

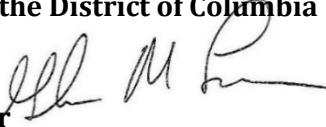
Government of the District of Columbia
Office of the Chief Financial Officer



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: December 18, 2025

SUBJECT: Fiscal Impact Statement – Tree Preservation Enhancement Amendment Act of 2025

REFERENCE: Bill 26-59, Draft Committee Print as provided to the Office of Revenue Analysis on December 16, 2025

Conclusion

Funds are not sufficient in the proposed revised fiscal year 2025 budget and proposed fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill's implementation will cost \$297,000 in fiscal year 2026 and \$1.2 million over the four-year financial plan. The bill's implementation will also generate \$817,000 annually in new special purpose revenue for a total of \$3.3 million over the four-year financial plan period. The full bill must be implemented before the special purpose revenues can be earned and the projected revenues cannot be used to fund the resources needed for the bill's implementation unless additional budget actions are adopted.

Background

The District Department of Transportation's (DDOT) Urban Forestry Division (UFD) is responsible for enhancing and protecting the District's tree canopy.¹ DDOT and UFD review and issue permits for the removal of special trees and enforce a prohibition on the removal of heritage trees. A special tree is classified as one with a circumference between 44 inches and 100 inches. DDOT charges a fee of \$55 per inch of circumference for the removal of a healthy special tree. DDOT permits, but does not charge a fee, for the removal of a hazardous special tree or a special tree of a species identified as appropriate for removal. DDOT is also responsible for maintaining and planting trees on District-owned properties.

¹ Urban Forest Preservation Act of 2002, effective June 12, 2003 (D.C. Law 14-309; D.C. Official Code § 8-651.01 et seq.).

The bill expands the population of special trees by reducing the minimum special tree circumference size to over 40 inches. The bill also requires DDOT to increase special tree permit fees and fines for the illegally removal of a special or heritage tree by July 1, 2029, and every three years thereafter. The fees and fines shall increase by the consumer price index.

All permit fees and fines collected related to special and heritage trees are deposited into the Tree Fund.² The Tree Fund provides resources for DDOT to plant trees in public space and on District-owned properties, provide income-contingent subsidies for individuals to remove and replace hazardous trees, and to coordinate with the Department of Energy and Environment (DOEE) to support tree planting on private property.

Financial Plan Impact

Funds are not sufficient in the proposed revised fiscal year 2025 budget and proposed fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill's implementation will cost \$297,000 in fiscal year 2026 and \$1.2 million over the four-year financial plan. The bill's implementation will also generate \$817,000 annually in new special purpose revenue for a total of \$3.3 million over the four-year financial plan period.

DDOT currently reviews 2,000 permits annually for a population of over 230,000 trees. DDOT estimates that the bill will increase the special tree population by nearly 43,000 trees. This will result in DDOT reviewing an additional 300 to 400 permits annually. Additionally, permits for larger projects that DDOT receives each year could now include additional, smaller trees. The expanded population of trees will also increase the number of preservation plans that DDOT must review in connection with certain building permits.³ DDOT requires three additional arborists to manage this expanded tree population and the associated permit applications and plan reviews. The additional arborists will cost \$297,000 in fiscal year 2026 and \$1.2 million over the four-year financial plan period.

When DDOT issues new or expanded permits, applicants will pay permit fees into the Tree Fund. The bill's implementation will generate approximately \$817,000 annually in new Tree Fund revenue. This revenue cannot be used to offset DDOT's staffing needs unless additional budget actions are taken by the Mayor and the Council. The bill's provision that makes tree planting on private property a mandatory Tree Fund expenditure does not impose any additional costs. DDOT will work with DOEE, to use Tree Fund resources to support mandatory planting activities and income-based subsidies.

Tree Preservation Enhancement Amendment Act of 2025

Bill 26-59

Implementation Costs and Additional Revenues

Fiscal Year 2026 – Fiscal Year 2029

(\$ thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	Total
UFA Staff	(\$297)	(\$306)	(\$313)	(\$321)	(\$1,237)
Tree Fund Revenue	\$817	\$817	\$817	\$821	\$3,272

² D.C. Official Code § 8-651.07.

³ D.C. Official Code § 8-651.04b.