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

Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Vincent C. Gray** **Chairman, Council of the District of Columbia**
FROM:	**Natwar M. Gandhi** **Chief Financial Officer**
DATE:	OCT 20 2008
SUBJECT:	**Fiscal Impact Statement: "Fiscal Year 2009 Tax Revenue Anticipation Notes Act of 2008"**
REFERENCE:	**Bill 17-859 As Introduced**

Conclusion

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. No additional staff or resources will be required.

Background

The proposed legislation would authorize the District of Columbia to issue general obligation revenue anticipation notes to finance general governmental expenses for the fiscal year ending September 30, 2009. Revenue anticipation notes are typically issued to finance seasonal cash shortages that arise due to differences in the timing between the receipt of revenues and the disbursement of expenditures within a given fiscal year.

Financial Plan Impact

The debt service expense associated with issuing Tax Revenue Anticipation Notes to fund Fiscal Year 2009 seasonal cash needs in the amount of approximately $400 to $500 million is incorporated in the District's proposed Fiscal Year 2009 budget and financial plan. The proposed legislation includes a not-to-exceed amount of $500 million as a contingency in the event that the District's actual FY 2009 seasonal cash needs exceed the cash needs at the time of budget preparation. In that event, the Office of the Chief Financial Officer plans to manage its total debt service expenditures in a manner that keeps such expenditures from exceeding the total debt service budget.

Accordingly, there is no additional fiscal impact associated with the enactment of this legislation or the issuance of the Notes. The fiscal impact associated with not passing this legislation could be an inability of the District to meet numerous operating expenditures during FY 2009.