


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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: May 14, 2012

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2013 Tax Revenue Anticipation Notes Act of 2012”

REFERENCE: Draft Legislation, no bill number

Conclusion

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation authorizes the issuance of up to \$800 million in general obligation tax revenue anticipation notes with a maturity date on or before September 30, 2013. The proceeds from the sale of the notes will be used to finance the general government expenses of the District during FY 2013 in anticipation of the collection and receipt of revenues during the course of the fiscal year.

Revenue anticipation notes are typically issued to finance seasonal cash shortages that arise due to differences in the timing between the receipt of revenues and the disbursement of expenditures within a given fiscal year. \$800 million in short term borrowing represents a decrease over the previous year because recent build-up of the District's Fund Balance has increased the District's available cash to cover seasonal cash shortages.

Financial Plan Impact

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the proposed legislation. The proposed legislation reflects borrowing that is planned and already reflected in the current budget and financial plan.