ 2556 through 2558. Such placements can only be funded by resources made available because a family which has been receiving tenant-based assistance no longer requires or has become ineligible for the assistance.¹
- Clarify that eligibility determination for the POWER program is left under the Mayor’s authority.²
- Clarify that all possessory interest taxes imposed with respect to leases entered into under the provisions of the Land Acquisition for Housing Development Opportunities Program (10

¹ By amending the Homeless Services Reform Act of 2005, effective October 22, 2005 (D.C. Law 16-35; D.C. Official Code § 4-751.01 *et seq.*)

² By amending Section 572a(b) of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-205.72a(b)).

DCMR B4500 *et seq.*), shall be forgiven for the period beginning June 9, 2001, through September 30, 2013, and that any payments made for this period be refunded to the persons who made the payments.

- Provide the Department of Corrections with the authority to supervise an arrestee at any medical facility in the District who is awaiting a court appearance. The FY 2014 Budget Support Act provided DOC the authority to manage and operate the central cellblock facility located within the Metropolitan Police Department's headquarters,³ but the authority to supervise any arrestee at a medical facility was inadvertently left out.⁴
- Provide authorization in FY 2014 for the Director of the Department of Health to issue grants to support clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases. The Fiscal Year 2014 Budget Support Act⁵ already provides grant making authority for ten different programs.⁶ The bill will add clinical nutritional home delivery services to this list.⁷
- Clarify that students can ride the Circulator buses for free. It also provides legislative language so District Department of Transportation can continue with its current practice of providing a monthly \$30 pass for the Metrorail.^{8,9}
- Correctly reference in the Fiscal Year 2014 Budget Support Act of 2013 the real property tax exemption approved for the First Congregational United Church of Christ.
- Corrects the starting date for the tax abatement approved for Jubilee Housing. The FY 14 budget includes funding for the abatement starting October 1, 2012, but the Fiscal Year 2014 Budget Support Act of 2013 references the start date as October 1, 2013.
- Clarify that the bonds for New Communities shall be backed by income tax, not by the HPTF – a policy already approved as part of FY 14 budget. The conforming amendment is needed because currently the ITSB statute does not allow ITSBs to be issued for non-capital assets. This amendment removes that impediment and would allow New Communities bonds to be issued as a kind of ITSB.

³ Fiscal Year 2014 Budget Support Act of 2013, enacted August 28, 2013 (D.C. Act 20-***; D.C. Official Code § 24-211.02(a-1)(1)).

⁴ This change was made on an emergency basis with Department of Corrections Central Cellblock Management Clarification Emergency Amendment Act Of 2013, enacted on November 20, 2013 (D.C Act 20-215).

⁵ Enacted on August 28, 2013 (D.C. Act 20-157; 60 DCR 12472).

⁶ These include ambulatory health services (amount not to exceed \$3,236,980); poison control hotline and prevention education services (amount not to exceed \$350,000); operations and primary care services for school-based health clinics (amount not to exceed \$2,250,000); teen pregnancy prevention programming (amount not to exceed \$400,000); programming to promote healthy development among high-school age girls in lower-income neighborhoods (amount not to exceed \$400,000); farmers market incentive programs (amount not to exceed \$200,000); food pantry services (amount not to exceed \$52,000); wildlife rehabilitation services (amount not to exceed \$250,000); mother-to-child HIV transmission (amount not to exceed \$50,000); and prevention services provided by a non-profit for certain chronic diseases (amount not to exceed \$850,000).

⁷ This change was made on an emergency basis with the Department of Health Grant-Making Authority for Clinical Nutritional Home Services Emergency Amendment Act of 2013, enacted on November 20, 2013 (DC Act 20-217).

⁸ D.C. Official Code § 35-223 requires that students pay half the peak costs for Metrorail passes. This would be much more expensive than the current DDOT practice.

⁹ Both of these changes were made on an emergency basis with the School Transit Subsidy Emergency Amendment Act of 2013, enacted on July 31, 2013 (D.C. Act 20-145, 60 DCR 11805).

The Honorable Phil Mendelson

Revised FIS: Bill 20-482, "Fiscal Year 2014 Budget Support Technical Clarification Emergency Act of 2013,"
Draft Committee Print shared with the Office of Revenue Analysis on November 27, 2013

- Corrects the Fiscal Year 2014 Budget Support Act to ensure that the Cost of Living Adjustments to personal income tax standard deduction and exemption is indexed to 2011.¹⁰ The Fiscal Year 2014 Budget Support Act mistakenly refers to 2007 as the base year for the calculation of personal income tax standard deduction and exemption.¹¹
- Correct the Lot numbers for Tregaron Conservancy. The FY 2014 Budget Support Act incorrectly references Lots 849 and 857, whereas the correct reference is Lots 842, 849, and 857 in Square 2084.
- Clarify that only manufacturing entities and restaurants are eligible for sales tax exemption on utility expenditures and the exemption cannot be taken by any establishment that does not refine tangible personal property for sale or resale.¹²
- Clarify that beyond exemptions or abatements proposed for existing buildings or new developments, the requirement for a Tax and Financial Analysis will apply only to legislation that provides any tax exemption, abatement or other tax relief to a person or small group of persons that can be readily identified.¹³

Financial Plan Impact

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill. All amendments offered by the bill are technical and none have a fiscal impact.

¹⁰ This change was made on an emergency basis with the Cost of Living Adjustment Personal Income Tax Standard Deduction and Exemption Technical Clarification Emergency Act of 2013, enacted on November 29, 2013 (D.C. Act 20-228).

¹¹ The Fiscal Year 2014 Budget Support Act mistakenly amended § 47-1801.04(11) of the D.C. Official Code to state that the base year for cost of living adjustments related to the personal income tax standard deduction and exemption is 2007.

¹² By amending D.C. Official Code § 47-2005(11).

¹³ By amending D.C. Official Code § 47-4701.