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

Glen Lee
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Glen Lee** **Chief Financial Officer**
DATE:	**July 7, 2026**
SUBJECT:	**Fiscal Impact Statement – "Fiscal Year 2027 Budget Support Act of 2026"**
REFERENCE:	**Amendment in the Nature of a Substitute, as circulated July 6, 2026**

Conclusion

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the Fiscal Year 2027 Budget Support Act of 2026 (the bill). The bill is the legislative vehicle for adopting statutory changes needed to implement the District's proposed budget and financial plan for the fiscal years 2027 through 2030. The budget and financial plan as passed[1] however, depend upon a $150 million draw from the Fiscal Stabilization Reserve Fund which is a resource that is essential to meet District cashflow needs at certain points in the fiscal year. The bill directs that the first $150 million of any fiscal year 2026 increase in local fund revenues identified in the September 2026 or December 2026 revenue forecasts will be used to replenish District reserves necessary for cashflow liquidity.

If the September 2026 forecast for local fund revenue is not greater than the February 2026 forecast, the Office of the Chief Financial Officer will use its authority under the Home Rule Act to control spending in fiscal year 2027, and if necessary, apportion the fiscal year 2027 budget in an amount that ensures adequate resources are set aside to meet the District's liquidity needs.

The following pages summarize the purpose and the impact of each subtitle.

[1] In Bill 26-662, the Fiscal Year 2026 Revised Local Budget Emergency Act of 2026 and Bill 26-659, the Fiscal Year 2027 Local Budget Act of 2026, each as passed by the Council.

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TITLE I – GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Telework Policy Amendment Act of 2026

Background

The subtitle authorizes the Mayor to establish a telework policy for all agencies, except for the Office of the Attorney General, the Superior Court of the District of Columbia, the Council, and other agencies of the legislative branch. The subtitle prohibits District agencies and personnel authorities from establishing a different telework policy without authorization from the Mayor. It also requires every agency to submit a report to the Mayor with information on the use of telework by employees, and it authorizes the Mayor to audit agency implementation of the telework policy.

The subtitle also prohibits agencies and personnel authorities from entering into a future collective bargaining agreement that includes or requires a telework policy.

Financial Plan Impact

The subtitle does not impact the budget and financial plan.

Subtitle (I)(B) – Advisory Neighborhood Commissions Funding Flexibility Support Amendment Act of 2026

Background

The subtitle updates several requirements for Advisory Neighborhood Commission (ANC) reporting and grant issuance. The subtitle requires ANCs to file annual reports with the Council, Mayor and the Office of Advisory Neighborhood Commission (OANC). It clarifies that payments must be approved in signed meeting minutes, sets quarterly financial reporting procedures, and authorizes OANC to withhold allotments when reporting requirements are not met. ANCs may file amended quarterly financial reports within a 45-day window.

The subtitle also requires OANC to provide official ANC websites and technical assistance to ANCs by October 1, 2027.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. Most of the changes are technical in nature, and OANC can manage the subtitle's requirements within its current resources.

Subtitle (I)(C) – District Employee Paid Parental, Family, and Medical Leave Amendment Act of 2026

Background

The subtitle changes eligibility requirements and available benefits for the paid parental, family, and medical leave program for District government employees.

First, the subtitle requires a District government employee to be employed by the District for at least 180 continuous days to be eligible.

Second, employees must provide written notice to their agency describing the need for the leave and provide a schedule of expected hours during which the employee intends to take the leave. The notice must be provided at least ten days in advance, if the leave is foreseeable. If the leave is due to an unforeseeable event, the employee must provide details of the leave either orally or in writing within 48 hours after the emergency occurs. The subtitle allows for a good faith negotiation on dates for taking leave and allows an agency to deny use of paid leave if an employee does not agree to a reasonable request to revise the dates.

Third, the subtitle reduces the maximum leave that can be taken when caring for a defined family member for qualifying family leave events from eight weeks per year to two.

Fourth, the subtitle requires probationary employees to enter into a continuation of service agreement to stay on as an employee for at least 12 weeks after the use of paid parental, family or medical leave. Probationary employees who voluntarily separate prior to the end of a continuation of service agreement will be considered indebted to the District government for salary paid during the leave period.

Financial Plan Impact

At some agencies and for certain positions, family care leave can require agencies to cover absences of essential employees by using overtime of other employees. An analysis of fiscal year 2025 family care hours taken by employees of ten selected agencies[2] shows that the subtitle's restriction of family care to two weeks would have resulted in a reduction of 177,000 hours of paid family care leave. It is estimated that about half of these hours will still be taken, however, utilizing other employee leave options such an unpaid Family and Medical Leave Act usage. The other half of reduced leave-taking hours is projected to result in a corresponding reduction of overtime expenses. This is estimated to save $5.7 million across ten agencies in fiscal year 2027 and $23.7 million across the four-year financial plan.

Subtitle (I)(C) District Employee Paid Parental, Family, and Medical Leave Amendment Act of 2026 Savings ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Overtime savings	$5,770	$5,885	$6,003	$6,123	$23,780

[2] Agencies selected for cost analysis were Child and Family Services Agency, Department of Behavioral Health, Department of General Services, Department of Corrections, Department of Human Services, Department of Public Works, Department of Youth Rehabilitation Services, Fire and Emergency Management Services, Metropolitan Police Department, and Office of Unified Communications.

Subtitle (I)(D) – Lobbying Fees and Penalties Reform Amendment Act of 2026

Background

District law[3] stipulates that any person who files a required lobbyist report or registration form in an untimely manner be assessed a civil penalty of $100 per day for up to 60 days, excluding weekends and holidays, although the Board of Ethics and Government Accountability ("BEGA") may waive this for good cause. The subtitle removes[4] the exclusion for weekends and holidays, therefore, the 60-day time frame is consecutive; and increases the civil penalty to $200 per day.

District law stipulates that any person paid $250[5] or more to engage in lobbying must register and pay a fee: $350 for lobbyists; and $100 for lobbyists working exclusively for 501(c)(3) nonprofit organizations. All registration fees go into the Lobbyist Administration and Enforcement Fund[6], a dedicated, non-lapsing fund used solely for administering and enforcing lobbying laws. The subtitle increases the fee to $500 for lobbyists and $250 for lobbyists solely working on behalf of nonprofit organizations, and it specifies that $150 of each registration fee shall be transferred to local funds.

Financial Plan Impact

The subtitle allows BEGA to impose late filing fines in a timelier manner without overlapping into the next filing period. BEGA utilizes an e-filing system, which is available on their website 24/7, for lobbyists to file their registrations and activity reports, and BEGA will continue to process reports and registrations, and assess penalties, with resources budgeted in the fiscal year 2027 budget and financial plan. The subtitle will increase local nontax revenue by $73,000 starting in fiscal year 2027 and a total of $292,000 over the financial plan.

Subtitle (I)(D) – Lobbying Fees and Penalties Reform Amendment Act of 2026 Total Revenue Increase ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Total Revenue Increase	$73	$73	$73	$73	$292

Subtitle (I)(E) – Mayoral Transition Act of 2026

Background

The subtitle authorizes the Mayor to take "appropriate action" to assure continuity in a change of administrations. It authorizes the current Mayor to spend up to $300,000 to provide resources and support to the next Mayor-elect and his or her transition staff, including: office space, furniture, machines, supplies, compensation to transition staff, and other reasonable expenses.

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[3] D.C. Official Code § 1-1162.32(c).
[4] By amending the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1162.32(c)).
[5] Individually or in total from multiple sources, within any three-month period.
[6] Money in the fund does not revert to the District's general fund and remains available across fiscal years if authorized in the budget.

Financial Plan Impact
The Non-Departmental Account (Agency DO0) has up to $300,000 available for transition expenses in fiscal year 2027.

Subtitle (I)(F) – Fair Elections Program Amendment Act of 2026

Background
The Fair Elections Program[7], managed by the Office of Campaign Finance (OCF), provides for the optional public funding of political campaigns in the District. Participation in the program is voluntary, and participants must abide by contribution limits, expenditure prohibitions, and reporting requirements. OCF is required to revoke the certification of a candidate participating in the program if they do not comply with the program's requirements, fail to qualify for the ballot, or cease campaigning for the position for which they were certified.

The subtitle makes candidates personally liable for any expended base or matching funding the candidate received, if the candidate's certification is revoked, or if the candidate engages in fraudulent activities. The Campaign Finance Board may reduce a participating candidate's personal liability if they terminate their candidacy for good cause including health reasons or personal hardship. The subtitle explicitly states that good cause does not include electoral reasons such as low standing in the polls, lack of fundraising success, or low expectation of electoral success. The subtitle requires a candidate to provide sufficient documentation in support of a good cause claim.

Financial Plan Impact
OFT currently manages the revocation process for the program and initiates enforcement to recover unexpended funds. The subtitle does not significantly burden that process and can be managed within current resources.

Subtitle (I)(G) – Department of General Services Public Litter Container Replacement Amendment Act of 2026

Background
The subtitle requires the Department of General Services (DGS) to purchase and install secure, rodent-resistant trash and recycling containers on the site of and abutting public space of all District of Columbia Public Schools (DCPS) and Department of Parks and Recreation (DPR) renovation or modernization projects. The subtitle's requirement only applies to capital projects that will be completed in fiscal year 2027.

Financial Plan Impact
The fiscal year 2027 capital improvements plan includes additional funding for three DCPS facilities and eleven DPR facilities that are expected to be completed in fiscal year 2027. This funding will allow DGS to purchase the secure, rodent-resistant trash and recycling containers rather than reinstall the

[7] D.C. Official Code § 1–1163.32a, et al. (https://ocf.dc.gov/page/overview-fair-elections-program)

older, open containers that existed prior to the project. The fiscal year 2027 capital improvements plan includes over $440,000 to implement the subtitle.

Subtitle (I)(H) – Office of the Attorney General Fund Amendment Act of 2026

Background

Current law[8] provides for the Litigation Support Fund (LSF), a special, lapsing fund administered by the Office of the Attorney General (OAG) to be used for legal expenses, staff costs, and public safety initiatives. Money is deposited into the LSF from several sources:

- Recoveries from lawsuits or claims that the OAG brings on behalf of the District.
- Collections by the Central Collection Unit on delinquent debts tied to OAG settlements or judgments.
- Certain funds recovered from property owners in tenant-receivership cases, when depositing them into the Tenant Receivership Abatement Fund causes the fund balance to exceed $2 million.
- Payments the District receives from several opioid-related settlements and trust distributions, plus any other settlement designated by the Attorney General as opioid-related.
- Other funds appropriated or transferred by law.
- The first $100,000 in fines from illegal cannabis commercial property violations.
- The first $100,000 in fines from unauthorized cannabis activity violations.

Money in the LSF may pay for:

- General litigation costs for cases handled on behalf of the District.
- Staffing and administrative costs, including up to $7 million per year in personnel and grant-administration expenses.
- Crime reduction, violence interruption, and public-safety programming, limited[9] to $9.7 million annually.

Any year-end balance above $23.5 million must revert to the General Fund, except for: monies required to pay contingency-fee contracts and opioid-related settlement money, which must be transferred[10] to the Opioid Abatement Fund.

Current law defines "recovery" to include court awards and settlements obtained by OAG on behalf of the District, except for funds from administrative proceedings, or funds obligated by federal or District[11] law to go elsewhere. Recoveries must be deposited into the LSF even if normally required to be deposited elsewhere.

The subtitle removes the references to the two statutes from the definition of recovery and instead includes recoveries under those statutes as among the exceptions to the funds that must be deposited into the LSF. A full list of the exceptions now included under the subtitle are as follows:

- Recoveries from subrogation claims handled by the Chief Risk Officer.

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[8] D.C. Official Code § 1-301.86b.
[9] Beginning in fiscal year 2024.
[10] Eighty five percent of payments received before October 1, 2022, and 90 percent of payments, thereafter.
[11] D.C. Official Code § 1-325.391(b)(2) or § 1-623.32.

- Recoveries under adjustment after recovery from a third person, which must be deposited into the Employees' Compensation Fund.
- Recoveries obtained as restitution, disgorgement, damages, or other monetary relief for individuals or entities, which must be credited to the Attorney General Restitution Fund (AGRF).
- Recoveries from property owners in tenant-receivership cases, when the Tenant Receivership Abatement Fund balance is less than $2 million.
- Recoveries obtained from Drug/Firearm/Prostitution-related nuisance cases, which must be credited to the Prostitution-Related Nuisance Abatement Fund.

The subtitle adds a new section to the code, which allows recoveries to be split between the LSF and either an agency special purpose revenue fund or the General Fund. One provision specifies that, in matters that an agency refers to OAG for enforcement following significant investigation and/or administrative enforcement action by the agency, or in any litigation or settlement in which an agency has provided significant support to the OAG in proving a violation of law, 50 percent of recoveries payable to the District go to the LSF and 50percent go to the agency special revenue fund associated with the subject matter of the case if one exists, or otherwise to the General Fund, except if OAG and the agency have agreed to a different allocation. A second provision specifies that, in litigation or settlement matters involving procurement[12] by an agency, 50 percent of recoveries payable to the District goes to the LSF and 50 percent goes to the General Fund, unless a different allocation is agreed upon.

District law[13] provides for the AGRF, a special, non-lapsing fund administered by the OAG, which receives and distributes restitution and related payments that OAG collects on behalf of consumers and employees. Money is deposited into the AGRF from several sources:

- Restitution awards for consumers collected under court orders or settlements, including tenants.
- Restitution awards for aggrieved employees under wage-and-hour enforcement actions. The subtitle repeals this provision to consolidate the existing specific provisions on consumers, tenants, and workers into a single, general provision.
- Delinquent debts payable as restitution collected by the Central Collection Unit and referred by OAG.[14]

Money in the AGRF may pay for:

- Restitution awards to eligible individuals as required by court orders or settlements. The subtitle simplifies that this payment of awards may originate from court orders, judgments, or settlements in actions or investigations OAG conducts.[15]
- Fund maintenance costs, including those related to administering the claims process.
- Replenishing funding for the Tenant Receivership Abatement Fund.

[12] Under section 815 of the District of Columbia Procurement Practices Act of 1985, effective May 8, 1998 (D.C. Law 12-104; D.C. Official Code § 2-381.03).
[13] D.C. Official Code § 1–301.86c.
[14] Must be deposited within 60 days.
[15] The current law does not allow for the payment of restitution from the fund in all settlements and judgments – only those for consumer restitution and wage and hour restitution. The subtitle broadens this to include all cases where restitution is ordered.

Before OAG issues any payment to an individual or entity, the Office of the Chief Financial Officer must determine whether that individual owes money to the District and deduct any amount owed. The subtitle clarifies that the determination is only required when the payment is in excess of $100.

Current law[16] requires OAG to conduct a claims procedure to locate eligible recipients and distribute awards, minus deductions. The subtitle clarifies that OAG may apply any part of the award to the costs and expenses related to maintaining the AGRF and conducting the claims process, including payments to claims administrators, unless otherwise directed by a court order, judgment, or settlement. After distributions, excess funds designated for specific individuals become unclaimed property and other excess funds may remain in the AGRF to be used for authorized purposes. Current law[17] allows for no more than $500,000 in excess funds each fiscal year; the subtitle increases this amount to $1 million.

The subtitle transfers all assets and liabilities of the Vulnerable Adult and Elderly Person Exploitation Restitution Fund ("Fund") [18] to the AGRF and repeals that Fund.

Financial Plan Impact

The subtitle does not affect the fund balance of the LSF. The subtitle obviates the requirement to amend the LSF statute to authorize recovery sharing in each case in which recovery sharing is appropriate. The subtitle authorizes restitution and damages recoveries in civil rights, antitrust, and elder justice cases to be deposited into the AGRF. The AGRF requires restitution and damages recoveries to be distributed to the victims in OAG cases and does not allow OAG to use the amounts left over from the recoveries, if any, except to pay out restitution to victims in older cases in which defendants did not have the resources to make full payment.

The subtitle requires the transfer of funds currently in the Fund, which would be dissolved, to the AGRF. The fiscal year 2027 budget includes a transfer of $27,500 from the Fund to the AGRF.

Subtitle (I)(I) – Office of Inspector General Oversight Clarification Amendment Act of 2026

Background

The subtitle authorizes the Office of Inspector General (OIG) to conduct oversight of the Public Charter School Board[19], to include audits, inspections, and investigations.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The subtitle authorizes oversight by the OIG, but oversight will be at the discretion of OIG within its current resources.

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[16] D.C. Official Code § 1–301.86c(d).
[17] D.C. Official Code § 1–301.86c(e)(3)(B).
[18] D.C. Official Code § 1–301.86d establishes this special, non-lapsing fund to collect restitution awards, court-ordered payments, and fines related to the financial exploitation of adults aged 65+ or vulnerable adults.
[19] D.C Official Code § 38–1802.14.

Subtitle (I)(J) – Grant Confidentiality Requirements Amendment Act of 2026

Background

The subtitle establishes a definition of confidential information as it relates to the District government's grant administration. The subtitle defines confidential information as individually identifying information of a victim of domestic violence, sexual assault, or human trafficking. Confidential information also includes information exchanged between, and records related to interactions between, a domestic violence victim and a domestic violence counselor. The subtitle prohibits any grant recipient receiving local funds from the District for domestic violence, sexual assault, or human trafficking programs from releasing confidential information. If a statute or court order requires the release of confidential information, a grantee must make reasonable attempts to provide notice to the victim affected by the disclosure and take any steps to protect the safety of the victim. When complying with a grant agreement's reporting and data collection requirements, a grantee must aggregate nonpersonal identifying information about their clients and any non-confidential records to support an audit of the grantee's activities.

Financial Plan Impact

The subtitle defines and protects the disclosure of confidential information by grantees operating domestic violence, sexual assault, and human trafficking programs. The Mayor does not require additional budgeted resources to direct grant recipients to comply with the subtitle's non-disclosure requirement.

Subtitle (I)(K) – LGBTQ Community Grant Amendment Act of 2026

Background

The subtitle requires the Office of Lesbian, Gay, Bisexual, Transgender, and Questioning Affairs ("Office") to issue a $980,000 grant for the purpose of supporting programs that promote the welfare of the lesbian, gay, transgender, and questioning community. The grant must be issued to a nonprofit with a primary mission of philanthropic funding to the community and a track record of grant making and fund raising. The grantee must use 90 percent of the award to provide subgrants to other nonprofits that provide programs for the community, and to provide technical assistance and capacity building to the subgrantees. The grantee must undergo an annual audit and submit quarterly reports to the Office, and the Office must in turn provide annual status reports to the Council on the grant and subgrants.

Financial Plan Impact

The budget and financial plan includes a one-time enhancement of $980,000 in fiscal year 2027 for the grant in the Office. The Office has managed a similar umbrella grant the last two fiscal years and can manage the grant within existing resources.

Subtitle (I)(L) – Office of Inspector General Term Succession Clarification Amendment Act of 2026

Background

The subtitle clarifies that the Principal Deputy Inspector General, including any acting Principal Deputy Inspector General, will serve as acting Inspector General immediately upon the expiration of the term of Inspector General, until a new Inspector General is confirmed pursuant to current law.[20]

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan.

[20] D.C. Official Code § 1–301.115a(A-1)(i).

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) - Downtown Building Conversion Support Amendment Act of 2026

Background

The Deputy Mayor for Planning and Economic Development (DMPED) manages two programs designed to spur development in downtown Washington, D.C. The Housing in Downtown program[21] encourages the transition of existing office buildings into residential buildings. The Office to Anything program[22] encourages the transition of unused or underutilized office buildings into new, activated commercial, entertainment, retail, or non-residential uses. DMPED incentivizes participation in the programs through real property tax abatements and freezes.

The Housing in Downtown program requires that affordable units included in the conversion project comply with the District's Inclusionary Zoning Program.[23] The subtitle redefines bedroom to include any habitable room that has a closet, is designated as a bedroom or sleeping room, and receives natural light and ventilation, regardless of whether the room has access to an exterior window. This definition applies to both affordable and market rate units and only to properties not otherwise subject to the Inclusionary Zoning Program. The subtitle ensures the Office of Tax and Revenue can recover any improperly received tax benefits if the Mayor determines that the property is no longer eligible for the Housing in Downtown tax abatement. The subtitle also repeals a requirement that property owners contract with certified business enterprises for 35 percent of the operations of the conversion project. Property owners must still contract with certified business enterprises for 35 percent of the contract dollar volume of the project's construction elements.

The subtitle expands the Office to Anything program to include a conversion of any non-residential building to any other non-residential use. The subtitle also expands the program to include an eligible conversion that expands the building from less than 50,000 square feet to greater than 50,000 square feet. The subtitle clarifies that the Mayor can cancel an eligibility and reservation letter under the Office to Anything program for a failure to comply with any condition established in the document. The subtitle authorizes the Mayor to terminate the eligibility for any property if it fails to meet established conditions or offer a property owner the opportunity to cure any deficiencies. If the property owner cures the deficiencies, the Mayor should not grant the tax abatement during the period of deficiency and the fifteen-year period of the tax freeze should not be tolled for the deficient period. The subtitle also eliminates any funding for abatements in fiscal year 2027 and reduces the abatement caps starting in fiscal year 2028. The fiscal year 2028 cap is reduced from $6 million to $2.75 million. The fiscal year 2029 cap is reduced from $8 million to $3.55 million. The subtitle sets a cap of $4.05 million for fiscal year 2030 and maintains that subsequent caps are 104 percent of the prior year's cap starting in fiscal year 2031.

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[21] Tax Abatements for Housing in Downtown Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-167; D.C. Official Code § 47-860.01 et seq.).
[22] Central Washington Activation Program Amendment Act of 2024, effective September 18, 2024 (D.C. Law 25-217; D.C. Official Code § 47-870 et seq.).
[23] Inclusionary Zoning Implementation Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-275; D.C. Official Code § 6-1041.01 et seq.) and Inclusionary Zoning Regulations, effective May 3, 2025 (11 DCMR § 11-C10).

The subtitle exempts any projects in the Office to Anything program from the District's First Source requirements[24] for the construction and development phases of the conversion project.

The subtitle applies the existing Building Conversion Permit Fee[25] that is charged to projects under the Housing in Downtown program to any projects participating in the Office to Anything program.

Financial Plan Impact

The subtitle's changes to the Housing in Downtown program that alter the definition of a bedroom and change the certified business enterprises contracting commitment will ease the regulatory burdens for projects seeking inclusion in the program. However, these changes are not expected to significantly increase the number of projects seeking program approval.

Since the Office to Anything program's inception in fiscal year 2025, only two to three projects have shown interest in the program. The subtitle's applicability of building conversion fees to Office to Anything program participants means that program participants will pay lower building permit fees than they would otherwise pay for a conversion. However, the limited interest in the program, combined with growth from the program's expansion, less restrictive First Source requirements, and lower fees, should generate additional building permit fee revenues to offset any potential losses from the change in the building permit fee applicability. The subtitle's expanded definition of "repositioning" to include the conversion of a property from below 50,000 square feet to greater than 50,000 square feet will increase the population of potentially eligible projects, but they will still be subject to the Office to Anything's program eligibility and abatement caps. Under the subtitle the program's real property tax abatements will be capped at $2.75 million in fiscal year 2028, $3.55 million in fiscal year 2029, $4.05 million in fiscal year 2030, and 104 percent of the prior year's cap beginning in fiscal year 2031. There is no funding available for abatements in fiscal year 2027. The subtitle's reduction of the original abatement caps will limit the cost of the program and because the District's revenue estimates accounted for a loss of property tax revenue based on the program's current law allowances, the budget and financial plan includes an increase in property tax revenue from the subtitle as follows:

Subtitle (II)(A) – Downtown Building Conversion Support Amendment Act of 2026 Revenue Increase ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Property tax revenue increase	$5,000	$3,250	$3,450	$2,950	$14,650

<u>Subtitle (II)(B) – Rent Payment Reporting Amendment Act of 2026</u>

Background

The subtitle authorizes the Mayor to establish a rent payment reporting program ("Program"), which will be managed by the Department of Housing and Community Development (DHCD). The Program

[24] First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03).
[25] Building Permit Fees, effective December 6, 2025 (12-M DCMR § 101.1(a-1)).

will facilitate providing information from rental housing providers about a tenant's rent payment history to consumer credit bureaus. Tenants must authorize participation in the Program and the transfer of their payment information, and may withdraw at any time. Housing providers must comply with a tenant's request to stop reporting with in 30 days of receiving the request. Tenants that have withdrawn from participation may not opt in again for six months. DHCD must create a standard notice template for housing providers to use.

The Mayor may issue grants to rental housing providers to help cover costs associated with participating in the Program and require providers who receive financial support to participate.

Financial Plan Impact
DHCD's budget has $500,000 set aside in recurring funding for the Program. This is the estimated cost of a third-party provider to manage the program.

Subtitle (II)(B) – Rent Payment Reporting Amendment Act of 2026 Total Cost ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Rent Payment Reporting Program	$500	$500	$500	$500	$2,000

Subtitle (II)(C) – Workforce Housing Opportunity Amendment Act of 2026

Background
The subtitle creates a new real property tax abatement program for a residential development of at least 30 units. Projects seeking the abatement must enter into an agreement with the Mayor providing for all the requirements of meeting the tax abatement, to include a third-party fiscal analysis demonstrating that the project is only feasible with the tax abatement. Projects must meet affordability requirements to be awarded, and to maintain, the tax abatement. At least 20 percent of the units must be affordable at the level of 80 percent of median family income, and at least 20 percent must be affordable at 100 percent of median family income. Certified Business Enterprises must receive thirty-five percent of development and operating costs, and the developer must enter into a First Source Agreement. The Mayor may use a competitive process to award the tax abatements but shall give priority to property that has been disposed of, or leased by, the District. The Mayor must limit the total value of abatements to $4 million in fiscal year 2029, $5 million in fiscal year 2030, and $6 million in fiscal year 2031. Thereafter, the total value of abatements under the program may grow at 5 percent annually.

Tax abatements begin with the project's certificate of occupancy for all affordable units, and may end after 20 years, provided that the Mayor determines a 20-year tax abatement is necessary for the feasibility of the project. Otherwise, tax abatements provided to a project will last for ten years.

Financial Plan Impact
The subtitle will reduce real property tax revenue starting in fiscal year 2029. The Office of the Deputy Mayor for Economic Development can review abatement applications and certify abatements for the Office of Tax and Revenue. The total cost of the subtitle is $9 million through 2030.

Subtitle (II)(C) – Workforce Housing Opportunity Amendment Act of 2026 Total Revenue Decrease ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Total Revenue Decrease	$0	$0	$4,000	$5,000	$9,000

Subtitle (II)(D) – Federal Property Development Tax Incentive Act of 2026

Background
The subtitle authorizes the Mayor to approve a real property tax exemption for certain properties disposed by the Federal government after January 1, 2026. Such properties may have been disposed by sale or ground lease to the District government, or by sale or ground lease to a private entity. If disposed to the District government, the property may be further transferred by sale or ground lease to a private entity. The properties must be subject to a development plan that will result in the development of at least 200,000 square feet of gross floor area and must not have been subject to real property tax or payment in lieu of taxes[26] prior. The developer must enter into an agreement to:

- Contract with certified business enterprises for at least 35 percent of the contract dollar volume of the construction and development of the project;
- Enter into a First Source Agreement for the construction and development of the project;
- Maintain, for the duration of the tax abatement, at least 10 percent of the housing units developed or redeveloped on the real property as affordable to households earning on average 60 percent or less of the median family income;
- Offer at least 10 percent of the housing units offered for sale at a price affordable to households earning on average 80 percent or less of the median family income; and
- Agree to such other terms and conditions as the Mayor considers appropriate.

Further conditions for the Mayor to provide the tax abatement include that the Mayor considers the project to be of special merit; that the tax abatement is necessary to make the project financially feasible; and that the developer has the ability to complete the project in a timely manner. The Mayor may provide the tax abatements for a period to last up to 15 years. The tax abatement may begin in the tax year commencing after the tax year in which the certificate of occupancy was issued for the development on the property.

Financial Plan Impact
The subtitle is not projected to reduce real property tax revenue in the financial plan period. Property tax revenue over the last five years, which form the base for revenue estimates, do not include over-200,000 square-foot developments from previously Federally-owned properties except for developments required to be supported with subsidies such as PILOT bonds. This type of

[26] D.C. Official Code § 47-811 or § 47-1005.01.

development is therefore not a component of forecasted property tax revenue over the financial plan period. The requirements for the abatement would also preclude any development projects that would be financially feasible without an abatement, including projects that would only include market-rate housing. Moreover, current development conditions also mean that tax abatement start dates would occur outside of the financial plan period.

The Deputy Mayor for Planning and Economic Development can, using its budgeted resources, enter into the agreements required of developers receiving the tax abatement and certify properties to the Office of Tax and Revenue that should receive the abatement.

Subtitle (II)(E) – WMATA Joint Development Properties Tax Abatement Act of 2026

Background

The subtitle authorizes the Mayor to provide real property tax abatements for certain joint development properties located within 1,750 feet of a Metrorail station. Requirements include that the Mayor determines the abatement is necessary for the project to be financially feasible and the project is of special merit; and that the developer enters into a First Source agreement and uses Certified Business Enterprises. Additionally, ten percent of any residential units must be set aside as affordable at the 60 percent of median income level, and an additional ten percent at 80 percent of median income level, for the duration of the tax abatement. The duration of the tax abatement begins with certificate of occupancy and may last for a maximum of 20 years, provided that the Mayor determines the duration necessary for the project to be financially feasible. The developer must make substantial progress on the development within 5 years.

Financial Plan Impact

WMATA has potentially eligible development sites at the Takoma, Friendship Heights, Fort Totten and Deanwood rail stations. Of these, the Takoma and Deanwood sites are projected to have development that would occur within the financial plan period. The estimated value of the abatements provided by the subtitle is $108,000 in fiscal year 2027 and a total of $3.1 million over the financial plan. The Deputy Mayor for Planning and Economic Development and the Office of Tax and Revenue can administer the program within their budgeted resources.

Subtitle (II)(E) – WMATA Joint Development Properties Tax Abatement Act of 2026 Total Revenue Decrease ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Total Revenue Decrease	$108	$633	$1,117	$1,250	$3,108

Subtitle (II)(F) – Rosemount Center Grant Act of 2026

Background

The Rosemount Center is an early childhood education facility serving over 200 families and located in the District's Mount Pleasant neighborhood. The Rosemount Center supports pregnant mothers and serves children aged zero through five years old in a bilingual setting. The Rosemount Center's building is owned by the House of Mercy, a charitable organization affiliated with the Episcopal Diocese of Washington. The District approved a $3 million grant for the Rosemount Center in fiscal year 2026.

The subtitle authorizes the Deputy Mayor for Planning and Economic Development (DMPED) to issue a grant of $1 million to the Rosemount Center to support the Rosemount Center's purchase of the building it leases from House of Mercy located at 2000 Rosemount Avenue, N.W.

Financial Plan Impact

DMPED has granted the first $2 million of the fiscal year 2026 grant and will grant the remaining $1 million before the end of fiscal year 2026. The fiscal year 2027 budget includes a one-time enhancement of $1 million for DMPED to grant to the Rosemount Center to support its purchase of the building from the House of Mercy. DMPED is able to issue the grant with administrative resources provided in the fiscal year 2027 budget.

Subtitle (II)(G) – Supermarket Tax Incentive Amendment Act of 2026

Background

The District manages a supermarket tax incentive program for qualified supermarkets to receive ten-year real property tax, personal property tax, and licensing fee exemptions and sales and use tax exemptions on construction materials.[27] Qualified supermarkets are those in locations that are typically underserved by full-service grocery stores.

The subtitle reduces the real property and personal property tax exemptions from ten years to five years for any supermarket certified for a tax exemption after October 1, 2026. The subtitle also authorizes the Mayor to extend any tax exemption for up to five years and enumerates the information the applicant must submit for the Mayor to consider an extension.

The subtitle expands access to the program's tax incentives for an improvement of an eligible supermarket, where costs exceed 10 percent of the assessed value of the space. Currently, an existing eligible supermarket can only participate if the space undergoes a substantial rehabilitation costing 50 percent or more of the space's adjusted basis as calculated for tax purposes.

The subtitle offers a new hardship condition for a qualified supermarket to qualify for a five-year tax and license fee exemptions. If a supermarket operated at a net operating loss for the two years prior to requesting certification for the tax exemption, then it can qualify for the exemptions.

[27] Supermarket Tax Incentive Amendment Act of 1988, effective September 29, 1988 (D.C. Law 7-173; D.C. Official Code § 47-3801 et seq.).

The subtitle clarifies that qualified restaurants and retail stores are not currently eligible for any tax or fee exemptions.[28]

Financial Plan Impact

There are currently two supermarkets certified to receive tax abatements and over one dozen have received abatements since 2018. The subtitle's provisions that provide eligibility for improvements that exceed 10 percent of the space's assessed value and allow for a supermarket to qualify for a hardship exemption will increase the number of participants in the program. Additional participants will reduce combined real property and personal property taxes by $612,000 in fiscal year 2027 and $6.3 million over the four-year financial plan period. The provisions will also reduce sales and use taxes by $28,000 in fiscal year 2027 and $208,000 over the four-year financial plan period. Any impacts on business license revenues are *de minimis*.

Subtitle (II)(G) – Supermarket Tax Incentive Amendment Act of 2026 Reduced Tax Revenue ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Real Property	$593	$1,203	$1,839	$2,513	$6,148
Personal Property	$19	$39	$59	$80	$197
Sales and Use	$28	$58	$60	$62	$208
Total Reduced Taxes	**$640**	**$1,300**	**$1,958**	**$2,655**	**$6,553**

Subtitle (II)(H) – O Street, SE, Eminent Domain Authority Act of 2026

Background

The subtitle outlines a sense of the Council that residents of the Dupont Park neighborhood have identified a vacant parcel of land (at approximately 3210 and 3212 O Street, SE) that they would like to see acquired by the District, revitalized and used for a community space to include a park and walking trail and accessible green space. The subtitle further provides the Mayor with eminent domain authority to acquire the property[29] for these purposes.

Financial Plan Impact

The lots currently have a combined taxable assessed value of $53,610. The exact cost of acquiring the property is unknown, as the District will need to conduct an appraisal of the property before exercising eminent domain authority, or it may negotiate with the property owner for purchase. The budget and financial plan includes $250,000 in capital funding at the Department of General Services[30] that can be used to acquire and improve the site, and this is expected to be sufficient to effectuate the purchase as well as to improve the property.

[28] National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 47-3801 et seq.).
[29] Specified and known for tax and assessment purposes as Lots 30, 31, and 43 in Square 5542S
[30] In project "O Street Retaining Wall."

Subtitle (II)(I) – Vacant Building Registration Fee Amendment Act of 2026

Background

The Department of Buildings (DOB) requires any property owner whose building becomes vacant[31] to register with DOB within 90 days of the vacancy.[32] The property's owner must pay the vacant building registration fee and maintain the building up to all codes so that it does not become detrimental to public health, safety, and welfare. DOB charges a $350 initial registration fee and $500 renewal fee. DOB deposits vacant building registration fees into the Nuisance Abatement Fund (Fund).[33]

The subtitle eliminates the vacant building registration fee. The subtitle changes the definition of a vacant building to exclude any single-family or two-family residential building where the building is actively for sale or available for rent as evidenced by an MLS electronic listing for six months or less. The subtitle also expands the definition of an adequately maintained vacant building to include that accessory and appurtenant structures and the overall property are not rat harborages.

In 2025, the Council approved several changes to how the District regulates and interacts with vacant building owners.[34] Some of the changes include or are related to rehabilitation grants, payment plans, building registration, property tax rates, and tax sale procedures. DOB plays a significant role in the regulation of nuisance and vacant properties, including abating nuisance properties and making vacant building determinations.

The subtitle ensures that DOB has the rulemaking authority to issue rules for both nuisance abatement[35] and vacant building registrations.[36] The 2025 law limited DOB's ability to issue rules to only vacant building registration related activities and not nuisance abatement. The 2025 law also required vacant building owners to submit a property maintenance plan for DOB to review along with their vacant building registration. DOB required additional resources to review these plans and the subtitle repeals the subject to appropriations clause, allowing the provision to become effective.

Financial Plan Impact

The subtitle's elimination of the vacant building registration fee will reduce Fund revenues by $70,000 annually over the four-year financial plan period. There are no costs associated with clarifying DOB's authority to issue rules related to both nuisance properties and vacant properties.

The fiscal year 2027 through fiscal year 2030 budget and financial plan fund additional staff at DOB to review property maintenance plans during the vacant building registration process. This funding supports the subtitle's repeal of the related subject to appropriations clause in the 2025 law.

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[31] A vacant building is defined as improved real property that is not lawfully occupied on a regular or habitual basis by the owner, tenant, or person authorized by the owner.
[32] D.C. Official Code § 42-3131.06.
[33] Realty Violations Correction Fund Act of 1979, effective January 5, 1980 (D.C. Law 3-45; D.C. Official Code § 42-3131.01(b)).
[34] Vacant to Vibrant Amendment Act of 2025, effective October 1, 2025 (D.C. Law 26-41; 72 DCR 8881).
[35] Subchapter I of Chapter 31A of Title 42 of the Code of the District of Columbia.
[36] Subchapter II of Chapter 31A of Title 42 of the Code of the District of Columbia.

Subtitle (II)(I) – Vacant Building Registration Fee Amendment Act of 2026 Revenue Reductions and Staff Costs ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Eliminate Registration Fees	($70)	($70)	($70)	($70)	($280)
Review Property Maintenance Plans	($299)	($307)	($314)	($322)	($1,243)

Subtitle (II)(J) –Building Code Infraction Fines Inflation Adjustment Amendment Act of 2026

Background

Since January 1, 2018, the Department of Buildings (DOB) annually updated its class of infraction fine schedule by the Consumer Price Index (CPI) for all Urban Consumers in the Washington Metropolitan Statistical area.[37] These adjusted fines apply to most infractions issued by DOB, including property, housing, vending, towing, corporation, and other infractions. The fine adjustment does not apply to 2016 zoning regulation infractions.[38]

The subtitle extends the current CPI-adjusted fine structure to 2016 zoning regulation infractions to be consistent with all other DOB-enforced infractions. The subtitle makes this change applicable as of January 1, 2018.

Financial Plan Impact

While the District's zoning regulations were updated in 2016, the infractions related to those updates were not codified until 2019. This was after the District approved CPI-adjustments for DOB fines, so the fines for 2016 zoning regulation infractions were not authorized to be adjusted. The subtitle ensures that fines for the 2016 zoning regulations can be adjusted, retroactively to 2018. DOB has adjusted the fine schedule since 2018 and fines are approximately 25 percent higher than they were in 2017. DOB has issued approximately ten zoning notices of infraction since fiscal year 2022, so any impact on overall revenues is *de minimis*.

Subtitle (II)(K) – Events DC Grants Act of 2026

Background

The subtitle requires Events DC to issue several grants in fiscal year 2027. The first is a matching grant for the 2027 National Cherry Blossom Festival. Events DC can issue a grant that matches two dollars for every one dollar the Festival raises in corporate donations by April 30, 2027, up to a maximum of $1.5 million. Events DC should issue this grant from funds transferred in fiscal year 2027 from the District's non-departmental account.

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[37] DCRA Infraction Fine Increase Amendment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 6-1431).
[38] Zoning Division Infractions – Zoning Regulations of 2016, effective January 26, 2019 (16 DCMR 3315 et seq.).

The subtitle also requires a grant of $250,000 to a nonprofit organization that provides education on the District's extensive history and culture in the struggle for freedom, opportunity and democracy.

Events DC must further issue a grant of $250,000 to a nonprofit organization that occupies space in the Carnegie Library Building that collects, interprets, and shares the history of the District.

Finally the subtitle requires Events DC to provide an annual grant to the Martin Luther King Holiday DC Committee to cover event fees associated with administering the Martin Luther King, Jr. Holiday DC Parade[39] to include: special event user fees and other fees[40]; on-site permitting and monitoring inspectors, on-site monitoring fees, Advanced Life Support Units, EMS bicycle teams and ambulance carts, use of trucks, and related fees[41]; food vendor inspections and related fees[42]; preparation, cleanup, trash removal, towing, and related fees[43]; and flag installation, traffic control officers, message boards, and related fees[44].

Financial Plan Impact

The fiscal year 2027 non-departmental budget includes one-time funding of $1.5 million to transfer to Events DC to support a matching grant for the 2027 National Cherry Blossom Festival. The budget also includes $500,000 in one-time local funding to be transferred to Events DC for the subtitle's two history grants. The budget includes $125,000 in fiscal year 2027 and $515,201 across the four-year financial plan for Events DC to provide a grant for the Martin Luter King, Jr. Holiday parade.

Subtitle (II)(L) – Clean Energy DC Building Code Amendment Act of 2026

Background

The Mayor is required to issue regulations by December 31, 2026 that require all new construction or Level 3 alterations of covered buildings[45] be constructed to a net-zero energy standard.[46] If the Mayor does not issue these regulations, then projects with permit applications submitted after December 31, 2026 must comply with the most recent version of Appendix Z. The Department of Buildings (DOB) must, beginning in 2029, commission a triennial independent audit of a sample of covered buildings to assess whether those projects complied with the net-zero energy requirements.

The subtitle delays the requirement for DOB to issue regulations until December 31, 2027. The subtitle requires the Mayor to issue regulations prohibiting the use of on-site fuel combustion to support thermal energy for all new construction and additions greater than 10,000 square feet by December 31, 2026. After December 31, 2026, DOB should deny any building application that uses

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[39] Means the annual parade and associated activities held in the District to celebrate and commemorate the life, legacy, and service of Reverend Dr. Martin Luther King, Jr.

[40] By the Department of Licensing and Consumer Protection, the Metropolitan Police Department, and the Alcoholic Beverage and Cannabis Administration.

[41] These fees are due to Fire and Emergency Medical Services.

[42] These fees are due to Department of Health.

[43] Department of Public Works.

[44] These fees are due to Department of Transportation.

[45] Covered buildings are those subject to the District of Columbia Energy Conservation Code – Commercial Provisions (12-I [CE] DCMR § 1 et seq.).

[46] Clean Energy DC Building Code Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-177; D.C. Official Code § 6-1453.01).

on-site fuel combustion for thermal energy or water heating. DOB should also deny building applications where the building does not conserve at least the same amount of energy that would be conserved under the 2024 International Energy Conservation Code. The subtitle ensures that these provisions only apply to covered buildings.[47]

Financial Plan Impact
DOB plans to develop and solicit public feedback on the net-zero energy regulations in conjunction with its triennial update to the District's construction codes. The one-year delay will allow the agency to execute these requirements at the same time. DOB must deny any permit application that does not meet the subtitle's on-site fuel combustion prohibitions or energy conservation requirements.

Subtitle (II)(M) – Inclusionary Zoning Third Party Income Verification Act of 2026

Background
The District's Inclusionary Zoning Program ("IZ")[48] requires developers of residential projects to set aside a specific percentage of units as affordable housing in exchange for development incentives. The subtitle authorizes the Mayor to establish procedures by which housing providers, property managers, developers or other qualified entities may elect to self-administer three portions of the IZ program: advertising the program to the general public, accepting applications from households seeking to rent or purchase units, and evaluating eligibility based on regulations.

The subtitle requires that participating providers share data regarding participation with the Mayor. The providers are also required to comply with all requirements of the program, and the Mayor may suspend or revoke a provider's authorization to self-administer elements of the program if the provider is found to be in noncompliance.

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. Depending on how many providers opt in to self-administration, there could be less for the Department of Housing and Community Development IZ program staff of nine FTEs to do on the front end with regard to advertising, processing applications, and evaluating household eligibility. However, any reduced workload on the front end, will likely be offset on the back end by engaging in compliance oversight of the self-administering providers.

[47] Covered buildings are defined as those subject to the District of Columbia Energy Conservation Code – Commercial Provisions (12-I [CE] DCMR § 1 et seq.) (D.C. Official Code § 6-1453.01(a)(2)).
[48] D.C. Official Code § 6–1041.01 et al. and associated administrative actions under Chapter 10 of Title 11-C of the District of Columbia Municipal Regulations.

Subtitle (II)(N) – Greater Washington Hispanic Chamber of Commerce Grantmaking Authority Amendment Act of 2026

Background

The subtitle authorizes, but does not require, the Deputy Mayor for Planning and Economic Development (DMPED) to issue a grant to the Greater Washington Hispanic Chamber of Commerce for the purpose of supporting business development efforts and providing technical assistance and support.

Financial Plan Impact

DMPED plans to issue $150,000 of grants to the Greater Washington Hispanic Chamber of Commerce in the fiscal year 2027 budget.

Subtitle (II)(O) – Vitality Fund Amendment Act of 2026

Background

The subtitle exempts recipients of grants from the Vitality Fund[49] from First Source Agreement requirements. The Vitality Fund, managed by the Deputy Mayor for Planning and Economic Development, provides grants for the purpose of attracting and retaining businesses in the Central Business District. First Source Agreements require[50] at least 51 percent of new hires on District contracts between $300,000 and $5 million to be District residents. Contracts exceeding $5 million have additional specific required percentages.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. Removing First Source requirements from Vitality Fund grants does not impact the amount of grant funding available.

Subtitle (II)(P) – Local Rent Supplement Program Vouchers for Families Exiting Rapid Rehousing Amendment Act of 2026

Background

The subtitle requires the District of Columbia Housing Authority (DCHA) to match 26 families referred by the Department of Human Services (DHS) to 26 new Local Rent Supplement Program (LRSP) in fiscal year 2027 only.

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[49] D.C. Official Code § 1–325.452.
[50] D.C. Official Code § 2–219.03.

Financial Plan Impact
The 26 new LRSP vouchers will cost $1 million in fiscal year 2027, and $4.4 million over the four-year budget and financial plan, which is included in the DCHA subsidy budget.

Subtitle (II)(P) – Local Rent Supplement Program Vouchers for Families Exiting Rapid Rehousing Amendment Act of 2026 Total Cost ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Cost of 26 new LRSP vouchers[(a)]	$1,058	$1,079	$1,101	$1,123	$4,360

Table Notes
(a) $40,687 per voucher including one month security deposit and the DCHA's 7.6 percent administration fee.

Subtitle (II)(Q) –Creative Economy Grant Program Rules Amendment Act of 2026

Background
The subtitle establishes a Go-Go Support Program ("Program"), administered by the Office of Cable Television, Film, Music and Entertainment, to award grants to District organizations to preserve the history of Go-Go music and promote Go-Go as an art form. The subtitle requires the Mayor to issue the grants on a competitive basis, establish a quantitative scoring process, and maintain written records of each applicants score and basis for the score The Mayor must issue rules regarding the grant process, and submit the proposed rules to the Council for a 30-day review.

Financial Plan Impact
While the subtitle establishes the Program subject to the availability of funds, $1,000,000 has been included in the fiscal year 2027 budget for the Program.

Subtitle (II)(R) – Economic Development Acquisition Authority Amendment Act of 2026

Background
The subtitle authorizes the Mayor to purchase properties in the District for government purposes. The Mayor can purchase these properties to further economic development and neighborhood revitalization goals.

Financial Plan Impact
The subtitle gives DMPED the authority to purchase real property that supports the District's economic development goals. The budget and financial plan do not include funding to purchase specific properties and there are no costs associated with granting DMPED this authority.

Subtitle (II)(S) – Rhode Island Avenue, NE, and 12th Street, NE, Retail Grants Amendment Act of 2026

Background

The Deputy Mayor for Planning and Economic Development (DMPED) manages the Rhode Island Avenue Grant program (Rhode Island Avenue program) to support businesses and property owners along the Rhode Island Avenue, N.E. retail corridor.[51] DMPED received $350,000 in fiscal year 2026 to issue grants under the Rhode Island Avenue program.

The subtitle amends the Rhode Island Avenue program and establishes a new 12th and Monroe Streets, NE, Support Grant Program. The subtitle expands the Rhode Island Avenue program to include grants to eligible neighborhood management organizations, in addition to eligible businesses and commercial property owners. The subtitle clarifies that an eligible property owner is eligible for a grant if they are leasing or actively seeking a tenant for a property on the Rhode Island Avenue corridor to an eligible business at commercially reasonable rates. The subtitle defines an eligible neighborhood management organization as a main street or civic organization serving the Rhode Island Avenue corridor: actively engaged in supporting eligible businesses and property owners; and in good standing with the Department of Licensing and Consumer Protection, Office of Tax and Revenue, and Internal Revenue Service. An entity applying for grant funds as an eligible neighborhood management organization must include in its application a proposal to attract a grocer to the corridor, improvements to wayfinding on the corridor, or efforts to beautify the corridor. The subtitle requires DMPED to issue at least $200,000 in grants to eligible business and property owners and at least $200,000 to an eligible neighborhood management organization in fiscal year 2027.

The subtitle establishes the 12th and Monroe Streets, NE, Support Grant Program for eligible businesses, property owners, and neighborhood management organizations in the 12th and Monroe Streets retail zone (retail zone).[52] Eligible businesses are those registered in the District, in good standing with District and federal licensing and taxing entities, have fewer than thirty employees, have signed or planning to sign a medium or long-term lease in the retail zone, and support the subtitle's approved activities. Eligible property owners are those who own commercial properties in the retail zone that they lease or intend to lease to an eligible business, are in good standing with District and federal licensing and taxing entities, and are not a beneficial owner of the eligible business. Eligible neighborhood management organizations are a main street or civic organization in good standing that is actively engaged in the retail zone to support eligible businesses and property owners. The subtitle prescribes what an eligible grant recipient must include in their application to DMPED. Eligible businesses and property owners can use grant funds for activities such as tenant and public space improvements, rent abatements, and exterior building improvements. The subtitle gives eligible businesses and property owners the ability to access a grant without going through the competitive grant processes if those businesses or property owners assume a new lease or acquire the property from a previous grant recipient. The subtitle requires DMPED to issue at least $200,000 in grants to eligible businesses, property owners, and neighborhood management organizations in

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[51] Economic Revitalization Initiatives Amendment Act of 2025, effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 1-328.04(ll)).

[52] The subtitle defines the retail zone as all parcels, squares, and lots within and along 12th Street, N.E. from the intersection of 12th Street, N.E. and Rhode Island Avenue, N.E. to the intersection of 12th Street, N.E. and Michigan Avenue, N.E. and within and along Monroe Street, N.E. from the intersection of Monroe Street, N.E. and Michigan Avenue, N.E. to the intersection of Monroe Street, N.E. and 12th Street, N.E.

fiscal year 2027. DMPED or a third-party entity chosen to facilitate grants to recipients must publish information on grant awards every six months in the D.C. Register.

Financial Plan Impact
DMPED previously received $350,000 in fiscal year 2026 for grants under the Rhode Island Avenue program and is in the process of issuing those grants. The fiscal year 2027 budget includes $600,000 in one-time grant funds for DMPED to implement the subtitle; $400,000 of those grant funds are for the Rhode Island Avenue program and $200,000 are for the new 12th and Monroe Streets, NE, Support Grant program. DMPED does not require additional budgeted resources to administer these grants.

Subtitle (II)(T) – Corporation Fees Amendment Act of 2026

Background
Chapter 6 of Title 17 of the District of Columbia Municipal Regulations establishes the fees and charges for filings, certifications, and reports submitted to, or requested of, the Department of Licensing and Consumer Protection's (DLCP) Corporations Division. The subtitle reduces and standardizes filing fees[53] for dissolution-related filings, which decrease from $220 to $5 for most corporations[54], partnerships[55], limited liability companies[56], and trusts[57]; and from $80 to $5 for nonprofits[58].

Collections are credited to the District General Fund[59] and the Corporate Recordation Fund, for the purposes of maintaining and upgrading the corporate filing system, including copying fees, automation upgrades, personnel costs, and supplies.

Financial Plan Impact
The subtitle will decrease local nontax revenue by $509,105 starting in fiscal year 2027 and a total of $2,036,420 over the financial plan.

Subtitle (II)(T) – Corporation Fees Amendment Act of 2026 Total Revenue Decrease ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Total Revenue Decrease	$509	$509	$509	$509	$2,036

53 By amending Chapter 6 of Title 17 of the District of Columbia Municipal Regulations (17 DCMR § 600 et seq.).
54 17 DCMR § 602.1 (Business Organizations Filing Fees).
55 17 DCMR § 605.1 (General Partnerships Filing Fees), 17 DCMR § 607.1 (Limited Partnership Filing Fees).
56 17 DCMR § 608.1 (Limited Liability Company Filing Fees).
57 17 DCMR § 611.1 (Statutory Trust Filing Fees).
58 17 DCMR § 603.1 (Nonprofit Corporation Filing Fees).
59 D.C. Official Code § 29–102.13.

Subtitle (II)(U) – Golden Triangle Business Improvement District Amendment Act of 2026

Background

The subtitle authorizes an increase in the Golden Triangle Business Improvement[60] District (BID) tax rate by three percent every year, beginning with fiscal year 2027.

Financial Plan Impact

Funds are sufficient to implement the subtitle. BID Taxes are billed as directed by the BID and passed through to the BID once collected, through a special purpose revenue fund.

Subtitle (II)(V) – Home Purchase Assistance Program Revision Amendment Act of 2026

Background

The subtitle removes the requirement for a grant program to provide qualifying applicants up to $25,000 for repairs on a home purchased with Home Purchase Assistance Program[61] (HPAP) funding. Currently, funds used to administer the HPAP program are required to be disbursed at the beginning of each quarter. The subtitle also removes the requirement that disbursements happen quarterly.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Funding for the repair program was limited to funds available in the HPAP program, and removing the requirement may free up funding for HPAP loans. The changes do not impact the amount of funding budgeted in the HPAP program.

Subtitle (II)(W) – Children's National Hospital Grantmaking Authority Amendment Act of 2026

Background

The subtitle expands the Deputy Mayor for Planning and Economic Development's (DMPED) grant-making authority to include a grant for Children's National Hospital. Children's National Hospital will use the grant to conduct site assessments for a new hospital campus. The subtitle makes this grant-making authority effective as of July 15, 2026.

Financial Plan Impact

The fiscal year 2026 revised budget includes $1 million in the Pay-as-you-go Capital Fund for DMPED to grant to Children's National Hospital to support the subtitle.

[60] D.C. Official Code § 2-1215.52(c)(2).
[61] D.C. Official Code § 42–2601.

Subtitle (II)(X) - Nonprofit Affordable Housing Development Tax Relief Clarification Amendment Act of 2026

Background

The subtitle clarifies what type of organization qualifies as a nonprofit affordable housing development to conform with current practice by the Department of Housing and Community Development (DHCD). The change is intended to reduce confusion about eligibility among developers seeking funding or tax credits[62]. The subtitle clarifies that a nonprofit entity is considered the controlling entity if it owns a majority of voting interest in the entity and participates in the day-to-day operation and management decision making of the affordable housing that is owned by or leased to the entity.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The clarification does not impact overall eligibility as it conforms to current practice by DHCD.

Subtitle (II)(Y) - Release of Deeds of Trust Amendment Act of 2026

Background

After a mortgage or deed of trust encumbering real property has been satisfied, a deed transfer typically occurs from the lender to the payee. Current law[63] provides that if a deed transfer has not occurred on a property for 12 years after the loan has been paid, or if 35 years have passed since the deed has last changed hands and no determinable maturity date is in the deed of trust, then the deed is automatically released to the person that made the last known payment.

The Department of Housing and Community Development currently manages over 400 loans for which the District has filed deeds of trust on private properties for affordable housing and home ownership projects. Collection on these loans could be affected if conditions are met for automatic release of deeds under current law. The subtitle clarifies the automatic deed transfer for both the 12-year period and the non-determinable 35-year period does not apply to properties owned by the District government. The subtitle is applicable retroactively to April 29, 1998.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan.

[62] D.C. Official Code § 47–1005.02.
[63] D.C. Official Code § 42-818.02(b)(1) and (2).

Subtitle (II)(Z) Housing Production Trust Fund Reporting Amendment Act of 2026

Background

Under current law[64], at least 40 percent of funds obligated to new projects in future expenditures from the Housing Production Trust Fund ("HPTF") must be used to assist provision of housing opportunities for very low-income households, and 50 percent to extremely low-income households. The subtitle changes the requirement from the percentage of funds in new projects to the percentage of total housing units in new construction projects. The subtitle also makes changes to specific elements in required reporting to reflect this change. Specifically, it amends the required elements in the annual reporting[65] on the HPTF, as well as a report[66] that the Department of Housing and Community Development provides following the written notification of selected applicants for a request for proposals.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan.

Subtitle (II)(AA) Maximizing Our Value in Entertainment (MOVIE) Amendment Act of 2026

Background

The Film, Television, and Entertainment Rebate Fund[67] ("Film Rebate Fund") provides eligible film production companies with monetary incentives to produce movies, television shows, and other video productions in the District. Subject to availability of funding in the Film Rebate Fund, production companies can receive rebate payments of *up to* a percentage of qualifying expenditure types as follows:

- 35 percent of qualified production expenditures subject to taxation in the District;
- 21 percent of qualified production expenditures not subject to taxation in the District;
- 30 percent of qualified personnel expenditures subject to taxation in the District;
- 10 percent of qualified personnel expenditures not subject to taxation in the District; and
- 50 percent of the company's qualified job training expenditures.

While the current law allows for rebate payments below the maximum permissible percentage, the subtitle converts maximum approved rebates percentages to level percentages. However, the total amount is still subject to the availability of funding in the Film Rebate Fund.

The subtitle also reduces the rebate payment percentage from 35 percent to 25 percent for qualified production expenditures subject to taxation, from 21 percent to 10 percent for qualified production expenditures not subject to taxation, and from 30 percent to 20 percent for the personnel expenditures subject to taxation.

[64] D.C. Official Code § 42–2802(b-1)(1) and (2).
[65] D.C. Official Code § 42-2803.01.
[66] D.C. Official Code § 42-2802(9).
[67] D.C. Official Code § 2–1204.11.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The subtitle changes the level of payments that can be made to production companies, however total payments for the program are still subject to availability of funding in the Film Rebate Fund.

Subtitle (II)(BB) – Protecting Adjacent and Adjoining Property Owners from Construction Damage Clarification Amendment Act of 2026

Background

When a builder receives certain permits from the Department of Buildings (DOB) for construction work, they must demonstrate to DOB that their insurance covers loss, damage, injury, or death claims at adjacent or adjoining properties resulting from the permitted work. This requirement applies to permits such as alteration and repair along a property line or party wall, demolition permits, foundation permits, new building permits, raze permits, excavation permits, or sheeting and shoring permits.

The subtitle clarifies that a permit holder can satisfy the insurance requirement through their commercial general liability insurance policy.

Financial Plan Impact

DOB does not require additional budgeted resources to confirm that permit holders have the required insurance to protect adjacent and adjoining properties and property owners.

Subtitle (II)(CC) – Streetscape Business Development Relief Fund Clarification Amendment Act of 2026

Background

The Department of Small and Local Business Development (DSLBD) manages the Streetscape Business Development Relief Fund (Fund) to support organizations, such as a Main Street,[68] businesses, and individuals impacted by District streetscape, capital infrastructure, or rehabilitation projects. Impacted parties must apply to the Mayor and demonstrate a financial need resulting from the project to receive a grant from the Fund's resources. The Fund receives local appropriations and loan repayments.

The subtitle clarifies that a District streetscape, capital infrastructure, or rehabilitation project is any project undertaken by or on behalf of the District. The subtitle also expands the types of projects that can trigger financial hardship and eligibility for a grant. These new projects include those by District instrumentalities, public utilities, or a private entity acting under a District permit, franchise, or authorization.

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[68] DC Main Streets Program | dslbd

Financial Plan Impact

The business grants are issued by a third party on behalf of the District. The subtitle expands eligibility for those grants, but does not change the amount of funds available for grants. DSLBD does not require additional budgeted resources to implement the subtitle's changes.

Subtitle (II)(DD) Internet Gaming Revenue Fund Establishment Act of 2026

Background

The subtitle establishes the Internet Gaming Revenue Fund ("Fund") to collect all tax revenue and community impact assessments pursuant to the Internet Gaming and Consumer Protection Amendment Act of 2026[69], which is currently under Council review.

The subtitle directs the first $750,000 in tax revenue in fiscal year 2027 to the Department of Behavioral Health for prevention, education, treatment, referral, and recovery services related to gambling addiction and related behavioral health needs. Any remaining tax revenue will be transferred to the District's local fund.

The subtitle directs collections from community impact assessments to be allocated as follows:

- 30 percent to the Department of Insurance, Securities, and Banking, for debt management, financial counseling, consumer financial protection, and financial literacy programs and services.
- 30 percent to the Office of Victim Services and Justice Grants, for domestic violence, intimate partner violence, survivor services, and family stability programs;
- 30 percent to the Department of Employment Services for youth development and training programs related to artificial intelligence, gaming, coding and software development, and related technology fields; and
- 10 percent to the Department of Health, for research and evaluation services on gambling behavior and gambling addiction.

The Fund is non-lapsing, so unexpended resources at the end of a fiscal year are retained in the Fund for future use.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The Fund will only become operational following enactment of the internet gaming legislation currently under review by Council. Expenditures from the Fund are subject to appropriations in an approved budget and financial plan.

[69] Bill 26-656, as introduced on April 9, 2026.

Subtitle (II)(EE) Arts and Humanities Grants Amendment Act of 2026

Background

The subtitle requires the Commission on the Arts and Humanities (CAH) to issue three grants. The first is $2 million one-time grant in fiscal year 2027 to Ford’s Theater, to help retire accrued debt. The second is a onetime grant of $100,000 in fiscal year 2027 to Levine Music, to provide accessible music education. The third is a matching grant to Wooly Mammoth Theater Company (“Wooly Mammoth”) for a maximum of $500,000 in fiscal year 2027. Wooly Mammoth will receive one dollar for every two dollars it raises in donations from non-governmental sources over four time periods: August 1, 2026 to October 31, 2026, with the District match payment to be made no later than December 31, 2026; November 1, 2026 to January 31, 2027, with the District match payment to be made no later than February 28, 2027; February 1, 2027 to April 30, 2027, with the District match payment to be made no later than May 31, 2027; and May 1, 2027 to July 31, 2027, with the District match payment to be made no later than September 30, 2027. Wooly Mammoth must provide a notarized, itemized list of donations to evidence the non-governmental sources of funding raised during each period. The grants provided by the subtitle are in addition to any other amounts the recipients could be eligible for and are not to be used in weighing for support for other awards for the recipients.

Financial Plan Impact

The subtitle will cost up to $2.6 million in fiscal year 2027, which is budgeted in the Commission on Arts and Humanities.

Subtitle (II)(FF) – Deputy Mayor for Planning and Economic Development Grants Amendment Act of 2026

Background

The subtitle extends three existing Deputy Mayor for Planning and Economic Development (DMPED) grant programs into fiscal year 2026 or fiscal year 2027. The subtitle directs DMPED to issue a grant in fiscal year 2026 for $600,700 to the African American Civil War Memorial Freedom Foundation, Inc. to support the redevelopment and operations of the African American Civil War Museum located at 1925 Vermont Avenue, N.W. The subtitle adds a $1 million grant to support an existing technology incubator in fiscal year 2027. The subtitle also extends a $150,000 fiscal year 2026 DMPED grant to small businesses impacted by the construction project at the intersection of Pennsylvania Avenue, S.E. and Potomac Avenue, S.E. to fiscal year 2027. The subtitle requires DMPED to issue $400,000 in grants in fiscal year 2027 to businesses and property owners located along and around Georgia Avenue, N.W. from the intersection of Georgia Avenue, N.W. and Florida Avenue, N.W. to the intersection of Georgia Avenue, N.W. and Rock Creek Church Road, N.W.

In fiscal year 2026, the District approved the transfer of jurisdiction of the area containing the Rock Creek Tennis Center from the National Park Service to the District.[70] Upon transfer of the property, the District is required to make improvements to the property to bring the Tennis Center into

[70] Rock Creek Tennis Center Transfer of Jurisdiction and Funding Act of 2025, effective December 6, 2025 (D.C. Law 26-55; 72 DCR 9825).

compliance with the Association of Tennis Professionals and Women's Tennis Association Tour event standards. The subtitle authorizes DMPED to issue one or more grants to the leaseholder of the Tennis Center to make the required improvements. The subtitle also repeals that transfer of jurisdiction legislation.

Financial Plan Impact

The revised fiscal year 2026 budget includes one-time funding of $600,700 for DMPED to grant to the African American Civil War Memorial Freedom Foundation, Inc. The fiscal year 2027 budget includes one-time funding of $1 million for DMPED to grant to an existing technology incubator. The fiscal year 2027 budget includes $150,000 for grants to businesses impacted by the construction at the Pennsylvania Avenue, S.E. and Potomac Avenue, S.E. intersection. The fiscal year 2027 budget includes one-time funding of $400,000 for DMPED to grant to businesses and property owners along the subtitle's designated segment of Georgia Avenue, N.W. The fiscal year 2027 budget includes $600,000 in pay-as-you-go funding for the Tennis Center. The fiscal year 2026 capital plan previously included $9 million for improvements to the Tennis Center.

<u>Subtitle (II)(GG) –Stadium Armory Metro Funding Amendment Act of 2026</u>

Background

The subtitle amends the RFK Campus Infrastructure Fund Establishment Act of 2025[71] (Act). Under that Act, and subsequent to repayment of any financing issued to fund construction of the District's ballpark[72], the first $20 million of any Sports Facilities Fee[73] collections that are not needed for debt service for the RFK Campus Infrastructure project are deposited into a Transportation Improvement Fund, beginning in fiscal year 2030. The subtitle changes that date to fiscal year 2031, and in fiscal year 2030 redesignates excess Sports Facilities Fee to local funds for the purpose of paying the annual debt service cost incurred by the District to provide WMATA with an additional capital subsidy for improvements to the Stadium Armory Metro.

Financial Plan Impact

The budget and financial plan includes a $300 million capital improvement project for Stadium Armory Metro improvements aimed at increasing station capacity, which will be paid to WMATA as an increase to the District's WMATA subsidy for capital improvements. As a capital improvement project, the project funding is available earlier than relying on the Act's 2030 initial funding of the Transportation Improvement Fund. Annual debt service for a $300 million capital project could be approximately $23 million but the exact amount will depend on the various bonds issued for the Capital Improvement Plan, including the level of interest rates at issuance. In 2030, the District will make a one-time transfer of excess Sports Facilities Fee from the RFK Campus Infrastructure enterprise fund to the District's local fund for such debt service costs, but the total amount available is limited to $20 million. The financial plan makes $20 million available as a local fund resource in 2030.

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[71] Effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 10-1605.31(d)(1)).
[72] Including any early redemption borrowing.
[73] As imposed under D.C. Official Code § 47-2762.

The capital project allotments included in the budget for the Stadium Armory Metro improvements are as follows:

Subtitle (II)(G) – Stadium Armory Metro Funding Amendment Act of 2026 Total Allotments ($ in thousands)					
FY 2026 (supplemental)	FY 2027	FY 2028	FY 2029	FY 2030	Total
$10,041	$19,959	$135,000	$135,000	$0	$300,000

Subtitle (II)(HH) – Planning for Equitable Land Use Amendment Act of 2026

Background

The District's Office of Planning (OP) is undertaking the first full re-write of the District's long-term comprehensive plan in over two decades. The product, DC 2050,[74] will guide how the District uses its land and makes investments over the next two decades.

The subtitle requires OP to include reforms to land use maps in its 2027 20-year comprehensive plan that address the inequitable concentration of industrial land in the District.

Financial Plan Impact

The subtitle provides OP with guidance to include an assessment of the concentration of industrial land in the District in the DC 2050 land use maps. OP does not require any additional resources to include this assessment in the comprehensive plan.

Subtitle (II)(II) –Art All Night Commercial Revitalization Support Amendment Act of 2026

Background

Art All Night is a free program that showcases visual and performing arts in a unique overnight[75] setting at locations in all eight wards of the District.[76] The program is a collaboration between the Department of Small and Local Business Development (DSLBD), the Commission on Arts and Humanities, the District of Columbia Public Library, DC Main Streets, and Business Improvement Districts.

The subtitle authorizes DSLBD to enter into agreements with private entities for the sponsorship of, or advertising related to, Art All Night. DSLBD should deposit any sponsorship or advertising revenue into the subtitle's newly established Art All Night Fund (Fund). DSLBD can use the Fund's resources to pay for any costs of implementing, supporting, or promoting Art All Night. The subtitle makes the Fund non-lapsing so that any unexpended Fund resources are available to be expended in future budget years.

[74] DC 2050
[75] In 2025, Art All Night ran from 7:00 PM to 3:00 AM.
[76] www.dcartallnight.org

Financial Plan Impact

DSLBD spent or has budgeted approximately $500,000 in local resources in fiscal year 2025 and fiscal year 2026 to support Art All Night. DSLBD does not have any prospective sponsors or advertisers at this time, but if they execute on the subtitle's granted authority, DSLBD can utilize any proceeds to supplement its local Art All Night budget. DSLBD will deposit any revenues into the Fund. There are no costs associated with granting DSLBD this authority.

Subtitle (II)(JJ) –Bruce Monroe Extension of Disposition Authority Amendment Act of 2026

Background

In 2016, the District approved the disposition of approximately 77,000 square feet of District-owned land located at 3012 Georgia Avenue, N.W.[77] for private redevelopment under a 99-year ground lease.[78] The developer plans to redevelop the property to include residential, commercial, and community spaces. The developer will lease the property for $1 annually. The deadline for the District to dispose of the property to the private developer was extended in 2018,[79] 2020,[80] and 2024.[81] The current disposition deadline is December 20, 2026.

The subtitle further extends the deadline for the District to dispose of the property until December 20, 2029. The subtitle is effective as of December 20, 2026.

Financial Plan Impact

The District will receive a nominal annual rent payment of $1 once the property is disposed to the private developer There are no costs associated with delaying the disposition to December 20, 2029.

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[77] The property is known for assessment and tax purposes as Square 2890, Lot 199. The disposition was previously a portion of the property known as Square 2890, Lot 849, but Lot 849 was split into Lots 119 and 120.

[78] Bruce Monroe Disposition Approval Resolution of 2016, effective December 20, 2016 (D.C. Resolution 21-721; 64 DCR 10453).

[79] Bruce Monroe Disposition Extension Resolution of 2018, effective November 13, 2018 (D.C. Resolution 22-643; 65 DCR 13002).

[80] Bruce Monroe Extension of Disposition Authority Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-248; 68 DCR 1143).

[81] Bruce Monroe Extension of Disposition Authority Amendment Act of 2024, effective March 7, 2025 (D.C. Law 25-273; 71 DCR 16294).

Subtitle (II)(KK) – Federal Properties Tax Fund Act of 2026

Background

The subtitle creates a new non-lapsing dedicated tax fund, the Federal Property Tax Fund ("Fund"). The Fund would receive real property tax and possessory interest tax revenue collected from "covered former federal properties." A covered former federal property would include properties disposed of after January 1, 2026, including properties that may have been disposed by sale or ground lease to the District government, or by sale or ground lease to a private entity, if they are located in the Downtown BID, Golden Triangle BID, or Southwest BID areas. If disposed to the District government, the property may be further transferred by sale or ground lease to a private entity. The properties must not have been subject to real property tax or payment in lieu of taxes prior to their disposition.

The Mayor may issue rules to implement the subtitle, and the Fund could be used to:

- Implement and support infrastructure improvements, civic projects, redevelopment, and property acquisition in the Downtown BID, Golden Triangle BID, and Southwest BID areas or the parcels, lots, and public right of way, within, or adjacent to the Squares 0184, 0267, and 0299;
- Pay debt service, including principal and interest, costs of issuance, and credit enhancements, and any costs of defeasance on bonds issued to support development of a covered former federal property; and
- Pay the costs of tax abatements awarded pursuant to the Subtitle (II)(D), the Federal Property Development Tax Incentive Act of 2026

Beginning one year after revenue is deposited in the Fund, and annually thereafter, the Mayor must report to the Council on actual and planned spending from the Fund and how the spending advances the economic development goals of each geographic area where spending is allowed.

Financial Plan Impact

The budget and financial plan does not include any revenue for, or expenditure of, the Fund. Creating a dedicated tax fund may cause Local Fund revenue to decline. However, property tax revenue over the last five years does not include significant undedicated tax revenue from previously Federally-owned properties, so Local Fund revenue estimates are not expected to be impacted by the subtitle. Additionally, expected dispositions of Federal properties are likely large developments requiring significant investments, making their development more likely to occur outside the financial plan period.

Use of the subtitle's authority for payment of debt service on bonds to support development of a covered former federal property would require future inclusion of projected debt service in the District's debt cap analysis.

Subtitle (II)(LL) –Robert F. Kennedy Stadium Complex CBE Clarification Amendment Act of 2026

Background

Current law[82] requires that Certified Business Enterprises ("CBEs") maintain at least a 20 percent equity participation (excluding debt financing, mezzanine financing, or other equity contributions by limited or institutional investors) and 20 percent development participation in District development projects that use public land or government subsidies for private development.

The subtitle excludes the Stadium Project[83] portion of the Robert F. Kennedy Campus Redevelopment Project ("Project") from these requirements but maintains the requirement for the Commercial Development[84] portion of the Project.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. Clarifying which portions of the Project are subject to equity participation and development participation requirements for CBEs does not affect the planned budget or financing for the Project.

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[82] D.C. Official Code § 2-218.49a.

[83] In D.C. Official Code § 10–1605.01(29), "Stadium Project" is defined as the development on a portion of the Development Site to include the construction of the Stadium, the Parking Facilities, administrative offices, and other ancillary improvements by the Developer, as described in the Term Sheet.

[84] In D.C. Official Code § 10–1605.01(6), "Commercial Development" is defined as having the same meaning as in the Term Sheet for the development. The Term Sheet refers collectively to Commercial Development as the construction of certain residential, hotel, retail, and other commercial facilities in the Project.

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Safe Passage Program Amendment Act of 2026

Background

District law[85] bestows the Deputy Mayor for Public Safety and Justice (DMPSJ) with grant-making authority for the purpose of providing grants to support the Safe Passage Safe Blocks program, which provides presence and safe passage for students and families as they travel to and from school in designated priority areas[86]. Grant recipients must submit annual reports detailing activities, training, incident summaries, coordination efforts, and any other required data. The subtitle provides that DMPSJ's selection of priority areas and reporting to Council is contingent upon available appropriations.

Financial Plan Impact

The subtitle reflects that the budget and financial plan includes funding for the Safe Passage grant program in fiscal year 2027 only, eliminating the need for DMPSJ activities related to priority area selection.

Subtitle (III)(B) – Homeland Security Commission Dissolution Amendment Act of 2026

Background

The Homeland Security Commission (HSC) was established in 2006[87] to make recommendations for improvements in security and preparedness in the District. The HSC gathers and evaluates information on the status of homeland security, measuring progress and gaps in preparedness, recommending security improvement priorities in consultation with major public and private entities, and advising District government on the HSC's homeland security program. The HSC provided an annual report to the Mayor and Council and is under the purview of the Homeland Security and Emergency Management Agency (HSEMA). The subtitle repeals the HSC, makes all materials pertaining to the HSC property of HSEMA, and directs HSEMA to destroy those materials by September 30, 2027.

The subtitle establishes strict confidentiality requirements for the HSC, its records, and its meetings that were closed to the public. The subtitle forbids attendees and HSC members from disclosing what occurred in closed meetings to anyone who was not present; prohibits information presented in meetings and opinions formed there from being compelled in any administrative, civil, or criminal proceeding; declares all HSC-generated or acquired records to be confidential, with exceptions[88]; and

[85] D.C. Official Code § 1-301.192.
[86] Starting in 2025, the DMPSJ has been required to identify priority areas based on violent crime data, unusual incident reports, and stakeholder input, and report these to the Council of the District of Columbia annually by May 1.
[87] The Homeland Security, Risk Reduction, and Preparedness Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-262; D.C. Code §§ 7-2271.01–7-2271.07).
[88] HSEMA may disclose them only when necessary to fulfill its duties or to other homeland security bodies with equal or stronger confidentiality protections.

restricts HSC information and records[89] from being disclosed voluntarily—through subpoenas, discovery, Freedom of Information Act requests—or introduced as evidence, except as permitted.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The HSC was functionally obsolete[90] as of calendar year 2024.

Subtitle (III)(C) – Criminal Background Check and Fingerprinting Authority Amendment Act

Background

District law[91] requires the Metropolitan Police Department (MPD) to participate, on behalf of the District, in the Federal Bureau of Investigation's (FBI) Next Generation Identification Record of Arrest and Prosecution Background Service (Rap Back Service). District agencies that participate in the program submit fingerprints of covered individuals[92] to MPD, which forwards the fingerprints to the FBI for a national criminal history check, and subscribe to the Rap Back Service.

The subtitle amends the authority to conduct fingerprinting for background checks, through making technical changes to the law by adding "shall" in instances directing the fingerprinting process; and by specifying the laws applicable to the authority granted under the section.

The authority for conducting fingerprinting for background checks is participation in the Rap Back Service, and the subtitle expands it to include the commission or employment of a special police officer; the certification or employment of a security officer; individuals who seek to be approved or licensed for care of a child through placement[93]; firearm registration applicants, firearm dealer licensing, and concealed carry pistol licensing; licensed health professionals; Department of Corrections (DOC) employees.; and Office of Lottery and Gaming (OLG) applicants for a license or renewal of a license.

The subtitle defines appropriate personnel authority[94] and applies the term to District law[95].

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[89] Information given to the HSC is not protected from subpoena, discovery, or use in legal proceedings if it can be obtained from other sources.

[90] Mayor's Office of Talent and Appointments. (2026, March 23). Boards, Commissions and Task Forces in District Government. Retrieved from Deputy Mayor for Public Safety, Justice (DMPSJ): https://octo.quickbase.com/nav/app/bjngwr9nv/table/bjngwr9pe/action/q?qid=-1240490&dr=1&isDDR=1

[91] Background Check Fingerprinting Authority and Rap Back Program Act of 2025, effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 4-1551.01 et seq.).

[92] Covered individuals are those who submit to a fingerprint-based background check as a condition of caring for children, persons with a disability, the elderly, or vulnerable adults, protecting property, preventing theft, damage to real or personal property, assaults, disorders, or other illegal occurrences, or for purposes of licensure, appointment, commission, certification, registration, employment, or volunteer service with a participating entity pursuant to District law or regulation.

[93] D.C. Official Code § 16-2320(a).

[94] To mean a District government agency with authority over personnel, hiring, or volunteer decisions for a covered child or youth services provider.

[95] D.C. Official Code § 4-1501.02. The Child and Youth, Safety and Health Omnibus Amendment Act of 2004, effective April 13, 2005 (D.C. Law 15-353; D.C. Official Code § 4-1501.01 et seq.) established mandatory drug

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. MPD will continue to administer the background check and fingerprinting program with resources budgeted in the fiscal year 2027 budget and financial plan. DOC and OLG already obtain fingerprints from employees; and applicants for a license or renewal of a license, respectively, and can forward them to the MPD with resources budgeted in the fiscal year 2027 budget and financial plan.

Subtitle (III)(D) – Public Safety Grants Amendment Act of 2026

Background
Current law[96] grants the Deputy Mayor for Public Safety and Justice (DMPSJ) multiple areas of grant-making authority to support public safety programs across the District:

- Safe Passage Safe Blocks Program, which are grants awarded to organizations that help ensure safe travel for students and families.
- Safe Commercial Corridors Program, which are grants to eligible organizations to implement programs that improve public safety and health in commercial corridors.
- Competitive grants to nonprofit organizations at high risk of terrorist or extremist attacks.

The subtitle amends the activities of the Safe Commercial Corridors Program to include providing youth safety services. It requires the DMPSJ to issue grant awards of no less than $410,030 in fiscal year 2026 and $700,000 in fiscal year 2027 for the Safe Commercial Corridors Program. It further requires the DMPSJ to issue grant awards of no less than $950,000[97] in Fiscal Year 2026 and $900,000 in Fiscal Year 2027 for competitive grants to nonprofit organizations to increase security.

Financial Plan Impact
The fiscal year 2027 budget includes an appropriation of $410,030 in fiscal year 2026 and $700,000 in fiscal year 2027 for the Safe Commercial Corridors Program, and $950,000 in fiscal year 2026 and $900,000 in fiscal year 2027 for safe and secure grants at DMPSJ.

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and alcohol testing for certain District employees, required background checks for those working with children, established uniform health screenings for all District children amongst other initiatives.

[96] D.C. Official Code § 1–301.192.

[97] The FY 2026 BSA included $750,000 for the current fiscal year. This amount reflects an enhancement of $200,000.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) - Funding for Public Schools and Public Charter Schools Amendment Act of 2026

Background

The subtitle sets[98] the fiscal year 2027 base level funding for the Uniform Per Student Funding Formula (UPSFF) at $15,648, a 3.8 percent increase over fiscal year 2026. The subtitle also decreases the UPSFF for fiscal years 2028 through 2030 to $14,632. The UPSFF is multiplied by the weight for each grade level or add-on service to determine the per student funding at that level or for those services.

The following tables show the UPSFF at each grade level and the various add-ons in fiscal year 2027:

Weightings applied to counts of students enrolled at specific grade levels		
Grade Level	**Weight**	**Per Student Allocation in FY 2027**
Pre-Kindergarten 3	1.34	$20,968
Pre-Kindergarten 4	1.30	$20,342
Kindergarten	1.30	$20,342
Grades 1-5	1.00	$15,648
Grades 6-8	1.08	$16,900
Grades 9-12	1.22	$19,091
Alternative program	1.58	$24,724
Special education school	1.17	$18,308
Adult	1.00	$15,648

Special Education Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	$15,179
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	$18,778
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	$30,827
Level 4: Special Education	More than 24 hours per week, which may include instruction in a self-contained (dedicated) special	3.49	$54,612

[98] By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 et seq.).

Special Education Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
	education school other than residential placement.		
Special Education Compliance Funding	Weight provided in addition to special education level add-on weights on a per student basis for Special Education compliance.	0.099	$1,549
Attorney's Fees Supplement	Weight provided in addition to special education level add-on weights on a per student basis for attorney's fees.	0.089	$1,393

General Education Add-ons including English Language Learners (ELL)			
Level / Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
Elementary ELL	Additional funding for English Language Learners in grades PK3-5.	0.50	$7,824
Secondary ELL	Additional funding for English Language Learners in grades 6-12, alternative students, adult students, and students in special education schools.	0.75	$11,736
At-Risk	Additional funding for students in foster care, who are homeless, on Temporary Assistance for Needy Families or Supplemental Nutrition Assistance Program, or behind grade level.	0.24	$4,694
At-risk High School Over-age Supplement	Additional funding beyond the existing at-risk weight for students who are behind grade level in high school.	0.06	$939
At-risk > 40 percent Concentration Supplement	Weight provided in addition to at-risk weight for the percentage of at-risk students above 40 percent enrolled in a school where at least 40 percent of the student population is at-risk.	0.07	$1,095
At-risk > 70 percent Concentration Supplement	Weight provided in addition to at-risk weight for the percentage of at-risk students above 70 percent where at least 70 percent of the student population is at-risk.	0.07	$1,095

Residential Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
Residential (general)	DCPS or DC PCS school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	$26,132
Level 1: Special Education - Residential	Additional funding to support the after-hours Level 1 special education needs of students living in a DCPS or DC PCS facility that provides students with room and board in a residential setting.	0.37	$5,790
Level 2: Special Education - Residential	Additional funding to support the after-hours Level 2 special education needs of students living in a DCPS or DC PCS facility that provides students with room and board in a residential setting.	1.34	$20,968
Level 3: Special Education - Residential	Additional funding to support the after-hours Level 3 special education needs of students living in a DCPS or DC PCS facility that provides students with room and board in a residential setting.	2.89	$45,223
Level 4: Special Education – Residential	Additional funding to support the after-hours Level 4 special education needs of limited and non-English proficient students living in a DCPS or DC PCS facility that provides students with room and board in a residential setting.	2.89	$45,223
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or DC PCS facility that provides students with room and board in a residential setting.	0.668	$10,453

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
Special Education Level 1 ESY	Additional funding supports the summer school/program needs for students requiring extended school year services in their IEPs.	0.063	$986

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	$3,552
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	$7,683
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	$7,683

Financial Plan Impact
The 3.8 percent UPSFF increase will result in additional formula-driven Local Fund expenditures. The proposed fiscal year 2027 budget includes approximately $2.69 billion for instructional budgets based on the UPSFF: $1.41 billion for District of Columbia Public Schools (DCPS) and $1.28 billion for District of Columbia Public Charter Schools (DC PCS).

DCPS will also receive Local funding outside the UPSFF, including Early Stages funding and IMPACT Bonuses. These additions bring the collective DCPS funding to $1.45 billion in fiscal year 2027. DC PCS will also receive $187.3 million for facility allowances in fiscal year 2027, bringing the collective DC PCS formula-driven Local fund budget to $1.46 billion.

The out-year reductions to the UPSFF, combined with a projected one percent decrease in DCPS enrollment, will result in savings for DCPS and DC PCS. DCPS will realize $82.9 million in savings each fiscal year, and DC PCS will realize $67.1 million in savings each fiscal year. The total amount saved over the financial plan is $450 million in Local funds.

Subtitle (IV)(A) - Funding for Public Schools and Public Charter Schools Amendment Act of 2026 Total Savings ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
DCPS	$0	$82,885	$82,885	$82,885	$248,654
DC PCS	$0	$67,138	$67,138	$67,138	$201,414
Total	$0	$150,023	$150,023	$150,023	$450,068

Subtitle (IV)(B) - Advanced Technical Centers Fund Amendment Act of 2026

Background

The subtitle establishes[99] a lapsing the Advanced Technical Centers (ATC) Fund at the Office of the Superintendent of Education to collect funds paid to the District by private entities for the rental, use, or maintenance of space within an ATC facility. Money in the ATC Fund must be used to operate and administer ATCs.

Financial Plan Impact

The fiscal year 2027 through fiscal year 2030 budget and financial plan includes $150,000 of annual revenue in the ATC Fund from rent payments for an entity occupying space within the Ward 5 ATC. This funding will be used to support the operation of ATCs.

Subtitle (IV)(C) - District of Columbia Public Schools Food Services Fund Amendment Act of 2026

Background

Revenue from food services at DCPS is currently deposited into a lapsing special purpose revenue fund, the Cafeteria Fund. The subtitle renames[100] this Fund as the Food Services Fund and reclassifies it as a non-lapsing fund.

Financial Plan Impact

The fiscal year 2027 budget includes $1 million in the Cafeteria Fund; money in the Food Services Fund will be used to support operations and improvements related to food services at DCPS. The fund will be renamed in fiscal year 2027.

Subtitle (IV)(D) - Alternative School Breakfast Serving Model Subsidy Amendment Act of 2026

Background

The subtitle eliminates[101] the alternative breakfast serving model subsidy program. The program is operated by OSSE and provides an annual subsidy of $2 per student to public schools, public charter schools, and participating private schools that implement an approved alternative breakfast serving model.

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[99] By amending The State Education Office Establishment Act of 2000, effective March 10, 2015 (D.C. Law 20-196; D.C. Official Code § 38-2601 et seq.).
[100] By amending Section 5 of the District of Columbia Food Services Act, approved October 8, 1951 (65 Stat. 369: D.C. Official Code § 38-804).
[101] By repealing Section 102(c)(4A) of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)(4A)).

Financial Plan Impact

The fiscal year 2027 budget includes $186,000 in savings to account for the elimination of the alternative breakfast model subsidy program.

Subtitle (IV)(E) - Education Through Employment Data System Amendment Act of 2026

Background

The subtitle allows[102] the Deputy Mayor for Education (DME) to share education data, workforce data, and health and human services information from the centralized data system with federal, state, and local governmental agencies, and the agents and contractors of such governmental agencies, to the maximum extent allowed by federal law and notwithstanding the provisions of any District law otherwise limiting the sharing of such data and information. The data may be shared to evaluate the effectiveness of education and workforce-related programs; perform financial analysis related to the impact and return on investment of publicly funded programming; assess and prepare reports on the operation and performance of education and workforce-related programs; and establish and implement collaborative management and information systems between federal, state, and local government agencies delivering or supporting education, social services, or workforce services for a shared population. The subtitle also allows the DME to collect health and human services data in its centralized data system, including information on governmental benefits and non-individualized health data.

Financial Plan Impact

The DME can share education and workforce-related data with other jurisdictions to conduct research studies with staff and resources included in the fiscal year 2027 budget. Likewise, DME can collect health and human services data in its centralized data system with resources included in the fiscal year 2027 budget. Implementation of this subtitle does not have a fiscal impact.

Subtitle (IV)(F) - Universal Paid Leave Amendment Act of 2026

Background

The subtitle makes several changes to the benefits provided through the Universal Paid Leave Program[103] ("UPL Program"), managed by the Department of Employment Services (DOES).

Currently, the UPL Program provides up to 12 weeks[104] of benefit payments to participating District workers experiencing a qualifying parental leave event[105], a qualifying medical leave event[106], or a qualifying family leave event[107]. The UPL Program also provides up to 2 weeks of benefit payments

[102] By amending Section 202(b-1) of the Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-191(b-1)).
[103] D.C. Official Code § 32–541.02.
[104] D.C. Official Code § 32–541.04(e-1)(3).
[105] D.C. Official Code § 32–541.01(17).
[106] D.C. Official Code § 32–541.01(15).
[107] D.C. Official Code § 32–541.01(13).

for qualifying pre-natal leave events[108]. The amount of the weekly benefit provided by the UPL Program cannot exceed the maximum weekly benefit currently set at $1,190[109], which is adjusted by inflation annually[110].

Beginning in fiscal year 2027, the subtitle permanently caps the maximum weekly benefit amount at $1,100 for all benefit types, and increases the cap every October 1 by inflation[111]. The Office of the Chief Financial Officer (OCFO) must certify that there are sufficient funds in the Universal Paid Leave Fund ("UPL Fund") before the increase can take place. The subtitle also reduces the maximum number of weeks allowed for medical leave to 10 weeks, and reduces the maximum number of weeks allowed for family leave to 6 weeks.

Covered employers in the UPL Program pay a 0.75 percent tax on wages of covered employees[112]. Under current law[113], the OCFO updates projections for the UPL Fund[114] in a March 1 annual certification, to determine the amount of the employer tax that must be dedicated to the UPL Fund. Any amounts not required for the UPL Fund by the March 1 certification are deposited in the General Fund.[115]

At the request of the Mayor, the subtitle requires the OCFO to provide a preliminary update to the March 1 certification to account for any statutory amendments the Mayor transmits to Council in the Mayor's proposed budget and financial plan. The amounts included in the preliminary certification may be incorporated into the Mayor's proposed budget and financial plan if the statutory amendments are also included in the Mayor's submission to Council. The subtitle also requires the OCFO to issue a revised certification to account for any statutory or regulatory changes affecting the revenues or expenditures of the UPL Program or the balance in the UPL Fund that took effect after the issuance of the March 1 certification.

Lastly, the subtitle changes the required fund balance in the UPL Fund from nine months of projected benefits to six months of projected benefits and it changes the level of fund balance at which a notification takes place and at which benefits cease. OCFO is required to notify and present a plan to the Mayor and Council if the fund balance is expected to fall below six months. If the fund balance falls below three months of benefits, the District must cease further payment of benefits.

Financial Plan Impact

The subtitle reduces benefit costs for the UPL Program, which reduces the amount of the payroll tax required to support the UPL Fund. In March 2026, the OCFO certified that the UPL Fund will require 0.25 percent rate of dedicated payroll tax beginning in fiscal year 2027 to maintain current benefit levels. The subtitle's benefit changes and its reduction to the reserve allow for the dedication rate to be reduced to 0.14 percent in fiscal year 2027, 0.19 percent in fiscal year 2028, and 0.22 percent in fiscal year 2029 and fiscal year 2030. The lower dedication rates for the UPL Fund means an additional $ $74.9 million will be deposited in the General Fund in fiscal year 2027, and $163.7 million

[108] D.C. Official Code § 32–541.01(17B).
[109] https://dcpaidfamilyleave.dc.gov/benefits-calculator/
[110] D.C. Official Code § 32–541.04(g)(6)(A).
[111] Specifically, the Consumer Price Index for All Urban Consumers, Washington-Baltimore Metropolitan area published by the Bureau of Labor Statistics for the previous calendar year.
[112] D.C. Official Code § 32–541.03(a).
[113] D.C. Official Code § 32–541.04a(b)(1).
[114] D.C. Official Code § 32–551.01.
[115] D.C. Official Code § 32–541.03(b-1).

over the four-year financial plan. The chart below outlines the additional General Fund deposits that will be made as a result of the lower dedication rates.

Subtitle (IV)(F)- Universal Paid Leave Amendment Act of 2026 Additional General Fund Dedication ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Additional General Fund deposits	$74,922	$42,873	$22,422	$23,492	$163,709

Subtitle (IV)(G) – Certified Nurse Aide Workforce Support Amendment Act of 2026

Background

The subtitle requires[116] OSSE to provide a one-time $150,000 grant to a local university to train and supervise at least 25 additional District high school students in the summer to become certified nurse aides.

Financial Plan Impact

The fiscal year 2027 OSSE budget includes $150,000 in one-time local funding to implement the subtitle.

Subtitle (IV)(H) – Early Childhood Educator Pay Equity Fund Amendment Act of 2026

Background

The Early Childhood Educator Pay Equity Fund (ECE PEF) is used by OSSE to provide payments to child development facilities (CDF) that pay eligible early childhood educators fixed salaries or wages that meet or exceed the minimum salaries established in law.[117] Funds are distributed from the ECE PEF using a CDF payroll funding formula that considers educator roles and credentials at each CDF participating in the program. The ECE PEF also covers educator health insurance premiums and OSSE administrative expenses, subject to the availability of funding.

The subtitle sets the fiscal year 2027 funding for ECE PEF at $73.5 million in local funds.

Financial Plan Impact

The fiscal year 2027 budget includes $61.5 million in one-time local funding and $12 million in recurring local funds in the ECE PEF.

[116] By amending Section 7l(a) of the State Education Office Establishment Act of 2000, effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 38-2618(a)).
[117] D.C. Official Code § 4–410.02.

Subtitle (IV)(I) – Community Schools Grant Program Amendment Act of 2026

Background

The subtitle[118] requires OSSE to award to each of the 15 participating partnerships in the Community Schools Incentive Initiative another year of grant funding equal to $160,000, and establish a Community Schools Task Force to provide recommendations on how to design, implement, and scale cohesive, strategic, District-wide community schools programming in advance of the fiscal year 2028 budget.

Financial Plan Impact

The fiscal year 2027 OSSE budget includes $2.4 million in one-time Local funds to provide grants to the 15 schools participating in the Community Schools Incentive Initiative program. There is no cost to establishing the Community Schools Task Force.

Subtitle (IV)(J) – DCPS Educator Evaluation and Performance Amendment Act of 2026

Background

The subtitle establishes[119] a 14-member DCPS Educator Evaluation and Performance Working Group which will provide the Mayor and the Council comprehensive recommendations for revisions to the DCPS performance evaluation system. The working group must convene starting in November 2026 and must submit a report to the Mayor and Council with recommendations by November 1, 2027.

The Working Group must recommend a new method for evaluating educator performance that considers the manner, content, and process by which educators are evaluated, the incentives and consequences associated with the results of the evaluation, training required for both evaluators and educators, resources required, and future changes to the system. The report must assess:

- Criteria for evaluating educators;
- Logistical details concerning evaluations, including who participates in evaluations, the frequency of evaluations, formative evaluations, and processes for adjudicating disputes in evaluations;
- incentives and consequences for evaluation scores, including compensation, additional responsibilities, and professional development;
- Training for educators subject to evaluation, training for evaluators, and considerations to reduce bias in evaluations;
- Processes for adopting future changes to the educator evaluation; and
- Resources required to implement the recommended personnel evaluation system within the funds provided to DCPS through the Uniform Per Student Funding Formula.

Financial Plan Impact

The Working Group will need to contract with a vendor with expertise in teacher evaluation and performance systems in order to develop implementable recommendations for the Mayor and

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[118] By amending Section 403 of the Community Schools Incentive Act of 2012, effective June 19, 2012 (D.C. Law 19-142; D.C. Official Code § 38-754.03).

[119] Section 403 of the Community Schools Incentive Act of 2012, effective June 19, 2012 (D.C. Law 19-142; D.C. Official Code § 38-754.03),

Council. The contractor is expected to, among other things, convene teacher and principal focus groups, complete surveys, and provide psychometric and statistical instrument validation. The budget includes $800,000 in fiscal year 2027 and $200,000 in fiscal year 2028 to hire an outside vendor to support the Working Group.

Subtitle (IV)(K) – Early Childhood Education Microcenter Act of 2026

Background

The subtitle requires DCPS, in coordination with the Department of General Services (DGS), OSSE, the Department of Buildings (DOB), and other relevant stakeholders, to conduct a planning and design study by May 31, 2027 to assess the feasibility of establishing microcenters[120] in three DCPS schools for the purpose of providing infant and toddler child care for children of educators and staff at the host school and nearby schools. The study must assess facility conditions, existing infrastructure, policy changes, cost modeling, and timelines for establishing at least three microcenters.

By September 30, 2027, based on the findings in the planning and design study, DCPS, in consultation with the DME, must select at least three school buildings to host microcenters. Each selected school building must include at least one classroom or comparable space suitable for conversion into a licensed child development center serving infants, toddlers, or both. DCPS must enter into a lease for a minimum of five years with one or more child development facility operators, community-based organizations, or other qualified entities to operate each microcenter at the host schools. The subtitle also specifies an order in which enrollment in the microcenter must be prioritized.

Financial Plan Impact

The fiscal year 2027 DCPS capital improvement plan includes $250,000 in fiscal year 2027 to hire a vendor to complete a planning and design study and $8 million in fiscal year 2028 to complete the build-out of at least three microcenters in DCPS school buildings.

Subtitle (IV)(L) – Experiential Learning Grant Act of 2026

Background

The subtitle requires OSSE to issue a $500,000 grant to Live It Learn It in support of experiential learning initiatives. The grant must be issued no later than November 2, 2026.

Financial Plan Impact

The fiscal year 2027 budget includes one-time Local funding of $500,000 to implement the subtitle.

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[120] Microcenters are licensed child development facilities located inside a District of Columbia Public Schools building that provide childcare services to infants, toddlers, or both and have a licensed capacity of not more than 12 children.

Subtitle (IV)(M) – Healthy Schools Amendment Act of 2026

Background

The subtitle updates[121] the school year referenced in the statute. from 2025-2026 to 2026-2027 to continue to provide $300,000 in grants to at least two community-based organizations to create and sustain healthy working environments for educators.

Financial Plan Impact

The fiscal year 2027 budget includes $300,000 in one-time funding to support grants for healthy working environments for educators.

Subtitle (IV)(N) – Poet-Athlete Grant Act of 2026

Background

This subtitle requires OSSE to issue a $93,031 grant to DC Scores to increase enrollment capacity for a program that engages students through sports, poetry, and service. The grant must be issued no later than November 2, 2026.

Financial Plan Impact

The fiscal year 2027 budget includes $93,091 in one-time funding to support the grant to DC Scores.

Subtitle (IV)(O) – Special Needs Public Charter School Funding Authorization Act of 2026

Background

The subtitle directs $2.7 million in funding to the Public Charter School Board (PCSB) to transmit to St. Coletta's Special Education Public Charter School by no later than November 2, 2026, to fund costs exceeding the school's funding under the Uniform Per Student Funding Formula. St. Coletta's School provides intensive special education to 250 Level-IV special education students with behavioral needs, multiple disabilities, and medical needs. The special education add-on amount paid to St. Coletta's School per student is not sufficient to meet the school's expenses.

Financial Plan Impact

The fiscal year 2027 budget includes $2.7 million in one-time Local funding in the PCSB budget to transmit to St. Coletta's Special Education Public Charter School.

[121] By amending Section 102(c) of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)).

Subtitle (IV)(P) – Childcare Subsidy Program Amendment Act of 2026

Background

The subtitle specifies[122] what OSSE is authorized to do to limit who can enroll in the childcare subsidy program in the event that funds appropriated for the childcare subsidy are insufficient to serve all eligible applicants in fiscal year 2027. OSSE must first limit the number of new children for whom the Mayor is providing supplemental payments. If funding is still insufficient, OSSE must revise the rates paid to child development centers, homes, and in-home caregivers for the remainder of the fiscal year.

Financial Plan Impact

The subtitle does not have a cost, as it specifies what OSSE must do if the childcare subsidy program has insufficient funding to serve all eligible applicants in fiscal year 2027.

Subtitle (IV)(Q) – Math Task Force Recommendation Act of 2026

Background

The subtitle requires each Local Education Agency (LEA) to provide OSSE with the name of the Tier 1 mathematics curricula in use by each school beginning October 31, 2026 and annually thereafter. and requires OSSE to publish the Tier 1 mathematics curricula in use by each LEA on its website by December 15, 2026 and annually thereafter.

Financial Plan Impact

The subtitle does not have a cost. OSSE can collect and publish information on school mathematics curricula without additional resources.

Subtitle (IV)(R) – Adult Literacy Access Grant Amendment Act of 2026

Background

The subtitle requires that OSSE issue a one-time grant of $1.4 million to the Washington Literacy Center in fiscal year 2027 to provide adult foundational literacy, digital literacy, opportunity youth programming, employment retention and career advancement support, workforce training and preparation, and other related educational services.

Financial Plan Impact

The fiscal year 2027 OSSE budget includes $1.4 million in one-time Local funds to issue a grant to the Washington Literacy Center.

[122] By amending Section 5a of the Day Care Policy Act of 1979, effective April 13, 1999 (D.C. Law 12-216; D.C. Official Code§ 4-404.01).

Subtitle (IV)(S) – Student Attendance Incentive Pilot Amendment Act of 2026

Background

The subtitle requires OSSE to establish a Fifty Dollar a Week Pilot Program by contracting with an organization that has experience assessing financial literacy, student wellbeing, school attendance, and academic achievement, the effectiveness of a cash transfer program for high school students, including the impact of direct cash transfers on financial hardship, financial capability, upward economic mobility, and academic achievement by May 1, 2027. The contract awardee must design and publish a methodology for assigning students at participating schools to control and intervention groups, design and publish a methodology for measuring the impact of the Pilot Program, identify a method to disperse weekly direct cash stipends of $50, issue a call for applications to all participating schools, select participating schools, and enroll eligible students. The contract awardee must evaluate the Program's efficacy, including the impact of direct cash transfers on student well-being, attendance, and financial literacy, and report its final findings by September 30, 2028.

Financial Plan Impact

The fiscal year 2027 OSSE budget includes one-time Local funding of $251,000 in fiscal year 2027 to implement the Program. OSSE can complete reporting requirements with existing staff and resources.

Subtitle (IV)(T) - Lead Exposure Prevention in Public Charter Schools Amendment Act of 2026

Background

The Department of General Services (DGS) currently issues a contract to fulfill the requirements of Section 501a of the Healthy Schools Act of 2010[123] in District of Columbia Public Schools (DCPS) regarding the prevention of lead in drinking water in schools through inventory of drinking water sources; the installation of water filters meeting certain national standards for lead reduction; annual testing of drinking water sources; notification, remediation, and shutdown requirements when lead in drinking water is identified; and maintenance of public information regarding test results, filter replacement schedule, and remediation steps. DGS must also provide the D.C. Public Charter School Board (DCPCSB) with a list of approved contractors that public charter schools may use to fulfill the same requirements.

The subtitle requires DGS, in fiscal year 2027, to issue a third-party contract to fulfill the prevention of lead in drinking water requirements at the public charter schools. Previously, DCPCSB issued one contract for all the charter schools that allowed them to fulfill their lead prevention requirements.

Financial Plan Impact

The fiscal year 2027 budget includes one-time funding of $1 million for DGS to issue a contract similar to the one it issues for DCPS, but to service the public charter schools.

[123] Effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-825.01a).

TITLE V – HUMAN SUPPORT SERVICES

Subtitle (V)(A) - Rapid Re-Housing Continuation Clarification Emergency Amendment Act of 2026

Background

The Homeless Service Reform Emergency Amendment Act of 2025 in the Fiscal Year 2026 Budget Support Emergency Act of 2025[124] and corresponding permanent Fiscal Year 2026 Budget Support Act of 2025[125] required clients in the Department of Human Services (DHS) Rapid Re-Housing Program (RRP) to be exited at the end of the time limit for the program, which may be established by the Mayor by rule so long as it is not shorter than 12 months. The subtitle also required clients who received a notice of exit prior to the effective date of the Fiscal Year 2026 Budget Support Emergency Act to exit the program after the later of 24 months of benefits or by September 30, 2025, and regardless of any pending administrative review, fair hearing, or appeal of the client's time limit in the program.

The subtitle clarifies the intent of the Budget Support Emergency Act of 2025 provision to state that clients who received their time limit notice of exit prior to the effective date of the Fiscal Year 2026 Budget Support Emergency Act may not receive a continuation of services after an administrative review decision is issued upholding the notice of program exit. The subtitle applies from September 3, 2025.

Financial Plan Impact

The subtitle provides a clarification of current law, and is intended to prevent additional unplanned payments to families that were exited with fewer than 24 months of benefits under the Homeless Service Reform Emergency Amendment Act of 2025. Approximately 540 families were exited with fewer than 24 months of benefits. If courts were to determine all of these families should have received a full 24 months of benefits, the additional cost could be up to $15.2 million, which is not currently planned or budgeted.

Subtitle (V)(B) - AIDS Drug Assistance Fund Amendment Act of 2026

Background

The subtitle renames[126] the Communicable and Chronic Disease Prevention and Treatment Fund, as the AIDS Drug Assistance Program (ADAP) Fund. It also updates the types of revenue collected in the ADAP Fund to include rebates from pharmaceutical companies for medications included in the ADAP formulary, insurance refunds, and tax credits recovered by the District from ADAP program participants. The money can be used to administer the Prescription Benefits Program (PBP), including the procurement of HIV/AIDS medications and the provision of HIV care and services for eligible District residents, and to fulfill federal grant-matching requirements for PBP.

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[124] Enacted September 3, 2025 (DC Act 26-146; 72 DCR 9623) (Subtitle V-K).
[125] Effective December 6 2025 (DC Act Law 26-55148; 72 (DC Law 26-55; 73 DCR 1)(Subtitle V-K).
[126] By amending Section 4907b of the Department of Health Functions Clarification Act of 2001, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 7-736.02).

Financial Plan Impact
The subtitle may increase revenue in the Fund, but due to uncertainty in the amount, no additional revenue is being certified at this time. The fiscal year 2027 budget and financial plan includes $4.1 million in recurring special purpose revenue funds in the ADAP Fund to administer the PBP program. The Fund is non-lapsing, so any additional revenue collected in fiscal year 2027 will be available to use for the Fund’s authorized purposes in future budgets.

<u>Subtitle (V)(C) - Commercial Pet Facility Regulation Amendment Act of 2026</u>

Background
The subtitle makes permissive the requirement that the Department of Health (DC Health) offer low-cost or no-cost preventive and emergency veterinary services for cats and dogs and low-cost or no-cost spay and neuter clinic services for cats and dogs. The subtitle also makes the requirement that DC Health provide education to animal owners regarding pet care and safety, including extreme-weather and emergency situations, and the laws related to pet ownership.

The subtitle repeals the dedication of $2 of each fee paid for a dog license into the non-lapsing Animal Education and Outreach Fund and replaces it with a dedication of 25 percent of each license fee. The Animal Education and Outreach Fund is used to provide low-cost spay and neuter clinic services, educational programs for animal owners regarding pet care and safety, and overhead and administrative expenses related to the Fund.

The subtitle requires all commercial pet care facilities to obtain a Basic Business License with an Inspected Sales and Service license endorsement[127] and an operational permit from DC Health. DC Health will issue rules to establish standards for the care and management of animals in a commercial pet care facility, which may provide for initial and periodic inspections of a facility and remedial action to be taken against the operational permit for failure of the facility to comply with the standards of care and management established by the rules or any District or federal law or regulation applicable to the facility, including summary suspension of the license where the failure presents an imminent danger to the health or safety of a person or animal in the facility. The subtitle also adds[128] commercial pet care facilities and commercial animal breeder facilities as entities regulated by DC Health.

Financial Plan Impact
Dedicating 25 percent of each dog license fee, instead of $2 per license, will slightly increase the amount of money deposited into the Animal Education and Outreach Fund. No additional funds are being certified for use in the fiscal year 2027 budget from the Fund.

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[127] Pursuant to Title 47 of the District of Columbia Official Code.
[128] By amending Section 4902(a)(4) of the Department of Health Functions Clarification Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-731(a)(4)).

Subtitle (V)(D) – School-Based Behavioral Health Program Stabilization and Oversight Act of 2026

Background

The subtitle pauses[129] implementation of the Department of Behavioral Health's (DBH) redesigned in-house School-Based Behavioral Health Program for School-Year 2026-2027. The subtitle prohibits the reduction or replacement of community-based organization clinicians with DBH-employed clinicians unless certain conditions are met and requires DBH to maintain minimum grant funding of $120,000 per school-based Community-Based Organization (CBO) clinician. The subtitle requires DBH to award at least $13.2 million in grant funding to CBOs for school-based clinician services.

The subtitle also:

- Limits the use of telehealth as a supplemental service delivery tool;
- Limits the expansion of prevention specialists within the program to 25 schools;
- Permits DBH to continue a pilot pathway for public charter schools to select and hire clinicians; and
- Requires DBH to develop and submit publicly available standards governing clinician assignments, staffing methodologies, supervision requirements, and performance evaluations applicable to both DBH-employed and CBO-employed clinicians.

Financial Plan Impact

The fiscal year 2027 budget includes $19.2 million for the school-based behavioral health program, including $13.2 million for community-based organization clinical supports to implement the subtitle.

Subtitle (V)(E) – Tobacco Permit Fees Amendment Act of 2026

Background

The subtitle requires businesses to obtain a tobacco sales permit to sell tobacco or tobacco products at wholesale or retail locations. Retail businesses must pay a fee of $75 per year, and wholesale businesses must pay $125 per year to obtain a permit. Revenue from tobacco sales permits must be deposited into the non-lapsing Tobacco Use Cessation Fund.

Financial Plan Impact

The subtitle will generate $68,000 of additional resources for the Tobacco Use Cessation Fund. There are currently 842 tobacco retailers and 40 tobacco wholesalers licensed to operate in the District. Monies collected from sales permit fees may also be used to support anti-smoking and anti-vaping programs.

[129] By amending Section 115b of the Department of Mental Health Establishment Amendment Act of 2011, effective June 7, 2012 (D.C. Law 19-141; D.C. Official Code § 7-1131.17).

Subtitle (V)(F) – Truancy Reduction Pilot Program Amendment Act of 2026

Background

The Truancy Reduction Pilot Program operated by the Department of Human Services (DHS) is authorized through the end of School Year 2025-2026 and is required to include ten participating schools, including one middle school, with truancy rates greater than 35 percent. Participating schools must refer students aged 14 through 17 to DHS no later than two school days after the accrual of 15 unexcused absences. Schools must refer students aged 10 through 13 to DHS within two days after the accrual of ten unexcused absences.

The subtitle extends the program through fiscal year 2027. It requires the Mayor to identify at least ten schools with any grade 6 through 12, and a truancy rate greater than 30 percent in School Year 2025-2026, to participate. Participating schools must still refer students within two days when the set number of unexcused absences are reached. The Mayor is required to publish a report on the Program describing the services provided and analysis on attendance and outcomes. The subtitle applies as of August 1, 2026.

Financial Plan Impact

The subtitle extends an expiring pilot program through fiscal year 2027. The DHS budget has $3.5 million in one-time funding for the pilot program in the fiscal year 2027 budget.

Subtitle (V)(G) – District of Columbia Public Assistance Amendment Act of 2026

Background

Under current law, federally funded Temporary Assistance for Needy Families (TANF) benefits are paid for up to 60 months. The District continues to pay for benefits beyond the 60 months, using local funds. The Fiscal Year 2026 Budget Support Act of 2025 provided that, beginning in fiscal year 2027, locally funded public assistance for adults who have received benefits for 60 months will be reduced by 30 percent of the fiscal year 2026 levels, 50 percent in fiscal year 2028, and 75 percent in fiscal year 2029 and thereafter.[130]

The subtitle restores the fiscal year 2027 benefit to 100 percent of 2026 levels, and reduces benefits for over 60 months to zero beginning in fiscal year 2028.

Financial Plan Impact

Increasing the fiscal year 2027 benefit to 100 percent of 2026 levels will cost $12.8 million in fiscal year 2027. Reducing locally funded TANF benefits for those receiving benefits for over 60 months to zero beginning in fiscal year 2028 saves $21.8 million in fiscal year 2028 and $31.5 million over the four year budget and financial plan. This fiscal year 2028 savings reflects the difference between the 50 percent step down of benefits under current law and the removal of benefits. The fiscal year 2029 and fiscal year 2030 savings reflects the difference between the 75 percent step down of benefits under current law and the zeroing out of benefits.

Subtitle (V)(G) - District of Columbia Public Assistance Amendment Act of 2026 Cost / (Savings) relative to current law					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Benefit Cost / (Savings) for over 60-month recipients	$12,839	($21,816)	($11,131)	($11,354)	($31,473)

Subtitle (V)(H) – Department of Human Services Grant Act of 2026

Background

The subtitle requires the Department of Human Services (DHS) to issue three grants: $450,000 to Sasha Bruce Youthwork to operate a drop-in center serving unhoused youth; $250,000 to Friendship Place to expand AimHire job placement program and connect unhoused residents with work; and $250,000 to A Wider Circle to support its work providing furniture and home goods to low-income individuals and families.

Financial Plan Impact

The DHS fiscal year 2027 budget has $950,000 in one time funding in fiscal year 2027 to issue these grants.

Subtitle (V)(I) – Food Policy Functions Amendment Act of 2026

Background

The subtitle creates an Office of Food Policy within DC Health to be led by a Food Policy Director. The subtitle also gives grantmaking authority to the Food Policy Director for food policy development and implementation.

Financial Plan Impact

The fiscal year 2027 budget and financial plan includes $413,000 in fiscal year 2027 and $1.7 million over the financial plan to establish the Office of Food Policy within DC Health. These funds will be used to support the salary and fringe costs of three employees and non-personal services for operational support.

Subtitle (V)(I) - Food Policy Functions Amendment Act of 2026 Total Cost ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Salary and Fringe	$388	$396	$405	$413	$1,602
NPS	$25	$26	$26	$27	$103
Total	$413	$422	$431	$439	$1,705

Subtitle (V)(J) – Farmers Market Support Grants Amendment Act of 2026

Background
The subtitle increases[131] the minimum amount for the Farmers Market Support Grant Program grants from $140,000 to $250,000 annually.

Financial Plan Impact
The fiscal year 2027 budget and financial plan includes recurring Local funds of $250,000 to support the Farmers Market Support Grant Program.

Subtitle (V)(K) – Grocery Access Pilot Program Extension Amendment Act of 2026

Background
This subtitle extends[132] the Grocery Access Grant Pilot Program for an additional year. The program provides at least 1,000 eligible District residents with membership to a grocery delivery service at no cost for one year. Upon the conclusion of the Pilot Program following Fiscal Year 2027, DC Health must make data collected on the outcomes of the Pilot Program publicly available.

Financial Plan Impact
The fiscal year 2027 budget includes $200,000 of one-time Local funds to continue the Grocery Access Grant Pilot Program for an additional year. DC Health can make data collection outcomes from the Pilot Program available with existing resources.

Subtitle (V)(L) – 988 Lifeline Support and Sustainability Fund Establishment Amendment Act of 2026

Background
The Department of Behavioral Health (DBH) operates a three-digit 988 suicide prevention or crisis services lifeline (988 Lifeline). Anyone experiencing a mental health, substance use, or suicidal crisis is able to dial 988, and the National Suicide Prevention Lifeline will connect individuals to locally operated crisis centers. 988 Lifeline averaged 9,182 calls over each of the past two fiscal years.

The subtitle establishes[133] a dedicated funding stream for 988 Lifeline. Beginning on October 1, 2026, a monthly fee of $0.15 per individual access line[134] and per Voice Over Internet Protocol (VoIP) connection, as well as a two percent charge on the sales price of prepaid wireless, will be due from

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[131] By amending Section 4939(d) of the Department of Health Functions Clarification Act of 2001, effective August 23, 2025 (D.C. Law 26-27; D.C. Official Code § 7-742.22(d)).
[132] By amending Section 4907d of the Department of Health Functions Clarification Act of 2001, effective September 18, 2024 (D.C. Law 25-217; D.C. Official Code § 7-736.04).
[133] By amending The Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1801 et seq.).
[134] Access line means a wireline, Voice over Internet Protocol (VoIP) line, wireless telephone number, trunk, or other communication path.

all local exchange carriers that enable users to initiate a 988 Lifeline call. The Private Branch Exchange (PBX) tax per station shall be converted into a per-trunk tax based on a ratio of 15 PBX stations to one PBX trunk. Each local exchange carrier must collect the 988 fee on behalf of its subscribers and remit these payments to DBH on a quarterly basis. The Office of Tax and Revenue (OTR) will issue rules governing the collection and remittance of the two percent charge on the sales price of prepaid wireless.

All revenue collected from the 988 fee and prepaid wireless charge must be deposited into a new non-lapsing 988 Lifeline and Crisis Services Fund (Fund). DBH must administer the Fund and must use $2.4 million from the Fund in fiscal year 2027 for the following:

- $600,000 for community-based crisis stabilization beds that provide a voluntary, trauma-informed, and non-coercive alternative to emergency psychiatric care;
- $1.3 million for the Children and Adolescent Mobile Psychiatric Services program; and
- $500,000 for the 988 Lifeline's operational costs, including staffing, training, technology infrastructure, coordination with crisis response services, and other costs necessary to support the District's behavioral health crisis response continuum.

The Mayor must submit to the Council, as part of the annual budget and financial plan, a request for appropriations for expenditures from the Fund. The Mayor shall provide a report with the appropriations request on whether the 988 fee should be adjusted and the performance metrics of the 988 Lifeline and crisis response system, including call volume, answer rates, average time to answer, staffing levels supported by the Fund, and disposition outcomes, such as resolution by phone, referral to mobile crisis services, or referral to emergency departments.

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2030 budget and financial plan to implement the bill. The bill will result in additional revenue of $2.74 million in fiscal year 2027 and $10.94 million over the financial plan.

DBH can collect and reconcile quarterly 988 fee payments from local exchange carriers with existing staff. The $0.15 fee per individual access line and VoIP will generate $2.47 million in fiscal year 2027 and $9.89 million over the financial plan. OTR can implement changes to its tax systems to collect the two percent charge on the sales price of prepaid wireless as part of its regular updates. The 988 prepaid wireless charge will generate $263,000 in fiscal year 2027 and $1.05 million in additional revenue over the financial plan. DBH will use $2.4 million of the revenue collected into the Fund to support the required spending on community-based crisis stabilizations beds, Children and Adolescent Mobil Psychiatric Services, and 988 operational costs.

Subtitle (V)(L) – 988 Lifeline Support and Sustainability Fund Establishment Amendment Act of 2026 Total Revenue ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
988 Fee Revenue[(a)]	$2,472	$2,472	$2,472	$2,472	$9,888
988 Prepaid Wireless Charges[(b)]	$263	$263	$263	$263	$1,051
Total	$2,735	$2,735	$2,735	$2,735	$10,939

Table Notes:

(a) Assumes $0.15 monthly fee for each individual access line and VoIP. Assumes line count equal to the annual number of lines reported to the Office of Unified Communications for 911/311 fees in fiscal year 2025.
(b) Assumes two percent charge on the sales price of prepaid wireless. Assumes sales charge revenue equal to the amount collected by OTR in fiscal year 2025 for the two percent charge on prepaid wireless for 911/311 access.

Subtitle (V)(M) – DC Health Care Alliance Amendment Act of 2026

Background

The subtitle requires[135] the Mayor to resume providing medical services provided by the DC Healthcare Alliance program prior to October 1, 2025 to enrollees who are 21 or older, except for non-emergency medical transportation, between October 1, 2026 and September 30, 2027. The subtitle also lifts[136] a moratorium on new enrollments in the Alliance program and allows individuals aged 21 and over who have household income at or below one hundred and thirty-three percent (133%) of the Federal Poverty Level to enroll in the program in fiscal year 2027. On October 1, 2027, individuals aged 21 or over are no longer eligible for continued enrollment in the Alliance program.

Financial Plan Impact

The fiscal year 2027 budget includes one-time Local funding of $37.44 million in the Department of Health Care Finance (DHCF) budget and one-time Local funding of $901,500 in the DBH budget to implement the subtitle. The funding allows DHCF to cover the cost of resuming coverage of certain medical services as well as providing coverage to additional enrollees due to the elimination of an enrollment moratorium in fiscal year 2027. The funding at DBH is for the cost to provide behavioral health services to newly enrolled Alliance members. The total cost of the subtitle is $38.35 million in fiscal year 2027.

Subtitle (V)(N) – Opioid Abatement Directed Funding Amendment Act of 2026

Background

The subtitle directs[137] the use of $796,000 in the Opioid Abatement Fund in fiscal year 2027. Specifically the subtitle directs:

- $400,000 to the Office of the Chief Medical Examiner to support illicit drug testing, opioid toxicology analysis, and the development of novel forensic testing methods within the agency's Forensic Toxicology Laboratory and Data Fusion Center; and
- $396,000 in fiscal year 2027 to a District-based hospital operating an evidence based adolescent substance use disorder treatment program that provides developmentally

[135] By amending Section 7 of the Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1405).
[136] By amending Chapter 33 of Title 22-B of the District of Columbia Municipal Regulations (22-B DCMR § 3300.1 et seq.),
[137] By amending Section 5012 of the Opioid Abatement Fund Establishment Act of 2022, effective September 21, 2022 (D.C. Law 24-167; D.C. Official Code § 7-3221).

appropriate clinical care, peer recovery support, family-centered services, and community-based treatment for children, adolescents, and young adults with substance use disorders, particularly in underserved areas of the District.

Financial Plan Impact
The Opioid Abatement Fund, administered by the Department of Behavioral Health, is projected to have a balance of $4.6 million in fiscal year 2026. There is sufficient funding in the Opioid Abatement Fund to support $760,000 of directed spending.

<u>Subtitle (V)(O) – Improving Prescription Drug Access Amendment Act of 2026</u>
Background
The subtitle requires DC Health to establish[138] a Drug Discount Card Program (ArrayRx) by entering into a cooperative purchasing agreement with a prescription drug discount program to give all District residents, including those without insurance, access to the lower-cost prescription drugs at critical access pharmacies. Critical access pharmacies are those designated by DC Health and are pharmacies that are not owned by a person who owns more than three pharmacies physically located in the District and are located within a geographic area of the District that has limited or insufficient community access to pharmacy services.

Financial Plan Impact
The fiscal year 2027 DC Health budget and financial plan includes $154,000 in fiscal year 2027 and $481,000 over the financial plan to implement the subtitle. The funding will be used to pay the salary and fringe benefits cost of a new Program Coordinator. The Program Coordinator will implement and manage the ArrayRx program.

Subtitle (V)(O) – Improving Prescription Drug Access Amendment Act of 2026 Total Costs ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Salary	$85	$86	$88	$90	$348
Fringe	$19	$20	$20	$21	$80
Total	$104	$106	$108	$110	$429

Table Notes:
a) Assumes one Grade 11, Step 5 Program Coordinator and cost growth of two percent.
b) Assumes fringe benefit rate of 22.9 percent and growth of 2.35 percent.

<u>Subtitle (V)(P) – Human Services Pathways to Independence Amendment Act of 2026</u>

Background
When Temporary Assistance for Needy Families (TANF) recipients are unable to comply with work requirements due to challenges outside their control, such as domestic violence, the Department of

[138] By amending Chapter 28 of Title 47 of the District of Columbia Official Code.

Human Services (DHS) may offer placement in the Program on Work Employment and Responsibility ("POWER")[139] to continue to receive cash assistance. However, POWER participants lose access to some supportive services that are available to TANF recipients such as the TANF Employment and Education Program, childcare subsidies, transportation assistance, behavioral health and substance abuse support, and the Tuition Assistance Program Initiative for TANF.

The subtitle requires POWER participants to be eligible for the same support services made available to TANF beneficiaries without interruption.

The subtitle also requires the Mayor to provide written notice regarding available federal and District Earned Income Tax Credits to TANF, POWER, Supplemental Nutrition Assistance Program , and Family Re-Housing Stabilization Program heads of household, as well as adults who receive Medicaid benefits or who are caring for a child who receives Medicaid benefits.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The subtitle requires POWER participants to be eligible for supportive services, but receipt of services is not guaranteed, as those services have a limited budget. DHS indicates that adding the POWER participants could increase wait lists for the programs. Communications are provided regularly to benefit recipients and DHS will need to add informational language about the Earned Income Tax Credit to existing communications.

<u>Subtitle (V)(Q) – Human Services Resource Utilization Amendment Act of 2026</u>

Background

First, the subtitle removes a cap on the number of beds allowed at the Aston, a bridge housing site with the capacity to serve 190 individuals. The subtitle allows for some flexibility for the Department of Human Services (DHS) to serve less than the maximum capacity to meet individual housing and clinical needs, and to ensure individuals who do not share gender identity are not required to share a housing unit.

Second, the subtitle declares that the loss of rental assistance through the District of Columbia Housing Authority (DCHA) Emergency Housing Voucher ("EHV") program due to lack of continued funding constitutes an emergency situation and establishes an Emergency Housing Voucher Interim Assistance Program within DCHA to assist individuals in the EHV program at risk of termination through fiscal year 2027. The subtitle requires DCHA to notify EVH households of enrollment in the interim program when EHV funding is exhausted and allow the household to opt-out of the interim program. All interim participants will remain enrolled in the EHV program in case additional federal funding becomes available. The subtitle allows DCHA to terminate participation in the interim program and revert to use of federal funding to support rental subsidies.

It requires DHS to refer families participating in Family Re-Housing Stabilization Program ("FRSP"), with household incomes at or below 30 percent of the area median income to DCHA, to be given

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[139] https://dhs.dc.gov/sites/default/files/dc/sites/dhs/page_content/attachments/POWER%20Program_0.pdf

exclusive opportunity to apply for the 26 new Local Rent Supplement Program ("LRSP") vouchers. The subtitle prioritizes referrals of families with young children, families who cannot grow income to independently afford rent, and families who can safely transition to permanent housing without ongoing case management.

The subtitle also requires DHS to match 190 families to 45 new Permanent Supportive Housing - Family vouchers ("PSH"), 100 new Targeted Affordable Housing - Family vouchers ("TAH-F"), and 45 new Flexible Rent Subsidy Pilot Program ("DC Flex") subsidies.

The subtitle requires DHS to match vouchers vacated by departing individuals or families within 60 days to new families or individuals. Departing is defined as when a participant has been exited from the program and there are no pending appeals or administrative reviews.

Lastly, the subtitle prohibits DHS from mandating that service providers adopt program rules for use of District funding that would require the provider to engage in activity inconsistent with terms of a provider's federal grant.

Financial Plan Impact
Adding 26 new LRSP vouchers will increase the subsidy to DCHA by $1 million in fiscal year 2027 and $4.3 million over the four-year budget and financial plan. Adding additional PSH-F, TSH-F, and DC Flex support will cost DHS an additional $7.4 million in fiscal year 2027 and $30.5 million over the four-year budget and financial plan. Expanding capacity at the Aston facility will cost DHS $1.56 million in fiscal year 2027 and $6.4 million over the four-year budget and financial plan to cover increased case management, food, janitorial services, and general operations. The budget and financial plan include funding for all of these costs, as follows:

Subtitle (V)(Q) – Human Services Resource Utilization Amendment Act of 2026 Total Costs ($ Thousands)					
	FY 2027	FY 2028[e]	FY 2029[e]	FY 2030[e]	Total
DHS Cost of Expanding Aston to 190 beds	$1,561	$1,592	$1,624	$1,656	$6,433
DCHA Subsidy increase for 26 LRSP Vouchers[a]	$1,058	$1,079	$1,101	$1,123	$4,361
Funding for 100 TAH-F Vouchers [b]	$4,506	$4,596	$4,688	$4,781	$18,571
Funding for 45 PSH-F vouchers [c]	$435	$443	$452	$461	$1,792
Funding for 45 DC Flex (families) vouchers [d]	$2,468	$2,517	$2,568	$2,619	$10,172
TOTAL	**$10,027**	**$10,228**	**$10,433**	**$10,641**	**$41,329**

Table Notes (continued on next page):

(a) LRSP voucher DCHA costs are $40,687 per voucher annually, including a 7.6 percent DCHA Administrative cost fee.
(b) TAH-F Vouchers are estimated at $45,057 per voucher annually, including a 10 percent DHS administrative cost.

(c) PSH-F Vouchers are estimated at $54,844 per voucher annually, including a 10 percent DHS administrative cost.
(d) DC Flex (families) subsidy costs are estimated at $9,660 per subsidy annually, including a 15 percent DHS administrative cost.
(e) Growth assumption is 2 percent per year.

Subtitle (V)(R) – Improving Maternal and Prenatal Access to Care and Timely Supports (IMPACTS) Emergency Amendment Act of 2026

Background

Currently, medically certified pregnant persons in the third trimester are eligible for Temporary Assistance for Needy Families (TANF) benefits.[140] The subtitle expands that eligibility to medically certified persons in the second trimester.

Financial Plan Impact

The subtitle will increase TANF benefits by $121,960 in fiscal year 2027 and $483,840 over the four year budget and financial plan. An estimated 80 persons will be eligible for an additional three months of benefits each year, with an average monthly benefit of $504.

Subtitle (V)(R) – Improving Maternal and Prenatal Access to Care and Timely Supports (IMPACTS) Amendment Act of 2026 Total Costs ($ Thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Increased TANF Benefit costs to expanding to second trimester	$122	$122	$122	$122	$484

Subtitle (V)(S) – Public Benefits Security Clarification Amendment of 2026

Background

The Public Benefits Security Amendment Act of 2025 requires the Department of Human Services (DHS) to transition to more secure chipped electronic benefit cards to provide public benefits for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) benefits and to restore stolen public benefits. The subtitle delays the required implementation date from October 1, 2027 to March 1, 2028 to align with DHS projected replacement timeline. It also clarifies that DHS does not have to reimburse residents for benefits stolen prior to March 1, 2028, but it may if funds are available.

Financial Plan Impact

The fiscal year 2027 budget for DHS has $2.6 million in local and expected federal funding to begin the process of transitioning the technology required for the new cards. However, additional time and resources are required to complete the project. The proposed budget and financial plan includes an

[140] D.C. Official Code § 4-205.43.

additional $1.57 million in fiscal year 2028 and $3.57 million over the four-year budget and financial plan to complete the project and repay an estimated amount of stolen benefits, as outlined in the chart below.

Subtitle (V)(S) – Public Benefits Security Clarification Amendment of 2026 Total Costs ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Additional local fund costs to complete the chip card transition	$0	$1,209	$277	$277	$1,763
Additional local fund costs for Benefit Reimbursement	$0	$362	$724	$724	$1,810
TOTAL Cost	**$0**	**$1,571**	**$1,001**	**$1,001**	**$3,573**

Subtitle (V)(T) – Child Support Improvement Amendment Act of 2026

Background

For families that currently receive (or previously received) benefits through the Temporary Assistance for Needy Families Program, current law requires that child support payments are used for government cost recovery for those benefits. So, a portion of child support payments collected on behalf of low-income families is retained by the District and federal governments. District law allows up to $200 per current payment to be passed through to the custodial parent.

For child support payments paid in arrears, the entire amount is directed to government cost recovery and none of the payment goes to the custodial parent. The subtitle requires that up to $200 per arrears payment is also passed through to the custodial parent.

The subtitle also adjusts the period of enforceability and statute of limitations for child support collections to five years after the date of the emancipation of the youngest child subject to a child support order. Current law allows support payments to be enforceable long after a child has reached adulthood.

Financial Plan Impact

Government cost recovery is a revenue source within the Office of the Attorney General. Increasing the pass through amount on arrear payments reduces revenues to the Office of the Attorney General. So the subtitle has a cost of $200,000 in fiscal year 2027 and $2.6 million over the four-year budget and financial plan. An additional $300,000 is required in fiscal year 2027 for information technology updates of the District of Columbia Child Support Enforcement System (DCCSES) to ensure pass throughs occur for arrears payments. Changes to the statute of limitations do not have a cost.

Subtitle (V)(T) - Child Support Improvement Amendment Act of 2026 Total Cost ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Cost of offsetting reduced OAG revenue with local funds	$200	$800	$800	$800	$2,600
IT Upgrades for the DCCSES	$300	$0	$0	$0	$300
TOTAL COST	**$500**	**$800**	**$800**	**$800**	**$2,900**

Subtitle (V)(U) – Federally Qualified Health Center Grant Program for Uninsured Patient Care Emergency Act of 2026

Background

The subtitle requires the Department of Health Care Finance (DHCF) to award grants totaling $800,000 to at least two federally qualified health centers (FQHC) whose patient population is at least 20 percent uninsured by October 31, 2026.

Financial Plan Impact

The fiscal year 2027 DHCF budget includes one time Local funding of $800,000 to provide grants to two FQHCs.

Subtitle (V)(V) – Health Benefit Conforming Amendment Act of 2026

Background

The Expanding Access to Fertility Treatment Amendment Act of 2023 mandates that health benefit plans offered in the District of Columbia cover fertility treatments. This subtitle clarifies[141] that health insurers offering an individual health benefit plan or small group health plan do not have to provide coverage for the diagnosis and treatment of infertility, including in vitro fertilization and standard fertility preservation, if the federal government requires the District of Columbia to defray of the costs of benefit for plan years starting after January 1, 2028.

Financial Plan Impact

The subtitle prevents the District from paying $8 million of defrayal costs annually to health insurance providers if new federal regulations[142] go into effect, requiring states that adopted new essential health benefit benchmark coverage mandates to defray costs beginning with the 2028 plan year. The subtitle keeps the fertility treatment coverage mandate in place so long as the District is not financially liable for defrayal cost.

[141] By amending Section 5f(b) of the Women's Health and Cancer Rights Federal Law Conformity Act of 2000, effective September 6, 2023 (D.C. Law 25-49; D.C. Official Code § 31-3834.06(b)).
[142] Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program, 91 Fed. Reg. 29526 (Rules and Regulations May 20, 2026).

<u>Subtitle (V)(W) – Ronald McDonald House Support Grant Act of 2026</u>

Background

The subtitle requires DC Health to issue a grant of $100,000 to the Ronald McDonald House Charities of Greater Washington, DC, Inc. for the Build for Love Impact Fund in fiscal year 2027.

Financial Plan Impact

The fiscal year 2027 DC Health budget includes $100,000 in one-time funding to provide a grant to the Ronald McDonald House Charities of Greater Washington, DC.

TITLE VI – OPERATIONS AND INFRASTRUCTURE

Subtitle (VI)(A) – Alternative Fuel Vehicle Conversion Credit Amendment Act of 2026

Background

The District offers non-refundable personal and business income tax credits to taxpayers who convert a motor vehicle from being gasoline powered to powered by an alternative fuel.[143] The credit is for 50 percent of the equipment and labor costs, up to $19,000 per vehicle. The credit is scheduled to expire on December 31, 2026.

The subtitle extends the vehicle conversion tax credit through December 31, 2035.

The subtitle also expands the credits to include the conversion cost of changing the generators used to power mobile food vendor's food preparation and servicing appliances. A mobile food vendor who replaces a fossil-fuel powered generator with a battery-powered or zero-emissions generator can receive a personal or business income tax credit of up to $15,000 to cover 50 percent of the cost of the labor and equipment associated with transitioning to a new generator. Mobile food vending operators claiming the personal income tax credit must claim the credit in equal amounts over three years and only if they are licensed to operate in the tax year in which they claim the credit. The credit is non-refundable, but an individual income taxpayer can carry forward the credit for up to two years. The taxpayer may not claim the individual income tax credit if the taxpayers also operated a business in the District that generated more than $12,000 in gross income.

Financial Plan Impact

The current income tax credits are scheduled to expire at the end of tax year 2026. The extension of the vehicle conversion tax credit through 2035 and the expansion to include mobile food vendor generator conversions will reduce personal, corporate, and unincorporated business income tax revenue beginning in fiscal year 2028, which accounts for tax year 2027 claims. The subtitle will reduce income tax revenues by approximately $1.4 million over the four-year financial plan period.

Subtitle (VI)(A) - Alternative Fuel Vehicle Conversion Credit Amendment Act of 2026 Personal and Business Income Tax Reduction Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Revenue Reduction	$0	$399	$464	$531	$1,394

[143] Alternative Fuel Vehicle and Infrastructure Installation Through Tax Incentives Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code §§ 47-1806.13, 47-1807.11, and 47-1808.11).

Subtitle (VI)(B) – Electric Vehicle Charging Infrastructure Incentive Act of 2026

Background

The District offers non-refundable personal and business income tax credits to offset the cost of installing infrastructure that dispenses alternative fuels.[144] A taxpayer can claim a credit of 50 percent of the labor and equipment cost of installing alternative fuel infrastructure, up to $1,000 for a qualified private residence and $10,000 for qualified alternative fuel vehicle refueling property.[145] The credit is applicable to infrastructure that stores or dispenses 85 percent ethanol, natural gas, compressed natural gas, liquified natural gas, liquified petroleum gas, biodiesel, electricity, or hydrogen. The credits are scheduled to expire on December 31, 2026.

The subtitle extends the credits through December 31, 2036, limits the types of alternative fuels that can receive the credits, and eliminates the credit for qualified alternative fuel vehicle refueling properties. The credits will now be limited to infrastructure that stores and dispenses electricity and hydrogen.

Financial Plan Impact

The current income tax credits are scheduled to expire at the end of tax year 2026. The extension of the alternative fuel infrastructure tax credit through 2036 for qualified private residences will reduce personal, corporate, and unincorporated business income tax revenue beginning in fiscal year 2028, which accounts for tax year 2027 claims. The subtitle will reduce income tax revenues by approximately $1.5 million over the four-year financial plan period. The subtitle's limitation on the types of alternative fuels and the eliminated eligibility of qualified alternative fuel vehicle refueling properties only apply after the tax year 2026 expiration of the existing income tax credits.

Subtitle (VI)(B) - Electric Vehicle Charging Infrastructure Incentive Act of 2026 Personal and Business Income Tax Reduction Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Revenue Reduction	$0	$466	$507	$551	$1,525

Subtitle (VI)(C) – Electric Vehicle Publicly Accessible Charging Stations Personal Property Tax Exemption Act of 2026

Background

The District assesses a personal property tax of $3.40 per $100 of assessed value over $225,000 on the tangible personal property held by any person or business.[146] The subtitle exempts the equipment and software related to electric vehicle chargers from personal property taxation, so long as those chargers are available for public use during the tax year in which the exemption is claimed.

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[144] Alternative Fuel Vehicle and Infrastructure Installation Through Tax Incentives Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code §§ 47-1806.12, 47-1807.10, and 47-1808.10).
[145] These properties are located in the District, contain equipment for storing and dispensing alternative fuels, and are available for use by the public.
[146] Personal Property Tax Amendment Act of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Official Code § 47-1522).

Financial Plan Impact
The subtitle's exemption of electric vehicle chargers from personal property taxation will reduce the District's personal property tax collections by $100,000 in fiscal year 2027 and $509,000 over the four-year financial plan period. The table below outlines the annual cost of the tax exemption.

Subtitle (VI)(C) - Electric Vehicle Publicly Accessible Charging Stations Personal Property Tax Exemption Act of 2026 Personal Property Tax Reduction ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Revenue Reduction	$100	$115	$135	$159	$509

Subtitle (VI)(D) – Administrative Hearing Responsibility Amendment Act of 2026

Background
The Department of For-Hire Vehicles (DFHV) regulates taxicabs, private vehicles-for-hire, and certain food delivery services. DFHV issues notices of infraction to any driver under its regulatory authority for violating any related law[147] or regulation.[148] If a driver wants to challenge a notice of infraction, they can request a hearing with the Office of Administrative Hearings (OAH).

The subtitle transfers adjudication responsibility over DFHV-issued infractions from OAH to the Department of Motor Vehicles (DMV). DMV should adjudicate DFHV infractions consistent with both DFHV's and DMV's rules for adjudicating infractions. The subtitle directs that if there is a conflict between DFHV adjudication rules and DMV adjudication rules, that the DFHV adjudication rules should be followed. DFHV should update its rules to reference DMV rather than OAH. The subtitle requires any case currently pending at OAH be re-docketed and adjudicated at DMV unless OAH has already held an evidentiary hearing on the case and the case is awaiting final order. All agencies should work together to inform relevant parties that their cases have been transferred for adjudication to DMV.

Financial Plan Impact
DMV requires an additional hearing examiner to hear cases related to DFHV infractions. The budget includes $150,805 in fiscal year 2027 and over $622,000 over the four-year financial plan period for DMV to hire a hearing examiner.

Subtitle (VI)(D) – Administrative Hearing Responsibility Amendment Act of 2026 Hearing Examiner ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Hearing Examiner	$151	$154	$157	$160	$622

[147] District of Columbia Taxicab Commission Establishment Act of 1985, effective March 25, 1986 (D.C. Law 6-97; D.C. Official Code § 50-301.02 et seq.).
[148] Taxicabs and Public Vehicles for Hire (31 DCMR § 100.1 et seq.).

[Subtitle (VI)(E) is Reserved]

Subtitle (VI)(F) – Fleet Electrification Amendment Act of 2026

Background

District law[149] required the Mayor to create a transportation electrification program by March 29, 2020, which mandated that by 2045, all public buses, large privately-owned fleets, commercial motor carriers, limousines, and District-certified taxis operate as 100 percent zero-emissions vehicles (ZEVs). The program includes phased targets:

- 2030: 50 percent of these vehicles must be low- or zero-emission.
- 2035: 75 percent must be low- or zero-emission.
- 2040: 90 percent must be low- or zero-emission.
- 2045: 100 percent must be zero-emission.

The subtitle removes limousines and taxis from the mandates. The subtitle also extends the above deadlines, respectively, by three years each to a realization year of 2048 for 100 percent zero-emission.

- 2033: 50 percent of these vehicles must be low- or zero-emission.
- 2038: 75 percent must be low- or zero-emission.
- 2043: 90 percent must be low- or zero-emission.
- 2048: 100 percent must be zero-emission.

Financial Plan Impact

The current law's deadlines affect private entities and the Washington Metropolitan Area Transit Authority (WMATA), to which the District is a contributing jurisdiction. Budgetary impacts on WMATA from the current law's 2030 mandate are unknown, but the subtitle's extension to 2033 reflects WMATA's current electrification plans released in 2023[150]. Under this plan, WMATA would require $2.3 billion of capital investments to transition to an electric fleet. WMATA anticipated meeting the 50 percent electrification threshold by 2033, and the WMATA board had adopted a resolution to meet the 100 percent threshold by 2045. Any additional funding WMATA requires is subject to the multi-jurisdictional funding compact[151].

[149] The CleanEnergy DC Omnibus Amendment Act of 2018, effective March 22, 2019 (D.C. Law 22-257; D.C. Official Code § 50-741).
[150] WMATA-ZEB-Executive-Summary-3-17-23.pdf
[151] D.C. Official Code § 9–1103.01 et seq.

Subtitle (VI)(G) – Stormwater Fund Amendment Act of 2026

Background

The Department of Energy and Environment (DOEE) leads the District's efforts to comply with the Municipal Separate Storm Sewer System (MS4) permit. The permit requires the District to keep trash and other pollutants out of the District's river systems. DOEE and partner agencies perform various activities, including construction-related stormwater inspections, planting trees, installing stormwater best management practices, street sweeping, and other activities as outlined in the MS4 permit. To fund these efforts, the District imposes a stormwater fee on all District water bills issued by DC Water. These fees are deposited into the Stormwater Permit Compliance Enterprise Fund[152] (Fund).

The subtitle directs the use of $4,426,197 of the Fund's resources by the Department of Public Works (DPW) to support that agency's stormwater management activities. The subtitle also increases the stormwater fee from $2.67 per one Equivalent Residential Unit (ERU) per month to $4.03 per ERU per month.

Financial Plan Impact

The proposed fiscal year 2027 budget allocates approximately $4.4 million in one-time funding from the Fund's fund balance to support DPW's street sweeping and leaf collection programs. Under the MS4 permit, the District must sweep at least 10,932 road miles annually. The subtitle's stormwater fee increase will generate an additional $6,622,000 annually for the Fund. The Fund currently generates $13 million annually in fee revenues.

Subtitle (VI)(G) – Stormwater Fund Amendment Act of 2026 Impact on Fund Resources ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Fund Transfer to Local	($4,426)	$0	$0	$0	($4,426)
New Revenue	$6,622	$6,622	$6,622	$6,622	$26,488
Net Fund Impact	$2,196	$6,622	$6,622	$6,622	$22,062

Subtitle (VI)(H) – Anacostia River Clean Up and Protection Technical Amendment Act of 2026

Background

The District prohibits the sale or distribution of non-recyclable disposable carryout bags.[153] Retail establishments that provide disposable carryout bags must provide paper or plastic bags that are fully recyclable, and the establishments must charge a $0.05 fee for each disposable bag a customer uses. Retail establishments are establishments with a Public Health: Food Establishment Retail endorsement on their basic business license or are a Class A or B off-premises retailer.[154] Establishments remit these fees to the Department of Energy and Environment (DOEE), which

[152] Comprehensive Stormwater Management Enhancement Amendment Act of 2008, effective March 25, 2009 (D.C. Law 17-731; D.C. Official Code § 8-152.02).
[153] Anacostia River Clean Up and Protection Act of 2009, effective September 23, 2009 (D.C. Law 18-55; D.C. Official Code § 8-102.01 et seq.).
[154] D.C. Official Code § 25-112.

deposits them in the Anacostia River Clean Up and Protection Fund (Fund) to support education and activities that protect the Anacostia River and other waterways in the District.[155]

Under the Business and Entrepreneurship Support to Thrive Amendment Act,[156] the Department of Licensing and Consumer Protection (DLCP) consolidated license categories and eliminated the Public Health: Food Establishment Retail endorsement. The subtitle updates the definition of retail establishment to account for this recent change in DLCP licensing categories. The subtitle makes retail establishments with a Food services basic business license subject to the bag fee unless the licensee does not meet the definition of a food establishment.[157] The subtitle maintains that a Class A or B off-premises retailer and any retail establishment that was subject to the fee, but has not yet updated its DLCP license category, is subject to the bag fee.

The subtitle updates this definition as of October 1, 2025.

Financial Plan Impact

The subtitle's updated definition of a retail establishment ensures that all businesses subject to the bag fee prior to the change in DLCP license categories will continue to be subject to the bag fee. DOEE does not require any additional budget resources to update this definition and the population of retail establishments subject to the bag fee will not change. DOEE deposits approximately $2.1 million annually in bag fees from retail establishments into the Fund.

Subtitle (VI)(I) – Hazardous Waste and Toxic Chemical Source Reduction Fund Amendment Act of 2026

Background

The Department of Energy and Environment (DOEE) manages the Hazardous Waste and Toxic Chemical Source Reduction Fund (Fund).[158] DOEE deposits all fees, fines, and penalties the agency collects for the permitting, licensing, and enforcement of the generation, storage, transportation, treatment, and disposal of hazardous waste into the Fund. DOEE uses the Fund's resources to support the agency's regulation of hazardous waste and of fuels containing hazardous waste. In fiscal year 2026, the Council made the Fund lapsing, so that any resources remaining in the Fund the end of the fiscal year would be transferred to the District's Local Fund.[159]

The subtitle re-establishes that the Fund should be non-lapsing. As a non-lapsing fund, DOEE will retain any unspent resources in the Fund at the end of a fiscal year.

Financial Plan Impact

The subtitle re-establishes the Fund as a non-lapsing special purpose revenue fund. This allows DOEE to retain any unspent resources in the Fund at the end of a fiscal year and to expend those resources in a future fiscal year.

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[155] D.C. Official Code § 8-102.05.
[156] Effective March 22, 2023 (D.C. Law 24-333; 70 DCR 4304).
[157] Definitions, effective November 30, 2012 (25-A DCMR § 9901.1).
[158] Environmental Special Purpose Funds Reestablishment Amendment Act of 2020, effective December 3, 2020 (D.C. Law 23-149; D.C. Official Code § 8-1319.01).
[159] Non-Lapsing Fund Modifications Amendment Act of 2025, effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 8-1319.01(d)).

Subtitle (VI)(J) – Pesticide Registration Fund Amendment Act of 2026

Background

The Department of Energy and Environment (DOEE) manages the Pesticide Registration Fund (Fund).[160] DOEE deposits all fees the agency collects for the registration of pesticides and the registration and education of pesticide applicators into the Fund. DOEE uses the Fund's resources to administer the agency's pesticide, chemical, tank, land remediation, and wildlife protection programs. In fiscal year 2026, the Council made the Fund lapsing, so that any resources remaining in the Fund the end of the fiscal year would be transferred to the District's Local Fund.[161]

The subtitle re-establishes that the Fund should be non-lapsing. As a non-lapsing fund, DOEE will retain any unspent resources in the Fund at the end of a fiscal year. The subtitle also increases the minimum fee[162] that DOEE can charge for pesticide registration from $200 to $300 and increases the actual fee DOEE charges[163] from $250 to $300.

Financial Plan Impact

The subtitle re-establishes the Fund as a non-lapsing special purpose revenue fund. This allows DOEE to retain any unspent resources in the Fund at the end of a fiscal year and to expend those resources in a future fiscal year. The subtitle's pesticide registration fee increase of $50 will increase Fund resources by $531,000 annually. The Fund currently receives revenue of $2.8 million annually.

Subtitle (VI)(K) – Sustainable Materials and Building Fund Act of 2026

Background

The District requires all non-residential construction or substantial improvement projects greater than 50,000 square feet in gross floor area to meet or exceed the current LEED certification level for commercial and institutional buildings.[164] These building owners must provide a financial guarantee that they will meet the standard, and the District can draw down on the guarantee if the owner fails to comply. The District can issue fines for noncompliance. The Department of Buildings (DOB) also assesses a Green Building Fee[165] on building permits. Any drawdowns or fines for failure to comply and Green Building Fees are deposited into the DOB-managed Green Building Fund.[166] DOB uses resources in the Fund to provide technical assistance, plan review, monitoring, and inspections of green buildings; for research on green building practices; for education, outreach, and training; for support for demonstration projects; and to defray the costs of green building materials for low-income residents. DOB also transfers 50 percent of the Green Building Fund's resources to the

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[160] Pesticide Registration Fund Preservation Amendment Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 8-438.01).
[161] Non-Lapsing Fund Modifications Amendment Act of 2025, effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 6-1451.07(d)).
[162] Pesticide Education and Control Amendment Act of 2012, effective October 23, 2012 (D.C. Law 19-191; D.C. Official Code § 8-438).
[163] Pesticide Registration Fees and Terms, effective February 6, 2026 (20 DCMR § 2518.2).
[164] Green Building Act of 2006, effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.01 et seq.).
[165] D.C. Official Code § 6-1451.08.
[166] D.C. Official Code § 6-1451.07.

Department of Energy and Environment's (DOEE) Sustainable Energy Trust Fund[167] (SETF) for DOEE to support the same activities.

DOEE also manages a Product Stewardship Fund[168] that collects registration and permit fees and fines in support of the District's product stewardship programs. These programs include paint, covered electronics, and batteries and require manufacturers to take responsibility for the proper disposal of products they sell in the District.

The subtitle renames the Product Stewardship Fund as the Sustainable Materials and Building Fund. The subtitle redirects the transfer of 50 percent of the Green Building Fund resources from the SETF to the Sustainable Materials and Building Fund. The Sustainable Materials and Building Fund maintains the current allowable uses of the Sustainable Materials and Building Fund's resources for both product stewardship programs and green building efforts.

The subtitle also re-establishes that both the Green Building Fund and Sustainable Materials and Building Fund should be non-lapsing. As non-lapsing funds, DOB and DOEE will retain any unspent resources at the end of a fiscal year.

Financial Plan Impact

There are no costs associated with changing the name of the Product Stewardship Fund to the Sustainable Materials and Building Fund. DOEE's Urban Sustainability Administration will manage the Sustainable Materials and Building Fund as it does currently with the Product Stewardship Fund. The allowable uses of the resources received from the Green Building Fund are unchanged and are more closely aligned with the Urban Sustainability Administration's activities than the Energy Administration, which manages the SETF.

Subtitle (VI)(L) – Underground Storage Tank Regulation Fund Act of 2026

Background

The Department of Energy and Environment (DOEE) manages the Underground Storage Tank Regulation Fund (Fund).[169] DOEE deposits all fees, fines, and penalties the agency collects for the registration and enforcement of the legal use of underground storage tanks in the District into the Fund. DOEE uses the Fund's resources to administer underground storage tank laws and rules, and to assess, clean up, and provide housing and relocation assistance. In fiscal year 2026, the Council made the Fund lapsing, so that any resources remaining in the Fund the end of the fiscal year would be transferred to the District's Local Fund.[170]

The subtitle re-establishes that the Fund should be non-lapsing. As a non-lapsing fund, DOEE will retain any unspent resources in the Fund at the end of a fiscal year.

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[167] Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10).
[168] Product Stewardship Amendment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 1-325.381).
[169] Environmental Special Purpose Funds Reestablishment Amendment Act of 2020, effective December 3, 2020 (D.C. Law 23-149; D.C. Official Code § 8-113.05a).
[170] Non-Lapsing Fund Modifications Amendment Act of 2025, effective December 6, 2025 (D.C. Law 26-55; D.C. Official Code § 8-113.05a(d)).

Financial Plan Impact
The subtitle re-establishes the Fund as a non-lapsing special purpose revenue fund. This allows DOEE to retain any unspent resources in the Fund at the end of a fiscal year and to expend those resources in a future fiscal year.

Subtitle (VI)(M) – User Fees for Events on Lands Managed by the Department of Energy and Environment Amendment Act of 2026

Background
The Department of Energy and Environment (DOEE) has administrative control over approximately 47 acres of land in the District, including Kingman and Heritage Islands. The subtitle authorizes DOEE to issue rules establishing fees for permitted and other use of property under the administrative control of DOEE. The subtitle directs DOEE to deposit any fees collected for these permits in the Anacostia River Clean Up and Protection Fund[171] (Fund) to support programs preventing pollution, and aiding wildlife rehabilitation and environmental health.

Financial Plan Impact
The subtitle authorizes DOEE to issue permits and charge fees for the use of properties under the administrative control of DOEE for private events and activities. DOEE will issue rules to set the fee levels and no permitted activities are expected until that time. As activities are permitted and fees are collected, they will be deposited into the Fund.

Subtitle (VI)(N) – Railroad Carrier Fee Pause Act of 2026

Background
The Department of Energy and Environment (DOEE) requires railroad carriers passing through the District to report the number of railroad cars that entered and exited[172] the District during a calendar year.[173] Railroad carriers should report the number of rail cars by June 1st annually. DOEE will assess each railroad carrier a fee of $0.60 per railroad car on August 1st annually and the railroad carriers are required to remit the fee to DOEE by November 1st. DOEE will deposit the fees into the Rail Safety and Security Fund (Fund)[174] to support the agency's emergency response, rail safety, and rail security programs.

The subtitle suspends DOEE's ability to enforce railroad carrier reporting and fee assessment regulations until September 30, 2027.

[171] Anacostia River Clean Up and Protection Act of 2009, September 23, 2009 (D.C. Law 18-55; D.C. Official Code § 8-102.05).
[172] Commuter rail carriers are only required to report the number of cars that enter the District.
[173] Railroad Carrier Fees, effective November 28, 2025 (20 DCMR §§ 5001 through 5006).
[174] Rail Safety and Security Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 8-151.08h).

Financial Plan Impact

The subtitle prohibits DOEE from requiring railroad carriers to track and report their railroad car traffic until October 1, 2027. Railroad carriers will be required to report their October 2027 through December 2027 railroad car counts by June 1, 2028 and DOEE will assess charges for payment by November 1, 2028. DOEE has not started collecting these fees into the Fund and there are currently no revenues certified from railroad carrier activities. Therefore, there is no revenue or operational impact on DOEE to implement the subtitle.

Subtitle (VI)(O) – Public Inconvenience Fee Amendment Act of 2026

Background

The District Department of Transportation (DDOT) charges a public inconvenience fee (PIF) for the temporary occupancy of public space that disrupts public access to that space for an extended period of time. DDOT does not charge a fee for the first thirty days of temporary occupancy, but begins to charge a per square foot fee for any sidewalks, parking lanes, travel lanes, or alleys occupied beyond thirty days up to a maximum fee per block per thirty-day period. DDOT charges variable fees depending on which part of public space is occupied and whether that public space is located within or outside of the District's Central Business District (CBD). DDOT deposits the PIF it collects into the Transportation Initiatives Fund.[175]

The subtitle increases the PIF according to the following chart.

Occupancy	Current Fee	Proposed Fee
First travel lane (CBD)	$0.04	$0.07
Second/Subsequent travel lane (CBD)	$0.06	$0.11
Alley (CBD)	$0.02	$0.04
Sidewalk (CBD)	$0.03	$0.06
Pedestrian Walkway Credit (CBD)	-$0.03	-$0.06
First travel lane	$0.03	$0.06
Second/Subsequent travel lane	$0.045	$0.09
Alley	$0.015	$0.03
Sidewalk	$0.02	$0.04
Pedestrian Walkway Credit	-$0.02	-$0.04

The subtitle also extends, from thirty days to sixty days, the grace period for utility operators applying for a public space occupancy permit. The subtitle dedicates the first $4,086,000 in PIF revenue to the District's Local Fund.

Financial Plan Impact

The subtitle's provisions to increase the PIF both within and outside the CBD will generate approximately $4.5 million annually in additional PIF revenues. The subtitle's provision to provide utility operators with an additional thirty-day grace period will reduce revenues by $379,000 annually. The subtitle directs the net incremental revenue from these changes to the District's Local

[175] District Department of Transportation Omnibus Amendment Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 50-921.13).

Fund by dedicating all PIF revenue after the first $4,086,000 to the Transportation Initiatives Fund; thereby retaining that first $4,086,000 in the Local Fund.

Subtitle (VI)(O) - Public Inconvenience Fee Amendment Act of 2026 Revenue Impact Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
New PIF Revenue	$4,465	$4,465	$4,465	$4,465	$17,860
Utility Grace Period	($379)	($379)	($379)	($379)	($1,516)
Net Incremental PIF Revenue[a]	**$4,086**	**$4,086**	**$4,086**	**$4,086**	**$16,344**

Table Notes
[a] The subtitle dedicates the first $4,086,000 of PIF revenue to the Local Fund.

Subtitle (VI)(P) – Building Energy Performance Standards Amendment Act of 2026

Background

The District requires all buildings to meet building energy performance standards (BEPS) set by the Department of Energy and Environment (DOEE).[176] All privately-owned buildings with at least 25,000 and 10,000 square feet of gross floor area must meet BEPS by 2028 and 2034, respectively. The subtitle delays BEPS applicability for 25,000 and 10,000 square foot buildings from 2028 and 2034 to 2029 and 2035. The subtitle also delays from 2028 to 2029 the start of the six-year cycle for DOEE to establish and update property types and BEPS for each property type. The subtitle delays the ability of a building owner to meet building-specific performance targets under a trajectory compliance pathway to align with the subtitle's 2029 delay for 25,000 square foot buildings.

Financial Plan Impact

DOEE manages the BEPS program through the setting of standards, receipt of energy benchmarking reports, enforcement, and monitoring of compliance efforts. DOEE can manage the bill's changes to the compliance timelines within its approved budget. The Department of General Services (DGS) estimates that it could cost over $340 million[177] in unfunded capital improvements, including for retrofits of a whole building, a whole system, or a system component, or a retrocommissioning of a current system, to meet a 35 percent reduction in energy usage by the end of the second BEPS cycle, which is 2033 under the subtitle's one-year delay. However, DGS does not yet have an approved compliance pathway with DOEE and the timing and extent of those costs will need to be reevaluated once the baselines and energy reduction targets are established.

[176] CleanEnergy DC Omnibus Amendment Act of 2018, effective March 22, 2019 (D.C. Law 22-257; D.C. Official Code § 8-1772.21).
[177] In 2025 dollars.

Subtitle (VI)(Q) – Zero-Emission Sport Utility Vehicle Purchases Amendment Act of 2026

Background

District law prohibits the government from leasing or purchasing sport utility vehicles (SUVs) for government uses, unless needed for security, emergency rescue, snow removal, or armored vehicles.[178] All other vehicle leases or purchases must be for vehicles that average at least 22 miles per gallon.

The subtitle authorizes the District to purchase SUVs for government operations if the SUVs are electric or zero-emissions vehicles that meet specific safety and design requirements[179].

Financial Plan Impact

The subtitle does not require the District to purchase SUVs, but authorizes their purchase if they meet certain criteria. The fiscal year 2027 budget does not include additional funds to purchase SUVs, so any purchases will replace other vehicle purchases. If an SUV purchase is more expensive than another vehicle, the District will purchase fewer vehicles overall within the approved budget.

Subtitle (VI)(R) – Electric Vehicle Purchases Amendment Act of 2026

Background

District law requires the government to lease or purchase only zero-emissions vehicles (ZEVs) beginning on January 1, 2026, except in cases where there is no such vehicle readily available on the market.[180]

The subtitle delays this requirement to January 1, 2031.

Financial Plan Impact

In the fiscal year 2027 proposed budget, approximately $2 million in new capital funding is available for vehicle purchases. Assuming an average cost of a gas-powered vehicle at $60,000 the District will be able to purchase 50 vehicles. The precise number of vehicles that will be purchased will depend on the type of vehicle needed (i.e. car, truck or special needs vehicle) for a given agency, and whether the procurement is a purchase or a lease.

ZEVs are generally more expensive; the precise premium varies by model and requirements. Assuming a 15 percent premium for ZEVs, the District will be able to purchase 43 vehicles instead of 50. Additionally, as the proportion of ZEVs in the fleet increases, the District will require significant infrastructure upgrades to service the changing fleet. A recent multi-agency project team report[181] estimates that as the fleet moves toward 100 percent zero emission, required infrastructure

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[178] Government Sport Utility Vehicle Purchasing Amendment Act of 2002, effective March 25, 2003 (D.C. Law 14-231; D.C. Official Code 50-203).

[179] That is, object detection, automatic braking, and blind spot monitoring, but also limits on weight, hood height, and front-end slope.

[180] Climate Commitment Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-176; D.C. Official Code § 8-151.09e(b)).

[181] "District of Columbia Strategic Fleet Electrification Plan", Multi-agency project team report, September 2025.

improvements will increase capital costs by $377 million over ten years. The report also estimates annual operating savings of $2 million annually at the end of fleet transition, as ZEVs save on fuel and maintenance.

Delaying the requirement to purchase ZEVs allows the District to purchase more vehicles over the financial plan and delay infrastructure improvements to accommodate zero emission vehicles to future years.

Subtitle (VI)(S) – Carrier-for-Hire and Food Access Support Amendment Act of 2026

Background

District law[182] establishes the For-Hire Vehicle Advisory Council (FHVAC), an 11-member[183] body that advises[184] the Department of For-Hire Vehicles (DFHV) on regulatory matters affecting the vehicle-for-hire industry. The subtitle modifies and increases[185] the composition of the FHVAC regarding community representatives, who are not District government employees, to include:

- 2 District residents who operate vehicles-for-hire[186];
- 2 representatives from companies that provide vehicle-for-hire services;
- 2 District residents with experience as carrier-for-hire[187] operators;
- 2 representatives from companies providing carrier-for-hire services;
- 2 representatives from the hospitality, food service, or tourism industries; and
- 3 District residents who are unaffiliated with the for-hire industry, but regularly use these services.

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182 D.C. Official Code § 50-301.20a.

183 The Directors of DFHV and the Department of Transportation (or their designees), and nine community representatives appointed by the Mayor. Community representatives include operators of vehicles-for-hire, industry service providers, hospitality or tourism industry representatives, and District residents who regularly use vehicle-for-hire services. Community members serve 3-year terms, with initial appointments staggered by lot, and may serve no more than two consecutive terms. The FHVAC elects a chair from among the community representatives for a two-year term and meets at least quarterly.

184 DFHV must provide an annual operating budget, including funding for a public website listing FHVAC members and posting meeting notices and minutes. The DFHV Director, or designee, must meet with the FHVAC chair once every 6-months to review recommendations submitted by the FHVAC. After each meeting, DFHV must publicly disclose the recommendations considered, the agency's decisions regarding those recommendations, and the rationale for each decision.

185 From 9 to 13.

186 D.C. Official Code § 50–301.03 defines "Private vehicle-for-hire" to mean a class of transportation service by which a network of private vehicle-for-hire operators in the District provides transportation to passengers to whom the private vehicle-for-hire operators are connected by digital dispatch. "Public vehicle-for-hire" means a class of transportation service by motor vehicle for hire in the District, including a taxicab, limousine, or sedan-class vehicle, that provides for-hire service exclusively using operators and vehicles licensed.

187 D.C. Official Code § 50–301.03 defines this as a class of transportation service by which a network of private operators, couriers, or carriers provide delivery of parcels, food, or beverages in the District for compensation.

The subtitle imposes a carrier-for-hire support surcharge[188] of $0.20 per trip for deliveries that physically terminate in the District. From the amounts collected from the surcharge, the following shall be credited to the Public Vehicles for Hire Consumer Service Fund[189] (Fund):

- The first $300,000 of the initial $7 million collected each year;
- 10 percent of any amount collected above $7 million.

All other collections are directed to local funds. The subtitle permits the revenues credited to the Fund be used[190] to create programs or provide financial assistance—such as grants, loans, or incentives—to support the carrier-for-hire industry. Eligible uses include improving operator safety, supporting operators' economic wellbeing, promoting delivery mode shifts, improving food access for underserved District residents, and supporting food service and retail businesses in the District.

The Fund also receives proceeds from passenger surcharges[191], including the current rate of $0.50 per trip[192]; public vehicle-for-hire licensing fees; excess collections[193] from the registration of out-of-state vehicles; assessments levied on taxicab and for-hire operators; fees for services; and a percentage of the gross receipts for non-taxicab private/public vehicles-for-hire that utilize digital dispatch for trips physically originating in the District.

Financial Plan Impact

The subtitle will increase special purpose revenue in the Public Vehicles for Hire Consumer Service Fund by $300,000 starting in fiscal year 2027 and a total of $1.2 million over the financial plan. The subtitle will increase local nontax revenue by $6.9 million starting in fiscal year 2027 and a total of $26.4 million over the financial plan.

Subtitle (VI)(S) – Carrier-for-Hire and Food Access Support Amendment Act of 2026 Total Revenue Increase ($ in thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Public Vehicles for Hire Consumer Service Fund	$300	$300	$300	$300	$1,200
Local Funds	$6,600	$6,600	$6,600	$6,600	$26,400
Total Revenue Increase	$6,900	$6,900	$6,900	$6,900	$27,600

[188] Carrier-for-hire companies are required to remit collections to the Office of the Chief Financial Officer quarterly.

[189] D.C. Official Code § 50-301.20.

[190] This special fund used to defray agency operating and administrative costs; to finance assistance for wheelchair accessible vehicle acquisition and maintenance; to support a fare discount program for low income seniors (65+) and persons with disabilities; and to deliver financial incentives for alternative fuel vehicles, service to underserved areas, and compliance with regulatory mandates.

[191] For fiscal years 2025, 2026, 2027, and 2028, 50 percent of funds collected are sent to the General Fund.

[192] Effective August 2, 2024: https://dfhv.dc.gov/release/changes-taxi-fares-effective-august-2.

[193] D.C. Official Code § 50-1501.03a: all funds collected from the registration of a motor vehicle by a non-resident in excess of the funds that would have been collected from the registration of an equivalent motor vehicle by a resident are deposited into the Out-Of-State Vehicle Registration Special Fund. The first $25 supports for-hire driver programs; revenues collected in excess of the $25 fee are for the Department of Motor Vehicles to defray operating costs; and any remaining monies are directed to the to the Public Vehicles-for-Hire Consumer Service Fund. Any collections unspent for either purpose revert to the General Fund.

Subtitle (VI)(T) – Public Restrooms Program Amendment Act of 2026

Background

District law[194] authorizes the Department of Public Works (DPW) to operate a public restroom facility program. DPW may contract with a provider to supply restrooms that are ADA-compliant, have running water without needing a municipal water connection, can be relocated, and support remote monitoring and automated hours. Contractors must provide 24/7 maintenance; collect and report monthly data on usage, vandalism, access methods, cleanliness, and user experience; and install units where DPW directs.

If funding is available, the DPW Director must initially place restrooms near prescribed[195] parks, plazas, and intersections, and within certain designated areas. The Director may later relocate any facility at their discretion. When selecting new sites, the Director must give priority to locations identified in a report[196] produced as required by law[197].

The subtitle updates the prescribed locations[198] and authorizes third-party sponsorship displays outside of the facilities with funds collected credited to the Solid Waste Diversion Fund[199]. The subtitle updates approved uses for monies in the fund to include[200] the costs of the Public Restroom Facilities Program.

Current law[201] authorizes the Mayor to issue rules and regulations to implement the public restrooms facility program within the District. The subtitle requires the Director of DPW to submit[202] proposed guidelines outlining the process for installing public restroom facilities and must address and evaluate rules that would allow public restroom facilities to be installed within curb lanes.

Current law[203] authorizes the Mayor to waive or reduce public space permit fees—excluding application fees—for projects that serve a public benefit, are conducted by civic associations[204] or Business Improvement Districts, do not involve commercial sponsorship, and do not impose costs on the District government. The subtitle amends the law to require the Mayor to waive all permit-

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[194] D.C. Official Code § 10-1053.01.
[195] Within 500 feet of: Dupont Circle Park; Columbia Heights Civic Plaza in Square 2843; Alethia Tanner Park; the intersection of Bladensburg Road, NE, and Maryland Avenue, NE; Eastern Market Metro Plaza in Square 901S; and the intersection of T Street, NW, and 7th Street, NW. Within the boundaries of: Oxon Run Park; Watkins Recreation Center; the Downtown DC Business Improvement District; and Marvin Gaye Park.
[196] Government of the District of Columbia. (2026, May 12). *Public Restrooms Working Group.* Retrieved from Office of the Deputy Mayor for Health and Human Services: https://dmhhs.dc.gov/page/public-restrooms-working-group
[197] D.C. Official Code § 10–1052.
[198] Three in Ward 1; two in Wards 2, 5, and 6; one in Wards 7 and 8.
[199] Established pursuant to Section 112 of the Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 8-1031.12).
[200] D.C. Official Code § 8-1031.12(c) allows for money in the fund to be used to offset the cost of developing new and additional methods of solid waste diversion in the District.
[201] D.C. Official Code § 10-1053.02.
[202] To the Public Space Committee, as established by Mayor's Order 2009-114, June 18, 2009 (56 DCR 6862).
[203] D.C. Official Code § 10-1141.03a.
[204] Defined as comprised of residents of the community, or are operated primarily for the improvement of the community, within which the public space, public right of way, or public structure is located; and are tax-exempt under section 501(c)(3) or (4) of the Internal Revenue Code.

related fees—including application fees and public space rental fees—for any applications connected to the Public Restroom Facility Program.

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. The Public Restroom Facility Program is limited to available funding. The budget includes $1.1 million in fiscal year 2027 and $4.5 million across the four-year financial plan for administration of public restrooms at DPW. The District Department of Transportation does not require additional resources to waive all permit-related fees—including application fees and public space rental fees—for applications connected to the Public Restroom Facility Program.

Subtitle (VI)(U) – Zero Waste Acceleration Act of 2026

Background
The subtitle authorizes[205] the Department of Public Works (DPW) to directly purchase public litter cans using funds designated for installing, replacing, or repairing them. These direct purchases:

- Must be used to pilot containerization solutions and evaluate their impact on rodent control, illegal dumping, neighborhood cleanliness, user experience, and operational efficiency;
- Are exempt from the Procurement Practices Reform Act of 2010; and
- Are limited to no more than 24 units of any specific container model.

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. The purchase of public litter cans is limited to available funding. The budget includes $100,000 in fiscal year 2027 and $227,445 in fiscal year 2028 for DPW to purchase public litter cans.

Subtitle (VI)(V) – Greenhouse Gas Emissions Study Amendment Act of 2026

Background
The subtitle requires the Department of Energy and Environment (DOEE) to issue a grant to an organization that can assess the costs of greenhouse gas emissions in the District between 1995 and 2024. The grant recipient should assess the cost effects of greenhouse gas emissions on public health, natural resources, biodiversity, agriculture, economic development, flood preparedness and safety, and housing. The study should include the costs incurred and to be incurred by the District and residents as a result of greenhouse gas emissions. The study should also determine whether a penalty assessed on significant emitters[206] of greenhouse gases over the study period would be passed on to District taxpayers. The subtitle provides that grant should be $200,000 and that the study should be completed and transmitted to Council by June 15, 2028.[207]

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[205] Until October 1, 2028.
[206] The subtitle proposes to study a penalty imposed on emitters of more than one billion tons of greenhouse gases over the study period.
[207] DOEE should issue the solicitation no later than April 15, 2027 and select the grant recipient no later than June 15, 2027.

Financial Plan Impact
The budget includes $50,000 in fiscal year 2027 and $150,000 in fiscal year 2028 for DOEE to issue a grant to produce a greenhouse gas emissions study.

Subtitle (VI)(W) – Advancing Community Needs at Ward 5 Recreation Centers Act of 2026

Background
The subtitle prohibits the construction or demolition of any structure (or permitting for such activity) at the Langdon Park and Community Center[208] and the Harry Thomas Recreation Center[209], unless specific design elements are included in rehabilitation plans for those spaces.

Design for future development of the Langdon Park and Community Center must include a gymnasium equipped for multi-sport use, including basketball, and a skate park with a 360 degree bowl.

Design for future development of the Harry Thomas Recreation Center and adjacent fields must include improvements to pedestrian accessibility throughout the campus, including adjacent properties operated by the District of Columbia Public Schools and Department of Human Services. Design must also ensure the interior building can accommodate space for community meetings, classes, and an existing kickboxing program. It must also include public restrooms open to the park and available when the recreation center is closed.

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. The required design elements could increase project costs if offsets are not made in other areas of the design. However, project expenses must remain within the approved capital budget levels.

Subtitle (VI)(X) – Adult Learner Transit Subsidy Increase Amendment Act of 2026

Background
The District Department of Transportation (DDOT) manages an adult learners' transit subsidy program.[210] Under the program, DDOT provides eligible adult learners with a $70 per month transit subsidy for use on the Washington Metropolitan Area Transit Authority's (WMATA) Metrorail and Metrobus systems in the District. To be eligible, an adult learner must be eighteen years of age or older, a District resident, enrolled in an adult learning program,[211] and not otherwise eligible for a free transit fare.

[208] Located at Lot 820 in Square 4215 and Lot 828 in Square 4216.
[209] Located at Lots 891 and 894 in Square 3530 and Lot 808 in Square 3527.
[210] Student, Foster Youth, Summer Youth Employee, and Adult Learner Transit Subsidies Act of 2019, effective September 11, 2019 (D.C. Law 23-16; D.C. Official Code § 35-246).
[211] Eligible learning programs are those that are operated by or receive funding from a District-based local education agency, District of Columbia Public Library, the Office of the State Superintendent of Education, or the University of the District of Columbia Workforce Development and Lifelong Learning Program.

The subtitle increases the monthly subsidy amount from at least $70 to at least $100.

Financial Plan Impact

The subtitle increases the adult learner transit subsidy from $70 per month to $100 per month. While there are over 4,000 unique participants in the subsidy program each month during school sessions, only about 30 percent of users utilize the full benefit or nearly the full benefit. If these users continue to use the full benefit at the higher monthly amount, it will cost the District $376,656 in fiscal year 2027 and approximately $1.6 million over the four-year financial plan period. The District's subsidy to WMATA is enhanced to include the annual cost of the increased subsidy.

Subtitle (VI)(X), Adult Learner Transit Subsidy Increase Amendment Act of 2026 Increased Subsidy Amount ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Additional Subsidy	$377	$384	$392	$400	$1,553

Subtitle (VI)(Y) – CRIAC Clarification Amendment Act of 2026

Background

DC Water charges properties in the District a Clean Rivers Impervious Area Charge (CRIAC) that is assessed against portions of their property that either prevent water flow into the ground or cause an increased flow of water that is not present under natural conditions.[212] Impervious surfaces include things like rooftops, driveways, courts, and other paved areas. Funds from the CRIAC charge support the DC Water's Clean Rivers Project to prevent significant water flows into the District's waterways.

The subtitle clarifies DC Water's ability to charge a CRIAC fee to all properties in the District, including those that do not receive water and sewer services. Some property owners, such as parking lots, do not receive DC Water services, but have impervious services that were intended to be charged when the CRIAC fee was authorized. The subtitle makes this clarification effective as of March 25, 2009. This clarification is currently in effect under temporary authorization.[213]

Financial Plan Impact

DC Water currently assesses all properties for CRIAC and there are no costs associated with clarifying that the charge does apply to all properties, regardless of the DC Water services they receive or the absence of any services.

[212] Water and Sewer Authority Equitable Ratemaking Amendment Act of 2008, effective March 25, 2009 (D.C. Law 17-370; D.C. Official Code § 34-2107).
[213] CRIAC Clarification Temporary Amendment Act of 2025, effective December 31, 2025 through August 13, 2026 (D.C. Law 26-74; 73 DCR 607).

Subtitle (VI)(Z) – DC Water and Sewer Authority Late Fee Clarification Amendment Act of 2026

Background

DC Water charges residents and business for the amount of water and sewer services they receive. When retail customers fail to pay their bills on time, DC Water can assess penalties and fees. DC Water currently assesses a penalty of 10 percent of outstanding amounts after they go unpaid for thirty days and one percent per month, compounded monthly, after amounts go unpaid for sixty days.[214] Despite having broad authority[215] to charge late payment penalties, legal concerns have been raised about DC Water's ability to charge late payment penalties for water services.[216]

The subtitle clarifies DC Water's authority to charge late payment penalties by codifying the current penalties for both water and sewer services. This clarification is currently in effect under emergency authorization.[217]

Financial Plan Impact

The subtitle's proposed late payment penalties are consistent with DC Water's current practices and there is no cost to implement the subtitle.

Subtitle (VI)(AA) – District Waterways Management Clarification Amendment Act of 2026

Background

In fiscal year 2024, the Department of Energy and Environment (DOEE) opened the Office of District Waterways (Office). The Office was established to plan for, promote, advocate for, and facilitate coordination of waterway uses and adjacent property. The Office has worked with neighboring jurisdictions, provided advice to the Mayor and the Council, and worked with the District Waterways Advisory Commission (Commission). The 24-member Commission was established to develop the District Waterways Advisory Plan (Advisory Plan) assessing the uses, opportunities, and risks of the District's waterways and adjacent properties.

The subtitle reduces from 90 days to 45 days the amount of Council review for Mayoral appointees to the Commission. The subtitle adds a representative from the Department of Parks and Recreation and the Office of Planning as *ex officio* non-voting members of the Commission. The subtitle also requires the Mayor to request the United States Army Corps of Engineers, Fort Leslie J. McNair, Joint Base Anacostia-Bolling, and the Washington Navy Yard appoint an *ex officio* non-voting member to the Commission.[218] The subtitle reduces the minimum required Commission meeting frequency from monthly to once every two months.

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[214] Fees, effective July 25, 2025 (21 DCMR § 112.4).
[215] Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (D.C. Law 11-111; D.C. Official Code § 34-2202.16(d)).
[216] There is presently less legal ambiguity around DC Water's ability to charge late payment penalties for sewer services.
[217] DC Water and Sewer Authority Billing and Disconnection Clarification Emergency Amendment Act of 2026, effective May 29, 2026 through August 27, 2026 (D.C. Act 26-339; 73 DCR 8207).
[218] These requested appointees are in addition to the requests of the National Park Service, United States Coast Guard, Metropolitan Washington Area Airports Authority, and the National Capital Planning Commission.

The subtitle delays the Advisory Plan development from one year after the Commission's fourteen voting members are fully seated to two years. The subtitle also extends from two years to three years when the Commission should update the Advisory Plan and only requires the update if the Commission deems it necessary.

These changes are currently effective under temporary legislation.[219] The subtitle makes these changes effective August 13, 2026, which is the date the temporary legislation expires.

Financial Plan Impact

DOEE requires additional contract resources to support the Commission and the development of the Advisory Plan under the new timelines. The budget utilizes $250,000 in fiscal year 2027 and $50,000 in fiscal year 2028 of Stormwater Permit Compliance Enterprise Fund[220] resources to support this contract need.[221] There are no costs associated with adjusting the membership and membership approval processes for the Commission.

Subtitle (VI)(BB) – Energy Efficiency Bond Cap Amendment Act of 2026

Background

The DC Green Bank administers the District's Commercial Property Assessed Clean Energy (C-PACE) Program to finance energy efficiency, water efficiency, and renewable energy improvements in residential, commercial, or industrial buildings.[222] The C-PACE Program initially had the District issuing debt on behalf of a commercial building and then the debt was repaid by an assessment on the building's real property tax bill. Now the DC Green Bank can also accept private grant funds to support the issuance of debt for these same building improvements. Currently, the DC Green Bank is limited to issuing $250 million in debt to support the C-PACE Program.[223]

The subtitle eliminates the $250 million cap on debt issuance to support the C-PACE Program. The cap is currently eliminated under temporary legislation.[224]

Financial Plan Impact

The debt issued by the DC Green Bank for the C-PACE Program is not part of the District's overall debt cap calculation and there is no cost to implement the subtitle's elimination of the $250 million debt issuance limit.

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[219] Office of District Waterways Management Establishment Temporary Amendment Act of 2025, effective December 31, 2025 (D.C. Law 26-75; 73 DCR 608).
[220] Comprehensive Stormwater Management Enhancement Amendment Act of 2008, effective March 25, 2009 (D.C. Law 17-731; D.C. Official Code § 8-152.02).
[221] Subtitle (VI)(G) of this Budget Support Act increases revenues for the Storm Water Permit Compliance Enterprise Fund.
[222] Energy Efficiency Financing Act of 2010, effective May 27, 2010 (D.C. Law 18-183; D.C. Official Code § 8-1778.01 et seq.).
[223] D.C. Official Code § 8-1778.22(a).
[224] Energy Efficiency Financing Debt Cap Temporary Amendment Act of 2026, effective March 24, 2026 (D.C. Law 26-106; 73 DCR 1076).

Subtitle (VI)(CC) – Enforcing Truck-Restricted Routes Amendment Act of 2026

Background

The District Department of Transportation (DDOT) manages the Automated Safety Camera (ASC) program to enforce certain moving violations in the District. These violations include, but are not limited to, speeding, running red lights, failing to stop at a stop sign, illegally driving in a dedicated bus lane, and driving on a truck-restricted roadway.

The subtitle requires DDOT to install three additional truck-restricted route cameras in Ward 5.

Financial Plan Impact

DDOT will lease three additional cameras and install them on truck-restricted roadways in Ward 5. The camera leases will cost $150,480 in fiscal year 2027 and $620,000 over the four-year financial plan period. It will take approximately six months for the cameras to be leased, installed, tested, and issue warnings before they start issuing live citations. Once the cameras begin issuing live citations, these citations will generate additional revenue of $83,000 in fiscal year 2027 and $563,000 over the four-year financial plan period.

Enforcing Truck-Restricted Routes Amendment Act of 2026 Net Fiscal Impact ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Camera Lease Costs	($150)	($153)	($157)	($160)	($620)
Citation Revenue	$83	$163	$160	$157	($563)
Net Impact	($67)	$10	$3	($3)	($57)

Subtitle (VI)(DD) – District Department of Transportation Budget Authority Amendment Act of 2026

Background

The DC Trail Rangers Program is a partnership between the District Department of Transportation (DDOT) and the Washington Area Bicyclist Association to maintain the District's multi-use trails. The subtitle authorizes DDOT to issue grants exceeding $1 million to support the DC Trail Rangers Program.

The 11th Street Bridge Park is planned to be an elevated public park over the Anacostia River, located on the abandoned piers of the old 11th Street Bridge. The park's construction will be both publicly and privately funded and current law restricts the release of public funding until the park's supporters raise $35 million in private funds for construction. The subtitle amends when public funds can be released for the project from the $35 million in privately raised funds to the raising of 43.5 percent of the projected construction costs from private sources.

The subtitle authorizes DDOT to enter into the private sponsorship of recreational facilities and other improvements related to the Garfield Park Connector. These facilities and improvements include sports fields and courts, storage containers or facilities, vending facilities, or art installations.

Financial Plan Impact
The fiscal year 2027 budget provides nearly $1.1 million for DDOT to grant the DC Trail Rangers Program, exceeding DDOT's current grant authority.[225] The subtitle will allow DDOT to grant this funding.

DDOT has a balance of approximately $82.3 million in capital funds for approved capital plans prior to fiscal year 2027 to support the 11th Street Bridge Park project. The fiscal year 2027 includes an additional $8.5 million in one-time funding to support the project.

The fiscal year 2027 capital budget includes $250,000 to support amenities at the Garfield Park Connector.

Subtitle (VI)(DD), District Department of Transportation Budget Authority Amendment Act of 2026 Additional Grant and Capital Project Funds ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
DC Trail Rangers Program	$1,065	$1,086	$1,108	$1,130	$4,389
11th Street Bridge Park – New	$8,500	$0	$0	$0	$8,500
Garfield Park Connector Amenities	$250	$0	$0	$0	$250

Subtitle (VI)(EE) – Performance Parking Zone Fund Modification Amendment Act of 2026

Background
The Performance Parking Program Fund (Fund) collects all parking meter revenue from the Greater U Street Performance Parking Zone[226] beyond a baseline amount of revenue established by the District Department of Transportation (DDOT). DDOT uses the Fund's resources to cover ongoing meter and signage maintenance within the parking zone and for place management, public space maintenance and improvements, public safety initiatives, and support for businesses within and adjacent to the parking zone.

The subtitle renames the Fund as the Greater U Street Parking Benefit Fund and expands the Fund's allowable uses. DDOT will be able to use up to $2,550,000 of the Fund's resources across fiscal years 2026 and 2027 to support the Automated Curbside Management Program (Program) established under this subtitle and explained below. The subtitle authorizes the Department of Small and Local Business Development (DSLBD) to issue a grant from the Fund of up to $1 million in fiscal year 2027 to support place management activities in the parking zone. The subtitle also authorizes DSLBD to use up to $800,000 of the Fund's resources starting in fiscal year 2028 as a matching grant to support place management activities in the parking zone. The subtitle establishes that Business Improvement District taxes are an authorized source against which an organization can seek a dollar-for-dollar

[225] Department of Transportation Establishment Amendment Act of 2008, effective October 22, 2008 (D.C. Law 17-248; D.C. Official Code § 50-921.092(c)(1)).
[226] Greater U Street Performance Parking Zone Amendment Act of 2023, effective September 6, 2023 (D.C. Law 25-50; D.C. Official Code § 50-2538).

matching grant. The subtitle authorizes the Mayor to issue a grant of up to $250,000 annually from the Fund beginning in fiscal year 2028 to the African American Civil War Museum.[227]

The subtitle establishes the Program to manage curbside uses through automated payment systems and automated enforcement. The Program should use cameras, sensors, and other technology to assess real-time curbside uses and provide curbside users with the opportunity to pay through automatic charging, invoicing, or other means. The subtitle authorizes DDOT to use dynamic pricing and issue limited warning citations[228] for the curbside uses under the Program. DDOT should begin operating the program within six months of the subtitle's applicability date of June 23, 2026. The subtitle requires DDOT to deposit any fiscal year 2027 Program revenue derived from loading zone management, beyond what is officially certified, into the Fund to reimburse the Fund for any Fund resources used in fiscal years 2026 and 2027 to operate the Program.

With the establishment of the new Program, the subtitle repeals DDOT's existing authority[229] to establish a curb loading zone management program.

Financial Plan Impact

The Fund and parking zone are both established, but no expenditures were made from the Fund in fiscal year 2025 or were included in the original fiscal year 2026 budget. The fiscal year 2026 revised budget certifies approximately $2.75 million in revenue for the Fund and the fiscal year 2027 through fiscal year 2030 annual budget and financial plan certifies $1.38 million annually in revenue for the Fund. The Fund is a non-lapsing fund, so any of the fiscal year 2026 certified revenues not used for budget purposes in the revised budget will be available in the Fund in subsequent years.

When DDOT first launches the Program, the agency expects to start managing curbside uses related to picking up or dropping off passengers and goods at short-term parking zones or loading or unloading goods at loading zones. The Program is expected to cost $600,000 in fiscal year 2026 and $1.95 million annually thereafter to install, operate, and maintain cameras; issue citations; and collect user fees. To support the Program, DDOT will utilize $600,000 of Fund resources in the revised fiscal year 2026 budget and $1.95 million in fiscal year 2027 for a total of $2.55 million over the two budget periods. Beginning in fiscal year 2028, the Program expects to generate sufficient revenues from loading zone uses and loading zone-related citations to support the Program's ongoing operations. The Program will generate $1.96 million in fiscal year 2028 and $6.2 million over the fiscal year 2028 to fiscal year 2030 financial plan period. DDOT will deposit Program revenue into the District Department of Transportation Enterprise Fund for Transportation Initiatives.[230] Revenue from the Program's loading zone uses will exceed expenses by a total of $328,000 over the financial plan period. The chart below outlines the Program's funding.

[227] The museum is located at 1925 Vermont Avenue, N.W.

[228] The subtitle allows the Program to issuing warning citations for the first month after the Program is operational.

[229] Commercial Curbside Loading Zone Implementation Act of 2009, effective October 22, 2009 (D.C. Law 18-66; D.C. Official Code § 50-2651 et seq.).

[230] Department of Transportation Enterprise Fund Amendment Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 50-921.13).

Subtitle (VI)(E) – Performance Parking Zone Fund Modification Amendment Act of 2026 Automated Curbside Management Program Operating Costs and Revenues ($ thousands)						
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Program Costs	($600)	($1,950)	($1,950)	($1,950)	($1,950)	($8,400)
Available Resources						
Fund[a]	$600	$1,950	$0	$0	$0	$2,550
Program Operations[b]	$0	$0	$1,956	$2,127	$2,095	$6,178
Total Resources	$600	$1,950	$1,956	$2,127	$2,095	$8,728
Program's Net Operations	$0	$0	$6	$177	$145	$328

Table Notes
[a] Unbudgeted fiscal year 2026 revenues will be carried forward in the non-lapsing Fund and budget for use in fiscal year 2027.
[b] The Program's operating revenues will be deposited into the District Department of Transportation Enterprise Fund for Transportation Initiatives. The chart only reflects revenues from loading zones within the Program. No Program revenues are currently expected in fiscal year 2027 to reimburse the Fund.

If the Program generates parking meter revenues from short-term parking zones, those revenues will support the District's subsidy to the Washington Metropolitan Area Transit Authority. If the Program generates citation revenues related to short-term parking zones, DDOT will deposit those into the District's Local Fund. The current budget and financial plan does not certify revenues for short-term parking uses from the Program.

The subtitle's grant provisions of $1 million in fiscal year 2027 and $800,000 annually thereafter will be paid with the Fund's annual revenues of $1.38 million plus certified revenue carried forward to fiscal year 2027. The following chart outlines the newly certified revenues and the planned uses under the subtitle from fiscal year 2027 through fiscal year 2030. Approximately $580,000 will be available annually in the Fund to support other authorized uses, including the $250,000 annually authorized beginning in fiscal year 2028 to support the African American Civil War Museum.

Subtitle (VI)(EE) – Performance Parking Zone Fund Modification Amendment Act of 2026 Greater U Street Parking Benefit Fund Impacts ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Fund Resources[a]					
Prior Year Fund Balance[b]	$2,155	$0	$0	$0	$2,150
Fund Revenue	$1,380	$1,380	$1,380	$1,380	$5,520
Total Fund Resources	$3,535	$1,380	$1,380	$1,380	$7,675
Subtitle's Authorized Uses					
DSLBD Grant Funds	($1,000)	($800)	($800)	($800)	($3,400)
Program	($1,950)	$0	$0	$0	($1,950)
Total Uses	($2,950)	($800)	($800)	($800)	($4,350
Remaining Performance Parking Zone Revenue	$585	$580	$580	$580	$2,325

Table Notes
[a] The fiscal year 2026 revised budget and the fiscal year 2027 through fiscal year 2030 budget and financial plan certify revenues for the Fund for the first time.
[b] The Fund balance excludes $600,000 of fiscal year 2026 certified revenue used to support the Program in fiscal year 2026.

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – Sales Tax Increase Delay Amendment Act of 2026

Background
In fiscal year 2024, the Council approved an increase to the District's general sales and use tax rates from 6 percent prior to fiscal year 2026 to 6.5 percent for fiscal year 2026 and 7 percent for fiscal year 2027 and each year thereafter. In fiscal year 2025, Council repealed the fiscal year 2026 increases to 6.5 percent, thereby delaying any sales and use tax increases until the rates change to 7 percent increase starting in fiscal year 2027.

The subtitle further delays the increases to the sales and use tax rates by one year. The rates will now increase to 7 percent beginning in fiscal year 2028.

Financial Plan Impact
The subtitle maintains the general sales and use tax rates at 6 percent for fiscal year 2027. This delay creates a direct, one-time reduction in sales and use tax collections of $150.7 million in fiscal year 2027. As explained below, the impact of this change on the District's dedication to the Arts and Humanities Fund[231] (Fund) will cause approximately $4.3 million in sales and use tax collections to stay available for general budget uses. The net impact on fiscal year 2027 sales and use tax collections is a reduction of $146.4 million.

The fiscal year 2027 reduction in sales and use tax collections will impact the District's dedication[232] to the Fund, which receives the lesser of 4.286 percent of sales tax collections or 102 percent of sales tax collections from the prior year. The reduced fiscal year 2027 sales and use tax collections means that the Fund receipts will be calculated in fiscal year 2027 on the 4.286 percent of fiscal year 2027 collections. In subsequent years, Fund receipts will be calculated on 102 percent of that calculated fiscal year 2027 lower amount. Therefore, the Fund will see a lower dedication over the four-year financial plan period. The reduced dedication amounts are concurrently recognized as an increase in Local Funds sales and use tax receipts of approximately $4.3 million in fiscal year 2027 and $17.7 million over the four-year financial plan period.

The table on the following page outlines the net impacts on both available local resources and the Fund.

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[231] Arts and Humanities Enterprise Fund Establishment Amendment Act of 1997, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01).
[232] Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code §§ 47-2002(d) and 47-2202(b)).

Subtitle (VII)(A) – Sales Tax Increase Delay Amendment Act of 2026 Local and Dedicated Tax Revenue Impacts Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Local Fund Sales and Use Taxes	($146.4)[a]	$4.4	$4.5	$4.5	($133.1)[b]
Arts and Humanities Fund	($4.3)	($4.4)	($4.5)	($4.5)	($17.7)

Table Notes

[a] The net loss of $146.4 million includes a loss of $150.7 million and an increase of $4.3 million associated with the Arts and Humanities Fund reduction.

[b] Amounts may not add due to rounding.

Subtitle (VII)(B) - Hotel and Rental Car Taxes Amendment Act of 2026

Background

The subtitle increases the rate of sales and use tax on charges for the rental or leasing of rental vehicles and utility trailers from 9.25 percent to 11 percent. It also provides for these tax rates to apply to "peer-to-peer rental sharing" arranged through a marketplace[233].

The subtitle indefinitely extends a separate, additional 1 percent sales tax on hotel rooms[234] that was set to expire September 30, 2027. The subtitle changes the current dedications for this revenue, beginning in fiscal year 2028, so that two-thirds is dedicated to the Washington Convention and Sports Authority (Events DC), for transfer to Destination DC for the purposes of marketing and promoting the District as a destination, and one-third will be dedicated to the Office of the Deputy Mayor for Planning and Economic Development (DMPED), for transfer to the Washington DC Economic Partnership (WDCEP).

Financial Plan Impact

From the increase of the sales tax rate on rental vehicles and trailers, the subtitle generates for Local Funds $2.56 million in fiscal year 2027 and a total of $10.28 million over the financial plan. From the extension of the 1 percent hotel sales tax surcharge, the subtitle generates $68.9 million for dedicated funds between fiscal year 2028 and fiscal year 2030 ($45.9 million dedicated to Destination DC and $23 million dedicated to WDCEP).

Hotel and Rental Cars Taxes Amendment Act of 2026 Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Additional revenue for Local Funds	$2,561	$2,508	$2,582	$2,633	$10,284

[233] As defined in D.C. Official Code § 47-2001(g-4).

[234] D.C. Official Code § 47–2002.03a(2).

Hotel and Rental Cars Taxes Amendment Act of 2026 Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Additional dedicated revenue to be used for Destination DC[a]	$0	$14,954	$15,308	$15,671	$45,934
Additional dedicated revenue to be used for WDCEP[b]	$0	$7,477	$7,654	$7,836	$22,967
TOTAL	**$2,561**	**$24,939**	**$25,545**	**$26,140**	**$79,184**

Table notes
a) To be transferred through Events DC.
b) To be transferred through DMPED

Subtitle (VII)(C) – Frequency Standardization for Contributions to District Government Employee Benefit Funds Amendment Act of 2026

Background

The subtitle amends District law to provide that the appropriated amounts for the District's required contributions to the Other Post-Employment Benefits (OPEB) Fund be made on a regular pay-period basis. It also amends the required deposit schedule for the District's contributions to the Police Officers and Fire Fighters' Retirement Fund and the Teachers' Retirement Fund (collectively the Retirement Funds) to make the payments due on the 15th and last day of every month rather than by 30 days after the start of each fiscal year.

Employees who participate in the District's deferred compensation plan pursuant to Section 457 of the Internal Revenue Code receive a District contribution[235] to a Section 401(a)[236] Trust. Current law requires the District's contributions to be made no less frequently than quarterly, and the subtitle amends the timing to be on a regular pay-period basis.

The District of Columbia Retirement Board must include a review of the new payment schedule in its next experience study conducted by its actuary, to assess whether the payment schedule change had an adverse impact on its cash flow or the funding levels of its Fund.

Financial Plan Impact

Funds are sufficient to implement the subtitle. The subtitle will increase costs in fiscal years 2029 and fiscal year 2030, but revenue increases from the subtitle more than offset the increased costs. In total, the subtitle increases District Local Fund resources by $4.6 million in fiscal year 2027 and a total of $13.8 million over the financial plan.

[235] In an amount of 5 percent of base salary, or 5.5 percent in the case of corrections officers.
[236] Internal Revenue Code, 26 U.S.C. § 401.

Currently, the entire amount appropriated each fiscal year for the District's required contributions to the OPEB Fund and the Retirement Funds are made each October, at the beginning of each fiscal year. In fiscal year 2027, the District expects to make a total of approximately $309 million in these contributions. The subtitle defers the annual OPEB and Retirement Funds contributions from being made in one payment in the first month of the fiscal year to regular semi-monthly installments. Under the subtitle's payment schedule, the District will increase its average cash balance for fiscal year 2027 by approximately $150 million. The additional balance in fiscal year 2027, and similar balances in each year of the financial plan, are projected to increase interest earnings by $4.6 million in fiscal year 2027 and a total of $16.3 million over the financial plan.

The OPEB Fund and the Retirement Funds will have less cash to invest over the course of each fiscal year under the subtitle. The District's annual required contributions to the funds decrease and increase in part due to investment performance of the Fund, but such fluctuations are amortized over a twenty-year period. The first actuarial valuation to be performed after fiscal year 2027 will be the valuation to calculate required District contributions for fiscal year 2029. This fiscal impact assumes the funds will earn their long-term expected average rate of return in fiscal year 2027 and each year. Under this assumption, the subtitle will increase the District's OPEB and Retirement Funds contributions by approximately $840,000 in fiscal year 2029 and $1.68 million in fiscal year 2030. The cost of these increased contributions has been accounted for in the proposed financial plan.

Subtitle (VII)(C) – Frequency Standardization for Contributions to District Government Employee Benefit Funds Amendment Act of 2026 Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Revenue Increase – Interest Earning	$4,645	$4,590	$3,919	$3,121	$16,275
Less: Increase in OPEB contribution	($0)	($0)	($250)	($485)	($735)
Less: Increase in Retirement Funds contribution	($0)	($0)	($590)	($1,186)	($1,776)
Net Impact	**$4,645**	**$4,590**	**$3,079**	**$1,450**	**$13,764**

Subtitle (VII)(D) – Navy Yard BID Redesignation Amendment Act of 2026

Background
The subtitle redesignates the Capitol Riverfront Business Improvement District (BID) the Navy Yard BID. The BID is already operating as the Navy Yard BID.

Financial Plan Impact
There is no impact on the budget and financial plan to update the name of the BID in the D.C. Official Code.

Subtitle (VII)(E) – Northeast Heights Tax Increment Financing Act of 2026

Background

The subtitle establishes the Northeast Heights TIF Area, which consists of the existing East River Park and Senator Square shopping centers, located in the southeast and southwest quadrants of the intersection of Benning Road NE and Minnesota Avenue NE. The developer, Standard Real Estate Development, plans to build 1,154,666 gross square feet of new development within the TIF Area, including multifamily units, ground-level retail, a market, parking, and new utilities and streets. The subtitle also establishes a Northeast Heights TIF Fund (Fund) into which the District will deposit the incremental real property and sales tax revenues generated from the TIF area. The subtitle authorizes the District to issue up to $47 million in debt secured by the incremental tax revenues in the Fund and to use those incremental revenues to pay the debt service on the bonds. Bond proceeds may be used by the developer to pay eligible development costs, including sitework and horizontal improvements, environmental remediation, design and engineering, and construction.

Incremental tax revenue from the TIF area is determined by deducting taxes collected in the base year, defined for sales and property tax as the respective tax years that precede the effective date of the subtitle. After payment of annual debt service on the TIF bonds, any excess tax increment remaining in the Fund each year will be equally divided between the payment of outstanding principal on the TIF debt and transfers to the unrestricted balance of the District's General Fund.

The subtitle establishes the administrative and technical procedures for the bond issuance.

Financial Plan Impact

Before the OCFO authorizes issuance of the bonds, the OCFO's Office of Economic Development Finance (EDF) will confirm that the projected incremental tax revenues from the development project will be sufficient to pay the debt service. The debt service for the Northeast Heights TIF debt is included in the debt cap analysis prepared for the fiscal year 2027 budget and financial plan.

Subtitle (VII)(F) – Bryant Street Phase 2 Tax Increment Financing Act of 2026

Background

The subtitle establishes the Bryant Street Phase 2 TIF Area, which is part of the existing Rhode Island shopping center bounded by 4th Street NE to the west, Rhode Island Avenue NE to the south, and the existing Bryant Street Phase I TIF Area to the east. The developer, MBR Venture Phase 2, LLC, plans to build approximately 580,000 gross square feet of new development in the TIF Area, including multifamily units, ground-level retail, a market, parking, and new utilities and streets, and a public-facing plaza. The subtitle also establishes the Bryant Street Phase 2 TIF Fund (Fund), into which the District will deposit incremental real property and sales tax revenues generated from the TIF area. The subtitle authorizes the District to issue up to $26 million in debt secured by incremental tax revenues and to use those incremental revenues to pay the debt service on the bonds. Bond proceeds may be used by the developer to pay eligible development costs, including infrastructure improvements and environmental remediation costs.

Incremental tax revenue from the TIF area is determined by deducting taxes collected in the base years, defined for sales and property tax as the respective tax year's that precede the effective date of the subtitle. After payment of annual debt service on the bonds, any excess tax increment remaining in the Fund each year will be equally divided between the payment of outstanding principal on the TIF debt and transfers to the unrestricted balance of the District's General Fund.

The subtitle establishes the administrative and technical procedures for the bond issuance.

Financial Plan Impact
Before the OCFO authorizes issuance of the bonds, the OCFO's Office of Economic Development Finance (EDF) will confirm that the projected incremental tax revenues from the development project will be sufficient to pay the debt service The debt service for the Bryant Street Phase 2 TIF debt is included in the debt cap analysis for the fiscal year 2027 budget and financial plan.

<u>Subtitle (VII)(G) – Frank D. Reeves Municipal Center Tax Increment Financing Act of 2026</u>

Background
The subtitle establishes the Frank D. Reeves Municipal Center TIF Area that consists of the area bounded by V Street NW to the north, 14th Street NW to the east, U Street to the south, Sonnet and Portner Flats apartments to the Southwest and Geno Baroni apartments to the Northwest. The developer, Reeves CMC Venture, LLC, plans to construct approximately 700,000 gross square feet of new development in the TIF Area, including office space, a hotel, ground-level retail, and an arts space. The subtitle also establishes the Frank D. Reeves Municipal Center TIF Fund (Fund) into which the District will deposit the incremental real property and sales tax revenues generated from the TIF area. The bill authorizes the District to issue up to $32 million in debt secured by incremental tax revenues and to use those incremental revenues to pay the debt service on the bonds. Bond proceeds may be used by the developer to pay development costs associated with infrastructure and public amenities.

Incremental tax revenue from the TIF area is determined by deducting taxes collected in the base years, defined for sales and property tax as the respective tax year's that precede the effective date of the subtitle. Any excess tax increment remaining in the Frank D. Reeves Municipal Center TIF Fund each year will be equally divided between the payment of outstanding principal on the TIF debt and transfers to the unrestricted balance of the District's General Fund.

The subtitle establishes the administrative and technical procedures for the bond issuance.

Financial Plan Impact
Before the OCFO authorizes issuance of the bonds, the OCFO's Office of Economic Development Finance (EDF) will confirm that the projected incremental tax revenues from the development project will be sufficient to pay the debt service of the bonds. The debt service for the Frank D. Reeves Municipal Center TIF debt is included in the debt cap analysis for the fiscal year 2027 budget and financial plan.

Subtitle (VII)(H) – National Council of Negro Women, Inc., Real Property Tax Exemption Act of 2026

Background

The subtitle provides a real property tax exemption for property located at Lot 810 in Square 460, so long as it is owned by the National Council of Negro Women, Inc. and used at least in part as the organization's headquarters. If not used entirely as the organization's headquarters, the property must be used for other educational or charitable purposes.

Financial Plan Impact

The subtitle's exemption will reduce revenues by $170,000 in fiscal year 2027 and a total of $699,000 over the financial plan.

Subtitle (VII)(I) – Tax Code Conformity and Clarification Amendment Act of 2026

Background

The 2025 federal One Big Beautiful Bill Act[237] (OBBBA) extended and adjusted the 2017 Tax Cuts and Jobs Act[238] (TCJA) changes and imposed additional federal tax reforms. The Council approved emergency[239] and temporary legislation[240] to decouple the District's tax laws from several of the OBBBA provisions for tax year 2025.[241] These changes impacted both individual and business income taxes. The subtitle codifies changes previously enacted in the emergency (and temporary) legislation where applicable to tax year 2025, except for making one change to the qualified small business stock provisions. Under the subtitle, the District aligns with OBBBA's allowable deduction for the exchange of qualified small business stocks, if the exchange took place prior to December 3, 2025.

The subtitle also decouples and, in some cases, affirmatively couples with various provision of OBBBA for tax years after tax year 2025. The subtitle decouples, through tax year 2029, the District from OBBBA's standard deduction provisions in favor of maintaining the TCJA standard deduction amounts for tax year 2025 with an annual cost of living adjustment. The standard deduction from income is used by taxpayers that elect not to itemize deductions prior to determining their taxable income.. The subtitle also ensures that District taxpayers file their District income taxes using the decoupled standard deduction amount for the purpose of determining who needs to file a District income tax return.

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[237] Public Law 119-21, July 4, 2025, 139 Stat.72.
[238] Public Law 115-97, December 22, 2017, 131 Stat. 2054.
[239] D.C. Income and Franchise Tax Conformity and Revision Emergency Amendment Act of 2025, effective December 5, 2025 (D.C. Act 26-214; 72 DCR 013684).
[240] D.C. Income and Franchise Tax Conformity and Revision Temporary Amendment Act of 2025, effective February 12, 2026 (D.C. Law 26-98; 73 DCR 2114).
[241] Congress filed a disapproval resolution (Disapproving the action of the District of Columbia in approving the D.C. Income and Franchise Tax Conformity and Revision Temporary Amendment Act of 2025, approved February 18, 2026 (Public Law 119-78; 140 Stat. 747)).

The subtitle makes permanent a stand-alone D.C. Official Code section for individual, estate, and trust income tax deductions and allowances. The subtitle also makes permanent the repeal of the personal exemption for District taxpayers.[242]

Beginning in tax year 2026, the subtitle couples with certain deductions that were allowed at the federal level under OBBBA by allowing District taxpayers to take deductions for qualified tips,[243] overtime earnings,[244] personal car loan interest,[245] and an enhanced senior deduction of $6,000.[246] These were not authorized deductions in tax year 2025. OBBBA schedules these deductions to expire at the end of tax year 2028.

The subtitle requires, through tax year 2029, taxpayers to add any charitable contributions[247] they reduced from their adjusted gross income back into their income for purposes of calculating their District tax obligation.

The subtitle establishes that a taxpayer can claim 85 percent of any earned income tax credit against their tax liability from tax year 2026 through tax year 2028. A taxpayer was allowed to claim 100 percent of their earned income tax credit in tax year 2025.

OBBBA has a provision to allow businesses to fully deduct research and experimental costs[248] in the same year in which the costs are incurred retroactive to tax year 2022. The subtitle decouples from this OBBBA provision from tax year 2022 through tax year 2027., .

The subtitle decouples from OBBBA's changes to the amount of interest expenses a business can deduct from tax year 2025 through tax year 2029, including the pre-OBBBA limited definition of qualifying floor plan financing interest.

For tax year 2025 through tax year 2029, the subtitle decouples from OBBBA's provisions that allow businesses to depreciate 100 percent of qualified production property[249].

Businesses are also allowed to deduct up to 15 percent of their charitable contributions from their gross income for District tax purposes. The subtitle permanently prohibits a District taxpayer from carrying forward any unused charitable contributions.

The subtitle makes permanent that a taxpayer can only claim a deduction for amounts invested in a qualified opportunity fund if that fund is certified by the Mayor.

Financial Plan Impact

The District's February revenue estimates did not assume any decoupling from OBBBA provisions. The subtitle codifies all but one of the decoupling provisions implemented in tax year 2025 pursuant

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[242] TCJA set the personal exemption amounts at $0 and OBBBA made this permanent.
[243] Section 224 of the Internal Revenue Code of 1986.
[244] Section 225 of the Internal Revenue Code of 1986.
[245] Section 163(h)(4) of the Internal Revenue Code of 1986.
[246] Section 151(d)(5)(C) of the Internal Revenue Code of 1986.
[247] Section 170(p) of the Internal Revenue Code of 1986.
[248] Section 174A of the Internal Revenue Code of 1986.
[249] § 168(n) of the Internal Revenue Code of 1986.

to the emergency legislation[250] and the revenue from tax year 2025 is included as a policy proposal revenue in the budget and financial plan. The subtitle allows for income or gain from the sale of a qualified small business stock to be excluded from District income for tax purposes in tax year 2025, provided the sale occurred before December 5, 2025. The net impact for tax year 2025 adds $273.73 million of revenue to fiscal year 2026.

For subsequent tax years the subtitle decouples, through tax year 2029 from four federal provisions that had been expected to reduce District taxable income, and through tax year 2027 from one additional federal provision. These provisions increase District income tax revenue by $106.18 million in in fiscal year 2027, and throughout the financial plan as follows:

Subtitle (VII)(I) – D.C. Income and Franchise Tax Conformity Amendment Act of 2026 Fiscal Year 2026 – Fiscal Year 2030 Increased Income Tax Revenue ($ thousands)						
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Decoupling related to Tax Year 2025	$273,730					$273,730
Personal Income Tax Changes						
Standard Deduction (tax years 2026 - 2029)		$17,996	$18,454	$18,830	$19,220	$74,498
Charitable Contributions (tax years 2026 - 2029)		$600	$700	$700	$700	$2,700
	Business Income Tax Changes					
Full expensing of domestic research and experimental (tax years 2026 and 2027)		$28,112	$18,930	$0	$0	$47,037
Modifications to business interest expensing (tax years 2026 - 2029)		$10,556	$9,684	$8,979	$9,010	$38,229
Depreciation provisions (tax years 2026 -2029)		$48,916	$48,325	$40,591	$26,097	$163,928
Total Income Tax Increase	$273,730	$106,180	$96,093	$69,102	$55,024	$600,129

Subtitle (VII)(J) Pay-as-You-Go Capital Requirement Amendment Act of 2026

Background

Current law[251] provides that the capital improvements plan (CIP) included in each year's approved budget and financial plan include a minimum amount of operating funds ("Paygo"). The District otherwise funds capital improvements with debt issuances. The required amount of Paygo funding

[250] D.C. Income and Franchise Tax Conformity and Revision Emergency Amendment Act of 2025, effective December 5, 2025 (D.C. Act 26-214; 72 DCR 013684).
[251] D.C. Official Code § 47-392.02(f)

must either equal at least (a) in each fiscal year of the CIP, the amount of total accumulated depreciation of capital assets reported in the most recent annual comprehensive financial report (ACFR), or (b) cumulatively in all fiscal years of the CIP, at least 6 times the amount of total accumulated depreciation of capital assets reported in the most recent ACFR.

The subtitle removes the Paygo funding requirement for the CIP proposed or approved in the fiscal year 2027 budget.

The subtitle further requires the Office of the Chief Financial Officer to analyze the operating fund needs of the CIP and submit a report to the Mayor and Council, no later than January 15, 2027, detailing this analysis and recommending a sustainable amount of annual operating funds for the capital improvement plan. The analysis and report shall be exclusive of any amounts for the Washington Metropolitan Area Transit Authority ("WMATA").

Financial Plan Impact

Current law would have required either $585.9 million of Paygo funding in each year of the CIP (which extends through fiscal year 2032) or $3.52 billion cumulatively through fiscal year 2032. The amount of Paygo funding included in fiscal year 2027 through fiscal year 2030 totals $550.5 million.

OCFO can produce the subtitle's required report within its budgeted resources.

<u>Subtitle (VII)(K) – Pass-Through Entity Tax D.C. Gross Income Adjustment Amendment Act of 2026</u>

Background

When an individual taxpayer files their District income tax returns, the calculation of their District-income for purposes of calculating taxes owed to the District starts with their federal adjusted gross income. After the taxes owed to the District are calculated, a taxpayer, if eligible, can take certain credits against taxes owed. One of the credits allowed is a credit for taxes they have paid to any state or jurisdiction of the United States.

Some District residents derive their income from pass-through entities, such as a partnership, where the pass-through entity pays taxes to another jurisdiction and apportions a share of that tax paid to each member of the entity. The federal government allows members of the entity to deduct from their income the pass-through entity taxes paid to a state, thereby reducing their federal adjusted gross income. As previously stated, this reduced federal adjusted gross income becomes the starting point for a District taxpayer's District income tax filing.

This structure allows a District taxpayer to both start with an income reduced by the amount of pass-through entity taxes apportioned to them and take a credit against their District income taxes owed in the amount of the pass-through entity taxes apportioned to them.

The subtitle requires these individuals to add back to their federal adjusted gross income their apportioned share of any state and local tax that was paid by the pass-through entity and deducted from the individual's federal taxable income.

Financial Plan Impact

The subtitle ensures that a District taxpayer can receive the benefit of taxes paid to another jurisdiction once, and only through a credit on their District income tax return. The subtitle's requirement that these taxpayers add their apportioned pass-through entity taxes back into their federal adjusted gross income will increase their taxable income to the District. This will increase District income taxes by $10.3 million in fiscal year 2027 and $42.6 million over the four-year financial plan period.

Subtitle (VII)(K) – Pass-Through Entity Tax D.C. Gross Income Adjustment Amendment Act of 2026 Additional Income Tax Revenue Fiscal Year 2027 – Fiscal Year 2030 ($ thousands)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Income Tax Revenue	$10,256	$10,528	$10,765	$11,001	$42,550

Subtitle (VII)(L) – United Medical Center Closeout Fund Establishment Act of 2026

Background

The subtitle establishes the United Medical Center Closeout Fund ("Fund") as a special fund within the General Fund to receive assets of the Not-for-Profit Hospital Corporation (d.b.a. United Medical Center), which was dissolved at the end of fiscal year 2025. The subtitle allows $10.918 million to be transferred from the Fund to the District's Local Funds. Additionally, any remaining funds in the Fund will be transferred to the unassigned fund balance of the General Fund once the Chief Financial Officer determines that all remaining obligations of the United Medical Center (UMC) have been paid.

Financial Plan Impact

Funds are sufficient to implement the subtitle. The OCFO will transfer assets from the UMC into the Fund. Approximately $13.88 million is currently available in bank accounts that belonged to UMC. The OCFO will use this funding, as well as payments on accounts receivable that may be collected, to pay costs related to the closeout of all hospital operations, at an estimated cost of $2.96 million. The subtitle makes the remainder, $10.9 million, available for Local Funds in fiscal year 2027.

Subtitle (VII)(M) – Special Fund Transfers Act of 2026

Background
The subtitle provides for certain amounts of tax and non-tax revenue, which is otherwise dedicated to one dedicated tax fund or one of 28 special purpose revenue funds, to be made available for Local funds. The chart below lists the amounts of revenue to be transferred from the dedicated and special purpose funds to Local funds:

Agency Code	Fund Number	Fund Name	FY 2027 (in $)	FY 2028 (in $)	FY 2029 (in $)	FY 2030 (in $)
AG0	1060029	Lobbyist Fund	28,979	28,979	28,979	78,967
AG0	1060013	Accountability Fund				19,440
AM0	1060193	Utility Payments for Non-DC Agencies	70,000	70,000	70,000	70,000
AM0	1060206	Eastern Market Enterprise Fund	162,551	162,551	162,551	163,858
AT0	1060048	Dishonored Check Fees	114,893	114,893	114,893	114,893
AT0	1060299	OFT Central Collection Unit (CCU) O Type	283,975	283,975	283,975	283,975
BA0	1060197	Distribution Fees				7,093
BE0	1060208	Reimbursable From Other Governments				1,402
CB0	1060035	Child Support - TANF/AFDC Collections	100,000			4,964
CI0	1060009	Special Purpose Revenue Fund	121,965	121,965	121,965	121,965
CQ0	1060261	Rental Unit Fee Fund	75,000	75,000	75,000	76,584
CR0	1060267	OPLA - Special Account	700,000	700,000	700,000	2,668,404
CR0	1060283	Corporate Recordation Fund				1,135,245
CR0	1060272	Basic Business License Fund				839,563
CR0	1060266	Real Estate Appraisal Fee	155,000	25,000	165,000	165,000
CR0	1060284	Vending Regulation Fund	10,000	25,000	25,000	164,575
CR0	1060265	Real Estate Guaranty and Education Fund				175,000
CR0	1060277	DC Combat Sports Commission Fund				10,000
EB0	1060131	Economic Development Special Account				2,732
EB0	1060063	Industrial Revenue Bond Program				2,732

Agency Code	Fund Number	Fund Name	FY 2027 (in $)	FY 2028 (in $)	FY 2029 (in $)	FY 2030 (in $)
FL0	1060006	Corrections Trustee Reimbursement				342,898
HT0	1060386	Individual Insurance Market Affordability and Stability				5,082,000
HT0	1011007	Healthy DC Fund	515,441			
KG0	1060327	Sustainable Energy Trust Fund	17,974	53,974		
KG0	1060154	Storm Water Fees	94,363	94,363	94,363	96,875
KG0	1060330	Energy Assistance Trust Fund				1,352
KG0	1060058	Underground Storage Tank Fines and Fees				580
KT0	1060323	Clean City Fund	88,168	88,168	88,168	88,168
KV0	1060310	Motor Vehicle Inspection Station	63,703	63,703	63,703	63,703
KZ0	1060313	Transfer Dedicated Capital Revenues	2,500,000	5,000,000	5,000,000	5,000,000
LQ0	1060374	ABC - Import and Class License Fees				55,697
LQ0	1060389	Medical Cannabis Administration Fund	11,705	11,705	11,705	20,402
PO0	1060258	DC Surplus Personal Property Sales Oper.	3,200	3,200	3,200	3,200
RJ0	1060146	Subrogation Fund				4,411
RM0	1060145	DBH Medicare and Third Party Reimbursement	1,792,925	1,792,925	1,792,925	1,792,925
RM0	1060070	DBH Federal Beneficiary Reimbursement	10,000	10,000	10,000	810,000
TC0	1060381	Public Vehicles for Hire Consumer Service	116,336	116,336	116,336	116,336
TO0	1060025	DC Net Services Support	512,186	512,186	512,186	512,186
TO0	1060195	SERV US Program	191	191	191	285

Financial Plan Impact

Revenue in dedicated tax and special purpose revenue funds required for the subtitle's transfers has not been budgeted against in the dedicated or special purpose fund and is therefore available as a Local funds resource. The subtitle increases tax and non-tax revenue in Local Funds by $6.11 million in fiscal year 2027, and a total of $42.13 million over the financial plan. Several funds subject to transfers in the Fiscal Year 2026 Budget Support Act have experienced a reduction in their projected revenues, thereby reducing the amounts that are able to be transferred in fiscal year 2027 through fiscal year 2029. An allowance has been made to account for these shortfalls in addition to the subtitle's proposed transfers.

Subtitle (VII)(M) - Special Fund Transfers Act of 2026 Transfer to Local Funds ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Total SPR and Dedicated Tax fund transfers	$7,550	$9.355	$9.441	$20,099	$46,445
Less: transfer shortfalls	($1,440)	($1,440)	($1,440)	$0	($4,320)
Net Increase to Local Fund Revenue	**$6,110**	**$7,915**	**$8,001**	**$20,099**	**$ 42,125**

Subtitle (VII)(N) – Special Fund Sweeps Repeal and Reversal Amendment Act of 2026

Background

The subtitle repeals a sweep of approximately $74,000 from the Department of Energy and Environment's Fishing License Fund[252] that was included in the Fiscal Year Revised Local Budget Emergency Act of 2025[253].

The subtitle then makes a number of changes to recurring transfers to local funds from special purpose revenue and dedicated tax funds that were included in the Fiscal Year 2026 Budget Support Act of 2025[254]. The subtitle first repeals the following transfers included in that act:

Fund Name	FY 2026	FY 2027	FY 2028	FY 2029
West End Library/Firehouse Maintenance Fund[255]	$272,430	$287,202	$210,226	$223,134
Fishing License Fund[256]	$1,200	$1,200	$1,200	$1,200

[252] Fisheries and Wildlife Omnibus Amendment Act of 2016, effective May 19, 2017 (D.C. Law 21-282; D.C. Official Code § 8-103.03a).
[253] Enacted August 18, 2025, DC Act 26-142..
[254] Law 26-55, effective from December 6, 2025
[255] D.C. Official Code §1–325.181.
[256] Fisheries and Wildlife Omnibus Amendment Act of 2016, effective May 19, 2017 (D.C. Law 21-282; D.C. Official Code § 8-103.03a).

Fund Name	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**
Lead Poisoning Prevention Fund[257]	$150,000	$150,000	$150,000	$150,000
Economy II Fund[258]	$12,892	$12,892	$12,892	$12,892
Residential Aid Discount Program Fund[259]	$6,064	$6,064	$6,064	$6,064
Residential Essential Services[260]	$42,111	$42,111	$42,111	$42,111

The subtitle also repeals, just for fiscal year 2026 and fiscal year 2027, transfers for the Commission on Arts and Humanities dedicated tax fund. These amounts are approximately $29,000 for fiscal year 2026 and $700,000 for fiscal year 2027.

Finally, the subtitle reduces the fiscal year 2027 through fiscal year 2029 transfers out of the Department of Health Care Finance's Hospital Outpatient Directed Payments Provider Fee Fund. The transfer of that revenue source to local funds is subject, under D.C. Code § 44–665.12(c)(D), to a 13.125 percent limitation and the specified transfers exceed the percentage limitation under current revenue estimates for the fees.

Financial Plan Impact

The policy proposal revenue included in the budget and financial plan reverses the planned transfers from the subtitle's five special purpose funds to the Local fund. The funds will collectively maintain, for their dedicated uses, over $212,000 annually from fiscal year 2026 through fiscal year 2029, when the transfers were planned to end.

Subtitle (VII)(N) - Special Fund Sweeps and Reversal Amendment Act of 2026 ($ thousands)						
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Total**
Fishing License Fund	$1	$1	$1	$1		$4
Lead Poisoning Prevention	$150	$150	$150	$150	$0	$600
Economy II	$13	$13	$13	$13	$0	$52
Residential Aid Discount	$6	$6	$6	$6	$0	$24
Residential Essential Services	$42	$42	$42	$42	$0	$168
Total Transfer Reversals	**$212**	**$212**	**$212**	**$212**	**$0**	**$848**

The decrease to the Outpatient Directed Payments Provider Fee Fund transfers and the repeal of the West End Library/Firehouse Maintenance Fund transfer is already reflected in the District's revenue

[257] Environmental Special Purpose Funds Reestablishment Amendment Act of 2020, effective December 3, 2020 (D.C. Law 23-149; D.C. Official Code § 8-231.09a).
[258] Telecommunications Competition Act of 1996, effective September 9, 1996 (D.C. Law 11-154; D.C. Official Code § 34-2003).
[259] Residential Aid Discount Subsidy Stabilization Amendment Act of 2010, effective July 23, 2010 (D.C. Law 18-195; D.C. Official Code § 8-1774.14).
[260] Residential Essential Service Subsidy Stabilization Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 8-1774.15).

estimates. Legally repealing the fiscal year 2025 sweep from the Fishing License Fund conforms to the accounting entries included in the fiscal year 2025 close.

<u>Subtitle (VII)(O) – Preparing Southwest for Federal Building Disposals Amendment Act of 2026</u>

Background
The Southwest Business Improvement District (BID) has a $100,000 cap on the total amount of BID taxes that may be charged annually on a property or assembly of properties (if the property occupies more than one taxable lot)[261]. The subtitle provides that this annual cap shall only apply to properties subject to the BID tax prior to the effective date of this Fiscal Year 2027 Budget Support Act of 2026. Current law also provides that for large developments of 5 acres or more in the Southwest BID area whose owner is required to pay for the maintenance of adjacent roads and sidewalks, the BID tax shall be reduced by 30 percent. The subtitle repeals that provision.

Financial Plan Impact
The subtitle has no impact on the budget and financial plan. The two provisions allow the Southwest BID to plan for potential large federal property disposals within the BID area, and depending on assessed value of such properties, potentially collect more BID tax revenue once the properties become taxable. BID tax revenue is collected by the District on behalf of the BID, and is not used for any District spending.

<u>Subtitle (VII)(P) – Unincorporated Business Franchise Tax Clarification Amendment Act of 2026</u>

Background
In general, unincorporated businesses, such as partnerships, sole proprietorships, and S corporations, do not pay federal income tax at the entity level. Rather, the individual owners of those businesses are required to include that business income in their federal adjusted gross income and pay federal income tax on that income.

However, under current District law, certain unincorporated businesses[262] (UB) doing business or earning income in the District must pay a separate UB franchise tax on their taxable income if its annual gross receipts (not profits) are above $12,000. Likewise, S Corporations are taxed at the corporate level and must pay a corporation franchise tax. In either case, the tax is applied to the business's net income at the entity level, after allowing for certain deductions, at a flat rate of 8.25 percent.[263]

[261] D.C. Official Code § 2-1215.60(c).
[262] As defined in D.C. Official Code § 47–1808.01.
[263] D,C, Official Code § 47–1807.02(a)(8) and D.C. Official Code §47–1808.03(a)(8).

District residents (including resident estates and trusts), however, are taxed at higher marginal rates ranging from 9.25 percent %to 10.75 percent on their taxable income over $250,000.[264] Under current District law, the federal adjusted gross income of a District resident (or resident estate or trust) includes business net income and, thus, is included in District gross income. However, District residents are allowed to exclude that business income from computation of their adjusted District gross income, thereby reducing their District taxable income. As a result, this allows certain District residents with significant business income to lower their District taxable income and, therefore, their top District marginal tax bracket to 8.25 percent.[265]. The subtitle repeals these exclusions.

However, to avoid the District taxing the same business income at both the UB or S corporation level and then the individual (or resident estate or trust) level, the subtitle also provides a new nonrefundable individual income tax credit (and a resident estate or resident trust credit) for their pro rata share of UB franchise taxes and corporation franchise taxes paid by the UB or S corporation to the District.

The subtitle is applicable as of January 1, 2026.

Financial Plan Impact
The subtitle will increase District income tax collections from District residents, estates and trusts with UB or S corporation income also taxed by the District at the entity level and total income above $250,000. These individuals, estates and trusts will no longer benefit from the franchise tax rates being lower than the highest marginal individual, estate and trust income tax rates. The budget and financial plan includes, in fiscal year 2027, $10.4 million of revenue from the subtitle, and a total of $43.4 million through fiscal year 2030.

Subtitle (VI)(P) – Unincorporated Business Franchise Tax Clarification Amendment Act of 2026 ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Income Tax Revenue	$10,400	$10,600	$11,000	$11,400	$43,400

Subtitle (VII)(Q) – Ballpark Preservation Clarification Amendment Act of 2026

Background
The Ballpark Budget and Maintenance Amendment Act of 2024[266] established a Ballpark Preservation and Improvement Fund (Fund) to provide funding to the Washington Convention and Sports Authority to pay for the District's obligations under the ballpark lease for the maintenance, repairs, and capital improvements of the ballpark as well as, subject to approval of the Deputy Mayor for Planning and Economic Development, capital improvement of the Nationals Academy. After repayment of the Ballpark Revenue Bonds issued to fund construction of the ballpark, the Fund is to receive ballpark sales taxes, but limited to 110 percent of the prior year's collections, with the

[264] D.C. Official Code § 47–1806.03(a)(11).
[265] D.C. Official Code §47-1803.02(a)(2), subparagraphs (D) and (P).
[266] Effective March 7, 2025 (D.C. Law 25-0276; 72 DCR 003087).

remainder to be deposited in the District’s General Fund. The subtitle increases this 110 percent limitation to 115 percent. The subtitle also clarifies that one-eleventh of the toll telecommunications tax (including mobile communications)[267] on nonresidential customers will be deposited in the Fund, also after repayment of the Ballpark Revenue Bonds.

Financial Plan Impact

There is no impact on the budget and financial plan from the subtitle. Ballpark sales tax collections in the District’s revenue estimates did not grow at an annual rate of more than 10 percent, so no General Fund collections were assumed. The toll telecommunications provision clarifies a dedication to the Fund that was already incorporated into the revenue estimates.

Subtitle (VII)(R) – Board of Review for Anti-Deficiency Violations Amendment Act of 2026

Background

The Board of Review for Anti-Deficiency Violations (Board) is a five-member Board of government employees that reviews and investigates any issues related to anti-deficiency law violations.[268] The Board consists of two members appointed by the Chief Financial Officer (CFO), one appointed by the Mayor, one appointed by the Chairperson of the Council, and one appointed by the Inspector General. Members serve without compensation, but they can be reimbursed for expenses incurred for the performance of official duties.

The subtitle increases the Board membership by two members. The Attorney General will appoint a member and the Chairperson of the Council will now appoint two members. The subtitle designates one of the Council appointees to serve as the chairperson of the Board. Currently a member appointed by the CFO services as the chairperson of the Board.

Financial Plan Impact

The subtitle expands the Board by two members who do not receive compensation. While members can be reimbursed for expenses related to Board activities, any additional payments are expected to be *de minimus*.

Subtitle (VII)(S) – Union Market TIF Extension of Bond Issuance Authority Amendment Act of 2026

Background

In 2017, the District approved the use of tax increment financing (TIF) to support redevelopment in the Union Market TIF Area.[269] The District authorized up to $82.4 million in TIF bonds to support

[267] D.C. Official Code § 47-3902, paragraphs (a) and (b)(1).

[268] District Anti-Deficiency Act of 2002, effective April 4, 2003 (D.C. Law 14-285; D.C. Official Code § 47-355.07).

[269] Union Market Tax Increment Financing Act of 2017, effective February 15, 2018 (D.C. Law 22-58; D.C. Official Code § 2-1217.36e et seq.).

infrastructure, development costs, and retail parking in the area. The TIF area is scheduled to expire twenty-five years after the last bonds are issued for the development and the last date for any bonds to be issued against available tax increments is March 1, 2027.

The subtitle extends the TIF expiration date by five years and gives the District an additional five years to issue bonds to support the project. The Union Market TIF area will now expire thirty years after the last bond issuance and the last date to issue bonds against available tax increment is March 1, 2032.

Financial Plan Impact
Approximately $60.9 million of bonds have been issued to support the Union Market TIF area development. The subtitle will give the District an additional five years to issue up to $21.5 million of the remaining available debt allowance and will ensure that the Union Market TIF area remains active thirty years after the last bond issuance. There are no costs associated with extending the authorization timelines to issue bonds or sunset the Union Market TIF area.

Subtitle (VII)(T) – Rule 736 Repeals Amendment Act of 2026

Background
Council Rule 736 requires laws approved subject to appropriation to be funded within two fiscal years or they will be subject to repeal. Due to this rule, the following laws or parts of laws will be repealed:

- The Medical Necessity Restroom Access Act of 2022[270],
- The Juneteenth History and Planning Commission Establishment Act of 2022[271],
- Sections 2(d) and 3 of the Safer Streets Amendment Act of 2022[272]
- The Period Equity Righting an Injustice of District Residents Act of 2022[273]
- Amendatory sections 2a, 2b, 2c, 2d(5), 2g, 2h, 2i(b)(2) and (3), and 2j(a) of the School Proximity Traffic Calming Act of 2000 in section 2(b) of the Safe Streets for Students Amendment Act of 2022[274]
- The Childhood Continuous Coverage Amendment Act of 2024[275], , is repealed.

Financial Plan Impact
The subtitle has no impact on the budget and financial plan, since these laws were not funded.

[270] Effective August 27, 2022 (D.C. Law 24-153; 69 DCR 8348).
[271] Effective September 21, 2022 (D.C. Law 24-179; 69 DCR 9933).
[272] Effective December 21, 2022 (D.C. Law 24-214; 69 DCR 14004).
[273] Effective February 23, 2023 (D.C. Law 24-250; 69 DCR 15101).
[274] Effective March 10, 2023 (D.C. Law 24-285; 70 DCR 998).
[275] Effective March 23, 2024 (D.C. Law 25-144; 71 DCR 1477)>

Subtitle (VII)(U) – Borrowing for Capital Projects Amendment Act of 2026

Background

The District's Chief Financial Officer (CFO) issues bonds to fund the capital projects included in the District's Capital Improvement Plan (CIP). Annually the CFO brings a resolution for Council to approve the amount of issuance required to fund the CIP and determines a mix of general obligation, income tax revenue secured bonds, or short-term obligations to issue, depending on market conditions. The subtitle codifies the CFO's authority to determine the types of obligations to issue for capital borrowing.

Financial Plan Impact

There is no impact on the budget and financial plan from the subtitle. The CFO will continue to introduce, for Council approval, resolutions approving bond issuance authority per the CIP.

Subtitle (VII)(V) – Revised Revenue and Local Reserves Act of 2026

Background

The subtitle provides for an allocation of any new fiscal year 2026 and fiscal year 2027 revenues that are certified in the September 2026 or December 2026 revenue estimates[276]. To the extent that local fund fiscal year 2026 certified revenues are greater than revenues incorporated into the fiscal year 2027 budget and financial plan, the first $150 million would be deposited into the Fiscal Stabilization Reserve Account[277] (Reserve Account). This would restore funds Council authorized for expenditure through the Fiscal Year 2026 Revised Local Budget Adjustment Emergency Act of 2026[278]. If there are less than $150 million of newly certified fiscal year 2026 local fund revenues, any newly certified fiscal year 2027 local fund revenues would be used to replenish the Reserve Account. If there are more than $150 million newly certified local fund fiscal year 2026 and fiscal year 2027 revenues, the subtitle allocates the remaining fiscal year 2027 revenues in order as follows (for one-time funding in fiscal year 2027):

- $9 million to the District of Columbia Housing Authority in the event the federal emergency housing voucher program expires, which shall be used to administer the Emergency Housing Voucher Interim Assistance Program[279];
- $3,000,000 to the Department of Human Services for the Emergency Rental Assistance Program;
- $2,000,000 to the Department of Youth Rehabilitative Services for the Credible Messengers Program; and
- $36,000,000 to the Workforce Investment Account.

[276] Also in the June 2026 revenue estimates, but these estimates have been released and there were no new revenues certified. See [06.30.26 June 2026 Revenue Estimates for FY 2026-2030 | ora-cfo]
[277] D.C. Official Code § 47-392.02(j-1).
[278] Bill 26-662, as passed June 23, 2026.
[279] As established in this budget support act

The subtitle further directs any newly certified local fund revenues that recur in fiscal year 2028 through fiscal year 2030 to be used in the outyears of the financial plan in order as follows:

- $40 million to the Office of the State Superintendent of Education for the Childcare Subsidy;
- $62 million to the Office of the State Superintendent of Education for the Early Childhood Educator Pay Equity Program;
- $25 million the Office of Victim Services and Justice Grants for the Access to Justice Initiative;
- $15 million to the Department of Health Care Finance to fund direct medical education; and
- the remainder of all recurring revenue up to $187 million to the Universal Per Student Funding Formula.

Financial Plan Impact

The subtitle will increase fiscal year 2027 spending only if new fiscal year 2026 or fiscal year 2027 local fund revenues are certified in the September 2026 or December 2026 revenue estimates and such revenues exceed the $150 million required to replenish the Reserve Account. If additional fiscal year 2028 through fiscal year 2030 local fund revenues are certified, the District's financial plan will include additional spending.

<u>Subtitle (VII)(W) – Subject to Funding Repeals and Modifications Amendment Act of 2026</u>

Background

The subtitle specifies the following laws, or parts of laws, have been funded:

- Residential Housing Environmental Safety Amendment Act of 2020;
- Elections Modernization Amendment Act of 2022 (Section 2(d), and the amendatory section 5(10A), (10E), within section 3(c)(1)(G), (H));
- Strengthening Traffic Enforcement, Education, and Responsibility (STEER) Amendment Act of 2024 (Section 8(d));
- Open Movie Captioning Requirement Amendment Act of 2024;
- Electrical and Gas Utility Underground Work Wage Act of 2024;
- Ranked Choice Voting and Open the Primary Elections to Independent Voters Act of 2024;
- Youth Mentorship Through Community Engagement Amendment Act of 2024 (excluding Title I);
- Pets in Housing Amendment Act of 2024 (excluding Section 3);
- Public Life and Activity Zones Amendment (PLAZA) Act of 2024;
- The Youth Advisory Council on Climate Change and Environmental Conservation Establishment Act of 2025;
- Strengthening Capacity and Transparency at DYRS Amendment Act of 2026;
- Place-Based Substance Use Disorder Outreach Amendment Act of 2026;
- Enhancing Consumer Protection Procedures Amendment Act of 2026;
- Prenatal and Postpartum Remote Patient Monitoring Clarification Amendment Act of 2025;
- Support, Opportunity, Unity, Legal Relationships (SOUL) Amendment Act of 2026;
- Medical Debt Mitigation Amendment Act of 2026;
- Judith Heumann Memorial Workers with Disabilities Amendment Act of 2026 (amendatory section 421);

- Green's Court Park Designation Act of 2026;
- Harmony Park Designation Act of 2026; and
- Rodney Wright Basketball Court Designation Act of 2026.

Financial Plan Impact
The budget and financial plan provides funding for the following laws (or portions of laws), as summarized in the table below:

Subtitle (VII)(W) – Subject to Funding Repeals and Modifications Amendment Act of 2026 Costs ($ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Residential Housing Environmental Safety Amendment Act of 2020	$1,646	$1,680	$1,715	$1,750	$6,791
Electrical and Gas Utility Underground Work Wage Act of 2024	$118	$118	$120	$123	$478
Ranked Choice Voting and Open the Primary Elections to Independent Voters Act of 2024	$25	$910	$30	$186	$1,152
Youth Mentorship Through Community Engagement Amendment Act of 2024	$637	$649	$662	$675	$2,624
Public Life and Activity Zones Amendment (PLAZA) Act of 2024	$0	$200	$200	$200	$600
The Youth Advisory Council on Climate Change and Environmental Conservation Establishment Act of 2025	$135	$137	$140	$142	$554
Strengthening Capacity and Transparency at DYRS Amendment Act of 2026	$234	$138	$141	$145	$658
Place-Based Substance Use Disorder Outreach Amendment Act of 2026	$115	$118	$121	$124	$479
Enhancing Consumer Protection Procedures Amendment Act of 2026	$678	$666	$680	$694	$2,718
Prenatal and Postpartum Remote Patient Monitoring Clarification Amendment Act of 2025,	$1,333	$1,360	$1,387	$1,415	$5,494
Support, Opportunity, Unity, Legal Relationships (SOUL) Amendment Act of 2026	$385	$437	$539	$616	$1,977
Medical Debt Mitigation Amendment Act of 2026	$307	$284	$291	$297	$1,179
Judith Heumann Memorial Workers with Disabilities Amendment Act of 2026	$ 110	$0	$0	$0	$110
Green's Court Park Designation Act of 2026	$6	$0	$0	$0	$6
Harmony Park Designation Act of 2026	$6	$0	$0	$0	$6
Rodney Wright Basketball Court Designation Act of 2026	$6	$0	$0	$0	$6

The repeals and partial repeals of subject to appropriations provisions for the following laws were technical in nature or could be accomplished with existing resources:

- Elections Modernization Amendment Act of 2022;

- Strengthening Traffic Enforcement, Education, and Responsibility (STEER) Amendment Act of 2024(Section 8(d))[280];
- Open Movie Captioning Requirement Amendment Act of 2024; and
- Pets in Housing Amendment Act of 2024.

Subtitle (VII)(X) – Income and Franchise Tax Refund Denial Appeal Deadline Amendment Act of 2026

Background

This subtitle makes a technical change to reinstate the six-month deadline for taxpayers to appeal to the D.C. Superior Court a refund denial for taxes imposed under Chapter 18 (income and franchise taxes) that was removed in the Technical Amendments Act of 2022[281] This reinstated six-month deadline to appeal income and franchise tax refunds is consistent with the deadline for all other tax types.

Financial Plan Impact

While it is unknown if any taxpayers were relying on the deadline removal to delay their appeals, there is no cost expected over the plan period. Should any such taxpayers accelerate appeals to the D.C. Superior Court for recently denied refund claims, any such potential future refunds awarded by the Superior Court should be offset by reduced interest costs and the fact that other taxpayers may not file an appeal within the six-month deadline.

Subtitle (VII)(Y) – Business Activity Tax Information and Process Act of 2026

Background

A business activity tax (BAT) is one where a jurisdiction taxes a business entity not on their profits, but on the gross business activity they generate in the jurisdiction. The District does not impose a BAT on businesses operating in the District.

The subtitle requires the Chief Financial Officer (CFO) to submit a report to the Mayor and Council assessing the CFO's initial needs to evaluate the impact of a BAT on the District. The CFO is required to analyze existing tax data and identify gaps in data collection that would be needed to evaluate revenues from a BAT. Further, the CFO should detail the process by which it would collect any missing data, including any legislative needs to collect the data, and the timeline and costs associated with collecting the data needed to assess BAT revenue. The CFO should also include in the report an assessment of the revenue volatility and administrative challenges experienced by jurisdictions that impose a BAT. The CFO should include any legal considerations or challenges that arise from the District imposing a BAT. The CFO should deliver the report by January 31, 2027.

[280] The relevant sections were funded in the Fiscal Year 2026 Budget Support Act of 2025 and the repeal of this section of the subject to appropriations clause is a technical amendment.
[281] D.C. Law 24-147, effective July 12, 2022.

The subtitle defines a BAT as a tax on the gross receipts of every business with a substantial nexus in the District. The subtitle allows a business to subtract purchases from other businesses, rent, and capital expenditures from gross receipts that exceed $200,000.

Financial Plan Impact
The CFO does not collect sufficient information to effectively evaluate the revenue potential of a BAT in the District. This subtitle's report gives the CFO an opportunity to assess what additional information is needed, including business activity data and legislative needs, before they can project the revenue potential from a BAT. The CFO can produce the subtitle's report by January 31, 2027 and does not require any additional budgeted resources.

Subtitle (VII)(Z) – Howard University Property Tax Exemption Clarification Act of 2026

Background
All property owned and controlled by Howard University or its subsidiaries is exempt from real and personal property taxation.[282] The subtitle expands the Howard University tax exemption to include any Howard University or a subsidiary property, including buildings and structures, that is subject to a ground lease to a 501(c)(3) tax-exempt entity, as long as the rights and interest to that property revert to Howard University or the subsidiary at the end of the lease.

The subtitle is effective as of March 10, 2023.

Financial Plan Impact
On March 10, 2023, Howard University entered into a ground lease with a private entity to provide affordable housing in a building and on property owned by Howard University. The property, located at 654 Girard Street, N.W.,[283] has been taxed since the relevant parties entered into the lease agreement. The subtitle will require the Office of Tax and Revenue to refund nearly $118,000 in taxes paid by the University. Additionally, the property will abate expected tax payments, reducing real property taxes by nearly $187,000 in fiscal year 2026 and $1.15 million over the fiscal year 2027 to fiscal year 2030 four-year budget and financial plan period. The subtitle makes any future long-term lease transactions similar to 654 Girard Street, N.W. exempt from real and personal property taxation.

Subtitle (VII)(Z) – Howard University Property Tax Exemption Clarification Act of 2026 Real Property Tax Refunds and Revenue Reductions ($ thousands)						
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Refunds	$118	$0	$0	$0	$0	$118
Abatements	($187)	($275)	($282)	($290)	($300)	($1,334)

282 D.C. Official Code § 47-1018.
283 The property is known for assessment and tax purposes as square 3058, lot 834.

Subtitle (VII)(AA) – Parking Tax and Marketplace Seller Clarifications Amendment Act of 2026

Background

The subtitle updates the definition of a marketplace seller[284] to exclude payments for parking on a street, avenue, road, highway, or other public space when those fees and charges are set under the control of the District and the collector is a marketplace seller that is under contract with the District to list, advertise, store, or process those sales. The subtitle makes this exclusion effective as of January 1, 2019. The subtitle also excludes any transaction fees charged by the entity under contract with the District from sales taxes.

The subtitle also clarifies that all parking, storing, and keeping of a motor vehicle or trailer at lots owned and operated by the Washington Metropolitan Area Transit Authority (WMATA) that are adjacent to a WMATA stop or station are excluded from sales and use taxes.

Financial Plan Impact

The subtitle excludes parking meter and related transaction charges from sales taxes if those charges, which are imposed by the District, are collected through a marketplace seller that is operating under a contract with the District. The District did not intend to impose sales taxes on the collection of parking meter revenues by a District contractor and establishing this exemption has no impact on sales tax revenues.

[284] D.C. Official Code § 47-2001(h).

TITLE VIII – TECHNICAL CORRECTIONS

Subtitle (VIII)(A) – Technical Amendments Act of 2026

Background
The subtitle makes technical corrections to several laws and parts of the D.C. Official Code.

Financial Plan Impact
The subtitle has no impact on the budget or financial plan.