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:	**May 27, 2025**
SUBJECT:	**Fiscal Impact Statement – "Fiscal Year 2026 Budget Support Act of 2025"**
REFERENCE:	**Draft bill as provided to the Office of Revenue Analysis on May 23, 2025**

Conclusion

Funds are sufficient in the proposed fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the Fiscal Year 2026 Budget Support Act of 2025.

The District's proposed fiscal year 2026 budget includes $11.9 billion in Local fund spending supported by $11.9 billion of Local resources, with an operating margin of $0.5 million. The estimated expenditures for the proposed General Fund budget, which includes Dedicated Taxes and Special Purpose Revenue in addition to Local funds, are $13.5 billion.

The proposed budget and financial plan accounts for the expenditure and revenue implications of the bill.

The bill, the "Fiscal Year 2026 Budget Support Act of 2025," is the legislative vehicle for adopting statutory changes needed to implement the District's proposed budget and financial plan for the fiscal years 2026 through 2029. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I – GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) - Limitations on Liability Against the District of Columbia Act of 2025

Background

The subtitle places limits on the District's unliquidated damages liability to persons or property resulting from actions by the District government. The subtitle limits damages to $500,000 for all claimants related to a single incident or occurrence. The limit is $1 million if the damages were awarded due to intentional wrongful acts or omissions by the District. The subtitle requires any defendant to expend more than $10,000 in medical expenses to be eligible for an award for noneconomic damages, except in cases of permanent disfigurement or death emanating from an intentional wrongful act. These limits apply to any case filed in court or another relevant tribunal on or after October 1, 2025.

The collateral source rule prevents a defendant from reducing their liability in a judgment based upon the plaintiff having received compensation for the same incident from another source, such as an insurance company or worker's compensation. The subtitle limits the application of the collateral source rule when damages are imposed on the District or its instrumentalities for any medical, dental, custodial, or rehabilitation costs related to personal injury, survivorship, or wrongful death. In related court cases, a plaintiff can only present evidence for the court's consideration of actual amounts paid or required to be paid by or on behalf of the plaintiff.

When an official District vehicle is on an emergency run at the direction of an authorized person, it is moving expeditiously on a mission or to a location to deal with an emergency or violation of the law, or to transport a sick or injured person. Incidents have occurred where the operator of the official vehicle on the emergency run injures a bystander or other party and that individual brings a claim against the District. District code does not define gross negligence to provide guidance to juries and judges when assessing fault and damages for these incidents.

The subtitle establishes a definition of gross negligence related to an injury or other incident arising from an emergency run. The subtitle defines gross negligence as wanton, willful, and reckless disregard or conscious indifference for the rights and safety of others that results from an extreme deviation from the ordinary standard of care. Further, the subtitle prohibits a party from recovery arising from an emergency run if the party seeking recovery was contributorily negligent, including their failure to yield to a vehicle on an emergency run with its lights and sirens active.

Financial Plan Impact

In fiscal year 2024 the District exceeded its settlements and judgments budget, which is used to pay liability claims, by nearly $10 million. In fiscal year 2025, through January, the District has already exceeded its annual budget by $10 million. The subtitle's three main provisions will limit the District's potential exposure to claims. While each claim against the District is unique, establishing payment limits, ensuring that a plaintiff can only admit evidence of actual amounts paid or required to be paid (as opposed to cost estimates), and explicitly defining gross negligence will limit the District's overall potential claims exposure. As a result, amounts budgeted for settlements and judgments have been reduced by $4 million annually , for a total of $16 million in savings through fiscal year 2029.

Subtitle (I)(A) Limitations on Liability Against the District of Columbia Act of 2025 Settlements and Judgements Savings Fiscal Year 2026 – Fiscal Year 2029 ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Annual Savings	$4,000	$4,000	$4,000	$4,000	$16,000

Subtitle (I)(B) - Community Affairs Amendment Act of 2025

Background

The subtitle centralizes within the Executive Office of the Mayor (EOM) the grantmaking functions of the community affairs offices. The grant functions being centralized under EOM include grants made by the Mayor's Office and Commission on African Affairs, the Mayor's Office on African American Affairs, the Mayor's Office on Asian and Pacific Islander Affairs, the Mayor's Office on Caribbean Community Affairs, the Mayor's Office on Latino Affairs, the Mayor's Office of Lesbian, Gay, Bisexual, Transgender and Questioning Affairs, the Mayor's Office on Returning Citizen Affairs, and the Mayor's Office of Veterans Affairs.

The subtitle makes the Access to Jobs Grant Pilot Program permanent. The Access to Jobs Grant Program supports the employment of returning citizens by subsidizing employers to hire up to ten returning citizens for work of up to 32.5 hours per week. An employer can apply to hire anywhere from one to ten employees.

Financial Plan Impact

The fiscal year 2026 budget includes multiple grants that will be issued by EOM as it centralizes the grantmaking process for community affairs offices. This includes $274,000 in recurring funding for the Access to Jobs Grant program.

Subtitle (I)(C) - Surplus Property Sales Fund Amendment Act of 2025

Background

The Chief Procurement Officer is authorized to dispose of any District surplus property through transfers within and among agencies, auctions, scrap sales, destruction, or donations to tax-exempt organizations or other jurisdictions. The Office of Contracting and Procurement (OCP) deposits surplus property sales proceeds and administrative fees collected through disposition agreements into the Surplus Property Sales Fund.[1] OCP uses resources in the Fund to pay the administrative costs of maintaining and disposing of surplus property.

[1] Supply Management Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 2-358.05

The subtitle expands the Fund's allowable uses to include OCP operational costs.

Financial Plan Impact
The Fund is expected to generate approximately $5.8 million in revenue in fiscal year 2026. The subtitle does not change the Fund's projected revenues, but it expands the activities for which OCP can expend the Fund's resources. The Fund is a lapsing fund. At the end of fiscal year 2024, nearly $3.4 million lapsed from the Fund to the Local Fund.

Subtitle (I)(D) - Office of the Chief Technology Officer Amendment Act of 2025

Background
The Office of the Chief Technology Officer (OCTO) directs the District government's information technology strategies and the implementation of technology services for District agencies. OCTO also leads programs to expand access to high-speed internet throughout the District.

The subtitle expands OCTO's statutory day-to-day responsibilities to include protecting the confidentiality, integrity, and availability of the District government's information technology systems, assets, and related information. OCTO is authorized to protect these resources from cyberattacks, theft, damage, disruption, misdirection, and breaches and detect, mitigate, defend, remediate, and respond to these attacks. The subtitle also establishes a fourth primary organizational function of security services within OCTO. Under this function, OCTO will lead the District's cybersecurity efforts and establish a risk management and compliance program in the District government.

The subtitle clarifies that OCTO's authorities extend to all District government agencies, including independent agencies, except for the existing exceptions for the Council and District of Columbia Auditor. The subtitle maintains an allowance for these entities to enter into agreements with OCTO as needed. The subtitle repeals exceptions for the Office of the Attorney General and the Office of the Ombudsperson for Children.

Financial Plan Impact
OCTO implements security measures for the District's information technology systems, assets, and related information. There are no costs to making these efforts part of OCTO's statutory functions.

Subtitle (I)(E) – Telework Policy Amendment Act of 2025

Background
The subtitle requires the Mayor to establish a telework policy for all agencies, except the Council and agencies of the legislative branch, and prohibits District personnel authorities from establishing a different telework policy without authorization from the Mayor. The subtitle 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 personnel authorities from entering into a collective bargaining agreement that includes or requires a telework policy.

Financial Plan Impact
The subtitle does not impact the budget and financial plan.

<u>Subtitle (I)(F) – District Employee Paid Parental, Family, and Medical Leave Amendment Act of 2025</u>

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 removes grandparents and siblings[2] from the list of defined family members for which family care leave may be taken.

Fourth, the subtitle reduces the maximum leave that can be taken when caring for a defined family member for qualifying family leave events from eight[3] weeks per year to two.

Fifth, 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
The subtitle may reduce employee leave-taking and therefore overtime expenses at agencies where overtime is used to cover absences of essential employees. However, many factors affect use of agency overtime, including vacancies and workload needs, and no overtime budget reductions have been estimated or incorporated into the proposed budget and financial plan at this time.

[2] D.C. Official Code § 1-612.04(5)(D),(E).
[3] D.C. Official Code § 1-612.04a(a)(1)(B).

Subtitle (I)(G) – Campaign Finance Reform Amendment Act of 2025

Background

Under current law[4] the District government cannot enter into or approve a contract if the contractor (including business entities and principals of the business entities) has contributed to certain political campaigns. Also, contractors with District contracts may not contribute to certain political campaigns during prohibited periods. The subtitle removes from these covered contractor restrictions candidates for Mayor, Attorney General, or Council who are seeking to be certified as a candidate in the Fair Elections Program.[5]

Financial Plan Impact

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

Subtitle (I)(H) – Office of Employee Appeals Attorney Fee Act of 2025

Background

The subtitle limits the award of attorney fees for personnel cases brought before the Office of Employee Appeals. Current law[6] allows for "reasonable" attorney fees but does not specify what is reasonable. The subtitle provides for a limit of 20 percent of the benefit secured through the efforts of the attorney.

Financial Plan Impact

The subtitle will likely reduce awarded attorney fees in future employee appeals, but there is insufficient data to estimate a specific savings amount.

Subtitle (I)(I) –Retroactive Pay Increase Restriction Amendment Act of 2025

Background

The subtitle restricts increases in salaries, wages, or benefits at District agencies[7] that would be retroactive to fiscal year 2024 or fiscal year 2025. Exceptions are provided for approved resolutions and laws enacted prior to May 15, 2025; agreements reached on collective bargaining prior to May 15, 2025; and final arbitration awards not subject to judicial review for arbitration initiated prior to May 15, 2025.

Financial Plan Impact

Costs for current and new collective bargaining agreements, arbitration awards, and nonunion salary and benefit increases are budgeted in the Workforce Investments Account. However, the extent to which funding will cover additional agreements will not be known until agreements are reached or an award is made through arbitration. By eliminating salary and benefit increases retroactive to fiscal years 2024 and 2025, the subtitle may allow budgeted workforce funding to cover one or more new labor agreements.

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[4] D.C. Official Code § 1-1163.(34a).
[5] D.C. Official Code § 1–1163.32a.
[6] D.C. Official Code § 1-606.08(a).
[7] Including any office, independent agency or instrumentality except for the District of Columbia Housing Authority, the District of Columbia Housing Finance Agency, the District of Columbia Water and Sewer Authority, the University of the District of Columbia, and the Washington Convention and Sports Authority.

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) - Building Code Infraction Fines Inflation Adjustment Amendment Act of 2025

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.[8] 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.[9]

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 nine zoning notices of infraction since fiscal year 2022, so any impact on overall revenues is *de minimis*.

Subtitle (II)(B) - Great Streets Grant Disbursement Amendment Act of 2025

Background

Grants under the Great Streets Program are currently required[10] to be disbursed in allotments. The subtitle removes this requirement to provide for flexibility in fund disbursement. The subtitle also repeals a requirement[11] for the Mayor to request, and the grantee to provide, receipts confirming the allowable expenditure of grant funds.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The subtitle changes the timing for disbursements during the fiscal year, but does not affect total disbursements. The subtitle also removes a documentation requirement that the Mayor must receive from the grantee.

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[8] DCRA Infraction Fine Increase Amendment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 6-1431).
[9] Zoning Division Infractions – Zoning Regulations of 2016, effective January 26, 2019 (16 DCMR 3315 et seq.).
[10] D.C. Official Code § 2-1217.73b(b)(4)(A).
[11] D.C. Official Code § 2-1217.73b(b)(4)(B).

Subtitle (II)(C) - Neighborhood Prosperity Fund Amendment Act of 2025

Background

The subtitle changes the definition of a qualifying project for the Neighborhood Prosperity Fund ("Fund") to expand the types of projects[12] that can be eligible for funding to include Retail Priority Areas, or Main Street corridors supported by the Department of Small and Local Business Development.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. Project spending from the Fund must remain within available budget.

Subtitle (II)(D) - Technology Ecosystem Support Amendment Act of 2025

Background

The subtitle authorizes the Deputy Mayor for Planning and Economic Development to award eligible grants within its grant making authority[13] to entities that support entrepreneurs and early-stage technology companies in the District.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. While it expands the type of entities that can be funded, grant disbursements must remain within available budget.

Subtitle (II)(E) – Vending Compliance and Modernization Amendment Act of 2025

Background

Current law requires any person or entity seeking to vend food or other products in public space to obtain a basic business license from the Department of Licensing and Consumer Protection (DLCP) and meet any other requirements established by the Mayor.[14] The subtitle establishes two new categories of basic business licenses for vendors who want to operate on sidewalks and other public space (sidewalk vending license) and those who want to operate in the parking section of a roadway (mobile vending license). No one may vend from any of these public space locations without one of these licenses and a vending location permit from which they are vending. The subtitle establishes that any vending related items left in public space after authorized hours[15] are considered abandoned and subject to seizure, disposal, towing, or impoundment. The subtitle requires any vendor to clearly display their vending license and have a readily available government issued identification document that they must present to a law or civil enforcement officer upon request.

The subtitle affirms that the Mayor can create sidewalk vending locations consistent with an approved sidewalk vending zone manager site plan and establishes that any licensed sidewalk vendor can vend at any approved location unless the location is otherwise occupied, such as if the

[12] D.C. Official Code § 2-1210.71(b)(3).
[13] D.C. Official Code § 1–328.04.
[14] Vending Regulation Act of 2009, effective October 22, 2009 (D.C. Law 18-71; D.C. Official Code § 37-131.02).
[15] The subtitle authorizes the Mayor to adjust operating hours through rulemaking.

Mayor assigns locations to specific vendors through a lottery or the Mayor authorizes a sidewalk vending zone. The subtitle also grandfathers some sidewalk vendors at their existing locations if they obtained their license prior to subtitle's effective date and through their current license's expiration date. The subtitle authorizes a sidewalk vending zone manager to submit vending cart and vending truck designs along with its site plan to DLCP and authorizes the Mayor to issue rules around design standards for any vending equipment used by a vendor. The subtitle also authorizes the Mayor to supervise a vending zone and requires a vending zone manager to enforce the site plan and obtain a DLCP public market manager's license.

The subtitle sets the technical parameters for the Mayor to create mobile vending locations and requires the Mayor to assign those locations through a lottery system. The subtitle authorizes the Mayor to restrict mobile vending zones to food trucks and makes it illegal to park or store any vehicle other than the licensed vending truck in a mobile vending zone.

The subtitle authorizes the Mayor to, and provides the parameters for, the seizure of unlawfully vended merchandise and any related equipment. The subtitle authorizes the Mayor to issue a notice of infraction and seizure and to subsequently seize any merchandise, property, or equipment related to vending in public space if the vendor is vending without required authorization,[16] alters or falsifies required authorization, or fails to provide required authorization upon the request of an enforcement officer. The notice must include a description of the property taken, the process to request a hearing, property recovery procedures, and the parameters within which the Mayor can dispose of the property. A vendor can request an expedited hearing at the Office of Administrative Hearings (OAH) within three business days of receiving a notice, which OAH must conduct within three business days and then resolve within ten business days. A vendor can reclaim their property after paying any applicable seizure, transportation, and storage fees. A person can seek a refund of these fees if the violation is dismissed or overturned. The vendor may also recover the fair market value of the property disposed of by the District if the order is dismissed or overturned, the vendor filed timely notice for a hearing, and the vendor accurately establishes the property's fair market value.

The subtitle also authorizes the Mayor to issue a notice of infraction and impoundment and seize, tow, and impound a vending truck if the owner, operator, agent, or employee of the vending truck is vending without required authorization; alters or falsifies required authorization; fails to provide required authorization upon the request of an enforcement officer; or parks or operates illegally in public space or a vending zone. The Mayor may also immobilize the vending truck if a tow truck operator is not readily available. If the Mayor impounds the vending truck, they must provide notice to the vending truck owner, operator, and any lienholders of record. This notice must include details about the vehicle, fines or fees imposed, the procedures to recover the vehicle,[17] the food truck owner's appeal rights, the Mayor's rights to dispose of the vehicle, and that the vehicle will be held for 72 hours. A vendor can request an expedited hearing at OAH within three business days of receiving a notice, which OAH must conduct within three business days and then resolve within ten business days. This notice can be provided to the vending truck operator at the time of impoundment or via first class mail to the vending truck owner, if different than the operator. The notice should also be sent to any lienholders via first class mail.

[16] Required authorization is a valid sidewalk or mobile vending license; vending location permit; or other license, permit, or authorization.
[17] A vehicle must be reclaimed within 28 days of impoundment or else it is deemed forfeit.

A vending truck owner can secure release of their vehicle if they pay any impoundment, towing, immobilization, or storage fees. If the infractions that led to the impoundment are dismissed or overturned, the District should refund the food truck owner's booting, towing, impoundment, and three days of storage fees. The subtitle authorizes the Mayor to dispose of a vehicle that is not reclaimed in a timely manner. The subtitle establishes maximum fees, unless otherwise approved by the DLCP Director, for the towing and storage of a vending truck. The maximum fees are $750 for the preparation, hoist, and tow; $20 per mile beyond the District boundaries; and $75 per 24-hours, or part thereof, of storage. The subtitle allows the Mayor to contract or engage with private entities to immobilize, tow, impound, store, and release vending trucks.

The subtitle establishes a $3,500 civil penalty, ninety days imprisonment, or both for the first misdemeanor offense of vending without a required license or permit, vending from an unauthorized location, failing to produce documentation for an enforcement officer, or altering, falsifying, or misrepresenting a license or permit. If the violation is for vending from a food truck without a license or permit, then an enforcement officer can issue a civil fine of $10,000. Any subsequent violation is twice the penalty if it occurs within a year of the first violation. The subtitle requires a vendor to provide a civil enforcement officer with their reasonable identification upon request. The subtitle also eliminates an authorization to detain and a prohibition to arrest any person who refuses to provide identification to a law enforcement officer upon request.

The subtitle repeals a 60-day Council review period for rules issued related to vending in the District, a 2009 Citywide Vending Task Force, and vending development zones, which provided vending opportunities with less stringent requirements on participating vendors. The subtitle also gives DLCP grant-making authority to support vendors obtaining a general vending license. The bill requires the Chief Financial Officer to send an electronic notice to all registered vendors to let them know about the Mayor's existing amnesty program that runs through fiscal year 2028.[18]

The subtitle transfers statutory responsibility for providing a home occupancy permit for a microenterprise home kitchen business from the Department of Licensing and Consumer Protection to the Department of Buildings (DOB). DOB is the agency responsible for issuing these permits.

Financial Plan Impact

The subtitle makes several changes to vending laws in the District, including the establishment of distinct mobile vending and sidewalk vending basic business licenses. DLCP can create the new basic business license categories and establish all the parameters for mobile and sidewalk vending locations with its budgeted resources. The subtitle deems any property left in public space after designated operating hours to be abandoned and authorizes the Mayor to issue notices of infraction and seizure and notices of infraction and impoundment. DLCP has the enforcement staff to issue these violations. The Department of Public Works has limited staff and physical capacity to remove abandoned vending materials, including impounding mobile vending trucks. The subtitle authorizes DLCP to work with private tow companies, and DLCP intends to utilize that authority as its primary enforcement tool.

The subtitle's provisions that allow a vendor to request an expedited hearing at OAH in response to a DLCP notice of violation may put pressure on OAH's current caseloads to the extent vendors request

[18] Street Vendor Advancement Amendment Act of 2023, effective July 1, 2023 (D.C. Law 25-21; D.C. Official Code § 37-131.08c).

expedited hearings. The budget does not include additional resources for OAH, so OAH will utilize existing resources to implement the subtitle. Because OAH has to prioritize expedited hearings, this could delay other hearings.

The amnesty program for delinquent DLCP fines and fees and minimum sales tax payments launched in fiscal year 2024 and runs through fiscal year 2028. The Office of Tax and Revenue (OTR) sent an amnesty notice to registered vendors in 2024 and the fiscal year 2026 budget includes the necessary resources for OTR to notify vendors again.

Subtitle (II)(F) – Tipped Minimum Wage Amendment Act of 2025

Background

The subtitle sets[19] the tipped minimum wage to $5.95 as of October 1, 2025, provided the employee receives gratuities at least equal to the difference between the standard minimum wage and the wage paid. The subtitle increases the tipped minimum wage by the rate of inflation beginning July 1, 2026 and annually thereafter.

The current tipped minimum wage for tipped employees is $10 per hour, provided the employee receives tips in an amount at least equal to the difference between the hourly wage paid and the standard minimum wage.[20] The tipped minimum wage is set to increase to $12 per hour on July 1, 2025.[21]

The subtitle removes a prohibition on the applicability of the tipped minimum wage to DC Government employees or contracts with the DC Government.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The Department of Employment Services can perform outreach and enforce tipped wage laws within current resources.

[19] By amending the Minimum Wage Act Revision Act of 1992, effective March 25, 1995 (D.C. Law 9-248; D.C. Official Code 32-1001 *et. seq.*).
[20] D.C. Official Code § 32-1003(f)(5).
[21] D.C. Official Code § 32-1003(f)(6).

Subtitle (II)(G) – Poker and Blackjack Gaming Authorization Act of 2025

Background

The subtitle legalizes[22] poker and blackjack and requires the Office of Lottery and Gaming (OLG) to regulate card gaming in the District. Only locations licensed and approved by OLG as eligible establishments can operate card gaming facilities. To obtain a two-year license, individuals must submit to OLG an application, supporting documentation, background investigations, and onsite inspections and pay an application fee of $5,000 plus $2,000 per card gaming location. Licenses can be renewed for $1,500 plus $500 for each location. Licensees can request an additional location during the renewal process by paying an additional $1,000 fee for each new location. Card game suppliers must also be granted a permit by OLG to operate in the District.

The subtitle establishes a 25 percent tax on all gross gaming revenue collected through poker and blackjack. Operators must file a monthly return to the Chief Financial Officer (CFO) indicating the amount of revenue collected for the prior month.

The CFO will establish rules governing card gaming, including internal control standards, financial controls, security and surveillance requirements, game integrity, employee-related standards, information technology standards, minimum and maximum wager amounts, and age verification standards. The subtitle requires operators to adhere to certain operating procedures and prohibits persons under the age of 18 from participating in card gaming. The subtitle allows OLG to issue fines and penalties to card game operators who violate the card gaming laws or rules. OLG may conduct audits, investigations, searches, seizures, and other investigatory and inspection activities appropriate to the implementation and enforcement of card gaming. The Office of the Attorney General may also bring an action in Superior Court against a person violating card gaming laws or rules.

Establishments selling alcohol under an on-premises retailer's license class C/H, D/H, multipurpose facility class CX or DX, or arena CX, must obtain an endorsement from the Alcoholic Beverage and Cannabis Administration (ABCA) to operate a card gaming facility. A card gaming endorsement will cost $500 per year.

Financial Plan Impact

The OLG requires additional employees to regulate and enforce laws and rules pertaining to card gaming operations. OLG will hire an Investigator/Licensing Specialist and a Compliance Auditor. The total salary and fringe benefit cost of these employees is $249,000 in fiscal year 2026 and $1 million over the financial plan. These expenses will reduce OLG's transfer to the General Fund by the same amount. There is no additional revenue estimated as a result of this subtitle since it is unknown how many licensees will operate, nor if gaming activity will displace other existing taxable sales. ABCA requires no additional resources to approve card gaming endorsements.

[22] By amending The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code § 36-601.01 passim).

Subtitle (II)(G) – Poker and Blackjack Gaming Authorization Act of 2025 Total Cost ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Salary[(a)]	$202	$207	$211	$215	$834
Fringe[(b)]	$46	$48	$51	$53	$198
Total	$249	$255	$261	$268	$1,032

Table Notes:

a) One Grade 12 Step 5 Investigator/Licensing Specialist and one Grade 12, Step 5 Compliance Auditor. Assumes salary growth of 2.1 percent in fiscal year 2027 and 2.0 percent in fiscal years 2028 and 2029.

b) Assumes a fringe rate of 22.9 percent and a fringe growth rate of 2.4 percent in fiscal year 2027 and 2.35 percent in fiscal years 2028 and 2029.

Subtitle (II)(H) – Commercial Bingo Amendment Act of 2025

Background

The subtitle legalizes[23] commercial bingo[24] and requires the Office of Lottery and Gaming (OLG) to regulate the operation of bingo games in the District. Only locations licensed and approved by OLG as eligible establishments can operate commercial bingo. The OLG will establish rules governing application requirements, terms, conditions, and rules for bingo, prize values, premises that can be used to conduct bingo, occasions where bingo may be conducted, and the definition and use of gross receipts from the conduct of bingo. The subtitle allows OLG to issue fines and penalties to card game operators who violate the card gaming laws or rules. The subtitle establishes a 7.5 percent tax on the gross receipts from the sale or charges collected to play commercial bingo.

Establishments selling alcohol under an on-premises retailer's license class C/R, D/R, C/T, D/T, C/H, D/H, C/X, D/X, C/RB, D/RB, C/N, or D/N must obtain an endorsement from the Alcoholic Beverage and Cannabis Administration (ABCA) to operate commercial bingo on the premises. A commercial bingo endorsement will cost $300 per year.

Financial Plan Impact

The OLG requires additional employees to regulate and enforce laws and rules pertaining to commercial bingo operations. OLG will hire an Investigator/Licensing Specialist and a Compliance Auditor. The total salary and fringe benefit cost of these employees is $249,000 in fiscal year 2026 and $1 million over the financial plan. These expenses will reduce OLG's transfer to the General Fund by the same amount. There is no additional revenue estimated as a result of this subtitle since it is

[23] By amending The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code passim).

[24] Bingo is a form of gambling in which the winning chances are determined by a random drawing, either physically or electronically, of a subset of numbered objects among a total set of 75 objects, consecutively numbered from 1 to 75, and the bingo cards held by the players, which cards are sold, rented, or used only at the time of the gambling activity. Commercial bingo means a bingo game for which any type of consideration is paid or collected to play, but does not include a bingo game sponsored, conducted, or held by an entity in accordance with section 24(b), (c), or (d) of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code § 36-601.23(b), (c), or(d)).

unknown how many licensees will operate, nor if commercial bingo activity will displace other existing taxable sales. ABCA requires no additional resources to approve commercial bingo endorsements.

Subtitle (II)(H) – Commercial Bingo Amendment Act of 2025 Total Cost ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Salary[(a)]	$202	$207	$211	$215	$834
Fringe[(b)]	$46	$48	$51	$53	$198
Total	$249	$255	$261	$268	$1,032

Table Notes:

c) One Grade 12 Step 5 Investigator/Licensing Specialist and one Grade 12, Step 5 Compliance Auditor. Assumes salary growth of 2.1 percent in fiscal year 2027 and 2.0 percent in fiscal years 2028 and 2029.

d) Assumes a fringe rate of 22.9 percent and a fringe growth rate of 2.4 percent in fiscal year 2027 and 2.35 percent in fiscal years 2028 and 2029.

Subtitle (II)(I) – Economic Revitalization Initiatives Amendment Act of 2025

Background

The Economic Development Special Account[25] ("Fund") is a nonlapsing fund into which is deposited all fees, revenues and other income from real property and other assets formerly under the authority of the National Capital Revitalization Corporation or the Anacostia Waterfront Corporation, the RLA Revitalization Corporation, the Southwest Waterfront Development Corporation, Southwest Waterfront Holdings Corporation and the Economic Development Finance Corporation, as well as any other monies designated by law. The Fund is managed by the Office of the Deputy Mayor for Planning and Economic Development (DMPED) for administering properties under the authority of DMPED, and to provide economic development assistance, including grants and loans, according to code.

The subtitle specifies that a portion of the revenues from a 1 percent sales tax on the sales of hotel nights and similar accommodations will be deposited in the Fund (see also Subtitle VII-C) and it lays out how those revenues may be spent. In fiscal year 2026, approximately $8 million will be spent for the Gallery Square project, a project to create a public plaza in the Gallery Place/Chinatown neighborhood. $5 million will be granted to the Washington DC Economic Partnership. $2.5 million will be allocated for grants DMPED may make under D.C. Official Code § 1-328.04(ll). Approximately $2 million will be allocated for the revitalization of Farragut Square, McPherson Square and Lafayette Park. Smaller amounts are designated for other initiatives, including business attraction, support for businesses impacted by the Capital One arena renovation, reducing commercial vacancies and amenity gaps, preserving Chinatown cultural identity, and planning for the repositioning of federal buildings. The subtitle adds in fiscal year 2027 through fiscal year 2029 use of the Fund to make Vitality Fund deposits, and provides further specific amounts for some of the fiscal year 2026 uses.

[25] D.C. Official Code § 2-1225.21.

Financial Plan Impact
The subtitle provides for $23.5 million of spending at DMPED in fiscal year 2026, and a total of $80.9 million over the financial plan.

Subtitle (II)(I) – Economic Revitalization Initiatives Amendment Act of 2025 Total Cost ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Total Initiatives	$23,506	$20,091	$18,640	$18,640	$80,877

Subtitle (II)(J) – Washington Convention Center Marketing Authority Marketing Fund Amendment Act of 2025

Background
Current law[26] requires the Washington Convention Center (WCC) to contract marketing services with Destination, DC, the D.C. Chamber of Commerce, and the Greater Washington Ibero American Chamber of Commerce. The subtitle requires WCC to also contract with the Washington DC Economic Partnership as the designated primary contractor to:

1) Foster and enhance economic growth and business prospects in the District,
2) Provide support for the retention and expansion of businesses in the District and the attraction of businesses to the District;
3) Market and provide support for the marketing of the District as an attractive location to establish, operate and grow businesses.

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. The Washington Convention Center will have to use its existing marketing budget, or other available funding, to procure the required services, likely by reducing the contract levels of the other three required contractors.

Subtitle (II)(K) – Funding for the National, Lincoln, and Howard Theaters Amendment Act of 2025

Background
The subtitle requires the Commission on Arts and Humanities to provide three different capital grants in fiscal year 2025: $4 million to the National Theater for acquisition and repairs, $500,000 to the Howard Theater for debts service payments related to renovations, and $285,000 to the Lincoln Theater for repairs and renovations.

Financial Plan Impact
Funding is available in the Commission on Arts and Humanities Capital Projects Grant Program[27] funds in the current and proposed supplemental fiscal year 2025 budget.

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[26] D.C. Official Code § 10–1202.08a(e).
[27] https://dcarts.dc.gov/page/capital-projects

Subtitle (II)(L) – Truxton Circle Eminent Domain Authority Amendment Act of 2025

Background

The subtitle authorizes the Mayor to exercise eminent domain on Lot 48 in Square 3100[28] to allow for revitalization or redevelopment.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. The subtitle authorizes eminent domain, but does not require it. If the Mayor exercises eminent domain on the property, the Mayor will need to identify a funding source to pay for the property once a value for the transfer has been determined.

Subtitle (II)(M) – Housing in Downtown Program Amendment Act of 2025

Background

The Tax Abatements for Housing in Downtown Act of 2022 allows the Mayor to approve tax abatements for certain real properties that are undergoing changes in use from commercial to residential (that results in at least 10 residential units). The total value of tax abatements that the Mayor may approve is subject to a cap. The subtitle lowers the fiscal year 2027 cap from $6.8 million to $5 million. The subtitle also changes the eligible areas for the downtown housing tax abatements.

Financial Plan Impact

The subtitle will reduce allowable real property tax abatements in fiscal year 2027 by $1.8 million, increasing available property tax revenue by that amount. The change in the eligible area does not affect the maximum amount of tax abatements that can be granted.

Housing in Downtown Program Amendment Act of 2025 Fiscal Year 2026 – Fiscal Year 2029 ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Increased real property revenue	$0	$1,800	$0	$0	$1,800

Subtitle (II)(N) – Parking Benefit Equivalent Program Amendment Act of 2025

Background

In fiscal year 2021, the District required certain employers who offered a below-market parking benefit to their employees to begin offering those employees a non-car commuting alternative benefit, pay a compliance fee, or work to reduce commuter trips by car.[29] The District Department of Transportation (DDOT) was designated to enforce these requirements and review transportation demand management plans.

[28] For Fiscal Year 2026 the property is assessed at $3.5 million.
[29] Transportation Benefits Equity Amendment Act of 2020, effective June 24, 2020 (D.C. Law 23-113; D.C. Official Code § 32-151 et seq.).

The subtitle repeals this requirement on employers.[30]

Financial Plan Impact
DDOT hired one staffer to ensure compliance with this mandate and review transportation demand management plans. The hired staffer is now supporting other activities at DDOT. There are no costs associated with the subtitle's implementation.

Subtitle (II)(O) – Qualified High Technology Company Incentives Amendment Act of 2025

Background
The District passed a number of tax incentives for qualified high-technology firms (QHTCs) in the New E-conomy Transformation Act of 2000.[31] A high-technology company is considered "qualified" if it (1) has ten[32] or more employees in the District and (2) derives at least 51 percent of gross revenues earned in the District from technology-related goods and services such as Internet-related services and sales; information and communication technologies, equipment, and systems that involve advanced computer software and hardware; and advanced materials and processing technologies. Between December 31, 2018, and January 1, 2020 a preferential capital gains tax rate of 3 percent applied to the sale or exchange of qualifying capital gains from QHTC investments. The Fiscal Year 2021 Budget Support Act of 2020 suspended this preferred capital gains rate until December 31, 2024 and the Fiscal Year 2025 Budget Support Act of 2024 repealed it.

The subtitle restores a reduced tax rate on capital gains from the sale or exchange of a QHTC, subject to a pre-certification and a certification by the Mayor and subject to maximum revenue loss amounts. The investment must have been made on or between April 10, 2015, and June 25, 2024, or after September 30, 2025; held by the investor for at least 24 continuous months; and not have been publicly traded at the time of investment.

Financial Plan Impact
The subtitle specifies the maximum revenue reductions from the reduced capital gains tax rate, which may be certified by the Mayor. These amounts are the cost of the subtitle. Income tax revenue will be lowered by $2.2 million in fiscal year 2026 and a total of $19.5 million through fiscal year 2029.

Subtitle (II)(O) - Qualified High Technology Company Incentives Amendment Act of 2025 Fiscal Year 2026 – Fiscal Year 2029 ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Income tax revenue (loss)	($2,195)	($2,195)	($7,313)	($7,832)	($19,535)

[30] The subtitle maintains references to Section 132 of the Internal Revenue Code (98 Stat. 877; 26 U.S.C. § 132), but otherwise repeals the entirety of the Transportation Benefits Equity Amendment Act of 2020.
[31] Effective April 13, 2001 (D.C. Law 13-256; D.C. Official Code § 47-1817.01 et. seq.).
[32] Prior to 2020, only two employees were required

Subtitle (II)(P) – Zoning Decision Appeals Amendment Act of 2025

Background

The subtitle changes zoning appeals procedures for matters before the Zoning Commission, the Board of Zoning Adjustment and the Mayor's Agent for Historic Preservation. Specifically, the subtitle requires a zoning decision to be limited to an individual who was granted party status at the proceeding, or owns or occupies property within a 200-foot radius of the subject property in the case.

The subtitle requires filings of appeals to be made within 30 days of a decision. The subtitle also requires that any new filing must demonstrate specific facts demonstrating harm suffered.

The subtitle allows a court to require a petitioner post bond during an appeal not to exceed $250,000, to account for the costs of possible delays to a project imposed on the property owner if the appeal is not successful.

Lastly, the subtitle permits a court to order attorney's fees or other costs incurred if the court finds that the appeal was frivolous or filed for an improper purpose, not to exceed $50,000.

Financial Plan Impact

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

Subtitle (II)(Q) – Business License Fee and Penalty Waivers Amendment Act of 2025

Background

The Department of Licensing and Consumer Protection (DLCP) is authorized to implement a fee waiver program to encourage business entities to comply with required business entity filings.[33] The subtitle expands any forgiveness program to include any penalties assessed for the failure of a business to file timely. The subtitle also authorizes DLCP to waive late fees and penalties associated with lapsed or expired business licenses.

The subtitle also makes a conforming change to the Business and Entrepreneurship Support to Thrive Amendment Act of 2022, which becomes applicable on October 1, 2025. The change ensures that an applicant for a basic business license is subject to the higher Clean Hands threshold of $1,000.[34]

Financial Plan Impact

The subtitle expands DLCP's ability to waive fees and penalties for business owners. DLCP does not have plans to implement a broad fee waiver program in fiscal year 2026, but will utilize this authority when the DLCP Director determines that a waiver is warranted. The subtitle's revised Clean Hands threshold is a conforming amendment to legislation funded in the fiscal year 2025 budget.

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[33] Business Recovery and Sustainability Fee Reductions Amendment Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 29-102.12(e)).

[34] Clean Hands Certification Economic Expansion and Revitalization Amendment Act of 2024, effective September 18, 2024 (D.C. Law 25-217; D.C. Official Code § 47-2862).

Subtitle (II)(R) – Robert F. Kennedy Campus Redevelopment Act of 2025

Background

The subtitle authorizes bond issuances, establishes funds, and sets legal authorities to facilitate redevelopment and management of the approximately 180 acres of waterfront property located at the former RFK Stadium site[35] in Ward 7, as outlined in a term sheet[36] entered into between the District and Pro-Football, LLC, the owners of the Washington Commanders football team. The plan calls for a mixed-use development, including construction of a District-owned stadium for athletic and entertainment use, adjacent public sports and recreation facilities (a "sportsplex"), parking, infrastructure, residential housing, commercial and retail space, and other community amenities.

First, the subtitle declares the District-managed land[37] at the RFK campus as no longer required for public purposes and available for development. It authorizes the disposal of portions of the campus to a developer pursuant to the term sheet. The term sheet indicates the District and a Master Developer will negotiate one or more leases for development including: a Stadium District Parcel (to contain the Stadium), Parking Parcels (to contain the District funded parking garage and the Events DC funded parking garage), the Team Administration Parcel (for Commanders team administrative offices), the Plaza District Commercial Parcel, and the Riverfront District Commercial parcel. The commercial parcels may contain residential units, hotel, retail and other commercial uses. Further, the subtitle also allows for granting of easements over the RFK campus as the Mayor deems appropriate. It authorizes the Mayor to assign or transfer the ownership of a future stadium and standalone parking facilities that serve the stadium, as well as the right to sell or license seats in the stadium ("stadium seat rights") to a District instrumentality or authority.

Second, the subtitle exempts the stadium project (including accessory office building and parking) and the public recreation center from zoning requirements[38] until a final certificate of occupancy is issued for each structure in the development.

Third, the subtitle authorizes the Mayor, or any instrumentality or authority designated by the Mayor, to issue one or more series of bonds in an amount necessary to generate net proceeds of no more than $500 million (the "Infrastructure Bonds") to pay or reimburse expenditures for costs incurred in the development, design and construction of the horizontal improvements and eligible stadium and stadium infrastructure capital costs defined in the term sheet. The term sheet (Exhibit B) lists project horizontal costs and eligible capital costs including (but not limited to): site conditions work (demolition, utility relocations), pedestrian circulation (stairs, plazas), below grade construction, design and engineering costs.

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[35] The campus is within Reservation 343F in the District, as shown on the Transfer of Jurisdiction Plat recorded in the Surveyor's Office of the District of Columbia on February 5, 2025, on page 13 of subdivision book 223, together with any public streets within or adjustment to the parcels.

[36] Term Sheet for the Redevelopment of a Portion of the Robert F. Kennedy Stadium Campus between the District and Pro-Football, LLC, dated April 28, 2025, which memorializes the terms of the disposition and development of the site.

[37] The site recently came under District management per the D.C. Robert F. Kennedy Memorial Stadium Campus Revitalization Act (Public Law 118-274, approved January 6, 2025, and the Transfer of Jurisdiction Over the Robert F. Kennedy Memorial Stadium Campus Emergency Approval Resolution of 2025, effective February 4, 2025 (Res. 26-16; 72 DCR 1436).

[38] D.C. Official Code § 1-306.07(a).

The Infrastructure Bonds cannot be issued prior to October 1, 2025. The subtitle establishes a non-lapsing fund called the RFK Campus Infrastructure Fund ("Infrastructure Fund") to pay debt service and other related Infrastructure Bonds costs. The subtitle directs all revenue from a sports facilities fee - to the Infrastructure Fund once all of the Nationals Park bond obligations have been paid. The Ballpark Fee[39] is currently being used to repay bonds issued in connection with Nationals Park[40],and will be renamed the sports facilities fee. To the extent not due to the bondholders in fiscal years 2027 – 2029, amounts in the Infrastructure Fund may be used to pay costs associated with early redemption of the Nationals Park bond obligations and for General Fund purposes. From fiscal year 2030, excess revenues in the Infrastructure Fund not needed to pay debt service on the Infrastructure Bonds will be transferred to a District Sports Fund for supporting youth, amateur and professional sports in the District at the end of each fiscal year.

Fourth, the subtitle authorizes the Mayor, or any instrumentality or authority designated by the Mayor, to issue one or more series of bonds in an amount necessary to generate net proceeds of no more than $175 million to pay (or reimburse Pro-Football LLC) for the costs of constructing parking facilities on the campus to serve the stadium. The parking project bonds cannot be issued prior to October 1, 2031. The subtitle establishes a fund called the RFK Campus Parking Facilities Fund ("Parking Facilities Fund") to pay debt service and other required costs associated with the parking facilities bonds, and directs stadium sales tax revenue to the Parking Facilities fund. The subtitle also increases the total tax rate for sales of tangible personal property or services at the stadium (excluding food and drink and alcoholic beverages to be consumed at the stadium), and ticket sales to public events at the stadium subject to the gross sales tax[41]) by imposing an additional 4.25% sales tax.. The subtitle requires that bonds issued under this subtitle not constitute a general obligation of the District beyond the funding in the Infrastructure Fund and Parking Facilities Fund. The subtitle also exempts the sales of personal seat licenses, and stadium motor vehicle parking from the general sales tax.[42]

Annually, if there are any funds in the Parking Facilities Fund not required to pay debt service or reserves, the subtitle directs that funding, called "excess stadium revenue" to a non-lapsing fund called the RFK Campus Reinvestment Fund ("Reinvestment Fund"). The subtitle authorizes use of the Reinvestment Fund to support the attraction and management of events at the RFK campus and to support maintenance and repair costs at campus facilities.

Fifth, the subtitle authorizes the Washington Convention and Sports Authority ("Events DC")[43] to issue sufficient bonds necessary to generate net proceeds of $181 million to finance the construction of additional parking facilities approved by the Mayor on the campus.

Sixth, the subtitle exempts the parcels to be occupied by the stadium and parking facilities from real property[44], possessory interest[45], and deed recordation[46] taxes while the leases with Pro-Football LLC for the stadium and parking facilities are in effect.

[39] D.C. Official Code § 47-2762.
[40] D.C. Official Code § 10–1601.03.
[41] D.C. Official Code § 47–2001(n)(1)(H).
[42] D.C. Official Code § 47–2005.
[43] D.C. Official Code § 10-1201.01 et seq.
[44] D.C. Official Code § 47-1002.
[45] D.C. Official Code § 47-1005.01.
[46] D.C. Official Code § 47-1102.

Seventh, the subtitle exempts the project's future Development and Financing Agreement (which will govern the terms and conditions of the District's capital contributions to the project) from the Procurement Practices Reform Act of 2010.[47] However, it requires compliance with three other statutes: the First Source Employment Agreement of 1984,[48] with a preference for at least 20 percent of new jobs created in connection with the project being designated for residents in Wards 7 and 8; An Act to Provide for Voluntary Apprenticeship in the District of Columbia Act of 1978[49]; and the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act of 2005,[50] with a preference for at least 10 percent of the certified business located in Wards 7 or 8.

Lastly, the subtitle establishes a Stadium District Entertainment Area in the District of Columbia Municipal Code.

Financial Plan Impact
The subtitle authorizes District bond issuances to support the RFK redevelopment with net proceeds not to exceed $675 million. The proposed budget and financial plan has sufficient funding to support this borrowing and remain within required statutory debt limitations. The Infrastructure Bonds, not to exceed $500 million in net proceeds, will be supported by revenue from the Ballpark Fee (to be renamed the Stadium Facilities Fee), once the bonds for Nationals Park are paid off. Final payment of the Nationals Park bonds is expected to occur by the end of fiscal year 2026. Upon the repayment of the Nationals Park bonds, revenues from the Ballpark Fee, then renamed the sports facilities fee, will be redirected to the RFK Campus Infrastructure Fund. The parking facility bonds, not to exceed $175 million in net proceeds, will be supported by sales tax streams at the stadium. Currently, there are no sales tax revenue collections on the RFK campus nor an existing football stadium, so redirection of future stadium sales tax collections does not have a fiscal impact.

Further, exempting the stadium and parking facilities from real property and deed and recordation taxes, does not have a fiscal impact.

The subtitle also authorizes the issuance of no more than $181 million in bonds by Events DC. Events DC plans to restructure a portion of its current outstanding debt and will be able to support the bond issuance for the RFK parking contribution from its existing tax revenue streams. The debt cap analysis includes debt service for the planned bond issuance.

Subtitle (II)(S) – Transfer and Recordation Tax Appeals Amendment Act of 2025

Background
When real property is transferred for no or nominal consideration, the Office of Tax and Revenue's Recorder of Deeds must compute the deed transfer tax and the recordation tax based on the fair market value for the property.[51] The Recorder of Deeds has by regulation defined "nominal consideration" as an amount that bears no reasonable resemblance to the fair market value of the

[47] D.C. Law 18-371; D.C. Official Code § 2-351.01 et seq.
[48] D.C. Law 5-93; D.C. Official Code §§ 2-219.01 et seq.
[49] D.C. Law 2-156; D.C. Official Code § 32-1431.
[50] D.C. Law 16-33; D.C. Official Code § 2-218.01 et seq.
[51] D.C. Official Code § 42-1103(a)(1)(B)(iii) and 42–1104(a) and § 47–903(a)(1)(B) and § 47–904

property transferred and provided further that consideration paid which equals less than 30% of the fair market value of the property is deemed to be nominal. In these cases, the Recorder of Deeds uses the assessed value of the property for the current tax year as the estimate of the property's fair market value and computes the transfer and recordation taxes accordingly.

The subtitle amends the District of Columbia Real Estate Deed Recordation Tax Act and the transfer tax law so that in cases where property transfers for no or nominal consideration, the transferor or transferee may appeal the fair market value used for calculation of the transfer and recordation taxes to the Office of Tax and Revenue. The subtitle specifies an appeal must be filed within 45 days of the transfer.

Financial Plan Impact
The subtitle does not have an impact on the proposed budget and financial plan. OTR and the Recorder of Deeds can implement the subtitle's new procedures, including processing any appeals brought by transferors or transferees, without additional resources.

Subtitle (II)(T) – Downtown Business Improvement District Amendment Act of 2025

Background
Under current law, the maximum amount the Downtown Business Improvement District Tax (BID Tax) can be raised in a given year by the BID's board is three percent. The subtitle increases the maximum growth[52] in the tax rate in a given year to five percent. The subtitle only authorizes an increase of up to five percent, but it is the BID's Board[53] that determines the rate within that constraint.

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

Subtitle (II)(U) – Vacant Commercial Lot Taxation Amendment Act of 2025

Background
The District has established procedures for the identification, registration, and taxation of vacant and blighted vacant buildings.[54] The subtitle defines vacant commercial lots,[55] applies many of the same procedures to them as vacant buildings, and establishes them as a new Class 5 property category for tax assessment purposes. Similar to vacant buildings, the subtitle makes vacant commercial lots subject to notice, registration (including registration fees), and inspection requirements unless otherwise exempted. The subtitle adds additional exemptions for vacant commercial lots if the lot is used as a commercial parking lot, a parking lot appurtenant to an improved Class 2 property, is

[52] D.C. Official Code § § 2–1215.51(c)(2).
[53] D.C. Official Code § 2–1215.08(b)(1).
[54] An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, approved April 14, 1996 (34 Stat. 114; D.C. Official Code § 42-3131.01 et seq.).
[55] Vacant commercial lots are unimproved properties located in any zone in the District except a residential house (R) zone, residential flat (RF) zone, residential apartment (RA) zone, or the Barry Farm (BF) zone.

economically or physically unable to be developed, or is a park or plaza designed for public use. The subtitle also requires the Mayor to semiannually transmit a list of vacant commercial lots to the Office of Tax and Revenue (OTR) and to include these vacant commercial lots on the list publicly published by the Department of Buildings (DOB).

The subtitle establishes a tax rate of $10 for every $100 of assessed value for these Class 5 properties beginning in tax year 2026.

Financial Plan Impact
DOB is responsible for the District's vacant and blighted vacant building registration and enforcement processes and will absorb the subtitle's requirements for vacant commercial lots within those processes. OTR has a population of over four hundred vacant commercial lots for assessment purposes, but many of those will be exempted under the subtitle's allowances or will be put to use in such a way as to avoid the subtitle's $10 tax rate. Additionally, OTR's experience with vacant and blighted vacant buildings is that the collection rate on assessed taxes is low. After accounting for exemptions, conversions, and collection challenges, the subtitle will generate an additional $410,000 in new property tax revenue in fiscal year 2026 and $1.7 million across the financial plan.

OTR will need to update worksheets, systems, and procedures to accommodate a new class of properties. This will cost OTR $140,000 in fiscal year 2026 and these costs are included as one-time funding in the fiscal year 2026 budget.

Subtitle (II)(V) – Rebalancing Expectations for Neighbors, Tenants, and Landlords (RENTAL) Amendment Act of 2025

Background
The subtitle makes several changes to affordable housing laws and programs. Some of the key changes are summarized here.

First, the subtitle allows for the eviction of a tenant in a rental unit if the tenant is arrested or charged with a violent offense that occurred in or adjacent to the housing unit. It also modifies eviction proceeding timelines.

Second, the subtitle modifies the Tenant Opportunity to Purchase Act to address different financing and refinancing structures.

Third, the subtitle expands eligibility for the District's Local Rent Supplement Program by increasing the income eligibility threshold from 30 percent[56] of area median income to 50 percent.

Fourth, the subtitle makes technical clarifications and corrections to the District's local low-income housing tax credit to reflect a recent amendment[57] which requires the Department of Housing and Community Development to award eligibility for the local credit beginning in fiscal year 2025.

[56] D.C. Official Code § 627(b-1)(1).
[57] District of Columbia Low-Income Housing Tax Credit Amendment Act of 2024, DC Law 25-217

Fifth, the subtitle gives the Department of Housing and Community Development the authority to acquire and reposition vacant properties to create more housing.

Sixth, the subtitle continues authorization of the District of Columbia Housing Authority Stabilization and Reform Board, which was set to sunset.

Financial Plan Impact
The subtitle does not have an impact on the budget and financial plan. The changes being made relate to eligibility in programs and authorities of the Mayor, but do not commit to any budgetary or spending changes.

TITLE III – PUBLIC SAFETY

Subtitle (III)(A) – Public Services Hotel Occupancy Fee Amendment Act of 2025

Background

Starting in October 1, 2025, the subtitle imposes[58] an 80 cent-per-night fee for occupied hotel rooms. The revenue must be deposited into a newly established Public Services Telecommunications Fund (Fund). Money in the Fund may be used for the purposes described in the section for personnel, technology hardware, software and software maintenance, contractual support, outreach, training, supplies, and equipment costs necessary to provide the 911 and 311 systems. Any money remaining available in the Fund at the end of a fiscal year must be transferred to the unassigned fund balance of the General Fund of the District of Columbia as part of the fiscal year-end close.

Financial Plan Impact

The subtitle will increase special purpose revenue in the Public Services Telecommunications Fund by $6.9 million starting in fiscal year 2026 and a total of $28.1 million over the financial plan.

Subtitle (III)(A) - Public Services Hotel Occupancy Fee Amendment Act of 2025 Total Revenue Increase ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Total Revenue Increase	$6,948	$7,020	$7,061	$7,100	$28,129

Subtitle (III)(B) – 911-311 Fund Sweep Repeal and Reversal Amendment Act of 2025

Background

The subtitle reverses[59] $150,000 in recurring transfers from the 911 and 311 Assessments Fund starting with fiscal year 2023. A total of $300,000 must be transferred from the unassigned fund balance of the General Fund of the District of Columbia to the 911 and 311 Assessments Fund on October 1, 2025.

Financial Plan Impact

The fiscal year 2026 budget includes a $300,000 transfer from the General Fund to the 911 and 311 Assessments Fund.

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[58] 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.)

[59] By amending the tabular array in section 8002(a) of the Designated Fund Transfer Act of 2021, effective November 13, 2021 (D.C. Law 24-45; 68 DCR 10375).

<u>Subtitle (III)(C) – Criminal Code Reform Commission Amendment Act of 2025</u>

Background

The Criminal Code Reform Commission (CCRC) was established as an advisory agency in 2016 to provide the Council and Mayor with a comprehensive assessment of the District's criminal code, including recommendations, if necessary. The CCRC developed recommendations for the District's criminal statutes and transmitted them to the Council and Mayor in 2021. This subtitle would disband the CCRC effective September 30, 2025.

Financial Plan Impact

The proposed fiscal year 2026 budget and financial plan eliminates spending on the CCRC. The disbanding of the CRCC results in local savings of $908,000 in fiscal year 2026 and $3.7 over the financial plan.

Subtitle (III)(C) - Criminal Code Reform Commission Amendment Act of 2025 Total Savings ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Reduction in Spending	$908	$926	$945	$964	$3,742

<u>Subtitle (III)(D) – Retired Police Officer and Firefighter Redeployment Amendment Act of 2025</u>

Background

The subtitle allows retired Metropolitan Police Department (MPD) officers and firefighters retired from the Fire and Emergency Medical Services (FEMS) to work as full-time or part-time employees at the Office of Unified Communications (OUC) without jeopardizing retirement benefits. The subtitle also allows retired MPD officers to be hired by the Department of Forensic Sciences (DFS) without jeopardizing retirement benefits.

Financial Plan Impact

The subtitle expands the pool of applicants who can apply for open positions at DFS and OUC. The subtitle does not have a cost.

<u>Subtitle (III)(E) - District of Columbia Rap Back Program Act of 2025</u>

Background

The subtitle 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). District agencies that participate in the program submit fingerprints of covered individuals[60] to MPD, which forwards the fingerprints to the FBI for a

[60] 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,

national criminal history check and subscription to the Rap Back Service. When an individual subscribed to the Rap Back services is arrested or involved in criminal activity where fingerprints are taken, the FBI Rap Back Service notifies MPD. MPD will forward this notification to the appropriate participating District agency. The information contained in a notification is to be used by agencies only to determine if a covered individual can continue to provide services in the District. MPD may establish fees on covered individuals or participating agencies to implement the program.

Financial Plan Impact

MPD can participate in the Rap Back Service and provide event notifications to agencies with current resources. The fiscal year 2026 budget and financial plan does not include an enhancement to implement the subtitle.

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.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) - Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2025

Background

The subtitle sets[61] the fiscal year 2026 base level funding for the Uniform Per Student Funding Formula (UPSFF) at $15,070, a 2.7 percent increase over fiscal year 2025. The base level funding is multiplied by the weighting for each grade level or add-on service to determine the per-student funding at that level or for those services. Beginning in fiscal year 2027, the base level is $14,501 per student, a 3.8 percent reduction from the fiscal year 2026 amount.

The following tables show the base-level funding at each grade level and the various add-ons in fiscal year 2026:

Weightings applied to counts of students enrolled at specific grade levels		
Grade Level	**Weighting**	**Per Student Allocation in FY 2026**
Pre-Kindergarten 3	1.34	$20,194
Pre-Kindergarten 4	1.30	$19,591
Kindergarten	1.30	$19,591
Grades 1-5	1.00	$15,070
Grades 6-8	1.08	$16,276
Grades 9-12	1.22	$18,385
Alternative program	1.58	$23,811
Special education school	1.17	$17,632
Adult	1.00	$15,070

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	$14,618
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	$18,084
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	$29,688

[61] 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**
Level 4: Special Education	More than 24 hours per week, which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	$52,594
Special Education Compliance Funding	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	$1,492
Attorney's Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per-student basis for attorney's fees.	0.089	$1,341

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	$7,535
Secondary ELL	Additional funding for English Language Learners in grades 6-12, alternative students, adult students, and students in special education schools.	0.75	$11,303
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	$4,521
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	$904
At-risk > 40 percent Concentration Supplement	Weighting 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	$1,055
At-risk > 70 percent Concentration Supplement	Weighting 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	$1,055

Residential Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Student Supplemental Funds**
Residential (general)	DCPS or DC PCS that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	$25,167
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	$5,576
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	$20,194
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	$43,552
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	$43,552
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	$10,067

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	$949

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	$3,421
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	$7,399
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	$7,399

Financial Plan Impact

The 2.7 percent UPSFF base level increase will result in additional formula-driven Local Fund expenditures. The proposed fiscal year 2026 budget includes approximately $2.6 billion for instructional budgets because of the UPSFF: $1.40 billion for DCPS and $1.2 billion for 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 $1.43 billion in fiscal year 2026. DC PCS will also receive $187.4 million for facility allowances in fiscal year 2026, bringing the collective DC PCS formula-driven Local fund budget to $1.40 billion.

The fiscal year 2027 budget UPSFF base level is reduced by 3.8 percent and generates savings of $98.5 million ($52.7 million from DCPS and $45.8 million from DC PCS) in the fiscal year 2027 and $295 million over the financial plan. Beginning in fiscal year 2027, $49 million has been added to the Department of General Services (DGS) to cover fixed costs at DCPS facilities, reducing the impact of the UPSFF reduction for DCPS.

Subtitle (IV)(B) - District of Columbia Library Revenue-Generating Activities Fund Amendment Act of 2025

Background

The District of Columbia Public Library (DCPL) deposits all revenue from revenue-generating activities, such as advertisements and sponsorships, tickets to select public library events, and the purchase, rent, and sale of library-related items, into the Revenue-Generating Activities Fund. DCPL can use the revenue in this Fund to support certain library functions. The subtitle expands[62] the use of the Fund to include payment of the costs of temporary and contract employees whose work is intended to generate revenue into the Fund.

Financial Plan Impact
The subtitle does not have a cost. The subtitle allows DCPL to pay temporary and contract employees out of the Revenue-Generating Activities Fund.

Subtitle (IV)(C) - Public Charter School Educator Compensation Payments Act of 2025

Background
The subtitle requires OSSE to make $30.8 million of direct payments from the Workforce Investments account to public charter local education agencies (LEAs) to increase the compensation of public charter school educators in school year 2025-2026. To receive funds, a public charter LEA's chief executive officer or head of school must sign an assurance that the funds provided by OSSE will be used exclusively to increase the compensation of public charter school educators and will be paid to the public charter LEA's educators during School Year 2025-2026.

Financial Plan Impact
The fiscal year 2026 Workforce Investment budget includes $30.8 million for OSSE to distribute to public charter LEAs to increase educator compensation.

Subtitle (IV)(D) - Early Childhood Educator Pay Equity Fund Amendment Act of 2025

Background
The Early Childhood Educator Pay Equity Fund (ECE PEF) is used by the Office of the State Superintendent of Education (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.[63] Current law requires the District to deposit $70 million of local funds annually into the ECE PEF. Funds are distributed from the ECE PEF using a CDF payroll funding formula that considers educator roles and credentials at each child development facility participating in the program. The ECE PEF also covers educator health insurance premiums and OSSE administrative expenses.

The subtitle requires that $70 million be deposited into the ECE PEF in the fiscal year 2026 and eliminates recurring annual fund deposits. The subtitle also makes permanent[64] temporary legislation that sets the minimum salary levels that CDFs must pay early childhood educators to qualify for payments from the ECE PE in fiscal year 2025. The subtitle also sets minimum salary levels

[62] By amending Section 17(c) of An Act To establish and provide for the maintenance of a free public library and reading room in the District of Columbia, approved June 3, 1896 (29 Stat. 244; D.C. Official Code § 39-117(c)).
[63] D.C. Official Code § 4–410.02.
[64] By amending The Day Care Policy Act of 1979, effective September 19, 1979 (D.C. Law 3-16; D.C. Official Code § 4-401 et seq.).

for fiscal year 2026. These revisions to the minimum salary scales include adjustments to the credential levels needed to access a particular minimum salary.

From October 1, 2024, through December 31, 2024, CDFs must pay at a minimum:

Assistant Teacher	
Credential Level	Minimum Salary
Less than a CDA[65]	$43,865/year
CDA	$51,006/year
Associate	$54,262/year

Lead Teacher	
Credential Level	Minimum Salary
CDA or 48 credit hours with greater than or equal to 15 credit hours in ECE	$54,262/year
Associate in ECE or Associate's with greater than or equal to 24 credit hours in ECE	$63,838/year
Bachelor's in ECE or Bachelor's with greater than or equal to 24 credit hours in ECE	$75,103/year

From January 1, 2025, through September 30, 2026, CDFs must pay at a minimum:

Assistant Teacher	
Credential Level	Minimum Salary
Less than a CDA[66]	N/A
CDA	$51,006/year ($24.52/hour)
Associate degree or higher or 60 hours of college-level coursework in any field	$54,262/year ($26.09/hour)

Lead Teacher	
Credential Level	Minimum Salary
Child development center teacher or expanded child development home caregiver with a CDA	$51,006/year ($24.52/hour)
Child development home caregiver with a CDA	$54,262/year ($26.09/hour)
Associate in ECE; associate with at least 12 credit hours in ECE; 60 college credit hours with at least 12 credit hours in ECE	$63,838/year ($30.69/hour)
Bachelor's or higher in ECE; or Bachelor's or higher with at least 12 credit hours in ECE	$75,103/year ($36.11/hour)

Financial Plan Impact

The fiscal year 2026 budget includes $70 million in the ECE PEF, which covers the cost of the CDF payroll funding formula through fiscal year 2026. Eliminating the recurring $70 million over the financial plan reduces spending, resulting in cost savings of $70 million in fiscal year 2027 and $210 million over the financial plan.

Subtitle (IV)(D) - Early Childhood Educator Pay Equity Fund Amendment Act of 2025 Total Savings ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Cost Savings	$0	$70,000	$70,000	$70,000	$221,000

[65] CDA means a child development associate credential recognized by the Council for Professional Recognition and accepted by the Office of the State Superintendent for Education to demonstrate competency as a caregiver for young children or a state-awarded certificate that meets or exceeds the requirements for a child development associate credential.
[66] Less than CDA positions are not eligible for ECE PEF payments beginning January 1, 2025.

Subtitle (IV)(E) – Early Literacy Intervention Amendment Act of 2025

Background

The subtitle makes[67] subject to available funding OSSE's early literacy intervention grant program. The grant program provides resources to LEAs to provide direct, developmentally appropriate, research-based reading programs.

Financial Plan Impact

The fiscal year 2026 budget and financial plan reduce OSSE's budget by $2.1 million in fiscal year 2026 and a total of $8.6 million across the financial plan to account for eliminating OSSE's early literacy intervention grant program.

Subtitle (IV)(F) – Healthy Schools Amendment Act of 2025

Background

Healthy school funding supports various programs that promote health, wellness, and nutrition in schools. The subtitle deletes[68] a reference to fiscal year 2025 and replaces it with language that no longer ties a specific spending amount to a particular fiscal year.

Financial Plan Impact

The fiscal year 2026 budget includes $5.7 million in recurring local funding to support healthy school programming.

Subtitle (IV)(G) – State Athletic Commission Amendment Act of 2025

Background

The DC State Athletics Commission (Commission) oversees the state interscholastic athletics programs and competitions in the District by overseeing the DC State Athletics Association (DCSAA). The subtitle transfers[69] jurisdiction over the Commission and DCSAA to OSSE, which will oversee the Commission and DCSAA functions. The subtitle also transfers all Commission and DCSAA employees to OSSE and makes several conforming amendments.

Financial Plan Impact

The fiscal year 2026 budget transfers $1.58 million of recurring local funds and $220,000 of special purpose revenue funds[70] to OSSE to facilitate the transfer of jurisdiction over the Commission and DCSAA.

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[67] By amending Section 3(b)(24) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(b)(24).
[68] By amending Section 102 of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02).
[69] By amending The District of Columbia State Athletics Consolidation Act of 2016, effective April 7, 2017 (D.C. Law 21-263; D.C. Official Code § 38-2661.01 et seq.).
[70] By transferring the State Athletic Activities, Programs, and Office Fund

Subtitle (IV)(H) – Universal Paid Leave Amendment Act of 2025

Background

The subtitle changes the taxes collected and benefits provided for the District's Universal Paid Leave Program[71]. First, beginning July 1, 2025, it reduces the contributions that employers and self-employed participants pay on the wages of covered employees from 0.75 percent[72] to 0.72 percent. Second, for claims after October 1, 2025, it reduces the maximum number of paid weeks that workers can receive under the program for qualifying medical leave[73] from 12 to eight weeks, and for qualifying family leave[74] from 12 to six weeks. Third, it caps the maximum weekly benefit individuals can receive in the program at $1,000, effective October 1, 2025. The current maximum weekly benefit is $1,153[75], and under current law the maximum weekly benefit increases by inflation if available funding is sufficient.[76]

For Fiscal Year 2029, the subtitle sets a maximum transfer of $25,812,158 to the Universal Paid Leave Administration Fund[77] ("Administration Fund"). Under current law[78], the maximum amount that can be transferred to the Administration Fund in Fiscal Year 2029 is 15 percent of money deposited in the Universal Paid Leave Fund[79] ("Paid Leave Fund").

Lastly, effective July 1, 2025, the subtitle cancels two required funding transfers out of the Paid Leave Fund to the general fund: a required transfer of $6.5 million in fiscal year 2025 and a required transfer of $3.4 million in fiscal year 2026.

Financial Plan Impact

The subtitle's benefit changes reduce the estimated cost of benefits in the program by $18.5 million in fiscal year 2026 and $77.2 million over the four year financial plan. Lowering the employer contribution rate to 0.72 percent will reduce overall revenue collections by $18.3 million in fiscal year 2026 and $76.3 million over the four year financial plan. With lower expenses, the employer contribution rate necessary to pay paid leave expenses in fiscal year 2026 is 0.20 percent.

Subtitle (IV)(H) – Universal Paid Leave Amendment Act of 2025 Benefit Savings ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Current Benefit Cost Estimate	$136,594	$140,623	$144,608	$148,929	$570,754
Benefit Cost Savings	($18,507)	($19,023)	($19,562)	($20,150)	($77,252)
Revised Benefit Cost Estimate	**$118,086**	**$121,600**	**$125,046**	**$128,779**	**$493,511**

71 D.C. Official Code § 32-541.01 et seq.
72 D.C. Official Code § 32-541.03(a).
73 D.C. Official Code § 32-541.04(e-1)(3)(C).
74 D.C. Official Code § 32-541.04(e-1)(3)(B).
75 https://dcpaidfamilyleave.dc.gov/benefits-calculator/
76 D.C. Official Code § 32-541.04(g)(6)(A).
77 D.C. Official Code § 32-551.02(a).
78 D.C. Official Code § 32-551.01(b)(2)(A)(vi).
79 D.C. Official Code § 32-551.01.

Subtitle (IV)(H) – Universal Paid Leave Amendment Act of 2025 Revenue Adjustments ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Current Revenue Estimate (0.75 percent tax rate)	$457,905	$471,290	$480,332	$500,026	$1,909,552
Less: Current Portion General Fund	($317,481)	($326,760)	($333,030)	($346,684)	($1,323,956)
Current Portion for UPL	**$140,424**	**$144,529**	**$147,302**	**$153,341**	**$585,596**
Revenue Reduction (reducing rate to 0.72 percent)	($18,316)	($18,852)	($19,213)	($20,001)	($76,382)
Revised Portion for UPL with rate change	**$122,108**	**$125,777**	**$128,088**	**$133,340**	**$509,214**

The changes to benefits and dedicated revenues as described above keeps the Universal Paid Leave Fund balanced through fiscal year 2029. The chart below applies the revised revenues, revised expenditures and required reserves each year to the available fund balance. Because projected expenditures exceed revenues, fund balance is needed each year of the financial plan to maintain required reserve levels.

UPL FUND	FY2026	FY2027	FY2028	FY2029
Projected Fund Balance as of 10/1	$ 167,903,314	$ 153,241,434	$ 137,195,644	$ 118,700,841
Revenue (Taxes and Interest)	$ 125,097,003	$ 128,527,255	$ 130,902,069	$ 136,237,690
Expenditures (Benefits and Admin Costs)	$ (139,758,882)	$ (144,573,045)	$ (149,396,872)	$ (154,590,855)
Fund Balance Use	$ (14,661,879)	$ (16,045,790)	$ (18,494,803)	$ (18,353,165)
Fund Balance as of 9/30	$ 153,241,434	$ 137,195,644	$ 118,700,841	$ 100,347,676
Required Reserve (9 mos benefits)	$ (91,200,238)	$ (93,784,335)	$ (96,584,023)	$ (99,481,543)
Fund balance above required reserve	**$ 62,041,197**	**$ 43,411,310**	**$ 22,116,819**	**$ 866,133**

Subtitle (IV)(I) – Charter School Facility Allowance Amendment Act of 2025

Background

The subtitle pauses[80] the statutorily required 3.1 percent annual increase to the per-pupil public charter school facility allowance beginning in fiscal year 2027 until fiscal year 2030. The subtitle sets the per-pupil charter school facility allowance for non-residential facilities at $3,850 per pupil and sets the per-pupil amount for residential facilities at $10,396 per pupil for fiscal years 2026 through 2029.

[80] By amending Section 109 of 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 § 38-2908).

Financial Plan Impact

The fiscal year 2026 budget increases the per-pupil public charter school facility allowance by 3.1 percent to $3,850 per pupil. This resulted in local payments to public charter schools of $187.4 million in fiscal year 2026. Pausing the 3.1 percent annual increase beginning in fiscal year 2027 results in savings of $5.8 million in the fiscal year 2027 and $35.6 million over the financial plan.

Subtitle (IV)(I)- Charter School Facility Allowance Amendment Act of 2024 Total Savings ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Savings	$0	($5,810)	($11,800)	($17,976)	($35,585)

TITLE V – HUMAN SUPPORT SERVICES

Subtitle (V)(A) - State Health Planning and Development Agency Amendment Act of 2025

Background
The Department of Health's State Health Planning and Development Agency (SHPDA) administers the Health Systems Plan, which serves as a guide for developing healthcare services by both the public and private sectors. The SHPDA also operates and enforces the Certificate of Need program.

The subtitle clarifies[81] that the SHPDA operates under the direct control of the Department of Health (DC Health). The subtitle also changes the State Health Planning and Development Fund (Fund) from non-lapsing to lapsing and directs any money remaining available in the Fund at the end of a fiscal year to be transferred to the unassigned fund balance of the General Fund. The subtitle specifies the allowable expenses from the Fund, including paying salaries and expenses necessary to carry out the function of the SHPDA.

Financial Plan Impact
Clarifying that DC Health has direct control of the SHPDA does not have a cost. Changing the State Health Planning and Development Fund from a non-lapsing fund to a lapsing fund does not have an impact under current revenue projections for the Fund, because all estimated revenue is either budgeted in the Fund or already specified to be recognized as local revenue.

Subtitle (V)(B) - Office of the Ombudsperson for Children Amendment Act of 2025

Background
The subtitle repeals the Office of the Ombudsperson for Children Establishment Amendment Act of 2020, eliminating the Office of the Ombudsperson for Children (Office).

Financial Plan Impact
The subtitle saves the cost of funding the Office in the budget and financial plan as follows:

Subtitle (V)(B) – Office of the Ombudsperson for Children Office Amendment Act of 2025 Total Savings ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Personal Services	$1,031	$1,052	$1,072	$1,094	$4,249
Non-Personal Services	$96	$98	$99	$102	$396
Total Savings	**$1,127**	**$1,150**	**$1,173**	**$1,196**	**$4,645**

Table Notes:
(a) Assumes two percent growth.

[81] By amending The Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-401 et seq.).

Subtitle (V)(C) - Environmental Health Amendment Act of 2025

Background

The subtitle clarifies[82] that DC Health has the authority to regulate actions that affect the environment and ensure compliance with applicable federal and District laws and rules governing practices that affect the environment. The bill also makes conforming changes to clarify the Department of Energy and Environment's (DOEE) authority concerning environmental health functions.

The subtitle establishes an Environmental Health Administration within DC Health by transferring the existing DOEE Healthy Housing Branch and dormant Medical Waste Management Program to DC Health. All functions, authority, programs, positions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds related to these programs will be transferred to DC Health. Additionally, all rules, orders, obligations, determinations, grants, contracts, licenses, and agreements for these programs will become the responsibility of DC Health.

The Healthy Housing Branch at DOEE, which includes the Lead Poisoning Prevention and Healthy Homes programs, will move to DC Health. The Healthy Housing Branch reduces and investigates childhood lead poisoning exposure and identifies home environmental health and safety hazards to minimize injury, safety concerns, and respiratory health hazards. The program also works to reduce childhood asthma and respiratory illnesses, reduce blood lead levels in children, and provides educational materials to physicians on the District's lead screening and reporting law.

Financial Plan Impact

The fiscal year 2026 budget and financial plan transfers $1.32 million in fiscal year 2026 and $5.47 million in local funds over the financial plan from DOEE to DC Health to implement the subtitle. The positions that will transfer to DC Health include an Environmental Protection Specialist Supervisor, five Public Health Analysts, an Environmental Protection Specialist, an Epidemiologist, a Public Health Specialist, and a Program Analyst.

Subtitle (V)(C) - Environment Health Clarification Amendment Act of 2025 Total DOEE Transfer to DC Health ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Salary	$1,180	$1,205	$1,229	$1,253	$4,867
Fringe	$141	$147	$153	$160	$601
Total Transfer	$1,320	$1,352	$1,382	$1,413	$5,468

Subtitle (V)(D) - Cash Assistance Cost of Living Adjustments Amendment Act of 2025

Background

Under current law[83], public assistance payments for the Temporary Assistance for Needy Family ("TANF") program, the Program on Work Employment and Responsibility ("POWER"), and the General Assistance for Children ("GAC") program grow by inflation every year. The subtitle prohibits

[82] By amending Section 4902(a)(3) 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)(3)).
[83] D.C. Official Code § 4-205.52(d-1)(2).

an increase of benefits based on inflation in fiscal year 2026, fiscal year 2027, fiscal year 2028, fiscal year 2029, and fiscal year 2030.

Financial Plan Impact
The change will limit growth of the expenditures each year of the financial plan, saving a total of $56.5 million across the plan.

Subtitle (V)(D) – Cash Assistance Cost of Living Adjustments Amendment Act of 2025 Total Savings ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Reduced growth in spending	$5,508	$11,166	$16,943	$22,847	$56,465

Subtitle (V)(E) – DC Health Care Alliance Reform Amendment Act of 2025

Background
The subtitle limits benefits, changes eligibility and enrollment requirements, and places a moratorium on new adults enrolling in the Health Care Alliance Program (Alliance). The subtitle also eliminates the Immigrant Children's Program (ICP).

Beginning on October 1, 2025, Alliance will limit[84] services available to individuals age 21 or older to primary care services, inpatient and outpatient acute-care hospital services, emergency medical transportation, and prescription drugs. Also in fiscal year 2026, Alliance will begin providing coverage to individuals under 21. Services available to enrollees under 21 will be limited to primary care, dental, and behavioral health services. For all enrollees, home health services, nursing facility services, durable medical equipment, and services provided by an inpatient psychiatric hospital are excluded from coverage.

Beginning on August 1, 2025, the subtitle prohibits new Alliance enrollment by individuals over age 21. Alliance will become open to individuals age 20 and under if they meet certain income limits, but these newly added individuals will be exited from the program upon reaching the age of 21. The income limits for 19 and 20-year olds are 216% of the Federal Poverty Level, and for those 18 and under the income limit is 319% of Federal Poverty Level.

Individuals aged 21 and over who are enrolled in Alliance by August 1, 2025 will face lower income eligibility in fiscal year 2026 and again in fiscal year 2027. From fiscal year 2028, Alliance will cover only individuals under 21 years of age.[85] The following table summarizes all eligibility changes by age group, fiscal year, and Federal Poverty Level (FPL).

[84] By amending The Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1401 et seq.).
[85] By amending Title 22 of the District of Columbia Municipal Regulations.

Subtitle (V)(E) - DC Health Care Alliance Reform Amendment Act of 2025 Alliance Income Eligibility by Age and Fiscal Year					
Age Group	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
21+, enrolled by August 1, 2025	<210% FPL	<133% FPL	<19% FPL	Not Eligible	Not Eligible
19-20	No coverage	<216% FPL			
18 and under	No coverage	<319% FPL			

The subtitle requires all Alliance applicants to complete a face-to-face interview to certify eligibility beginning on March 1, 2026. The subtitle also limits coverage to six months and requires enrollees to recertify their eligibility in person, starting with individuals who recertify after March 1, 2026. The subtitle allows the Department of Health Care Finance (DHCF) to establish by rule a limit on the number of District residents that the Alliance program may serve.

The subtitle requires Alliance applicants to provide two forms of residency verification to prove they are District residents. Current regulations require only one form of identification. The subtitle also removes several forms of identification as acceptable to prove District residency, including:

- Voter registration cards with an address in the District of Columbia;
- Cancelled checks or receipts for mortgage payments for a property within the District of Columbia within the past two months;
- Non-expired automobile insurance policy with District of Columbia residency address;
- A D.C. One Card;
- An unexpired homeowner's or renter's insurance policy for real property located in the District of Columbia; and
- A completed form designated by the Department to verify residency.

Financial Plan Impact

Collectively, the subtitle's changes generate savings of $48.1 million in fiscal year 2026 and $457.4 million over the financial plan.

The amount of savings generated by each legislative program change is dependent on underlying policy changes and the order in which each change is assumed to apply to the program. Applying program changes in a different order or independently of one another will yield different savings. The magnitude of the savings reflects the order in which DHCF applied legislative and policy changes to develop the fiscal year 2026 budget. Limiting the benefits provided to both children and adults, when compared to the benefits package currently offered through the Alliance program, results in savings of $22.9 million in fiscal year 2026 and $94.7 million over the financial plan. Reducing income eligibility for currently enrolled adults each fiscal year generates savings of $10.2 million in fiscal year 2025 and $301.8 million over the financial plan. Capping enrollment for adults, requiring face-to-face recertification every six months, and requiring additional documentation generates savings of $12.1 million in fiscal year 2026 and $50.1 million over the financial plan. Closing enrollment to new adults generates savings of $2.9 million in fiscal year 2026 and $10.8 million over the financial plan.

There are additional Alliance savings in the fiscal year 2026 budget and financial plan that are generated by policy proposals that are not included in the subtitle and table below.

Subtitle (V)(E) - DC Health Care Alliance Reform Amendment Act of 2025 Total Savings from BSA Program Changes ($ thousands)					
BSA Program Changes	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Limited Benefits Package[(a)]	$22,924	$23,429	$23,921	$24,423	$94,696
Reduce Income Eligibility for Adults Over Time[(b)]	$10,191	$37,155	$125,904	$128,548	$301,798
Enrollment Cap, 6-Month Face-to-Face Recertification, Additional Documentation[(a)]	$12,137	$12,404	$12,664	$12,930	$50,135
Close Enrollment for Adults[(c)]	$2,865	$7,934	$0	$0	$10,799
Total Program Savings	**$48,117**	**$80,921**	**$162,489**	**$165,901**	**$457,428**

Table Notes:

(a) Assumes a two percent growth rate.
(b) Cost savings are uneven due to eligibility changes.
(c) Adults can no longer enroll starting in fiscal year 2028.

Subtitle (V)(F) – Medical Cannabis Amendment Act of 2025

Background

The Medical Cannabis Social Equity Fund (the Fund) was established in fiscal year 2023 to receive all proceeds from the tax on gross receipts from the sales of medical marijuana in amounts above the amount certified for the Healthy DC and Health Care Expansion Fund in the approved budget and financial plan, including 100% of medical marijuana sales taxes beginning in fiscal year 2027. In addition, the Fund was to receive revenue from the issuance of fines to unlicensed establishments selling marijuana. The first $100,000 of such fines are designated to be deposited in the Litigation Support Fund, and amounts thereover are currently designated for the Fund.

The subtitle repeals the Fund and repeals the dedication of marijuana fine revenue (from unlicensed establishments) and sales tax revenue to the Fund. It also repeals the dedication of the first $100,000 of fine revenue from unlicensed establishments. All revenue from the tax on gross receipts of marijuana sales and all fine revenue from unlicensed establishments will be deposited in.

Financial Plan Impact

The subtitle increases Local Fund revenue by redirecting fines and tax revenue that would be deposited into the Medical Cannabis Social Equity Fund. Local Fund revenue will increase by $1.98 million in fiscal year 2027 and $6.0 million over the financial plan.

Subtitle (V)(F) – Medical Cannabis Amendment Act of 2025 Additional Local Fund Revenue ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Additional Local Fund Revenue	$0	$1,975	$2,014	$2,055	$6,044

Subtitle (V)(G) – District of Columbia Public Assistance Amendment Act of 2025

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. Beginning with fiscal year 2027, the subtitle phases out locally funded public assistance benefits for adults who have received benefits for 60 months. The changes affect adults only, benefits provided to a minor child will not be affected. Specifically, benefits are reduced in fiscal year 2027 by 30 percent of the fiscal year 2026 levels, 50 percent in fiscal year 2028, and 75 percent in fiscal year 2029 and thereafter.

TANF recipients are subject to certain job search and job readiness requirements or may be subject to sanction.[86] The subtitle also increases the amount by which TANF benefits are reduced for recipients under sanction from six percent of benefits to 25 percent of benefits.

Financial Plan Impact

The subtitle will reduce locally funded TANF benefits for those receiving benefits for over 60 months, and for those under sanction per the chart below.

Subtitle (V)(G) – District of Columbia Public Assistance Amendment Act of 2025 Total Savings ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Benefit reductions for over 60 month recipients	$0	$12,839	$21,398	$32,098	$66,335
Benefit reductions for sanctioned recipients	$2,000	$2,000	$2,000	$2,000	$8,000
Total Savings	**$2,000**	**$14,839**	**$23,398**	**$34,098**	**$74,335**

Subtitle (V)(H) – Health Occupation Criminal Background Checks Amendment Act of 2025

Background

The subtitle shifts[87] the responsibility of completing criminal background checks for health occupation licensing applications from DC Health to the Metropolitan Police Department (MPD).

Financial Plan Impact

In fiscal year 2026, DC Health will participate in MPD's Rap Back program and use revenue collected in the Health Occupation Fund to cover the cost of implementing new background check procedures.

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[86] D.C. Official Code § 4–205.19f(3).

[87] By amending Section 522(b) of the District of Columbia Health Occupations Revision Act of 1985, effective March 6, 2007 (D.C. Law 16-222; D.C. Official Code § 3-1205.22(b)).

Subtitle (V)(I) – Health Benefit Exchange Authority Amendment Act of 2025

Background

The subtitle requires the Health Benefit Exchange (HBX) to establish a Basic Health Program.[88] Basic Health Programs allow states to provide coverage to individuals who are citizens or lawfully present non-citizens who do not qualify for Medicaid, Children's Health Insurance Program, or other minimum essential coverage and who have income between 133 percent and 200 percent of the Federal Poverty Level (FPL).

Financial Plan Impact

The Basic Health Program will be available to individuals who no longer qualify for the District's Medicaid program due to policy changes in fiscal year 2026.[89] Insurance offered through the HBX Basic Health Program will be available to eligible individuals at little or no cost since federal subsidies will cover the monthly insurance premiums of enrolled individuals. There is no cost to the District for requiring HBX to establish a Basic Health Program.

Subtitle (V)(J) – Direct Care Professional Payment Rate Amendment Act of 2025

Background

Current law requires the Department of Disability Services (DDS) and the Department of Health Care Finance (DHCF) to determine Medicaid fee-for-service reimbursement rates in fiscal year 2026 that pay direct care service providers at a rate that is sufficient to support wages of direct care service professionals that, on average, equal the greater of either 117.6 percent of the District minimum wage[90] (which adjusts every July 1) or 117.6 percent of the District living wage (which adjusts every January 1).[91] The subtitle makes July 1, 2025 the final wage adjustment and only requires direct care service providers to pay direct care service professionals enhanced wages in fiscal year 2026 and not the remainder of the financial plan.

Financial Plan Impact

Freezing wages in fiscal year 2026 and discontinuing enhanced wages beginning in fiscal year 2027 generates savings of $3.9 million ($1.2 million local; $2.7 million federal) in fiscal year 2026 and $270.2 million ($81.1 million local; $189.1 million federal) over the financial plan.

The Department of Employment Services (DOES) sets the District's living wage on January 1 and the minimum wage on July 1 every year. If the District's living wage is lower than the minimum wage on July 1, it is adjusted to equal the minimum wage. The District living wage on July 1, 2025, will equal the minimum wage increase to $17.95 per hour.[92] The subtitle limits cost growth by freezing wage levels for direct care professionals at 117.6 percent of the living wage on July 1, 2025[93] instead of

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[88] Pursuant to section 1331 of the Patient Protection and Affordable Care Act (42 U.S.C. § 18051).
[89] The Department of Health Care Finance fiscal year 2026 budget will eliminate Medicaid coverage for childless adults with incomes greater than 133% of the FPL.
[90] Pursuant to D.C. Official Code § 32-1003.
[91] Pursuant to D.C. Code § 2-220.01 et seq.
[92] DOES 2025 Minimum Wage Increase Notice.
[93] 117.6 percent of $17.95 is $21.11 per hour.

allowing for any wage increases on January 1, 2026 and July 1, 2026. Freezing wages generates cost savings of $3.9 million ($1.2 million local, $2.7 million federal) in fiscal year 2026.

No longer requiring direct care service providers to pay enhanced wages to direct care service professionals beginning in fiscal year 2027 will result in savings of $87.0 million in fiscal year 2027 ($26.1 million local; $60.9 million federal) and $266.2 million ($79.9 million local; $186.4 million federal) over the financial plan.

Subtitle (V)(J) – Direct Care Professional Payment Rate Amendment Act of 2025 Total Savings ($ thousands)						
Agency	**Funding Source**	**FY 2026[(a)]**	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
DHCF	Local	$454	$9,470	$9,660	$9,853	$29,437
	Federal[(b)]	$1,059	$22,098	$22,540	$22,991	$68,687
	Total	$1,513	$31,568	$32,200	$32,844	$98,124
DDS	Local	$705	$16,634	$16,967	$17,306	$51,613
	Federal[(b)]	$1,645	$38,813	$39,590	$40,382	$120,429
	Total	$2,349	$55,448	$56,557	$57,688	$172,042
Total Savings		**$3,862**	**$87,016**	**$88,756**	**$90,532**	**$270,166**

Table Notes:

(a) Fiscal year 2026 only includes nine months of provider payments since advanced direct payments were made to providers in fiscal year 2025 for all of calendar year 2025.
(b) Assumes 70 percent Federal Medical Assistance Percentage (FMAP).

Subtitle (V)(K) – Homeless Services Reform Amendment Act of 2025

Background

The subtitle requires clients in the Department of Human Services (DHS) Rapid Rehousing Program (RRP) to exit the program after 24 months of benefits, or as of September 30, 2025, whichever is sooner. For participants entering the program after the passage of the subtitle, the Mayor may set, by regulation, time limits for participation in the program, as well as set processes for extension of services. The subtitle authorizes the DHS Director to determine whether to extend services based on overall funding availability, and not just individual eligibility.

Second, the subtitle authorizes the Mayor to place a family in a congregate shelter on an interim basis, if an apartment style unit or private room is not available.

Lastly, the subtitle prohibits a class action case from being brought against program actions where an administrative hearing is the next step in an appeal.

Financial Plan Impact

It is expected that DHS will reduce the total number of participants in RRP by exiting participants who have exceeded 24 months of benefits. DHS estimates they will reduce net agency spending in fiscal year 2027 by $19.7 million and $56.9 million over the four-year budget and financial plan, by either reducing the number of clients served overall, or by directing them to less expensive programs.

The savings is included in the proposed budget and financial plan per the chart below. The estimated savings will likely need to be refined as information on overall participation and exiting of clients in fiscal year 2026 progresses, and engagement of participants in other Department programs may increase. Further, giving the Mayor authority to place families in congregate shelters on an interim basis, and prohibiting certain class action cases do not have a fiscal impact.

Subtitle (V)(K) – Homeless Services Reform Amendment Act of 2025 Total Savings ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Savings in the DHS Rapid Rehousing Program	$0	$19,753	$18,610	$18,610	$56,973

<u>Subtitle (V)(L) – Healthy DC and Health Care Expansion Fund Amendment Act of 2025</u>

Background

The subtitle eliminates[94] the required $5.57 million transfer from the Healthy DC and Health Care Expansion Fund to Local Funds in fiscal year 2025. The subtitle is applicable as of September 18, 2024.

Financial Plan Impact

The subtitle reduces Local revenue by $5.57 million in fiscal year 2025 and increases the Healthy DC and Health Care Expansion Fund revenue by the same amount.

[94] By amending Section 15b(d) of the Hospital and Medical Services Corporation Regulatory Act of 1996, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 31-3514.02(d)).

TITLE VI – OPERATIONS AND INFRASTRUCTURE

<u>Subtitle (VI)(A) - Sport Utility Vehicle Purchases Amendment Act of 2025</u>

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.[95] 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.

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 2025 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.

<u>Subtitle (VI)(B) - Electric Vehicle Purchases Amendment Act of 2025</u>

Background
District law requires the government to lease or purchase only zero-emissions vehicles beginning on January 1, 2026. [96]

The subtitle delays this requirement to January 1, 2027.

Financial Plan Impact
The District government is working to centralize the purchase of vehicles, so that it can ensure the purchase of only zero-emissions vehicles. The subtitle delays the mandate one year to give the Department of Public Works time to complete this process and provide the necessary oversight structure to ensure compliance.

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[95] Government Sport Utility Vehicle Purchasing Amendment Act of 2002, effective March 25, 2003 (D.C. Law 14-231; D.C. Official Code § 50-203).
[96] Climate Commitment Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-176; D.C. Official Code § 8-151.09e(b)).

Subtitle (VI)(C) - Sustainable Energy Trust Fund Amendment Act of 2025

Background

The Department of Energy and Environment (DOEE) manages the Sustainable Energy Trust Fund[97] (SETF) which collects surcharges on electric, natural gas, and home heating oil providers in the District to fund energy efficiency and renewable energy projects. The SETF pays for the District's Sustainable Energy Utility (SEU) which works to reduce energy consumption, increase renewable energy generating capacity, improve energy efficiency in buildings that support low-income residents, and support green-collar jobs in the District. The SETF also provides funding for the District's Green Finance Authority, energy storage, residential electrification, and other District laws. In fiscal year 2025, the District increased the gas and electricity assessments, generating additional revenue for the SETF.

Currently, the SEU is funded at a minimum of $20 million annually and allows DOEE to retain, for administrative expenses, ten percent of the greater of SETF revenues or the SEU contract level. The subtitle eliminates the $20 million SEU contract minimum. DOEE must also commission an independent evaluation of the performance and expenditures of the SEU for $100,000 annually. The subtitle maintains the evaluation, but repeals the requirement that DOEE spend $100,000 on it.

The CleanEnergy DC Omnibus Act (Act) increased SETF assessments starting in fiscal year 2020 and dedicated thirty percent of the new revenues created by the Act to fund programs to benefit low-income residents, workforce development, DOEE's Sustainable Energy Infrastructure Capacity Building and Pipeline Program, and to support District government retrofit programs. The subtitle maintains the ability to expend SETF resources on these efforts, but removes the dedication of thirty percent of the new revenues created by the Act for these purposes.

The subtitle reduces DOEE's annual SETF contribution to the Green Finance Authority from $7 million to $3.5 million, through fiscal year 2028. The subtitle also maintains support for affordable housing providers in meeting compliance with the District's building energy performance standards, but eliminates a guaranteed $3 million annual financial commitment for the effort.

The subtitle continues the District's commitment of SETF resources to support the District government's purchase of renewable energy through purchase power agreements and general energy costs. The following chart outlines the changes to the SETF financial commitments to District energy costs from fiscal year 2025 through fiscal year 2029.

Fiscal Year	Current SETF Contribution	Subtitle's SETF Contribution
2025	$30,916,329	$34,416,329
2026	$28,891,770	$70,101,974
2027	$28,842,651	$80,601,974
2028	$28,609,863	$80,601,974
2029	$0	$80,601,974

Table Note: the current SETF contributions were set when the financial plan ended in fiscal year 2028. Therefore, no contribution was expected from fiscal year 2029 at that time.

[97] Clean and Affordable Energy Act of 2008, October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10).

Financial Plan Impact

The SETF is expected to generate approximately $100.8 million in fiscal year 2026.[98] After the allocation of $70.1 million to the Department of General Services to support the District's energy bills and an allocation to the District's Local Fund of approximately $3.2 million, DOEE will have approximately $27.5 million in fiscal year 2026 to support the remainder of SETF's allowable uses, including the SEU contract. The subtitle also ensures that at least $3.5 million of the $27.5 million is dedicated to the Green Finance Authority.[99] The following chart outlines the allocation of SETF revenues over the fiscal year 2026 through fiscal year 2029 financial plan period.

Subtitle (VI)(C) – Sustainable Energy Trust Fund Amendment Act of 2025 Resource Allocation Changes Fiscal Year 2026 – Fiscal Year 2029 ($ thousands)				
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**
SETF Revenues	$100,803	$104,831	$104,831	$104,831
District Energy Costs	$70,102	$80,602	$80,602	$80,602
Local Fund Uses	$3,208	$3,208	$3,208	$3,208
Remaining for Other SETF Uses[a]	$27,494	$22,032	$22,032	$22,032

Table Notes

[a] The only remaining required annual expenditure with a statutory dollar amount is a $3.5 million annual allocation to the Green Finance Authority.

Subtitle (VI)(D) - Renewable Energy Portfolio Standards Amendment Act of 2025

Background

The District has a renewable energy portfolio standard (RPS) that establishes the share of electricity supplied in the District that needs to come from renewable sources, through the purchase of renewable energy credits (REC). For example, in 2026, 59 percent of electricity must come from Tier One[100] renewable sources and 5 percent from solar energy sources. Electricity suppliers that do not meet RPS must pay a compliance fee. In 2026, an electricity supplier must pay five cents for each kilowatt-hour shortfall from Tier One renewable sources and forty-four cents for each kilowatt-hour shortfall from solar sources. Compliance fees, if they are the least-cost measure to ratepayers or there are insufficient Tier One sources available, can be recovered from ratepayers through their electricity bills. These compliance fees are paid to the District and deposited into the Renewable Energy Development Fund[101] (REDF), managed by the Department of Energy and Environment. In fiscal year 2026, the Council exempted electricity sold to the District government from RPS through September

[98] This includes approximately $1 million expected from the Green Building Fund for which the SETF receives 50 percent of the revenues per D.C. Official Code § 6–1451.07.

[99] The $3.5 million is an annual allocation to the Green Finance Authority.

[100] Tier One sources include solar, wind, geothermal,; ocean, and certain biomass, methane, fuel cells, and wastewater sources.

[101] Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436).

30, 2028 and prohibited the District from purchasing RECs for purposes other than meeting RPS unless District electricity purchases are first in compliance with RPS.[102]

The subtitle extends the exception from RPS for District government electricity sales to September 30, 2029. The subtitle also repeals the prohibition on purchasing RECs that are not designed to meet RPS.

Financial Plan Impact

The subtitle extends the exemption from RPS for electricity supplied to the District government through fiscal year 2029. District government energy suppliers stopped purchasing renewable energy credits or paying compliance fees in 2024 and the fiscal year 2026 through fiscal year 2029 budget and financial plan does not include funds for the District to pay these costs through their energy suppliers.

Before the fiscal year 2025 prohibition, the Department of General Services (DGS) spent over $200,000 on RECs that were not used to comply with RPS. The subtitle allows DGS to resume these purchases within its energy budget to help offset the District's energy use with green energy.

<u>Subtitle (VI)(E) – Stormwater Fund Amendment Act of 2025</u>

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[103] (Fund).

The subtitle directs the use of $13,603,424 of the Fund's resources by the Department of Public Works (DPW) to support that agency's stormwater management activities.

Financial Plan Impact

The fiscal year 2026 budget allocates $13.6 million in one-time funding from the Fund's fund balance to support DPW's street sweeping program. Under the MS4 permit, the District must sweep at least 10,932 road miles annually. The Fund generates approximately $13 million annually in fee revenues.

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[102] Renewable Energy Portfolio Standard Amendment Act of 2024, effective September 18, 2024 (D.C. Law 25-217; D.C. Official Code § 34-1432(b)).
[103] D.C. Official Code § 8-152.02.

Subtitle (VI)(F) – Distracted Driving Safety Amendment Act of 2025

Background

The District prohibits drivers from using a mobile telephone or other electronic device unless they are doing so with a hands-free accessory. The District imposes a $100 fine against a driver who violates distracted driving laws.[104]

The subtitle establishes a more expansive definition of "other electronic device" to include any handheld or portable electronic device that facilitates communication between two or more people; laptop computers; tablets; handheld computers; any device capable of playing video games, movies, videos, or other forms of entertainment; and any devices that take, transmit, or display photographs. The subtitle expands the definitions of text message, texting, and text to capture more forms of communication than may not have existed when the District's distracted driving laws were passed in 2004.[105] The subtitle also prohibits the holding of a mobile telephone or other electronic device, in addition to the use of those devices. The subtitle ensures that the operator of a vehicle that is lawfully parked is exempt from these prohibitions.

Financial Plan Impact

The District Department of Transportation (DDOT) receives federal funding from the National Highway Traffic Safety Administration (NHTSA) to support its efforts to combat distracted driving. NHTSA offers incentive grants to jurisdictions that create awareness around distracted driving and prohibit certain distracted driving activities. The District's laws are sufficient for DDOT to receive the portion of NHTSA funding associated with awareness, but not to receive approximately $2 million in funds for the prohibition of certain activities. DDOT has worked with NHTSA and believes the bill will meet the NHTSA prohibition standard to receive the additional funds. DDOT will use this funding to support a dedicated traffic safety unit at the Metropolitan Police Department (MPD), which MPD estimates will cost approximately $1.9 million. DDOT can only use the funds to support MPD after the District's law is expanded and NHTSA agrees that the District's amended laws meet the standard for prohibiting certain distracted driving activities.

Subtitle (VI)(G) – Building Energy Performance Standards Amendment Act of 2025

Background

The District requires all buildings to meet building energy performance standards (BEPS) set by the Department of Energy and Environment (DOEE).[106] All privately-owned buildings with at least 25,000 and 100,000 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 2034 and 2040. The subtitle also delays from 2028 to 2034 the start of the six-year cycle for DOEE to establish and update property types and BEPS for each property type.

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[104] For a first offense, a driver can have the $100 fine suspended if they, subsequent to the offense, purchase a hands-free accessory.

[105] Distracted Driving Safety Act of 2004, effective March 30, 2004 (D.C. Law 15-124; D.C. Official Code § 50-1731.01 et seq.).

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

The subtitle also eliminates a defined compliance cycle of five years in favor of a compliance cycle defined by DOEE administratively. When a building fails to meet BEPS, the subtitle gives the building owner until January 1st of the year preceding the beginning of the next compliance period to become compliant.

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 is able to manage the bill's changes to the compliance timelines within its approved budget.

Subtitle (VI)(H) – Net-Zero Energy Ready Building Code Amendment Act of 2025

Background

The Clean Energy DC Building Code Amendment Act of 2021[107] required all new construction and substantial improvement of covered buildings[108] to be constructed to a net-zero energy standard (as pursuant to regulations required to be issued by the Mayor by December 31, 2026 or as included in Appendix Z of the Energy Conservation Code – Commercial Provisions).

The subtitle postpones the date by which all new construction or substantial improvements of covered buildings must be constructed to a net-zero standard to December 2032 and postpones the requirement to issue regulations to the same date. The subtitle also changes the definition of the standard to "net-zero energy ready." Net-zero energy ready is defined as buildings that generate on-site renewable energy in an amount that is equal to or greater than the amount that would be required by the most recent version of Appendix Z and that allow on-site fossil fuel combustion only for backup power generation or when approved by the building code official[109]. The subtitle also postpones the date by which the Department of Buildings must arrange for an independent audit to assess newly constructed or improved covered buildings to ensure compliance with net-zero ready construction standards. The requirement is postponed from 2029[110] to 2035.

The Greener Government Buildings Amendment Act of 2022[111] required buildings constructed or financed by the District government (including substantially improved construction) to adhere to net-zero energy standards. Currently if a public building cannot generate sufficient energy on site to maintain the net-zero energy standard, the District is required[112] to source renewable energy from elsewhere to meet the standard. Fossil fuel cannot be used at all in a government building and still meet the net-zero energy standard.[113] The subtitle changes the standard to be "net-zero energy ready" and delays the standard to structures initially funded in Fiscal Year 2032 or later. Currently,

[107] D.C. Law 24-177.
[108] In D.C. Official Code § 6–1453.01(a)(2) covered buildings are defined as buildings subject to the DC Energy Conservation Code Commercial Provisions (12-I[CE] DCMR § 1 et seq.).
[109] In accordance with section 104.10 of the District of Columbia Building Code (12-A DCMR § 104.10).
[110] D.C. Official Code § 6-1453.01(c)(1).
[111] D.C. Law 24-306.
[112] D.C. Official Code § 6-1453.01(3)(B).
[113] D.C. Official Code § 6-1453.01(b)(2).

nonresidential government building projects built to net-zero must maintain[114] net-zero energy compliance unless the project is for the installation of temporary structures. The subtitle removes this requirement for maintaining net-zero energy compliance.

Finally, the subtitle amends several definitions within the Green Building Act of 2006, including clarifying that the definitions of an addition, gross floor area, and an existing building will be the same definitions as in the existing building and construction codes[115]. It defines a "Level 3 alteration" as a scope of work classified as a Level 3 alteration under the building codes. It defines a temporary building as a trailer or a structure that is used for supporting or sheltering any use or occupancy on a non-permanent timeframe for an interim use during construction of a permanent structure.

Financial Plan Impact

Changes in the definitions and net-zero requirements for government construction projects could affect specific spending within certain projects. There have been no adjustments to construction budgets in the Mayor's proposed budget and financial plan based on these changes. However, the Department of General Services indicates that without these changes, three capital improvements projects will require additional funding to meet current net-zero requirements: Congress Heights modernization ($5 million), New Community Center Crummell School ($2.2 million), and Hillcrest Indoor Aquatic Center ($2 million). Project budgets have not been adjusted in the proposed budget and financial plan, indicating that other component costs of the project have supplanted any costs to achieve the net-zero standard in current law.

Subtitle (VI)(I) – Project Labor Agreements Amendment Act of 2025

Background

The District requires any capital construction project with a cost of $75 million or greater to use a project labor agreement. For any projects first included in the fiscal year 2026 through fiscal year 2032 capital improvements plan,[116] the requirement for a project labor agreement begins at $50 million.

The subtitle resets the threshold for which a project labor agreement is required to $100 million for all projects. It also delays the implementation of this requirement for all projects to those first included in the capital improvements plan for fiscal year 2032 or later.

[114] D.C. Official Code § 6-1451.02(a)(2)(D).
[115] D.C. Official Code § 6-1401(2).
[116] The capital improvement plan associated with the fiscal year 2026 budget covers the period of fiscal year 2026 through fiscal year 2031.

Financial Plan Impact

The subtitle delays the project labor agreement requirement for all projects greater than $50 million until the fiscal year 2032 capital improvements plan and raises the threshold for all projects to $100 million. Only one project in the fiscal year 2026 through fiscal year 2031 capital improvements plan would have required a project labor agreement for being greater than $50 million and first appearing in the fiscal year 2026 capital improvements plan.[117] There are approximately two dozen projects in the fiscal year 2026 capital improvements plan that are greater than $75 million and were also in the fiscal year 2025 capital improvements plan. Eleven of those projects are not budgeted to include a project labor agreement.

<u>Subtitle (VI)(J) – Black Lives Matter Plaza Designation Repeal Act of 2025</u>

Background

In 2020, the District symbolically designated 16th Street, N.W. between H Street, N.W. and K Street, N.W. as Black Lives Matter Plaza.

The subtitle repeals the symbolic designation of the roadway as Black Lives Matter Plaza.

Financial Plan Impact

The Mayor completed all physical changes to remove the symbolic designation of the roadway as Black Lives Matter Plaza in fiscal year 2025.

<u>Subtitle (VI)(K) – Home Electrification Program Amendment Act of 2025</u>

Background

In 2024, the Council approved the Breathe Easy Program (Program) within the Department of Energy and Environment (DOEE) to provide financial support to low- and moderate-income households to electrify their home appliances.[50] The Program requires DOEE to provide no-cost electrification retrofits to over 30,000 low-income households by December 31, 2040. In fiscal year 2024, Council authorized DOEE's Sustainable Energy Trust Fund (SETF) to expend resources in support of residential appliance conversions from gas to electric, effectively funding the Program's mandates.[51]

The subtitle eliminates the Program's timeline to convert low-income households and makes the Program's efforts to retrofit low-income households and train industry workers permissive. These latter requirements are currently required.

Financial Plan Impact

The fiscal year 2025 budget shifts funding from SETF to the Local Fund to support the District's energy bills.[52] The funding shift reduces the amount of funds available for electrification retrofits. Eliminating the prescribed timeline and making the Program permissive will allow, but not require, DOEE to provide retrofits to the extent that SETF funds are available.

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[117] The RFK Campus project is funded at $52 million in the revised fiscal year 2025 budget and nearly $155 million in the fiscal year 2026 to fiscal year 2031 capital improvements plan.

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) - Sales Tax Increase Delay Amendment Act of 2025

Background

The District imposes a 6.0 percent tax on the sale and use of tangible personal property and selected services.[118] Under the Fiscal Year 2025 Budget Support Act of 2024, increases in this "general rate" sales tax were scheduled to go into effect in fiscal year 2026 (to 6.5 percent) and again for fiscal year 2027 (to 7.0 percent). The subtitle repeals the 6.5% increase for fiscal year 2026. The increased rate for fiscal year 2027 is not affected by the subtitle.

Financial Plan Impact

By forgoing part of the tax increase that was included in the fiscal year 2025 through fiscal year 2028 approved budget and financial plan, the subtitle decreases Local Fund sales tax revenue by $67.5 million in fiscal year 2026 only. The impact of this revenue reduction is included in the proposed fiscal year 2026 through fiscal year 2029 budget and financial plan.

Subtitle (VII)(B) - Baby Bonds Amendment Act of 2025

Background

The Child Wealth Building Act of 2021[119] established a Child Trust Fund, a District-funded special fund for children born in the District who are covered by Medicaid to receive funds for educational and certain other purposes upon turning 18. The Fiscal Year 2025 Budget Support Act of 2024 allocated tax revenue from sports gaming to the Trust Fund. The subtitle repeals the Child Wealth Building Act of 2021 and repeals the dedication of sports wagering tax revenue to the Child Trust Fund.[120] The subtitle is effective September 30, 2025.

Financial Plan Impact

By repealing the dedication to the Child Trust Fund, the subtitle increases sports wagering tax revenue available for Local Funds by $16.2 million in fiscal year 2025 and a total of $85.0 million across the financial plan. Since there were no children old enough to be eligible for payouts from the fund during the financial plan period, there are no budget reductions from the subtitle.

Subtitle (VII)(B) – Baby Bonds Amendment Act of 2025 ($ thousands)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Local Fund Revenue Increase	$16,196	$16,346	$16,497	$16,650	$19,341	$85,030

[118] D.C. Official Code § 47–2002(a) and § 47–2202(a).
[119] Effective February 18, 2022 (D.C. Law 24-53; D.C. Official Code § 4-681.01 et seq.).
[120] D.C. Official Code § 36-621.15

Subtitle (VII)(C) -Hotel Surtax Amendment Act of 2025

Background

In fiscal year 2023, the sales tax rate on hotel and similar accommodations was increased by one percent and the sales tax dedication to Destination DC was increased by this amount. This additional one percent tax was set to expire March 31, 2027[121]. The subtitle repeals the expiration of the additional one percent rate and ends the dedication to Destination DC. The majority of revenue from the one percent hotel sales tax rate will be directed to the Economic Development Special Account at the Deputy Mayor for Planning and Economic Development. A portion of the revenue will be reserved for Local Funds (as shown in the chart below).

Financial Plan Impact

By repealing the sunset of the one percent hotel sales tax rate, the subtitle increases dedicated tax revenues beginning in fiscal year 2027, providing $63.2 million over the four year financial plan. The subtitle also provides that revenues currently dedicated to Destination DC will instead be partially used for Local Funds with the rest dedicated to the Economic Development Special Account. In fiscal year 2026, $2.2 million will go to Local Funds and $23.5 million will go to the Economic Development Special Account, with $19.5 million available for Local Funds over the financial plan and $80.9 million total across the plan for the special account.

Subtitle (VII)(C) – Hotel Surtax Amendment Act of 2025
Fiscal Year 2026 – Fiscal Year 2029
($ thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	Total
Increase of Revenue Through Extension of the 1% hotel sales tax	$0	$10,752	$25,953	$26,472	$63,177
Total Revenue from 1% hotel sales tax	$25,701	$22,286	$25,953	$26,472	$100,412
Reserved for Local Funds	($2,195)	($2,195)	($7,313)	($7,832)	($19,535)
Dedicated to Economic Development Special Account	$23,506	$20,091	$18,640	$18,640	$80,877

[121] D.C. Official Code § 47–2002.03a.

Subtitle (VII)(D) - Combined Reporting Tax Deduction Delay Congressional Review Emergency Amendment Act of 2025

Background
The subtitle defers a corporate income tax deduction associated with the enactment of combined reporting. If combined reporting requirements resulted in an increase in a publicly traded company's net deferred tax liability, the combined group would have been eligible for a tax deduction equal to 1/7th of the increase in net deferred tax liability, beginning in 2025. Under the subtitle, the deduction will only be available beginning in tax year 2030.

Financial Plan Impact
The subtitle increases business income tax revenue beginning in fiscal year 2025 by $7.4 million annually, for a total of $37.2 million across the financial plan.

Subtitle (VII)(E) – Ballpark Fee and Fund Amendment Act of 2025

Background
In 2004, the District established a Ballpark Fee to support debt ("Ballpark Revenue Bonds") issued to build Nationals Park stadium. Corporations and unincorporated businesses doing business in the District pay a fee between $5,500 and $16,500 annually, depending on the size of their gross receipts and subject to a minimum of $5,000,000 of gross receipts.

The Ballpark Fee is deposited into the District's Ballpark Revenue Fund. The subtitle renames the Ballpark Fee the "Sports Facilities Fee" and removes the sunset of the fee that was to take effect upon full repayment of the Ballpark Revenue Bonds. The subtitle directs that the Sports Facilities Fee will be deposited into an RFK Campus Infrastructure Fund[122] upon repayment of the Ballpark Revenue Bonds. Finally, the subtitle amends transfers that were authorized from the Ballpark Revenue Fund to the general fund to align with the proposed budget and financial plan.

Financial Plan Impact
The District had planned to fully repay the Ballpark Revenue Bonds in fiscal year 2028, so no Ballpark Fee revenue was included in the revenue estimates for fiscal year 2029. Extending the fee past the date of repayment of the Ballpark Revenue Bonds provides for revenue for the RFK Campus Infrastructure Fund, and to the extent those revenues are not required for debt service and a transfer would not violate a bond covenant, the fee may be used for other purposes.[123] As part of the proposed bond issuance to build infrastructure associated with the proposed football stadium ("RFK Infrastructure Bonds"), repayment of the Ballpark Revenue Bonds will be accelerated to the end of fiscal year 2026 through the use of additional debt ("early redemption borrowing"). In fiscal year 2027, the fee will be used to repay the early redemption borrowing. In fiscal year 2028 and fiscal year 2029, the fee will be available for general purposes due to the planned structuring[124] of the RFK

[122] Established in subtitle II-R, Robert F Kennedy Campus Redevelopment Act of 2025
123 See Sec. 2167. RFK Campus Infrastructure Fund
[124] The projected size of the bond issuance includes a "capitalized interest" fund to pay debt service through fiscal year 2029.

Infrastructure Bonds, providing a total of $110.6 million of revenue for Local Funds over the financial plan.

The subtitle further eliminates two transfers from the Ballpark Revenue Fund to Local Funds that were authorized for fiscal years 2027 and 2028, eliminating a total of $69.25 million from Local Fund Resources that had been included in the previously approved fiscal year 2025 through fiscal year 2028 budget and financial plan.

Subtitle (VII)(E) – Ballpark Fee and Fund Amendment Act of 2025 ($ thousands)					
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Local Funds revenue increase, extension of fee	$0	$0	$54,699	$55,916	$110,615
Reduction in Local Fund resources from Ballpark Revenue Fund transfers	($0)	($34,060)	($35,190)	($0)	($69,250)
Net impact	**$0**	**($34,060)**	**$19,509**	**$55,916**	**$41,365**

<u>Subtitle (VII)(F) –Restaurant Sales Tax Holidays Amendment Act of 2025</u>

Background
The subtitle exempts sales of food and beverages at restaurants from sales taxes during three specific days: August 29, 2025; January 18, 2026; and May 22, 2026.

Financial Plan Impact
The proposal reduces sales tax revenue in fiscal year 2025 and fiscal year 2026 as follows:

Subtitle (VII)(F) – Restaurant Sales Tax Holidays Amendment Act of 2025 ($ thousands)				
	FY 2025	**FY 2026**	**FY 2027 – FY 2029**	**Total**
Local Funds revenue reduction	$ (1,925)	($4,046)	$0	($5,971)
Dedicated Funds revenue reduction	($214)	($450)	$0	($664)
Net impact	**($2,139)**	**($4,496)**	**$0**	**($6,635)**

Subtitle (VII)(G) – Child Tax Credit Amendment Act of 2025

Background
The Child Tax Credit Amendment Act of 2024 in the Fiscal Year 2025 Budget Support Act of 2024 established a fully refundable child tax credit for District families with dependent children under the age of 6 during the tax year. Starting with tax year 2025, a credit of $420 per child for up to three children was available. The credit would have increased by a cost-of-living adjustment annually from 2026. The subtitle repeals the child tax credit.

Financial Plan Impact
The subtitle increases income tax revenue by $14.6 million in fiscal year 2026 and $60.8 million across the financial plan.

Subtitle (VII)(G) – Child Tax Credit Amendment Act of 2025 ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Revenue increase, individual income taxes	$14,595	$15,050	$15,418	$15,727	$60,790

Subtitle (VII)(H) – Non-Lapsing Account Repeals Amendment Act of 2025

Background
When a special fund or dedicated revenue fund is created in District law, the law indicates whether the fund is lapsing or non-lapsing. Lapsing funds start each fiscal year with no fund balance, because any unexpended revenue is assigned to the unassigned fund balance of the General Fund as of the prior September 30. Non-lapsing funds start each fiscal year with the balance of their accumulated revenues over their accumulated expenditures.

The subtitle changes District law establishing 74 special local funds, special purpose revenue funds and dedicated tax funds to make then lapsing, rather than non-lapsing. All funds would become lapsing in fiscal year 2025 except for the Drug-, Firearm- or Prostitution-Related Nuisance Abatement Fund which would become lapsing in fiscal year 2026. The subtitle also repeals the DC Circulator Fund and the Automated External Defibrillator Registration Fee Fund.

Fund	DIFS Fund Code
Adverse Health Benefit Decision Grievance Fund	1060132
Air Quality Construction Permits	1060363
Alcoholic Beverage and Cannabis Administration Fund	1060374
Anacostia River Clean Up and Protection Fund	1060184
Appraisal Education Fund	1060266
Apprenticeship Fines	1060416
Arts and Humanities Fund	1011002
Basic Business License Fund	1060272

Fund	DIFS Fund Code
Benchmarking Enforcement Fund	1060318
Board of Pharmacy Fund	1060133
Books from Birth	1010109
Combat Sports Commission Fund	1060277
Communicable and Chronic Disease Prevention and Treatment Fund	1060188
Community-based Violence Reduction Fund	1010042
Community Schools Fund	1010118
Corporate Recordation Fund	1060283
DCHA Rehabilitation and Maintenance Fund	1010093
DCPS School Facility Fund	1060147
Department of Corrections Reimbursement Fund	1060006
Department of Housing and Community Development Unified Fund	1060069
Transportation Initiatives [Fund	1060333
Motor Vehicle Inspection Fund	1060310
District of Columbia Jobs Trust Fund	1060104
Drug-, Firearm-, or Prostitution-Related Nuisance Abatement Fund	1060263
Early Childhood Educator Pay Equity Fund	1010213
Eastern Market Fund	1060206
Emancipation Day Fund	1010038
Employee's Compensation Fund	1010094
Ethics Fund	1060013
Fair Elections Fund	1010015
Fishing License Fund	1060036
Green Building Fund	1060279
Hazardous Waste and Toxic Chemical Source Reduction Fund [Hazardous Generator Fees]	1060187
Health Occupations Regulation Fund	1060151
Healthy DC and Healthcare Expansion Fund	1011007
Historic Landmark-District Protection Fund	1060236
Home Purchase Assistance Fund	1060027
Housing Preservation Fund	1010016
Indoor Mold Assessment Fund	1060155
Interim Disability Assistance Fund [SSI Payback]	1060039
Lead Poisoning Prevention Fund	1060181
Lead Service Line Replacement Fund	1010181
Library Collections Account	1010105
Lobbyist Fund	1060029
Medicaid Collections- 3rd Party Liability	1060128
Medical Cannabis Administration	1060389
Medical Examiner Pathology and Toxicology	1060021
Municipal Aggregation Fund [DC Municipal Aggregation Program]	1060314
OCTFME Special Account	1060009

Fund	DIFS Fund Code
Office of Veterans Affairs Fund	1060007
Open Government Fund	(unnumbered)
Parks and Recreation Fund [Department of Parks and Recreation Enterprise Fund Account]	1060026
Pesticide Registration Fund	1060366
Private Security Camera Incentive Fund	1010043
Product Stewardship Fund	1060159
Public Vehicles for Hire Customer Service Fund	1060381
Real Estate Guarantee and Education Fund	1060265
Recorder of Deeds Automation Fund	1060052
Renewable Energy Development Fund	1060174
Resident Welfare Account	1060033
Soil Erosion and Sediment Control Fund	1060365
Solid Waste Diversion Fund	1060286
St Elizabeths East Campus Redevelopment Fund	1011016
State Athletic Activities, Programs, and Office Fund	1060106
Subrogation Fund	1060146
Sustainable Energy Trust Fund	1060327
Targeted Homeowner Grant Fund	1010107
Tree Fund	1060300
Underground Storage Tank Regulation Fund	1060058
Vending Regulations Fund	1060284
Vision Zero Pedestrian and Bicycle Safety Fund	1060340
Wage Theft Prevention Fund	1060103
Walter Reed Redevelopment Fund	1011017
West End Library and Fire Station Maintenance Fund	1011014

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. When lapsing funds have an excess of revenue over expenditures as of a fiscal year-end close, the revenue may be used to fill reserves or it may be assigned to the uncommitted portion of fund balance. All of the funds included in the subtitle have either (1) all of their certified revenue included in the fund's fiscal year 2025 and fiscal year 2026 expenditure budget or (2) projected excess resources that are included in the budget and financial plan as transfers to local fund revenue or the unassigned general fund balance under Section 9 of the proposed Fiscal Year 2025 Revised Local Budget Emergency Act or Subtitle I, Non-Lapsing Fund Transfers Act of 2025, described below. Therefore, there is no projected amount to lapse to the unassigned general fund balance during the financial plan as a result of changing the funds to be lapsing funds.

Subtitle (VII)(I) – Non-Lapsing Fund Transfers Act of 2025

Background

The subtitle provides for certain amounts of tax revenue to be made available for Local funds otherwise dedicated to certain dedicated tax funds, and certain nontax revenue otherwise dedicated to certain special purpose revenue 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 2026 (in $)	FY 2027 (in $)	FY 2028 (in $)	FY 2029 (in $)
AG0	1060013	Accountability Fund	38,614	38,614	38,614	38,614
AG0	1060029	Lobbyist Fund	49,988	49,988	49,988	49,988
AM0	1060206	Eastern Market Enterprise Fund	1,307	1,307	1,307	1,307
AM0	1060193	Special Purpose Fund (Non-DC Agencies)	94	94	94	94
AM0	1011014	West End Library/ Firehouse Maintenance	272,430	287,202	210,226	223,134
BA0	1060197	Distribution Fees	7,093	7,093	7,093	7,093
BE0	1060091	Defined Benefits Retirement Program	1,367	1,367	1,367	1,367
BE0	1060208	Reimbursable From Other Governments	1,402	1,402	1,402	1,402
BX0	1011002	Dedicated Taxes	28,635	699,719	1,608,800	2,536,063
CB0	1060035	Child Support - TANF/AFDC Collections	4,964	4,964	4,964	4,964
CB0	1060094	Litigation Support Fund	7,054,057	5,054,057	2,054,057	1,054,057
CB0	1060092	Nuisance Abatement	8,000	7,000	5,000	4,000
CB0	1060415	Tenant Receivership Abatement Fund	0	600,000	0	0
CE0	1060302	Revenue-Generating Activities	150,000	150,000	150,000	150,000
CI0	1060009	Special Purpose Revenue Fund	12,006	12,006	12,006	12,006
CQ0	1060261	Rental Unit Fee Fund	1,584	1,584	1,584	1,584
CR0	1060272	Basic Business License Fund	30,444	30,444	30,444	30,444
CR0	1060283	Corporate Recordation Fund	912,544	912,544	912,544	912,544

Agency Code	Fund Number	Fund Name	FY 2026 (in $)	FY 2027 (in $)	FY 2028 (in $)	FY 2029 (in $)
CR0	1060277	DC Combat Sports Commission Fund	25,000	25,000	25,000	25,000
CR0	1060267	OPLA - Special Account	1,571,598	1,571,598	1,571,598	1,571,598
CR0	1060266	Real Estate Appraisal Fee	150,000	-	140,000	-
CR0	1060265	Real Estate Guaranty and Education Fund	175,000	175,000	175,000	175,000
CR0	1060284	Vending Regulation Fund	50,000	50,000	50,000	50,000
EB0	1060131	Economic Development Special Acct	2,751	2,732	2,732	2,732
EB0	1060063	Industrial Revenue Bond Program	2,732	2,732	2,732	2,732
EB0	1011016	St Elizabeths East Campus Redevelopment	446,793	449,793	452,793	451,793
FL0	1060006	Corrections Trustee Reimbursement	1,042,898	1,042,898	1,042,898	1,042,898
FX0	1060419	Medical Examiner Pathology and Toxicology	2,701	2,701	2,701	2,701
HA0	1060026	Enterprise Fund Account	1,000,000	1,000,000	1,000,000	1,000,000
HC0	1060151	Board of Medicine	1,322,522	4,396,802	4,396,802	4,396,802
HC0	1060188	Communicable and Chronic Disease	3,440	3,440	3,440	3,440
HC0	1060133	Pharmacy Protection	8,937	8,937	8,937	8,937
HC0	1060166	SHPDA Admission Fee	3,768	3,768	3,768	3,768
HC0	1060050	SHPDA Fees	4,633	4,633	4,633	4,633
HC0	1060053	Vital Records Revenue	13,030	13,030	13,030	13,030
HT0	1060386	Individual Insurance Market Affordability and Stability	5,082,000	5,082,000	5,082,000	5,082,000
KG0	1060363	Air Quality Construction Permits	3,352	3,352	3,352	3,352
KG0	1060184	Anacostia River Clean Up Fund	2,029	2,029	2,029	2,029
KG0	1060318	Benchmarking Enforcement Fund	63,147	63,147	63,147	63,147

Agency Code	Fund Number	Fund Name	FY 2026 (in $)	FY 2027 (in $)	FY 2028 (in $)	FY 2029 (in $)
KG0	1060368	Economy II Fund	12,892	12,892	12,892	12,892
KG0	1060330	Energy Assistance Trust Fund	51,352	51,352	51,352	51,352
KG0	1060036	Fishing License	1,200	1,200	1,200	1,200
KG0	1060187	Hazardous Generator Fees	17,185	17,185	17,185	17,185
KG0	1060181	Lead Poisoning Prevention Fund	150,000	150,000	150,000	150,000
KG0	1060366	Pesticide Product Registration	47,517	47,517	47,517	47,517
KG0	1060174	Renewable Energy Development Fund	7,992	7,992	7,992	7,992
KG0	1060369	Residential Aid Discount	6,064	6,064	6,064	6,064
KG0	1060370	Residential Essential Services	42,111	42,111	42,111	42,111
KG0	1060365	Soil Erosion/ Sediment Control	20,147	20,147	20,147	20,147
KG0	1060154	Storm Water Fees	2,512	2,512	2,512	2,512
KG0	1060327	Sustainable Energy Trust Fund	3,207,537	3,207,537	3,207,537	3,207,537
KG0	1060058	Underground Storage Tank Fines and Fees	580	580	580	580
KV0	1060260	General "O" Type Revenue Sources	401,647	401,647	401,647	401,647
KV0	1060310	Motor Vehicle Inspection Station	16,560	16,560	16,560	16,560
LQ0	1060374	ABC - Import and Class License Fees	69,322	69,322	69,322	69,322
LQ0	1060389	Medical Cannabis Administration Fund	8,697	8,697	8,697	8,697
RJ0	1060146	Subrogation Fund	4,411	4,411	4,411	4,411
RM0	1060070	DMH Federal Beneficiary Reimbursement	800,000	800,000	800,000	800,000
SR0	1060240	HMO Assessment	7,066	7,066	7,066	7,066
SR0	1060242	Insurance Assessment	32,639	32,639	32,639	32,639
TC0	1060381	Public Vehicles-for-Hire Consumer Service	31,915	31,915	31,915	31,915

Agency Code	Fund Number	Fund Name	FY 2026 (in $)	FY 2027 (in $)	FY 2028 (in $)	FY 2029 (in $)
TO0	1060195	SERV US Program	91	94	94	94

Financial Plan Impact
The subtitle increases tax revenue in Local Funds and nontax revenues in Local Funds by $24.5 million in fiscal year 2026, and a total of $99.2 million over the financial plan. Revenue in dedicated tax and special purpose revenue funds is reduced by the same amount by which local revenue increases.

Subtitle (VII)(I) - Non-Lapsing Fund Transfers Act of 2025 Transfer to Local Funds ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
From dedicated tax funds	$748	$1,437	$2,272	$3,211	$7,667
From special purpose revenue funds	$23,757	$25,280	$21,818	$20,677	$91,532
Total transfers to local funds	**$24,505**	**$26,717**	**$24,090**	**$23,888**	**$99,200**

<u>Subtitle (VII)(J) – Subject to Appropriations Amendments</u>

Background
The subtitle makes some or all of three existing laws subject to appropriations in an approved budget and financial plan.

First, the subtitle makes Titles I and II of the Insurance Database Amendment Act of 2024[125] subject to appropriations.

Second, the subtitle makes section 3a of the Home Visiting Services Reimbursement Amendment Act of 2024[126] subject to appropriations.

Third, the subtitle makes the portion of the Telehealth Reimbursement Act of 2013 requiring telehealth maternal health services[127] coverage through Medicaid or the D.C. Healthcare Alliance program subject to appropriations beginning October 1, 2025.

Financial Plan Impact
The budget and financial plan removes funding for the laws (or portions of laws) in this subtitle being made subject to appropriations, resulting in savings as summarized in the table below.

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[125] D.C. Law 25-264; 72 DCR 343.
[126] D.C. Law 25-142; 71 DCR 1474.
[127] D.C. Official Code § 31–3862.01.

Subtitle (VII)(J) – Subject to Appropriations Amendments ($ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Insurance Database Amendment Act of 2024	$584	$234	$57	$57	$932
Home Visiting Services Reimbursement Amendment Act of 2024 (Local Portion Medicaid Savings)	$352	$432	$514	$524	$1,822
Telehealth Reimbursement Act of 2013, Section 3a	$848	$865	$883	$900	$3,496