

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
Chief Financial Officer

DATE: May 25, 2001

SUBJECT: Fiscal Impact Statement: "General Licensure Law Technical Amendment Act of 2001"

REFERENCE: Draft Legislation - No Bill Number Available

Conclusion

Funds are sufficient in the FY 2001 budget and the FY 2002 through FY 2005 budget and financial plan because no additional staff or resources will be required to implement the components of the proposed legislation and there will be no reduction in existing General Fund revenue.

Background

Currently Title 47 § 2853.181(2) allows any person to sell their own property without a real estate license. However, because of the broad definition of "person," a corporation or other such entity could also sell real property held in its name without a real estate license. Under the Office of Corporation Counsel's (OCC) interpretation, any officer of a "person" which is defined by law as a corporation, partnership, etc., does not have to be licensed in order to sell property owned by that corporation, partnership, etc. The consequences of the application of the statute, as interpreted by OCC, is that unlicensed persons, even convicted felons, would be authorized to sell property in the District of Columbia without any knowledge of our real estate laws, such as contract requirements, fair housing laws, etc.

The proposed legislation clarifies the term "person" by preceding it with the word "natural." The proposed legislation makes this technical correction in a deliberate manner, targeting this particular place in the code, to affect specific change rather than

limiting the definition of the word that could result in unwanted global repercussions throughout the entire title.

Financial Plan Impact

Because this legislation institutes an internal policy change that has no material impact on the cost of services provided by the District of Columbia and has no effect on General Fund revenue, this provision has no fiscal impact.