

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 [signature]
Chief Financial Officer

DATE: December 17, 2004

SUBJECT: Fiscal Impact Statement: "National Park Trust Real Property
Tax Exemption and Equitable Real Property Tax Relief Act of
2004"

REFERENCE: Bill Number 15-1081 as Introduced

Conclusion

Provisions of the proposed legislation will result in unbudgeted reductions in real property tax revenue in the amount of \$21,000 in FY 2005.

Background

The proposed legislation authorizes a real property tax exemption on property identified as Lot 802 in Square 2792, located at 1329 Missouri Avenue, N.W. The property is currently owned by the United States and is currently immune from taxation. The proposed legislation authorizes a local real property tax exemption beginning on January 1, 2002 which is prior to the date of transfer to the U.S. Government.

The proposed legislation requires that beginning on January 1, 2002 the subject property is exempt from all real property tax, interest and penalties. In addition, the proposed property is exempt from the deed transfer tax incurred from the recent transfer from National Park Trust, Incorporated to the United States.

Financial Plan Impact

The proposed legislation will result in unbudgeted reductions of \$21,000 in District resources used to support government operations.

On the effective date of the proposed bill, National Park Trust will be entitled to a refund of all real property taxes paid, as well as any interest or penalties paid. In addition, National Park Trust will be entitled to a refund of monies paid as deed transfer taxes in the recent transfer of this property to the United States. The table in Figure 1 presents the total real property tax revenue reductions based on the recent tax history of the subject property.

Recent Real Property Tax History for Lot 802 Square 2792

Figure 1.

	Tax Year	Assessed	Interest	Penalty	Payment	Balance
Proposed Exemption	TY 2002	(4,162.76)	(1,220.44)	(391.05)	5,774.25	\$0.00
	TY 2003	(10,726.69)	(1,471.68)	(1,072.67)	13,271.04	\$0.00
Current Exemption	TY 2004	-	-	-	-	\$0.00

Real Property Tax Refund	\$19,045.29
Deed Transfer Tax Refund	2,062.13
Total to be Refunded	<u>\$21,107.42</u>

The table in Figure 2 presents the overall impact of proposed real property tax reductions to the District's budget and financial plan.

Fiscal Effect on District Finances

Figure 2.

Revenue Reductions Impacting the Financial Plan				
(\$ in 000s)				
FY 2005	FY 2006	FY 2007	FY 2008	4 - Year Total
(\$21)	\$0	\$0	\$0	(\$21)