

AN ACT

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*Codification  
District of  
Columbia  
Code  
2000 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend the District of Columbia Procurement Practices Act of 1985 to streamline Council review and approval of multiyear contracts and contracts in excess of \$1 million; to establish the Office of Human Rights to administer the Human Rights Act of 1977 and to enforce equal opportunity in employment, housing, public accommodations, and educational institutions and to transfer to this Office the human rights functions of the Department of Human Rights and Local Business Development; to abolish the Department of Human Rights and Local Business Development; to establish the Office of Local Business Development to administer the Equal Opportunity for Local, Small, and Disadvantaged Business Enterprises Act of 1998, and to transfer to this Office the local and minority business development functions of the Department of Human Rights and Local Business Development; to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to increase the cap on compensation of members of the Zoning Commission and the Board of Zoning Adjustment; to clarify that the exclusive source of funding for the Office of Zoning shall be appropriated local funds; to amend the District of Columbia Revenue Act of 1970 to repeal a reference to a repealed federal law; to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to freeze the salary levels of Members of the Council; to repeal the Councilmembers' Salary Freeze Amendment Act of 1994 to decouple the salary of the Chairman of the Council from the highest paid executive agency head; to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to authorize disability compensation retirement settlements; to authorize incentives for employees who choose to participate in the early out and easy out retirement program; to amend the Retirement Reform Act of 1979 to clarify the definition of a quorum and to replace the Director of the Office of Budget and Planning with the Chief Financial Officer as an *ex officio* member of the Retirement Board; to amend the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 to correct an erroneous cross-reference; to require the Mayor to direct the Chief of the Fire and Emergency Medical Services Department to implement certain management reforms for the Department; to amend the National Capital Revitalization Corporation Act of 1998 to change the number of public citizen members, to revise and clarify the

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personnel authority of the Board, to revise and clarify the period of Council review applicable to certain actions of the Corporation, to direct that part of the increased resources that are provided to the Office of Planning in the FY 2000 Budget be allocated to the priority of producing small area action plans, to increase by 30 days the time the board has after its initial meeting to establish written criteria for the assistance that is appropriate for particular economic development projects, to require that the Corporation submit the criteria to the Council for review, and to provide specific time periods for the Council to review any amendments to the criteria and the submission of any new subsidiary established by the Corporation; to amend the Confirmation Act of 1978 to restore the Redevelopment Land Agency and Economic Development Finance Corporation to the list of agencies whose members are subject to Council confirmation; to amend Chapter 12 of Title 21 of the District of Columbia Code to require written notification to the program participant, guardian, or parent regarding the administration of medication by a trained employee and to authorize a registration fee for applicants certified as a trained medication employee; to establish a Health Care System Development Commission to develop recommendations and an implementation plan for restructuring the health care system; to establish a Productivity Bank Fund to provide loans to agencies that can justify initiatives that would generate additional revenues above current certified levels; to require the Mayor to make repairs to the O Street Wall using funds which have been allocated for these repairs and to submit an assessment of the effects of the Pope Branch Watershed on adjacent District communities; to amend the Health and Hospitals Public Benefit Corporation Act of 1996 to provide for an agreement to compensate the Public Benefit Corporation for services provided to District residents without insurance, to extend the date on which settlements and judgments of the Public Benefit Corporation shall be payable out of the monies of the Corporation and to forgive monies owed to the District; to amend the District of Columbia Substance Abuse Treatment and Prevention Act of 1989 to require the Mayor to contract out residential substance abuse programs; to amend the Emergency Assistance Program Act of 1988 to provide for implementation of a burial assistance program and the making of quarterly reports; to require the Superintendent of the District of Columbia Public Schools and the Chief of the Metropolitan Police Department to submit a comprehensive design on school security and to prohibit extending the current public school security contract; to amend An Act To provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes to establish a truancy center in each ward of the District; to amend the Public Charter Schools Act of 1996 to require the Chief Financial Officer of the District of Columbia to withhold 5% of the FY 2000 Budget of the District of Columbia Public Schools until completion of the student enrollment count for public schools and public charter schools, to apportion this amount first to the public

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charter schools based on their respective enrollments and the validity of the number of students that are District residents with any remaining funds apportioned back to the public schools, to require that public schools and public charter schools retain at each school a copy of the documents used to establish proof of a student's District residency, and to require a report to the Council on the apportionment of these funds; to establish review criteria for expending the \$150 million reserve fund and to set forth the expenditures which shall be funded from the fund; to establish a guide for annual budget expenditure increases; to amend An Act to enable the District of Columbia to receive Federal assistance under title XIX of the Social Security Act for a medical assistance program and for other purposes to establish a plan to expand Medicaid to childless adult District residents with a family income up to 200% of the federal poverty level and undocumented children not otherwise eligible to be covered under Medicaid; to establish a Tobacco Settlement Trust Fund for the proceeds of the tobacco litigation settlement; to establish a children and youth initiative to provide out-of-school programs for District of Columbia children and youth, and to require the Mayor to provide criteria for funding programs for children and youth; to direct allocations of certain Fiscal Year 1999 appropriated funds for infrastructure and economic development; to amend section 47-340.22 of the District of Columbia Code to permit the retention of fee income earned by the Industrial Revenue Bond Program of the Office of Finance and Treasury; to amend Title 47 of the District of Columbia Code to change the real property tax classes and tax rates, to accelerate depreciation of computer equipment under the personal property tax, to eliminate the personal property tax on the first \$50,000 value of personal property, to lower the individual income tax rates, to lower the corporate and unincorporated business franchise tax rates, to change the net operating loss deduction to allow businesses to take District-specific deductions, to change the net operating loss deduction to eliminate carrybacks of the deduction, to eliminate the arena fee for businesses with gross receipts under \$2,000,000, to eliminate the sales tax on internet access, and to require the Chief Financial Officer to certify the Accumulated Fund Balance and prepare an analysis of the change in economic assumptions and revenue forecasts, to set a goal of reducing the highest individual income tax bracket to 8%, and to earmark future excess revenues for additional reductions in individual income tax rates.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Service Improvement and Fiscal Year 2000 Budget Support Act of 1999".

**TITLE I. COUNCIL REVIEW OF CONTRACTS**

Sec. 101. Short title.

This title may be cited as the "Establishment of Criteria for Council Review of Contracts Amendment Act of 1999".

Sec. 102. Section 105a of the District of Columbia Procurement Practices Act of 1985, effective March 8, 1991 (D.C. Law 8-257; D.C. Code § 1-1181.5a), is amended by adding a new subsection (j) to read as follows:

Amend  
§ 1-1181.5a

"(j)(1) Notwithstanding the provisions of this act or any other law, a proposed contract in excess of \$1,000,000 during a 12-month period or a proposed multiyear contract submitted to the Council by the Mayor shall be deemed approved by the Council when a time stamp is affixed to the proposed contract by the Secretary to the Council, provided that a summary of the proposed contract has been filed with the Chairman of the Council ("Chairman") at least 96 hours in advance of the proposed contract's submission. The 96-hour period shall not include a Saturday, Sunday, or legal holiday.

"(2) The proposed contract shall be deemed approved if within the 96-hour period after the receipt of the summary by the Chairman, a resolution of disapproval has not been signed and introduced by at least 5 members of the Council. If a resolution of disapproval has been introduced by at least 5 members of the Council within the 96-hour period, the period of Council review shall be extended by an additional 10 days from the date that the Mayor submits the proposed contract to the Council. The extended 10-day period shall not include a Saturday, Sunday, or legal holiday. If the resolution of disapproval has not been approved within the 10-day extended period, the proposed contract shall be deemed approved.

"(3) The proposed contract summary shall include the following:

"(A) The name of the proposed contractor, the contract amount, and the term of the proposed contract;

"(B) A description of the goods and services to be provided;

"(C) A description of the selection process, including the number of offerors, the evaluation criteria, the evaluation results, and the basis for selecting the proposed contractor;

"(D) The background and qualifications of the proposed contractor;

"(E) The performance standards and the expected outcomes of the proposed contract;

"(F) A description of the funding source for the proposed contract and a certification that the proposed contract is consistent with the District's financial plan and budget; and

"(G) A certification of legal sufficiency, including the proposed contractor's compliance with District and federal tax laws.

"(4) This subsection shall not apply to Year 2000 remediation contracts. For the purposes of this subsection, the term "Year 2000 remediation contracts" means procurements for the correction of computers, computer-operated systems, and equipment operated by embedded computer chips, to ensure the proper recognition and processing of dates on or after January 1, 2000.

"(5) This subsection shall expire on December 31, 2000."

Sec. 103. Fiscal impact statement.

The fiscal impact of this title shall be positive because it will facilitate more timely and efficient procurement of goods and services by the District government.

**TITLE II. REORGANIZATION OF THE DEPARTMENT OF HUMAN RIGHTS AND LOCAL BUSINESS DEVELOPMENT (ESTABLISHMENT OF THE OFFICE OF HUMAN RIGHTS AND THE OFFICE OF LOCAL BUSINESS DEVELOPMENT)**

**SUBTITLE A. OFFICE OF HUMAN RIGHTS ESTABLISHMENT**

Sec. 201. Short title.

This subtitle may be cited as the "Office of Human Rights Establishment Act of 1999".

Sec. 202. Establishment of the Office of Human Rights.

(a) Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 787; D.C. Code § 1-227(b)), there is hereby established, in the Executive Branch of the government of the District of Columbia, an Office of Human Rights under the supervision of a Director, who shall carry out the functions and authorities assigned to the Office. The Office of Human Rights ("Office") is established as a separate agency as of October 1, 1999.

(b) The Director shall have full authority over the Office and all functions and personnel assigned thereto, including the power to redelegate to other employees and officials of the Office such powers and authority as in the judgment of the Director are warranted in the interests of efficiency and sound administration.

Sec. 203. Purpose.

The purpose of the Office is to secure an end to unlawful discrimination in employment, housing, public accommodations, and educational institutions for any reason other than that of individual merit. The Office shall seek to eradicate discrimination on the basis of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, matriculation, political affiliation, physical handicap, source of income, and place of residence or business.

New  
Subchapter  
II,  
Chapter 25,  
Title 1  
Note, New  
§ 1-2571

New  
§ 1-2571

New  
§ 1-2572

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Sec. 204. Functions.

The functions of the Office shall be to:

New  
§ 1-2573

(1) Educate the public, including District residents and employers, about the Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2-38; D.C. Code § 1-2501 *et seq.*) ("Human Rights Act");

(2) Undertake investigations and public hearings on racial, religious, or ethnic group tensions, prejudice, intolerance, bigotry, disorder, and on any form of unlawful discrimination pursuant to the Human Rights Act;

(3) Receive, review, and investigate complaints of unlawful discrimination in employment, housing, public accommodations, or educational institutions;

(4) Receive and investigate complaints of violations of the District of Columbia Family and Medical Leave Act of 1990, effective October 3, 1990 (D.C. Law 8-181; D.C. Code § 36-1301 *et seq.*), and the Parental Leave Act of 1994, effective August 17, 1994 (D.C. Law 10-146; D.C. Code § 36-1601 *et seq.*), and take appropriate enforcement action regarding these complaints;

(5) Mediate complaints of unlawful discrimination in employment, housing, public accommodations, or educational institutions to help parties to a complaint reach a voluntary settlement;

(6) Conciliate complaints of unlawful discrimination in employment, housing, public accommodations, or educational institutions, after the Office has made a finding of probable cause to believe that an act of unlawful discrimination has occurred, to help the parties to a complaint reach a voluntary settlement;

(7) Certify a complaint to the Office of the Corporation Counsel for legal action needed, in the Director's judgment, to preserve the status quo or to prevent irreparable harm to a party to the complaint; and

(8) Forward to the Commission on Human Rights, for a hearing, decision, and order, any complaint that has resulted in a finding of probable cause by the Office.

Sec. 205. Transfers.

All positions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds available or to be made available to the Department of Human Rights and Local Business Development for the human rights functions set out in Reorganization Plan No. 1 of 1989, effective November 1, 1989, are hereby transferred to the Office.

New  
§ 1-2574

Sec. 206. Organization.

(a) There are hereby established the following 5 primary organizational functions in the Office:

New  
§ 1-2575

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(1) The Office of the Director, which sets overall policy and performance targets for the Office, supervises and evaluates staff, administers the budget, and promotes conciliation after a determination of probable cause has been reached.

(2) Education and Research, which studies patterns of discrimination in employment, public accommodations, and educational institutions, and educates District residents, employers, community groups, and other concerned parties about the Human Rights Act and federal anti-discrimination laws in order to prevent unlawful discrimination.

(3) Intake, which counsels prospective complainants on the Office's functions and statutory responsibilities, evaluates the complainants' allegation of unlawful discrimination, and completes the forms and procedures necessary for the filing of a complaint;

(4) Mediation, which trains and oversees the activities of mediators who assist the parties to a complaint in trying to reach a voluntary settlement; and

(5) Investigations, which solicits and evaluates evidence provided by the complainant and respondent to prepare a written determination about whether there is probable cause to believe that the respondent has violated the Human Rights Act.

(b) The Director, in the performance of his or her duties and functions, is authorized to restructure the organizational components of the Office as he or she deems necessary to improve the quality of services.

**Sec. 207. Abolishment of the Department of Human Rights and Local Business Development.**

**New  
§ 1-2576**

Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 787; D.C. Code § 1-227(b)), the Council hereby abolishes the Department of Human Rights and Local Business Development, established under Reorganization Plan No. 1 of 1989, effective November 1, 1989. The Department of Human Rights and Local Business Development is abolished as of October 1, 1999.

**Sec. 208. Subordinate agency status.**

Section 301(q)(18) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-603.1(17)(R)), is amended to read as follows:

**Amend  
§ 1-603.1**

"(18) Office of Human Rights."

**Sec. 209. Fiscal impact statement.**

This subtitle will not have a fiscal impact, because the District's financial plan and budget for fiscal year 2000 includes a budget for the Office of Human Rights.

**SUBTITLE B. OFFICE OF LOCAL BUSINESS DEVELOPMENT**

Sec. 220. Short title.

This subtitle may be cited as the "Office of Local Business Development Establishment Act of 1999".

New  
Subchapter  
I-A,  
Chapter 22,  
Title 1  
Note, New  
§ 1-2207.1

Sec. 221. Establishment of the Office of Local Business Development.

(a) Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 787; D.C. Code § 1-227(b)), there is hereby established, in the Executive Branch of the government of the District of Columbia, an Office of Local Business Development under the supervision of a Director, who shall carry out the functions and authorities assigned to the Office. The Office of Local Business Development ("Office") is established as a separate agency as of October 1, 1999.

New  
§ 1-2207.1

(b) The Director shall have full authority over the Office and all functions and personnel assigned thereto, including the power to redelegate to other employees and officials of the Office such powers and authority as in the judgment of the Director are warranted in the interests of efficiency and sound administration.

Sec. 222. Purpose.

The purpose of the Office is to administer the Equal Opportunity for Local, Small, and Disadvantaged Business Enterprises Act of 1998, effective April 27, 1999 (D.C. Law 12-268; to be codified at D.C. Code § 1-1153.1 *et seq.*) ("LSDBE Act"), and to promulgate rules necessary for administration of the LSDBE Act.

New  
§ 1-2207.2

Sec. 223. Functions.

The functions of the Office shall be to:

- (1) Educate the public, including District residents and businesses, about the LSDBE Act;
- (2) Receive and review applications for certification, in conjunction with the Local Business Opportunity Commission;
- (3) Stimulate and foster greater opportunities for businesses, certified as local, small, or disadvantaged businesses, to participate in District procurement for goods and services than would otherwise be possible;
- (4) Educate, disseminate, and market contract opportunities information to those businesses already holding certification as local, small, or disadvantaged business enterprises;
- (5) Enforce procurement regulations for businesses already holding certification;
- (6) Receive and investigate complaints of violations of the LSDBE Act and take appropriate enforcement action regarding such complaints;

New  
§ 1-2207.3

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(7) Certify a complaint to the Office of the Corporation Counsel for legal action needed, in the Director's judgment, to preserve the status quo or to prevent irreparable harm to a party to the complaint; and

(8) Forward to the Local Business Opportunity Commission, for a hearing, decision, and order, any complaint that has resulted in a finding of probable cause by the Office.

**Sec. 224. Transfers.**

All positions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds available or to be made available to the Department of Human Rights and Local Business Development for the local and minority business development functions set out in Reorganization Plan No. 1 of 1989, effective November 1, 1989, are hereby transferred to the Office.

New  
§ 1-2207.4

**Sec. 225. Subordinate agency status.**

Section 301(q) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-603.1(17)), is amended by adding a new paragraph (46) to read as follows:

Amend  
§ 1-603.1

"(46) Office of Local Business Development."

**Sec. 226. Fiscal impact statement.**

This subtitle will not have a fiscal impact because the District's financial plan and budget for fiscal year 2000 includes a budget for the Office of Local Business Development.

**Sec. 227. Applicability.**

This title shall apply as of October 1, 1999.

**TITLE III. ZONING ADJUSTMENTS**

**SUBTITLE A. INCREASE OF CAP ON COMPENSATION OF MEMBERS OF THE ZONING COMMISSION AND BOARD OF ZONING ADJUSTMENT**

**Sec. 301. Short title.**

This subtitle may be cited as the "Zoning Commission and Board of Zoning Adjustment Stipend Amendment Act of 1999".

**Sec. 302.** Section 1108(c)(2) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-612.8(c)(2)), is amended as follows:

Amend  
§ 1-612.8

(a) Subparagraph (A) is amended by striking the phrase "\$3,000" and inserting the phrase "\$6,000" in its place.

(b) Subparagraph (G) is amended by striking the phrase "\$3,000" and inserting the phrase "\$6,000" in its place.

Sec. 303. Fiscal impact statement.

This subtitle increases the compensation cap of the maximum annual stipend limit for Zoning Commission and Board of Zoning members from \$3,000 to \$6,000, the chairperson of each board is entitled to an additional 20% above the annual maximum. The maximum potential fiscal impact of this subtitle is \$31,200, which has been budgeted in the Office of Zoning FY 2000 budget.

**SUBTITLE B. SOURCE OF FUNDING FOR ZONING BUDGET**

Sec. 304. Short title.

This subtitle may be cited as the "Source of Funding for Zoning Budget Act of 1999".

Sec. 305. The exclusive source of funding for the Office of Zoning shall be appropriated local funds.

Note,  
§ 5-412.1

Sec. 306. Fiscal impact statement.

This subtitle shall have no fiscal impact because it is consistent with the Fiscal Year 2000 budget and financial plan. The Office of Zoning's operating budget in the past has consisted of both "local" and "private and other" funds collected from zoning fees paid by applicants who file zoning cases. The Fiscal Year 2000 Budget Request Act shifts \$260,000 from "private and other" funds to "local" funds as the source of funding for part of the budget of the Office of Zoning, in order to address the uncertainty associated with a budget contingent on fees over which the office has no control. The year-to-year fluctuations in the amount of fees collected by the Office of Zoning has adversely impacted the ability of the office to implement its spending plan. Totally funding expenditures by this office from local funds, and depositing all revenues generated by zoning fees into the general fund, will allow the office to develop a spending plan that can be implemented in a way that has no effect on overall expenditures and revenues of the District government.

Sec. 307. Applicability.

This title shall apply as of October 1, 1999.

**TITLE IV. TECHNICAL AMENDMENT TO THE DISTRICT OF COLUMBIA REVENUE ACT OF 1970**

Sec. 401. Short title.

This title may be cited as the "Revenue Act Technical Amendment Act of 1999".

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Sec. 402. Section 705(b) of the District of Columbia Revenue Act of 1970, approved January 5, 1971 (84 Stat. 1939; D.C. Code § 1-336(b)), is repealed.

**Repeal  
§ 1-336(b)**

Sec. 403. Fiscal impact statement.

Enactment of this title will not have a fiscal impact, because it makes a technical change in District law to eliminate a reference to a provision of federal law (the Economy Act of 1932) that has been repealed.

**TITLE V. COUNCILMEMBERS' SALARY FREEZE**

Sec. 501. Short title.

This title may be cited as "Councilmembers' Salary Freeze Amendment Act of 1999".

Sec. 502. Section 1109(b) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-612.9(b)), is amended to read as follow:

**Amend  
§ 1-612.9**

"(b)(1) Members of the Council shall receive compensation in the amount of \$92,530 per year and the Chairman shall receive compensation in the amount of \$102,530 per year, which shall be made in equal and periodic installations. The compensation shall not be subject to step, cost of living, or other increases. Pursuant to section 403(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 787; D.C. Code §1-226(a)), any future adjustments to the compensation of members of the Council and the Chairman shall be by act of the Council.

"(2) In determining the proper salary level of the Council, the Council shall consider at a minimum:

- "(A) The salary level of executive agency heads;
- "(B) Pay increases for nonunion employees of the District; and
- "(C) Any other information the Council deems necessary."

Sec. 503. The Councilmembers' Salary Freeze Amendment Act of 1994, effective March 16, 1995 (D.C. Law 10-225; D.C. Code § 1-612.9 note), is repealed.

**Repeal  
§ 1-612.9,  
note**

Sec. 504. Fiscal impact statement.

This title will not have a negative fiscal impact. This title decouples the salary of the Chairman of the Council from the highest paid executive agency head, and freezes the salary level for members of the Council.

**TITLE VI. DISABILITY COMPENSATION SETTLEMENT**

Sec. 601. This title may be cited as the "Disability Compensation Settlement Amendment Act of 1999".

Sec. 602. Section 2316 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-624.16), is amended by adding a new subsection (d) to read as follows:

**Amend  
§ 1-624.16**

"(d)(1) If an employee who has been receiving compensation under this title is paid a lump sum in commutation of installment payments until the expiration of the period during which the installment payments would have continued, becomes a retiree under the federal government civil service retirement system, that employee may not receive any further payments under this title.

"(2) The Mayor shall promulgate rules to implement the provisions of paragraph (1) of this subsection."

Sec. 603. Fiscal impact statement.

There would be no revenue impact as a result of the enactment of this title. The Disability Retirement Program can be self-funded through the budget allocation of the Disability Program.

**TITLE VII. EARLY OUT RETIREMENT INCENTIVE**

Sec. 701. Short title.

This title may be cited as the "Early Out Retirement Incentive Act of 1999".

Sec. 702. Early out retirement incentive.

(a) Notwithstanding section 1106 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-612.6), the Council of the District of Columbia adopts changes to the Career and Excepted Service compensation system under section 1104 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 ( D.C. Law 2-139; D.C. Code § 1-612.4), that authorize the Mayor to establish a retirement incentive program for certain District employees.

**Note,  
§ 1-627.2**

(b) The changes to the compensation system are as follows:

(1) The Mayor is authorized to establish an early out retirement incentive program ("Early Out Program") which shall apply to eligible employees under the personnel authority of the Mayor, and employees of any other personnel authority that is under the pay

authority of the Mayor if the personnel authority chooses to participate in the Early Out Program.

(2) The Early Out Program shall be effective for 120 days after the effective date of this act.

(3) The Early Out Program shall be limited to employees retiring under the voluntary early out provisions of 5 U.S.C. § 8336(d)(2).

(4) The Early Out Program shall offer a retirement incentive of 50% of an employee's annual rate of basic pay from the employee's salary or pay schedule which was in effect on October 1, 1999, not to exceed \$30,000, to be paid within 1 year of the employee's retirement.

(5) Retirement incentive payments shall be prorated in the case of a part-time employee.

(6) Retirement incentive payments shall not be considered basic pay for computing retirement entitlement, insurance entitlement, any category of premium pay entitlement, lump-sum leave, or any other entitlement that is computed on basic pay.

(7) No incentive payments shall be paid to:

(A) An employee retiring under the law enforcement or firefighter provisions of 5 U.S.C. § 8336(c), the discontinued service/involuntary retirement provisions of 5 U.S.C. § 8336(d)(1), or the disability retirement provisions of 5 U.S.C. § 8337;

(B) An employee who is a reemployed annuitant under the provisions of 5 U.S.C. § 8344;

(C) An employee who is in a critical position as defined by regulations promulgated by the Mayor;

(D) An employee who is a sworn member of the Metropolitan Police Department or the Fire and Emergency Medical Services Department;

(E) An employee who, for charges related to his or her employment duties, is under indictment for a felony, who has been convicted of a felony, or who plead guilty to a felony or who has been convicted after a plea of *nolo contendere* to a felony; or

(F) An employee who, based on conduct related to his or her employment duties, has been convicted of a misdemeanor or who has plead guilty or has been convicted after a plea of *nolo contendere* to a misdemeanor.

(8) For the purpose of paragraph (7)(E) of this subsection, the term "felony" means a crime for which the penalty is at least imprisonment for 1 year or a fine of at least \$1,000.

(9) An employee who receives an incentive payment under the Early Out Program shall not be eligible for reemployment with the District government for 5 years from the date of retirement, or hired or retained as a sole source consultant or personal services contractor for 5 years from the date of retirement.

Sec. 703. Fiscal impact statement.

There would be no revenue impact as a result of the enactment of this title. The FY 2000 fiscal impact of the Early Out Program may total \$19,026,312. This total is based on approximately 3,188 employees who are currently eligible for the Early Out Program. Pursuant to section 802(b)(4), the retirement incentive will total 50% of an employee's annual rate of basic pay. The average salary for this employee population totals \$39,804. Assuming that 30% of the eligible employees retire under this program, the fiscal impact in FY 2000 will total approximately \$19,026,312. Other costs associated with the Early Out Program include terminal leave and possible additional costs to back-fill positions. However, some costs for this program may be offset by savings derived from lapsed salaries, where positions are abolished or remain vacant during the fiscal year.

**TITLE VIII. EASY OUT RETIREMENT INCENTIVE**

Sec. 801. Short title.

This title may be cited as the "Easy Out Retirement Incentive Act of 1999".

Sec. 802. Easy out retirement incentive.

Note,  
§ 1-627.2

(a) Notwithstanding section 1106 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-612.6), the Council of the District of Columbia adopts changes to the Career and Excepted Service compensation system under section 1104 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code § 1-612.4), that authorize the Mayor to establish a retirement incentive program for certain District employees.

(b) The changes to the compensation system are as follows:

(1) The Mayor is authorized to establish an easy out retirement incentive program ("Easy Out Program") which shall apply to eligible employees under the personnel authority of the Mayor, and employees of any other personnel authority that is under the pay authority of the Mayor if the personnel authority chooses to participate in the Easy Out Program.

(2) The Easy Out Program shall be effective for 120 days after the effective date of this act.

(3) The Easy Out Program shall be limited to employees retiring under the optional retirement provisions of 5 U.S.C. § 8336(a), (b), or (f).

(4) The Easy Out Program shall offer a retirement incentive of 50% of an employee's annual rate of basic pay from the employee's salary or pay schedule which was in effect on October 1, 1999, not to exceed \$30,000, to be paid within 1 year of the employee's retirement.

(5) Retirement incentive payments shall be prorated in the case of a part-time employee.

(6) Retirement incentive payments shall not be considered basic pay for computing retirement entitlement, insurance entitlement, any category of premium pay entitlement, lump-sum leave, or any other entitlement that is computed on basic pay.

(7) No incentive payments shall be paid to:

(A) An employee retiring under the law enforcement or firefighter provisions of 5 U.S.C. § 8336(c), the discontinued service/involuntary retirement provisions of 5 U.S.C. § 8336(d)(1), or the disability retirement provisions of 5 U.S.C. § 8337;

(B) An employee who is a reemployed annuitant under the provisions of 5 U.S.C. § 8344;

(C) An employee who is in a critical position as defined by regulations promulgated by the Mayor;

(D) An employee who is a sworn member of the Metropolitan Police Department or the Fire and Emergency Medical Services Department;

(E) An employee who, for charges related to his or her employment duties, is under indictment for a felony, who has been convicted of a felony, or who plead guilty to a felony or who has been convicted after a plea of *nolo contendere* to a felony; or

(F) An employee who, based on conduct related to his or her employment duties, has been convicted of a misdemeanor or who has plead guilty or has been convicted after

a plea of *nolo contendere* to a misdemeanor.

(8) For the purpose of paragraph (7)(E) of this subsection, the term "felony" means a crime for which the penalty is at least imprisonment for 1 year or a fine of at least \$1,000.

(9) An employee who receives an incentive payment under the Easy Out Program shall not be eligible for reemployment with the District government for 5 years from the date of retirement, or hired or retained as a sole source consultant or personal services contractor for 5 years from the date of retirement.

#### Sec. 803. Fiscal impact statement.

There would be no revenue impact as a result of the enactment of this title. The FY 2000 fiscal impact of the Easy Out Program may total \$29,439,288. This total is based on approximately 4,826 employees who are currently eligible for the Easy Out Program. Pursuant to section 802(b)(4), the retirement incentive will total 50 percent of an employee's annual rate of basic pay. The average salary for this employee population totals \$40,662. Assuming that 30 percent of the eligible employees retire under this program, the fiscal impact in FY 2000 will total approximately \$29,439,288. Other costs associated with the Easy Out Program include terminal leave and possible additional costs to back-fill positions. However, some costs for this

program may be offset by savings derived from lapsed salaries, where positions are abolished or remain vacant during the fiscal year.

**TITLE IX. RETIREMENT BOARD**

Sec. 901. Short title.

This title may be cited as the "Retirement Board Amendment Act of 1999".

Sec. 902. Section 121 of the Retirement Reform Act of 1979, approved November 17, 1989 (93 Stat. 866; D.C. Code § 1-711), is amended as follows:

(a) Subsection (b)(11) is amended to read as follows:

"(11) The Chief Financial Officer of the District of Columbia, his or her successor, or his or her designee, shall be an *ex officio* member of the Board, but shall not vote, shall not be eligible to be elected Chairman of the Board, and shall not be counted for purposes of a quorum. For purposes of continuity on the board of trustees, the Mayor shall notify the Board in writing if the designated *ex officio* member of the Board is replaced."

(b) Subsection (c)(1) is amended by striking the figure "\$5,000" and inserting the figure "\$10,000" in its place.

(c) Subsection (d)(2) is amended to read as follows:

"(2) A majority of members shall constitute a quorum for the transaction of the business of the Board."

(d) A new subsection (j) is added to read as follows:

"(j) Staff appointed by the Board pursuant to subsection (g)(2) of this section shall not be subject to the provisions of subchapter XII of Chapter 6 of this Title. The Board shall have exclusive authority to establish classification and compensation policy for staff appointed by the Board, provided that staff shall not be paid at a rate greater than the highest level authorized for nonunion workers in the District Service schedule. The Board shall establish by regulation a new compensation system for staff appointed by the Board within one year of the effective date of the Retirement Board Amendment Act of 1999. Until a new compensation system is established by regulation, staff appointed by the Board shall be subject to the compensation policy applicable prior to enactment of the Retirement Board Amendment Act of 1999."

Sec. 903. Fiscal impact statement.

Enactment of this title will not have a fiscal impact because: (1) it makes a procedural change to clarify that the Retirement Board may declare a quorum and transact business when a majority of members is present; (2) it corrects the title of the individual within the District government who performs the functions formerly assigned to the Director of the Office of Budget and Financial Management who is chosen to serve as an *ex officio* member of the Board; and (3) the Retirement Board's budget is funded from its investment earnings and no local dollars are used.

Amend  
§ 1-711

**TITLE X. POLICE OFFICERS, FIRE FIGHTERS, AND TEACHERS  
RETIREMENT BENEFIT REPLACEMENT PLAN TECHNICAL AMENDMENT**

Sec. 1001. Short title.

This title may be cited as the "Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Technical Amendment Act of 1999".

Sec. 1002. Section 123 of the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998, effective September 18, 1998 (D.C. Law 12-152; to be codified at D.C. Code § 1-783.3), is amended by striking the phrase "The replacement plan described in section 122" and inserting the phrase "The replacement plan described in section 121" in its place.

Amend  
§ 1-783.3

Sec. 1003. Fiscal impact statement.

This title is a technical amendment to correct an erroneous cross-reference and has no fiscal impact.

**TITLE X-A. MANAGEMENT REFORM IMPLEMENTATION FOR THE FIRE  
AND EMERGENCY MEDICAL SERVICES DEPARTMENT**

Sec. 1011. Short title.

This title may be cited as the "Fire and Emergency Medical Services Department Management Reform Implementation Act of 1999".

Sec. 1012. (a) The Mayor shall direct the Chief of the Fire and Emergency Medical Services Department ("Department") to establish as a funding priority for the Department, the purchase of equipment, including state of the art air masks and radios, and other articles identified in the Reconstruction Committee Report on the October 24, 1997, fire that resulted in the death of Sargeant Carter; and to implement a dual role/cross trained/firefighter/paramedic pilot program within the Department, using existing and other funds which may become available, including overtime funds, during Fiscal Year 2000.

Note  
§ 4-301

(b) The Mayor shall direct the Department Chief to deploy 2 Advanced Life Support Paramedics on 4 engine companies in the Department's fleet. The Mayor shall direct the Chief to utilize existing or overtime funds to implement this project. The Mayor shall direct the Department Chief to consult with the Council before he determines which 4 engine companies will participate in the pilot program.

Sec. 1013. Fiscal impact statement.

The funding for this title is estimated to be \$503,411.65. Of this amount, \$353,411.65 is allocated to cover personnel costs, and \$150,000 is allocated to cover anticipated and actual overtime costs associated with implementation of the program. The \$353,411.65 reflects a paramedic's annual salary at DS9/8 and includes fringe benefits at 9% of salary. (This information was compiled from the DCFDEMS Schedule A for FYs 1999-2000).

## TITLE XI. NATIONAL CAPITAL REVITALIZATION CORPORATION AND CONFIRMATION ACT

Sec. 1101. Short title.

This title may be cited as the "National Capital Revitalization Corporation and Confirmation Amendment Act of 1999".

Sec. 1102. The National Capital Revitalization Corporation Act of 1998, effective September 11, 1998 (D.C. Law 12-144; to be codified at D.C. Code § 1-2295.1 *et seq.*), is amended as follows:

(a) Section 4 (D.C. Code § 1-2295.3) is amended as follows:

(1) Subsection (b)(2)(A) is amended as follows:

(A) Strike the word "Five" and insert the word "Four" in its place.

(B) Strike the sentence "The fifth public citizen Board member shall serve only during control years.".

Amend  
§ 1-2295.3

(2) Subsection (b)(3) is amended as follows:

(A) Strike the phrase "City Administrator" and insert the word "Mayor" in its place.

(B) Strike the sentences "During a control year, the City Administrator shall not vote. During a control year, the Chief Management Officer, who shall not vote shall serve as a third *ex-officio* Board member.".

(3) Subsection (c) is amended as follows:

(A) Paragraph (2) is amended by striking the first sentence and inserting in its place a new sentence to read as follows:

"Each public citizen Board member shall be appointed to a term of 5 years, except that the terms of the first 4 public citizen Board members shall be staggered so that the term of one such member shall expire 5 years after the date of appointment, the term of one such other member shall expire 4 years after the date of appointment, the term of 1 such other member shall expire 3 years after the date of appointment, and the term of the other member shall expire 2 years after the date of appointment.".

(B) Paragraph (4) is repealed.

**ENROLLED ORIGINAL**

(b) Section 6 (D.C. Code § 1-2295.5) is amended as follows:

(1) Subsection (b) is amended by striking the last 2 sentences and inserting in their place new sentences to read as follows:

"Rules and procedures adopted or amended by the Board shall be submitted to the Council for a 10-day period of review excluding days of Council recess. If no Councilmember introduces a disapproval resolution during this 10-day period, at the end of the period the rules and procedures shall be deemed approved. If any Councilmember introduces a disapproval resolution during the 10-day period, the Council review period shall be 45 days from the date of introduction, excluding days of Council recess. If the Council does not adopt a resolution of disapproval within the 45-day period, the rules and procedures shall be deemed approved."

**Amend  
§ 1-2295.5**

(2) Subsection (c) is amended to read as follows:

"No later than 60 days after installation of a majority of the authorized number of Board members, the Corporation shall appoint a chief executive officer, who shall direct and supervise the general management and administrative affairs of the Corporation under terms and conditions prescribed by the Board. The Board may appoint other senior officers of the Corporation as the Board deems necessary or desirable. The chief executive officer may appoint additional officers and employees as he or she determines appropriate, subject to the budget of the Corporation or any other limitations prescribed by the Board. The chief executive officer, and each senior officer and senior employee of the corporation, shall be residents of the District or shall become residents within 6 months of his or her hiring date and shall remain District residents for the duration of his or her employment by the Corporation."

(c) Section 13 (D.C. Code § 1-2295.12) is amended as follows:

(1) Subsection (a) is amended by striking all of the sentences after the phrase "with a 2/3rds vote at a public meeting." and inserting 2 new sentences in their place to read as follows:

"The Revitalization Plan, as adopted by the Board, and any amendments to the Plan, shall be submitted to the Council for a 45-day period of review excluding days of Council recess. If the Council does not adopt a disapproval resolution within the 45-day period, the Revitalization Plan shall be deemed approved."

**Amend  
§ 1-2295.12**

(2) Subsection (c) is amended to read as follows:

"(c) The Council directs that part of the increased resources that are being provided in the FY 2000 Budget to the Office of Planning should be allocated to the priority of producing small area action plans that are needed to implement policies and objectives contained in the Comprehensive Plan and in the Revitalization Plan."

(d) Section 14(b) (D.C. Code § 1-2295.13(b)) is amended as follows:

(1) Strike the word "operations" in the first sentence and insert the word "performance" in its place.

(2) Add the phrase "performance and" before the word "operations" in the last sentence.

**Amend  
§ 1-2295.13**

**ENROLLED ORIGINAL**

(e) Section 15(a) (D.C. Code § 1-2295.14(a)) is amended as follows:

(1) Strike the number "90" and insert the number "120" in its place.

(2) Add the sentence "If the Council does not adopt a disapproval resolution within the 45-day period, the criteria shall be deemed approved." after the phrase "date the criteria is transmitted to the Council."

Amend  
§ 1-2295.14

(3) After the phrase "subject to Council approval by resolution." add new sentences to read as follows:

"The amended criteria, as adopted by the Board, shall be submitted to the Council for a 10-day period of review excluding days of Council recess. During this period of review, if any Councilmember introduces a disapproval resolution, the Council review period shall be 45 days from the date of introduction, excluding days of Council recess. If the Council does not adopt a disapproval resolution within the 45-day period, the amended criteria shall be deemed approved."

(f) Section 17(a) (D.C. Code § 1-2295.16(a)) is amended as follows:

(1) Strike the phrase "required to be" in the last sentence after the phrase "Any subsidiary established by the Corporation shall be".

(2) Strike the word "approval" in the last sentence and insert the phrase "a 45-day period of review, excluding days of Council recess" in its place.

Amend  
§ 1-2295.16

(3) After the last sentence add new sentences to read as follows:

"The Council shall approve or disapprove the criteria by resolution within 45 days of the date it is transmitted to the Council. If the Council does not adopt a resolution within the 45-day period, the criteria shall be deemed approved."

Sec. 1103. Section 2(e) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Code § 1-633.7(e)), is amended as follows:

(a) Strike the phrase "paragraphs (1)-(24)" in the first sentence and insert the phrase "paragraphs (1)-(26)" in its place.

(b) Paragraph (24) is amended by striking the period at the end and inserting a semicolon in its place.

Amend  
§ 1-633.7

(c) Add new paragraphs (25) and (26) to read as follows:

"(25) The Redevelopment Land Agency Board of Directors, established by section 4 of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 790; D.C. Code § 5-803); and

"(26) The Economic Development Finance Corporation Board of Directors, established by section 4 of the District of Columbia Economic Development Finance Corporation Act of 1984, effective June 29, 1984 (D.C. Law 5-89; D.C. Code § 1-2213)."

Sec. 1104. Fiscal impact statement.

This title has no negative fiscal impact.

**TITLE XII. ADMINISTRATION OF MEDICATION**

Sec. 1201. Short title.

This title may be cited as the "Use of Trained Employees to Administer Medication Clarification Act of 1999".

Sec. 1202. Chapter 12 of Title 21 of the District of Columbia Code is amended as follows:

(a) The table of contents is amended by adding the phrase "21-1206. Fees."

(b) Section 21-1201(2) is repealed.

(c) Section 21-1203(a)(1) is amended to read as follows:

"(a)(1) The program participant, guardian, or parent has been notified of the administration of medication in writing;"

(d) Section 21-1205(a)(1) is amended to read as follows:

"(a)(1) Obtaining and filing written instructions and notification required by this chapter;"

(e) A new section 21-1206 is added to read as follows:

"§ 21-1206. Fees.

"The Mayor is authorized to charge a registration fee to applicants certified as a trained medication employee."

Repeal  
§ 21-1201(2)  
Amend  
§ 21-1203

Amend  
§ 21-1205

New  
§ 21-1206

Sec. 1203. Fiscal impact statement.

These amendments will not have a negative fiscal impact. These amendments will assist in implementing D.C. Code § 21-1201 *et seq.*, which will have a positive fiscal impact on the Medicaid budget by reducing the reimbursable operating expenses.

**TITLE XIII. HEALTH CARE SYSTEM DEVELOPMENT COMMISSION**

Sec. 1301. Short title.

This title may be cited as the "Health Care System Development Commission Establishment Act of 1999".

New  
Subchapter  
II,  
Chapter 1,  
Title 6

Sec. 1302. Establishment; purpose.

There is established a Health Care System Development Commission ("Commission") to develop recommendations and an implementation plan for developing the health care system.

Note,  
§ 6-151

Sec. 1303. Qualifications; membership; terms of office.

(a) The Commission shall consist of 11 members as follows:

(1) There shall be 3 *ex-officio* voting members as follows:

New  
§ 6-151

**ENROLLED ORIGINAL**

- (A) The Mayor of the District of Columbia ("Mayor");
  - (B) The Chairman of the Council of the District of Columbia ("Council"); and
  - (C) The Chairman of the Council's Committee on Human Services.
- (2) There shall be 5 members appointed by the Mayor and 3 members appointed by the Council by resolution.

New  
§ 6-152

(A) Appointed members of the Commission shall be persons with proven expertise in health care delivery, finance, insurance, public health, integrated health care delivery systems, or strategic planning.

(B) Appointed members of the Commission shall be residents of the District.

(b) A vacancy on the Commission shall be filled in the same manner that the original appointment was made.

(c) The Commission shall select a chair from among its *ex-officio* members.

(d) Six members of the Commission shall constitute a quorum.

(e) The term of members shall end 180 days after the effective date of this act.

**Sec. 1304. Compensation.**

Members of the Commission shall not receive compensation or reimbursement for actual expenses incurred in the performance of official duties.

**Sec. 1305. Duties.**

(a) The Commission shall establish criteria to be used in the development of recommendations. The criteria shall include, but not be limited to, the following:

New  
§ 6-153

- (1) Efficiency and effectiveness of the District's health care system;
- (2) Access to quality health care services;
- (3) Consistency with financial plan and budget of the District;
- (4) Community impact; and
- (5) Economic benefits.

New  
§ 6-154

(b) Within 120 days after its initial meeting, the Commission shall develop a set of recommendations for developing the health care system which addresses the following:

- (1) Inpatient bed over-capacity;
- (2) Distribution of health care services and providers;
- (3) The role and the needs of the District of Columbia Public Benefit Corporation;
- (4) Maintenance of safety net providers;
- (5) Impediments to accessing care beyond the lack of health care insurance;
- (6) Fiscal impact of expanding health insurance coverage, including a study of the utilization of available health maintenance organization coverage by the Medicaid eligible

population for each year since the advent of Medicaid HMO coverage in the District of Columbia, and the number of medically indigent District residents who have been provided care at area hospitals as compared to the total number of medically indigent persons who have received care in each hospital in each of the past 3 years;

- (7) Implementation schedule for developing the health care system; and
- (8) Other issues.

(c) The recommendations shall be developed in accordance with the criteria established in this section.

Sec. 1306. Approval of recommendations.

(a) The Mayor shall transmit the recommendations of the Commission to the Council for approval.

(b) The recommendations shall be transmitted to the Council for a 45-day period, excluding days of Council recess. The Council shall take action to approve or disapprove the recommendations. If the Council does not take action within the 45-day period, the recommendations shall be deemed disapproved.

New  
§ 6-155

Sec. 1307. Office space and staffing.

(a) The Mayor shall provide sufficient office space, detail staff, and technical and administrative support to assist the Commission in the fulfillment of its duties.

(b) The Commission shall have the authority to request directly from each department, agency, or instrumentality of the District government, and each department, agency, or instrumentality is hereby authorized to furnish directly to the Commission upon its request, any information deemed necessary by the Commission to carry out its functions under this act.

New  
§ 6-156

Sec. 1308. Fiscal impact statement.

This title will have no fiscal impact because Commission members are unpaid and existing resources will support the Commission's activities.

#### **TITLE XIV. PRODUCTIVITY BANK FUND**

Sec. 1401. Short title.

This title may be cited as the "Productivity Bank Fund Establishment Act of 1999".

Sec. 1402. (a) There is established a revolving and proprietary Productivity Bank Fund to be used to provide loans to agencies that can justify initiatives that would generate additional revenues above current certified levels, or savings, according to productivity goals and measures established pursuant to section 1403.

Note, New  
§ 1-367.1

New

(b) Loans from the Productivity Bank Fund shall be decided by a Bank Loan Committee. The Bank Loan Committee shall consist of 5 members as follows:

§ 1-367.1

- (1) The Mayor or his or her designee;
- (2) The Chairman of the Council or his or her designee;
- (3) The Chief Financial Officer or his or her designee;
- (4) A member selected by the Labor/Management Partnership Council; and
- (5) One public member with experience in project finance and banking,

appointed by the Mayor, with the advice and consent of the Council.

(c) The Mayor shall transmit to the Council, for a 45-day period of review, excluding days of Council recess, the nomination of the public member of the Bank Loan Committee. The Council shall be deemed to have approved the nomination if during the 45-day period, no member introduces a resolution disapproving the nomination. If a member introduces a resolution disapproving the nomination within the 45-day period, the Council shall have an additional 45 days, excluding days of Council recess, to disapprove the nomination by resolution, or it will be deemed approved.

Sec. 1403. The Mayor shall issue rules setting out the criteria by which the Bank Loan Committee shall evaluate loan applications and the terms that shall govern the loans, including procedures for repayment. The Bank Loan Committee shall not issue any loans until the publication of final rules to implement this act, in accordance with the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Code § 1-1501 *et seq.*).

New  
§ 1-367.2

Sec. 1404. Fiscal impact statement.

There is \$20 million budgeted for the Productivity Bank in the Fiscal Year 2000 Budget and Financial Plan. This bank is intended to produce the \$20 million in productivity savings identified in the Fiscal Year 2000 Budget and Financial Plan.

## **TITLE XV. O STREET WALL RESTORATION**

Sec. 1501. Short title.

This title may be cited as the "O Street Wall Restoration Act of 1999".

Sec. 1502. (a) The Mayor shall use the funds previously budgeted for FY 1999 to design and reconstruct or otherwise repair portions of the retaining wall commonly known as the O Street Wall ("Wall"), located in Square S-5542, S.E., and to take remedial actions and make other improvements to address the threat of soil erosion and sedimentation in Square S-5542, S.E. Notwithstanding any other provision of law, owners of private property adjacent to

the Wall shall not be required to make any deposit nor be assessed any part of the costs associated with the repair of the Wall."

(b) The remedial action and improvements which the Mayor shall undertake include the following:

- (1) Replacing the tie backs;
- (2) Designing and installing a drainage system;
- (3) Repairing of the retaining structure, on or adjacent to private properties;
- (4) Repairing water drainage and diversion systems;
- (5) Shoring up portions of the Wall or otherwise enhancing lateral support; and
- (6) Slope terracing, slope benching, landfill treatments, and landscaping

treatments.

(c) The Mayor shall take reasonably necessary protective measures to preserve public health and safety, including the temporary relocation of any persons legally occupying property affected by the repair work, if temporary relocation is necessary for the Mayor to proceed with the design and reconstruction of the Wall.

Sec. 1503. The Mayor is authorized to prohibit activities in Square S-5542, S.E., which may contribute to the soil erosion and sedimentation problems in Square S-5542, S.E., including: landfill treatments; water diversions; and construction.

Sec. 1504. The Mayor is authorized to enter onto private property for purposes of carrying out the provisions of this act. The entry, pursuant to this act, shall be reasonable in time and manner, and shall be permitted only after the provision of 2 weeks written notice to affected property owners, unless the property owners give prior written consent.

Sec. 1505. The Mayor is authorized to inspect the Wall repaired pursuant to this act, perform routine and non-routine maintenance, and may make necessary future repairs.

Sec. 1506. The Mayor shall submit to the Council a geological and hydrologic assessment of the short term and long term effects of the Pope Branch Watershed on its adjacent District of Columbia communities and shall develop a remediation plan with the federal government, which owns the bulk of the property through which Pope Branch runs.

Sec. 1507. No claim or right of relief for any repair, reconstruction, or other remedial action undertaken by the Mayor pursuant to this act is created by this act. Nor does this act establish any obligation on the part of the District of Columbia to take any further action, temporary or permanent, to address the issue of soil erosion and sedimentation in Square S-5542, S.E.

Sec. 1508. Fiscal impact statement.

The Chief Financial Officer of the District of Columbia has identified \$3,576,000, which is currently available to be used for the purposes described in this act, without impairment of any other functions of the District government. These funds were originally included in the fiscal year 1999 budget. Accordingly, the fiscal impact of this bill is expected to be de minimis. Section 1506 has no fiscal impact as existing staff within District agencies are directed to conduct the assessment and report findings.

## TITLE XVI. PUBLIC BENEFIT CORPORATION

Sec. 1601. Short title.

This title may be cited as the "Public Benefit Corporation Agreement, Representation, and Indemnification Extension Amendment Act of 1999".

Sec. 1602. The Health and Hospitals Public Benefit Corporation Act of 1996, effective April 9, 1997 (D.C. Law 11-212; D.C. Code § 32-262.1 *et seq.*), is amended as follows:

(a) Section 207(d) (D.C. Code § 32-262.7(d)) is amended to read as follows:

"(d) The District shall enter into an agreement to compensate the Corporation for services provided to District residents without insurance. The agreement shall be effective on October 1, 1999."

(b) Section 219 (D.C. Code § 32-262.19) is amended to read as follows:

"The officers and employees of the Corporation shall be considered to be District government employees for purposes of the District of Columbia Non-liability Act, approved July 14, 1960 (74 Stat. 519; D.C. Code § 1-1211 *et seq.*), except that beginning 5 years from the date of the Board's first meeting under section 204(h) all settlements and judgments shall be payable out of the monies of the Corporation."

Amend  
§ 32-262.7

(c) A new section 219a is added to read as follows:

Amend  
§ 32-262.19

"Sec. 219a. Repayment of funds.

"The Corporation shall not be required to repay monies owed to the District government (including accrued interest thereon) in the amount of \$29 million dollars incurred over a period of several years prior to the creation of the Corporation, and any obligation to repay these moneys shall be forgiven."

New  
§ 32-262.19a

Sec. 1603. Applicability date.

Section 1602(b) of this title shall be applicable from the date of the Board's first meeting under section 204(h) of the Health and Hospitals Public Benefit Corporation Act of 1996, effective April 9, 1997 (D.C. Law 11-212; D.C. Code § 32-262.4(h)).

Sec. 1604. Fiscal impact statement.

Note  
§ 32-262.19

The Corporation Counsel and the Public Benefit Corporation ("Corporation") both estimate that the cost to the District to continue to indemnify and represent the Corporation is \$2.4 million. This amount has been transferred from the Corporation subsidy to the Corporation Counsel for FY 2000. There is no specific fiscal impact in transition from a subsidy payment to a contractual relationship for the provision of care to the indigent except that the contract amount will at least be the equivalent of the Corporation's FY 2000 approved budget. The \$29 million liability is fully reserved on the District's books. Therefore, forgiving this liability, due from the Corporation, will have no fiscal impact on the District. The Corporation will make a balance sheet entry removing this liability with no fiscal impact on the books of the Corporation. There is no revenue impact associated with this provision.

## TITLE XVII. SUBSTANCE ABUSE TREATMENT AND PREVENTION

Sec. 1701. Short title.

This title may be cited as the "Substance Abuse Treatment and Prevention Amendment Act of 1999".

Sec. 1702. The District of Columbia Substance Abuse Treatment and Prevention Act of 1989, effective March 15, 1990 (D.C. Law 8-80; D.C. Code § 32-1601 *et seq.*), is amended by adding a new section 4a to read as follows:

"Sec. 4a. Privatization of residential substance abuse treatment.

Note, New  
§ 32-1603.1

"(a) Notwithstanding any provision of section 4, the Mayor shall contract out the operation of the substance abuse Residential Short Stay and Detoxification Facilities programs that are currently operated by the Addiction, Prevention, and Recovery Administration ("APRA") and, when appropriate, priority shall be given to locating such facilities on the campus of the D.C. General Hospital. The affected employees of APRA shall be given the opportunity to compete in this privatization, which shall be carried out in accordance with section 105b of the District of Columbia Procurement Practices Act of 1985, effective March 19, 1994 (D.C. Law 10-79; D.C. Code § 1-1181.5b) ("PPA"), and section 105c of the PPA, effective March 5, 1996 (D.C. Law 11-98; D.C. Code § 1-1181.5c).

New  
§ 32-1603.1

"(b) Any amount of funding necessary for costs of severance pay related to the contracting out of the operation of the substance abuse Residential Short Stay and Detoxification Facilities program shall be paid from the administrative costs of the Addiction, Prevention, and Recovery Administration. No money for severance pay related to the contracting out shall be taken from any program funding allocated for substance abuse treatment services, including the \$3 million increase allocated by the Council for community based substance abuse treatment services."

Sec. 1703. Fiscal impact statement.

Funds in the amount of \$1,148,070 have been transferred from personal services to contractual services for inpatient services to implement this provision.

**TITLE XVIII. BURIAL ASSISTANCE**

Sec. 1801. Short title.

This title may be cited as the "Burial Assistance Amendment Act of 1999".

Sec. 1802. Section 29 of the Emergency Assistance Program Act of 1988, effective March 16, 1989 (D.C. Law 7-221; D.C. Code § 3-1028), is amended as follows:

(a) The existing text is designated as subsection (a).

(b) A new subsection (b) is added to read as follows:

"(b) The Mayor shall implement this title within 30 days of the effective date of the Burial Assistance Amendment Act of 1999, and shall make quarterly reports to the Council Committee on Human Services on the assistance granted under this program.".

**Amend  
§ 3-1028**

Sec. 1803. Fiscal impact statement.

The fiscal impact of this program shall be limited to a maximum of \$1 million but could actually be less. The program is anticipated to be means tested and the exact expenditure shall be governed by the actual number of applicants approved. Funds in the amount of \$1 million have been redirected to the General Public Assistance and Supplemental Security Income Division from other sources within the Department of Health and Human Services to fund this program.

**TITLE XIX. PUBLIC EDUCATION**

**SUBTITLE A. SCHOOL SECURITY**

Sec. 1901. Short title.

This subtitle may be cited as the "Public School Security Program Act of 1999".

Sec. 1902. The Superintendent of the District of Columbia Public Schools ("DCPS") and the Chief of the Metropolitan Police Department shall submit a comprehensive design on school security for DCPS to the Council of the District of Columbia by August 2, 1999.

Sec. 1903. The school security contract, which expires on September 30, 1999, shall not be extended for more than one year (September 30, 2000).

Sec. 1904. Fiscal impact statement.

This subtitle will have no negative fiscal impact. The DCPS will use funds from its security budget to fund this act.

**SUBTITLE B. ESTABLISHMENT OF TRUANCY CENTERS FOR PUBLIC SCHOOL AND PUBLIC CHARTER SCHOOL STUDENTS**

Sec. 1905. This subtitle shall be cited as the "Public School and Public Charter School Student Truancy Center Establishment Amendment Act of 1999".

Sec. 1906. Section 6(a) of Article II of An Act To provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes, effective August 25, 1994 (D.C. Law 10-159; D.C. Code § 31-402.1(a)), is amended to read as follows:

"(a)(1) The District of Columbia Public Schools shall establish a truancy center in each ward of the District of Columbia for the delivery of truant public school and public charter school students by the Metropolitan Police Department.

"(2) A law enforcement officer shall take to the truancy center, in the ward where the student is found, any child who the law enforcement officer has reasonable grounds to believe, based on the child's age and other factors, is truant from a public or public charter school on a day and during the hours when the public or public charter school is in session.

"(3) The law enforcement officer shall take into custody any child who the law enforcement officer has reasonable grounds to believe is a truant from any independent, private, or parochial school on a day and during the hours when the independent, private, or parochial school is in session."

Amend  
§ 31-402.1

Sec. 1907. Fiscal impact statement.

This subtitle has no fiscal impact because truant centers may be established at existing establishments.

**SUBTITLE C. ADDITIONAL FUNDING FOR PUBLIC CHARTER SCHOOLS**

Sec. 1908. Short title.

This subtitle may be cited as the "Additional Funding for Public Charter Schools Amendment Act of 1999".

Sec. 1909. Section 218 of the Public Charter Schools Act of 1996, effective May 29, 1996 (D.C. Law 11-135; D.C. Code § 31-2828), is amended by adding a new subsection (i) to read as follows:

"(i)(1) Notwithstanding the provisions of any law, including any other provisions of this act, the Chief Financial Officer of the District of Columbia shall apportion from the FY 2000

budget of the District of Columbia Public Schools a sum totaling 5% of the total District of Columbia Public School budget to be set aside until the student enrollment count for public and public charter schools has been completed pursuant to subsection (b) of this section. The amount shall be apportioned between the public schools and the public charter schools based on their respective student enrollment count and the validation of residency for all students pursuant to Chapter 20 of Title 5 of the District of Columbia Municipal Regulations. The apportionment shall be made, first, to the charter schools up to the amount, if possible, required pursuant to this act, and then the remaining funds, if any, shall be apportioned back to the District of Columbia Public Schools.

Amend  
§ 31-2828

"(2) A copy of the documents used to establish proof of District residency shall be on file for each student at each public school or public charter school.

"(3) The Chief Financial Officer of the District of Columbia shall submit to the Council a report detailing the amount of the apportionment of funds, between the public schools and public charter schools, within 30 days of disbursement of these funds."

Sec. 1910. Fiscal impact statement.

Enactment of this subtitle shall have no fiscal impact. The funds have already been appropriated in the District of Columbia Public School budget.

**TITLE XX. EXPENDITURE CRITERIA FOR THE \$150 MILLION RESERVE FUND**

Sec. 2001. Short title.

This title may be cited as the "Expenditure Criteria for the \$150 Million Reserve Fund Act of 1999".

Sec. 2002. (a) Pursuant to section 155 of the District of Columbia Appropriations Act, 1999, approved October 21, 1998 (Pub. L. No. 105-277; 112 Stat. 2681[171]), the District shall have a reserve in the amount of \$150 million ("Reserve").

(b) The criteria for spending from this Reserve are to ensure budget balance in case of a shortfall in revenue, or to provide flexibility to fund such expenditures as nonrecurring initiatives that support sustainable and measurable increases in revenues through enhanced service delivery, that reduce costs, that are unforeseen demands on District spending, or that constitute an investment in fostering the District's economic well-being. The District shall spend the funds from the Reserve in such a way that an appropriate balance is available in the 1st, 2nd, and 3rd quarters to ensure balance between revenues and expenditures at year end. Under no circumstances should the budgeted Reserve serve to provide resources to agencies to allow them to overspend their budget.

Note,  
§ 47-392.2

(c) In accordance with the criteria set forth in subsection (b) of this section, funds from the Reserve shall be applied in the following order:

- (1) To ensure budget balance in case of a shortfall in revenue;
- (2) To expenditures that are identified in subsection (d) of this section;
- (3) To expenditures that reduce the District's long-term debt; and
- (4) To other expenditures that meet the criteria set forth in subsection (b) of this

section.

(d) The following expenditures shall be funded from the reserve in Fiscal Year 2000:

- (1) \$60,000 to the Council, to hire an independent consultant to negotiate a contract between the District and the Health and Hospitals Public Benefit Corporation for services for uninsured residents;
- (2) \$1,000,000 to the Office of the Mayor, to fund one-time program enhancements;
- (3) \$4,100,000 to the Office of the City Administrator, including \$1 million in one-time program enhancements and \$3.1 million for non-personal services expenditures, to support planning for managed competition, including activity-based costing;
- (4) \$3,700,000 to the Department of Employment Services, to fund youth-related programs;
- (5) \$5,833,000 to the Department of Consumer and Regulatory Affairs, to fund one-time neighborhood stabilization programs;
- (6) \$850,000 to the Department of Corrections, to fund one-time funding for a physical plant;
- (7) \$18,000,000 to District of Columbia Public Schools, to fund selected special education placements and the LaShawn Receivership;
- (8) \$3,000,000 to the University of the District of Columbia, to fund one-time technology enhancements;
- (9) \$1,227,000 to the Public Library, to fund one-time non-personal service increases;
- (10) \$1,246,000 to the Department of Human Services, to fund one-time expenditures;
- (11) \$996,000 to the Department of Health, to fund one-time expenditures;
- (12) \$15,000,000 to the Children and Youth Initiative, to fund one-time program enhancements;
- (13) \$5,257,000 to the LaShawn Receiver, including \$3,100,000 to fund one-time youth programs, and \$2,157,000 to bring it to full funding;
- (14) \$1,000,000 to the Mental Health Receiver, to fund one-time expenditures;
- (15) \$11,540,000 to the Department of Public Works, to fund one-time program enhancements;

(16) \$1,542,000 to the Department of Motor Vehicles, to fund one-time motor vehicle information system enhancements; and

(17) \$16,050,000 to the Tobacco Settlement Trust Fund, reflecting a transfer to create the Trust Fund.

Sec. 2003. Fiscal impact statement.

This title establishes the criteria for expending the \$150 million reserve fund. Funds will be made available for identified projects in accordance with these criteria.

### **TITLE XXI. ANNUAL EXPENDITURES**

Sec. 2101. Short title.

This title may be cited as the "Guide to Annual Expenditures Act of 1999".

Sec. 2102. In submitting fiscal year budgets to the Council for fiscal years beginning with fiscal year 2001, there should be a guide for calculating the increase in annual expenditures. This guide should be an increase of no more than 3% over the prior fiscal year's expenditures, with consideration being given to the annual rate of inflation.

Sec. 2103. Fiscal impact statement.

This title will have no fiscal impact because the expenditures are contained in the District's annual Budget Request Act, which would contain revenues to pay for the expenditures.

### **TITLE XXII. MEDICAID EXPANSION**

Sec. 2201. Short title.

This title may be cited as the "Medical Assistance Expansion Program Act of 1999".

Sec. 2202. Medical assistance expansion program establishment.

(a) The Mayor shall establish a program to expand medical assistance to adult District residents with an annual family income up to 200% of the federal poverty level.

(1) The Mayor may provide medical assistance to eligible residents by making arrangements with managed care providers either on a fee-for-service or capitated basis.

(2) Enrollees of the program shall select a health maintenance organization with a current contract with the District to provide managed care services.

(3) The Mayor shall assign any enrollee who does not choose a provider within a reasonable period of time to the District of Columbia Health and Hospitals Public Benefit Corporation.

Note, New  
§ 1-360.1

New  
§ 1-360.1

(4)(A) In fiscal year 2000, the Mayor may establish a pilot project to expand Medicaid coverage to not more than 2,400 adult District residents.

(B) The funding for the pilot shall be derived by amending the Disproportionate Share adjustment paid to hospitals.

(5) To implement any expansion for adult District residents with an annual family income up to 200% of the federal poverty level the Mayor shall:

(A) Seek and obtain all necessary waivers of federal Medicaid statutes, rules, and regulations; and

(B) Amend the District State Medicaid plan.

(b) The Mayor shall establish a program to provide medical assistance to undocumented children not eligible for coverage under Medicaid who reside in the District and have an annual family income up to 200% of the federal poverty level.

(1) The Mayor may provide medical assistance to eligible residents by making arrangements with managed care providers either on a fee-for-service or capitated basis.

(2) Enrollees of the program shall select a health maintenance organization with a current contract with the District to provide managed care services.

(3) The Mayor shall assign any enrollee who does not choose a provider within a reasonable period of time to the District of Columbia Health and Hospitals Public Benefit Corporation.

(4) In fiscal year 2000, the Mayor shall establish a pilot program to provide medical assistance to not more than 500 undocumented children not eligible to be covered under Medicaid.

(c) Beginning with fiscal year 2001, the Mayor may increase enrollment contingent upon the certification by the Chief Financial Officer of the availability of funding and subject to the District's financial plan and budget.

(d) The Mayor may provide financial support to providers to register the uninsured in conformity with the financial plan and budget.

(e) This act is subject to the availability of appropriations. Nothing in this act shall be deemed to create or constitute an entitlement or right to medical coverage.

Sec. 2203. Children's Health Insurance Program.

(a) The Mayor may submit a state child health plan and modifications to the plan to the Secretary of the United States Department of Health and Human Services ("Secretary"), to enable the District to receive federal assistance under title XXI of the Social Security Act, approved August 5, 1997 (Pub.L. No. 105-33; 42 U.S.C. § 1397 *aa et seq.*)

(b) The Mayor may take such action, in accordance with the rules issued by the Mayor pursuant to this act, as may be necessary to submit the plan to the Secretary and to establish and carry out the Children's Health Insurance Program.

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Sec. 2204. Rulemaking authority.

The Mayor, pursuant to title 1 of the District of Columbia Administrative Procedures Act, approved October 21, 1968 (82 Stat. 1204; D.C. Code § 1-1501 *et seq.*), shall issue rules to implement the provisions of this act.

Sec. 2205. Council approval of Medicaid plan amendments and waivers.

Section 1(a) of An Act To enable the District of Columbia to receive federal assistance under title XIX of the Social Security Act for a medical assistance program and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Code § 1-359(a)), is amended to read as follows:

New  
§ 1-360.3,  
Note,  
§ 1-359

"(a)(1) In accordance with paragraph (2) of this subsection, the Mayor may submit, under title XIX of the Social Security Act to the Secretary of the United States Department of Health and Human Services, a plan for medical assistance (and any modifications of the plan) to enable the District to receive federal financial assistance under title XIX for a medical assistance program established by the Mayor under such plan.

Amend  
§ 1-359

"(2) Prior to submitting a plan, modification to a plan, or waiver as provided in paragraph (1) of this subsection, or prior to implementing any pending modification or waiver, the Mayor shall submit the plan to the Council for approval. If the Council does not approve or disapprove the submission within 30 days of receipt from the Mayor, the plan shall be deemed approved."

Sec. 2206. Fiscal impact statement.

The total cost of the pilot program for FY 2000 is \$6 million. Funding to cover the adult population is predicated upon receipt of federal approval to shift Disproportionate Share funds. The Mayor shall not begin the program for undocumented children until \$600,000 in local funding has been identified and certified by the Chief Financial Officer. Any further expansions require the identification and certification of additional funding by the Chief Financial Officer and must be in conformity with the District's financial plan and budget.

Children eligible for the Children's Health Insurance Program are covered under the District's Medicaid program. The District is eligible to receive federal financial assistance at a 79% rate under title XXI for CHIP, versus a federal rate of 70% under the general Medicaid program. This will conform the program to the District's financial plan and budget.

**TITLE XXIII. ESTABLISHMENT OF TOBACCO SETTLEMENT TRUST FUND**

Sec. 2301. Short title.

This title may be cited as the "Tobacco Settlement Trust Fund Establishment Act of 1999".

Sec. 2302. Establishment of Tobacco Settlement Trust Fund.

(a) There is established within the General Fund of the District of Columbia, a trust fund designated as the Tobacco Settlement Trust Fund ("Fund"), to which shall be credited, without regard to fiscal year limitation, all revenue owed and accruing to the District from the proceeds of the tobacco litigation settlement, except for the first \$16.05 million recognized as general fund revenue and already included in the base budget in FY 2000, and except for the second \$16.05 million which is allocated first to the reserve to replace funds allocated from the reserve to the fund pursuant to Title XX of this act. The Fund shall be continuing. Revenues deposited into the Fund shall not revert to the General Fund at the end of any fiscal year or at any other time, but shall be continually available, subject to authorization by Congress in an appropriations act.

Note, New  
§ 6-135

New  
§ 6-135

(b) Tobacco settlement monies received, or deposited into the Fund shall be used for the purposes set forth in legislation adopted by the Council.

Sec. 2303. Fiscal impact statement.

The FY 2000 budget assumes that the District will receive only 30% of the projected revenues from the Tobacco Settlement or approximately \$420 million over a 30-year period. This assumption has been made because the executive branch of the federal government asserted a claim against the tobacco settlement payments in proportion to the federal Medicaid match. The current Federal-District match rate is 70-30. To date, legislation has been approved by the U.S. Senate and is pending before the U.S. House of Representatives which would prohibit the federal government from recouping any share of the tobacco settlement funds. Should that legislation prevail, the District will receive approximately \$1 billion in additional revenue over 30 years from the Tobacco Settlement, for a total of \$1.4 billion.

Sec. 2304. Applicability.

This title shall apply as of October 1, 1999.

**TITLE XXIV. CHILDREN AND YOUTH INITIATIVE**

Sec. 2401. This title may be cited as the "Children and Youth Initiative Establishment Act of 1999".

Sec. 2402. There is established a Children and Youth Initiative ("Initiative") to provide out-of-school programs for District of Columbia children and youth.

Sec. 2403. The Mayor is authorized to make grants to a single non-service provider, non-profit organization of which at least 95% shall be used to make sub-grants for the purpose of providing services to District children, youth and their families, including, but not limited to, early childhood development opportunities, safe and enriching centers of learning in and out of school, and other training, recreational and educational services.

Sec. 2404. The Council provides \$15 million for FY 2000 from the reserve for the Initiative as a nonrecurring priority expenditure designed to improve child and youth development in the District of Columbia. The funds shall be available for conveyance to a non-service provider, nonprofit organization for the purposes identified in section 2403 when the Mayor has submitted to the Council for approval a resolution containing the following:

Note,  
§§ 1-2601,  
1-2621

- (1) A needs assessment that identifies the kinds of services that are needed for children and youth;
- (2) The bylaws of the non-service provider, nonprofit organization referred to in section 2403 that have been adopted and which provide that:
  - (A) The Board of Directors is composed of 7 members. Four members shall be appointed by the Mayor and 3 members shall be appointed by the Council;
  - (B) At least 4 government officials from related disciplines shall serve as non-voting advisors to the Board with the Mayor and Council appointing an equal number;
  - (C) On an annual basis, the Board shall develop a description of the specific outcomes for child and youth development in the District that address the problems and issues identified in an annual needs assessment;
  - (D) The Board develop an annual report that describes the nonprofit organization's performance in achieving stated outcomes;
  - (E) The grantee and sub-grantees provide any information, documents and reports relating to the grant required by the Mayor or a member of the Council with the proviso that non-compliance shall be grounds for grant termination;
  - (F) Each grant shall specify, on an annual basis, the specific performance measures that grants shall seek to achieve;
  - (G) A formal reporting mechanism be established to annually keep the community aware of the results being sought and achieved as this pertains to child and youth development; and
  - (H) A non-server provider, nonprofit entity has grant-making, administrative, and management procedures in place to ensure fiscal and programmatic accountability."

Sec. 2405. Fiscal impact statement.

There shall be designated \$15 million from the FY 2000 Budget (reserve unfunded), for implementation of this act.

**TITLE XXV. FISCAL YEAR 1999 ALLOCATIONS**

Sec. 2501. Short title.

This title may be cited as the "Allocation of Fiscal Year 1999 Infrastructure and Economic Development Funds Act of 1999".

Sec. 2502. The Council directs that certain Fiscal Year 1999 funds appropriated by Congress for infrastructure and economic development, shall be allocated by the Mayor as follows:

- (1) \$2,500,000 to the Department of Housing and Community Development for abatement of nuisance properties through the Homestead Program;
- (2) \$10,000,000 to the Department of Housing and Community Development for replenishment of the Housing Purchase Assistance Program Fund, which assists homebuyers in the District with downpayment and closing costs;
- (3) \$500,000 to the Department of Housing and Community Development for replenishment of the multi-unit rental housing rehabilitation revolving micro-loan fund of the non-profit Apartment Improvement Program;
- (4) \$1,000,000 to the Commission on Arts and the Humanities for projects related to District of Columbia neighborhoods involved in the Smithsonian Institution's 2000 Festival of American Folklife;
- (5) \$10,000,000 to the Department of Housing and Community Development for acquisition and development of distressed properties in mixed use areas ineligible for federal investment incentives or funds, to include \$75,000 for a community design charrette to assist in the disposition of the 25 acre former McMillan Sand Filter Treatment site in Ward 5;
- (6) \$1,000,000 to the Deputy Mayor for Planning and Economic Development for continuing support of the Washington DC Marketing Center;
- (7) \$500,000 to the Commission on Arts and the Humanities for a grant to the DC Humanities Council in recognition of the central role of the humanities in our city's economic and community revitalization; and
- (8) \$1,694,000 to the Deputy Mayor for Planning and Economic Development for support of the design, fabrication, installation and maintenance for 6 years of approximately 1000 citywide directional signs and maps.

Sec. 2503. Fiscal impact statement

This title shall have no fiscal impact because the affected funds were already appropriated for these purposes in Fiscal Year 1999.

**TITLE XXVI. INDUSTRIAL REVENUE BOND PROGRAM**

Sec. 2601. Short title.

This title may be cited as the "Industrial Revenue Bond Act of 1999".

Sec. 2602. Section 47-340.22 of the District of Columbia Code is amended to read as follows:

"Subject to authorization in a Congressional appropriations act, funds credited to the Industrial Revenue Bond Program Fee Account shall be allocated annually to the office, agency, or department of the District government responsible for administering the industrial revenue bond program fees and earnings thereon."

Sec. 2603. Fiscal impact statement.

This title shall have no fiscal impact on the General Fund because no fee income is budgeted as General Fund revenue.

Amend  
§ 47-340.22

**TITLE XXVII. TAX PARITY**

Sec. 2701. This title may be cited as the "Tax Parity Act of 1999".

Sec. 2702. Title 47 of the District of Columbia Code is amended as follows:

(a) Chapter 3 is amended as follows:

(1) The table of contents to the chapter is amended by adding the following subchapter designation after "§47-385. Procedure for Council consent to certain grant applications and state plans." to read as follows:

"Subchapter VI-A. Certification of Accumulated Fund Balance.

"§ 47-387.1 Certification by the CFO of minimum 5% accumulated fund balance." .

(2) A new subchapter VI-A is added to read as follows:

"Subchapter VI-A. Certification of Accumulated Fund Balance.

"§ 47-387.1 Certification by the CFO of minimum 5% accumulated fund balance.

"Beginning February 1, 2000, the Chief Financial Officer ("CFO") shall, within 30 days of receipt of the Comprehensive Annual Financial Report, certify the District's accumulated fund balance for the immediately preceding fiscal year. The CFO shall submit the certification to the Council and the Mayor. If the certification demonstrates that the accumulated fund balance is less than 5% of the general fund operating budget for that fiscal year, the certification

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shall be published in the D.C. Register along with a notice that any provisions of this title affected by the certification shall be inapplicable. The CFO shall specify in the notice the particular provisions of this title that shall be inapplicable."

New  
Subchapter  
VI-A,  
Chapter 3,  
Title 47

(b) Section 47-812 is amended by adding new subsections (b-3), (b-4), and (b-5) to read as follows:

New  
§ 47-387.1

"(b-3) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and the special real property tax rates for taxable property in the District of Columbia for the tax year beginning October 1, 1999, and ending September 30, 2000, shall be:

- "(1) \$0.96 for each \$100 of assessed value for Class One Property;
- "(2) \$1.34 for each \$100 of assessed value for Class Two Property;
- "(3) \$1.85 for each \$100 of assessed value for Class Three Property; and
- "(4) \$2.05 for each \$100 of assessed value for Class Four Property.

"(b-4)(1) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and the special real property tax rates for taxable property in the District of Columbia for the tax year beginning October 1, 2000, and ending September 30, 2001, shall be:

Amend  
§ 47-812

- "(A) \$0.96 for each \$100 of assessed value for Class One Property;
- "(B) \$1.15 for each \$100 of assessed value for Class Two Property;
- "(C) \$1.85 for each \$100 of assessed value for Class Three Property; and
- "(D) \$1.95 for each \$100 of assessed value for Class Four Property.

"(2) Paragraph (1) of this subsection shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year.

"(b-5)(1) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and the special real property tax rates for taxable property in the District of Columbia for the tax year beginning October 1, 2001, and ending September 30, 2002, shall be:

- "(A) \$0.96 for each \$100 of assessed value for Class One Property; and
- "(B) \$1.85 for each \$100 of assessed value for Class Two Property.

"(2) Paragraph (1) of this subsection shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year."

(c) Section 47-813 is amended as follows:

(1) Subsection (c-3)(4) is amended to read as follows:

"(4) *Class 4 Property.* -- Class 4 Property shall be comprised of all real property which is not Class 1 Property or Class 2 Property or Class 3 Property."

(2) New subsections (c-4) and (c-5) are added to read as follows:

"(c-4) Except as provided by subsection (c-5) of this section, for the property tax year beginning October 1, 2001, and ending September 1, 2002, and for each subsequent tax year, the following classes of real property are established:

"(1) *Class 1 Property*. -- (A) Class 1 Property shall be comprised of improved residential real property that:

"(i) Is occupied; and

"(ii) Is used exclusively for nontransient residential dwelling purposes.

Amend  
§ 47-813

"(B) Improved residential real property that is owned by a cooperative housing association shall also be classified as Class 1 Property.

"(C) Improved and occupied multifamily residential real property which is used exclusively for nontransient dwelling purposes shall also be classified as Class 1 Property.

"(D) Unimproved real property which abuts Class 1 Property shall be classified as Class 1 Property if the unimproved real property and the Class 1 Property have common ownership.

"(E) Unimproved real property which is separated from Class 1 Property by a public alley less than 30 feet wide shall be classified as Class 1 Property if the following conditions are met:

"(i) The unimproved real property is less than 1,000 square feet in size;

"(ii) The zoning regulations adopted by the Zoning Commission for the District of Columbia do not allow the building of any structure on the unimproved real property as a matter of right; and

"(iii) The owner of the unimproved real property also owns the Class 1 Property separated by the alley from the unimproved real property.

"(F) Class 1 Property that becomes unoccupied shall remain classified as Class 1 Property if:

"(i) Unoccupied due to a major fire, flood, or other casualty to the improved real property, if the improved real property was occupied at the time of the casualty, and the major fire, flood, or other casualty occurred during the 12 months preceding the tax year and was not intentionally caused by the owner;

"(ii) The improved real property is actively for sale at a reasonable market price as of September 30 of the preceding tax year;

"(iii) A building or demolition permit has been issued and building or demolition is actively pursued as of September 30 of the preceding tax year; or

"(iv) The improved real property is the subject of a probate proceeding or title to the improved real property is the subject of litigation.

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“(2) *Class Two Property.* -- Class 2 Property shall be comprised of all real property which is not Class 1 Property.

"(c-5) Subsection (c-4) of this section shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year."

(3) Subsection (d) is amended by striking the phrase "For the purposes of subsections (b), (c), (c-1), (c-2), and (c-3)" and inserting the phrase "For the purposes of subsections (b), (c), (c-1), (c-2), (c-3), and (c-4)" in its place.

(4) Subsection (d-1) is amended as follows:

(A) The lead-in language is amended by striking the phrase "For the purposes of subsection (c-3)" and inserting the phrase "For the purposes of subsections (c-3) and (c-4)" in its place.

(B) Paragraph (6) is amended by striking the phrase "in accordance with the provisions of subsection (c-3)" and inserting the phrase "in accordance with the provisions of subsections (c-3) and (c-4)" in its place.

(5) Subsection (e)(1) is amended by striking the phrase "classification of real property under subsections (b), (c), (c-1), (c-2), and (c-3)" and inserting the phrase "classification of real property under subsections (b), (c), (c-1), (c-2), (c-3), and (c-4)" in its place.

(6) Subsection (f)(1) is amended by striking the phrase "subsections (c), (c-1), (c-2), and (c-3)", wherever it appears, and inserting the phrase "subsections (c), (c-1), (c-2), (c-3), and (c-4)" in its place.

(d) Section 47-1522(a) is amended by inserting the phrase “, in excess of \$50,000 in value” immediately following the phrase “The rate of tax shall be \$3.40 for each \$100 of value of the taxable personal property”.

(e) Section 47-1523 is amended to read as follows:

"§ 47-1523. Reporting requirement; valuation of property.

“(a) The full and true value and the current value of tangible personal property, including taxable leasehold improvements, having a taxable situs in the District shall be reported on the return. The full and true value shall be the original costs of the tangible personal property in an arms-length transaction, computed as of July 1st of the tax year. The current value of the tangible personal property shall be the full and true value less a reasonable allowance for straight line depreciation in accordance with rules promulgated by the Mayor and the provisions under subsections (b), (c), and (d) of this section. Tangible personal property items with a useful life of one year or less shall be reported at cost. No proration of value shall be permitted in anticipation of the disposition of an item of tangible personal property. In no event shall the current value reported be less than 25% of the original cost or exchange value of the tangible personal property, except as permitted under subsection (b) of this section.

Amend  
§ 47-1522

Amend  
§ 47-1523

“(b) Qualified technological equipment shall be depreciated at the rate of 30% per year, and shall not be depreciated to a value less than 10% of original cost or exchange value.

“(c) For personal property tax years beginning July 1, 2000, taxpayers who acquired qualified technological equipment on or before June 30, 2000, may calculate the current value of those assets as if the depreciation rate provided in subsection (a) of this section was used from the acquisition date; however, there shall be no credit or refund of tax paid in earlier tax years under the prior depreciation rate.”.

“(d) For the purposes of this section:

“(1) “Computer” means a programmable electronically activated device that is capable of accepting information, applying prescribed processes to the information, and supplying the results with or without human intervention, and that consists of a central unit containing extensive storage, logic, arithmetic, and control capabilities.

“(2) “Qualified technological equipment” means any computer or related peripheral equipment other than the type mentioned in subsection (e)(1) of this section.

“(3) “Related peripheral equipment” means any auxiliary machine (whether on-line or off-line) that is designed to be placed under the control of a computer, and operate in conjunction with such computer.

“(e) For the purposes of this section:

“(1) “Computer” or “related peripheral equipment” shall not include:

“(A) Any equipment that is an integral part of other property that is not a computer;

“(B) Typewriters, calculators, adding and accounting machines, copiers, duplicating equipment, and similar devices;

“(C) Equipment of a kind primarily used for amusement or entertainment of the user;

“(D) Mainframe computers that are capable of simultaneously supporting multiple transactions and multiple users, and having an original cost in excess of \$500,000; including any additional memory units, tape drives, disk drives, power supplies, cooling units, and communication controllers that are related peripheral equipment to such computers; or

“(E) Computers used in operating industrial processing equipment, equipment used in a computer assisted manufacturing system, equipment used in computer assisted design or engineering system integral to an industrial process, or subunit or electronic assembly comprising a component in a computer integrated industrial processing system.”.

(f) Section 47-1801.4 is amended by adding new paragraphs (34), (35), and (36) to read as follows:

“(34) “Net operating loss” shall have the same meaning as defined in section 172(c) of the Internal Revenue Code, subject to limitations and modifications provided in this chapter.

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“(35) “Net operating loss deduction” means the aggregate of the apportioned net operating loss carryovers to the taxable year.

“(36) “Apportioned net operating loss” means the net operating loss generated in the year of the loss multiplied by the District of Columbia’s apportionment formula for the loss year.”.

(g) Section 47-1803.3(a)(14) is amended to read as follows:

**Amend  
§ 47-1801.4**

“(14) *Net operating losses.* -- In computing the net income of a corporation, an unincorporated business, or a financial institution, there shall be allowed a deduction for net operating losses, in the same manner as allowed under section 172 of the Internal Revenue Code.

“(A) For tax years beginning after December 31, 1999, net operating loss carrybacks shall not be allowed. Corporations, unincorporated businesses, or financial institutions, shall be allowed a deduction for apportioned District of Columbia net operating loss carryover to be deducted from the net income after apportionment.

“(B) In the year of the loss, the apportioned District of Columbia net operating loss shall be computed by multiplying the District of Columbia apportionment factor for the loss year against the amount of the net operating loss as defined in section 47-1801.4(34).

**Amend  
§ 47-1803.3**

“(C) The entire amount of the apportioned net operating loss for any taxable year shall be carried forward to the earliest of the succeeding taxable years to which such loss may be carried. The portion of such loss which may be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the apportioned taxable net income, adjusted by any modifications specified in this chapter, for each of the tax years to which such loss may be carried.

“(D) The provisions of sections 381, 382, and 384 of the Internal Revenue Code apply to carryovers. The limitation amount determined under section 382 shall be applied to net income, after apportionment, in each post-change year to which loss is carried.

“(E)(i) In the case of a merger, acquisition, or consolidation, any pre-change losses and built-in losses, to the extent apportioned or allocated to the District of Columbia, with the additions, subtractions, modifications and other adjustments required for purposes of this chapter, shall be carried forward and subtracted when computing District of Columbia taxable income.

“(ii) If an affiliated group files a federal consolidated return for District of Columbia net operating loss purposes, the net operating loss shall be computed as if the federal return has been filed on a separate basis for the District of Columbia.

“(iii) If a company has been given permission by the Mayor to file a consolidated return, only the net operating losses of those corporations listed on the District of Columbia consolidated return may be included in determining the net operating loss deduction.

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“(F) No deduction shall be allowed for or with respect to losses connected with income producing activities if the income therefrom would not be required to be either assignable to the District of Columbia or included in computing the taxpayer’s District of Columbia net income.

“(G) The Mayor may require a taxpayer to furnish any information necessary to support a claim for deduction under this section, and no deduction shall be allowed unless the information is furnished.”.

(h) Section 47-1806.3(a) is amended by adding new paragraphs (3), (4), (5), (6), and (7) to read as follows:

"(3) In the case of a taxable year beginning after December 31, 1999, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

<i>If the taxable income is:</i>	<i>The tax is:</i>
Not over \$10,000.....	5% of the taxable income.
Over \$10,000 but not over \$20,000.....	\$500, plus 7.5% of the excess over \$10,000.
Over \$20,000.....	\$1,250, plus 9.5% of the excess over \$20,000.

**Amend  
§ 47-1806.3**

"(4)(A) In the case of a taxable year beginning after December 31, 2000, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

<i>If the taxable income is:</i>	<i>The tax is:</i>
Not over \$10,000.....	5% of the taxable income.
Over \$10,000 but not over \$30,000.....	\$500, plus 7.5% of the excess over \$10,000.
Over \$30,000.....	\$2,000, plus 9.3% of the excess over \$30,000.

"(B) Subparagraph (A) of this paragraph shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year.

"(5)(A) In the case of a taxable year beginning after December 31, 2001, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

**ENROLLED ORIGINAL**

<i>If the taxable income is:</i>	<i>The tax is:</i>
Not over \$10,000.....	5% of the taxable income.
Over \$10,000 but not over \$30,000.....	\$500, plus 7% of the excess over \$10,000.
Over \$30,000.....	\$1,900, plus 9% of the excess over \$30,000."

"(B) Subparagraph (A) of this paragraph shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year.

"(6)(A) In the case of a taxable year beginning after December 31, 2002, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

<i>If the taxable income is:</i>	<i>The tax is:</i>
Not over \$10,000.....	4.5% of the taxable income.
Over \$10,000 but not over \$40,000.....	\$450, plus 7% of the excess over \$10,000.
Over \$40,000.....	\$2,550, plus 8.7% of the excess over \$40,000.

"(B) Subparagraph (A) of this paragraph shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year.

"(7)(A) In the case of a taxable year beginning after December 31, 2003, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

<i>If the taxable income is:</i>	<i>The tax is:</i>
Not over \$10,000.....	4% of the taxable income.
Over \$10,000 but not over \$40,000.....	\$400, plus 6% of the excess over \$10,000.
Over \$40,000.....	\$2,200, plus 8.5% of the excess over \$40,000

"(B) Subparagraph (A) of this paragraph shall not apply if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the

accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year."

(i) Section 47-1807.2(a) is amended as follows:

(1) Paragraph (3) is amended to read as follows:

"(3)(A) For the taxable years beginning after December 31, 2002, a tax at the rate of 9% upon the taxable income of every corporation, whether domestic or foreign, except that for taxable years beginning after December 31, 2003, the rate of tax shall be 8.5%.

"(B) Subparagraph (A) of this paragraph shall not apply with respect to the rate change for taxable years beginning after December 31, 2000, and December 31, 2001, if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year."

(2)(A) Paragraph (4) is repealed.

Amend  
§ 47-1807.2

(B) This paragraph shall be effective for tax years beginning after December 31, 2002.

(j) Section 47-1808.3(a) is amended as follows:

(1) Paragraph (3) is amended to read as follows:

"(3)(A) For the taxable years beginning after December 31, 2002, a tax at the rate of 9% upon the taxable income of every unincorporated business, whether domestic or foreign, except that for taxable years beginning after December 31, 2003, the rate of tax shall be 8.5%.

"(B) Subparagraph (A) of this paragraph shall not apply with respect to the rate change for taxable years beginning after December 31, 2000, and December 31, 2001, if the certification by the Chief Financial Officer required by § 47-387.1 demonstrates that the accumulated fund balance for the immediately preceding fiscal year is below 5% of the general fund operating budget for that year."

(2)(A) Paragraph (4) is repealed.

Amend  
§ 47-1808.3

(B) This paragraph shall be effective for tax years beginning after December 31, 2002.

(k) Section 47-2001(n)(2) is amended as follows:

(1) Subparagraph (D) is amended by striking the word "or" at the end.

(2) Subparagraph (E) is amended by striking the period at the end and inserting the phrase "; or" in its place.

(3) A new subparagraph (F) is added to read as follows:

"(F) Sales of Internet access service.

"(i) For the purposes of this subparagraph, the term "Internet access service" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet and may also include access to proprietary

content, information, and other services as part of a package of Internet access services offered to consumers.

Amend  
§ 47-2001

“(ii) "Internet access service" shall not include the sale of or charges for data processing and information services as defined in subparagraph (N)(i) and (ii) of this paragraph that do not enable users to access content, information, electronic mail, or other services offered over the Internet.

“(iii) "Internet access service" shall not include telecommunications services as defined in subparagraph (P) of this paragraph or Chapter 39 of this title.”.

(l) Section 47-2201(a)(2) is amended as follows:

(1) Subparagraph (D) is amended by striking the word “or” at the end.

(2) Subparagraph (E) is amended by striking the period at the end and inserting the phrase “; or” in its place.

(3) A new subparagraph (F) is added to read as follows:

“(F) Sales of Internet access service.

“(i) For the purposes of this subparagraph, the term “Internet access service” means a service that enables users to access content, information, electronic mail, or other services offered over the Internet and may also include access to proprietary content, information, and other services as part of a package of Internet access services offered to consumers.

Amend  
§ 47-2201

“(ii) "Internet access service" shall not include the sale of or charges for data processing and information services as defined in subparagraph (K)(i) and (ii) of this paragraph that do not enable users to access content, information, electronic mail, or other services offered over the Internet.

“(iii) "Internet access service" shall not include telecommunications services as defined in subparagraph (M) of this paragraph or Chapter 39 of this title.”.

(m) Chapter 27 is amended as follows:

(1) The table of contents to the chapter is amended by striking the phrase "Special public safety fee" and inserting the phrase “Arena fee” in its place.

(2) Section 47-2752 is amended as follows:

(A) The section heading is amended by striking the phrase "Special public safety fee" and inserting the phrase "Arena fee" in its place.

(B) Subsection (b) is amended to read as follows:

“(b) Except as provided in subsection (c) of this section, the amount of the fee shall be computed according to the following schedule:

“(1) Each feepayer with annual District gross receipts of \$2,000,000 to \$3,000,000 shall pay \$1,000;

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“(2) Each feepayer with annual District gross receipts of \$3,000,001 to \$10,000,000 shall pay \$3,300;

“(3) Each feepayer with annual District gross receipts of \$10,000,001 to \$15,000,000 shall pay \$6,500; and

“(4) Each feepayer with annual District gross receipts over \$15,000,000 shall pay \$11,000.”.

**Amend  
§ 47-2752**

Sec. 2703. (a) Section 2702(c)(1) shall apply for tax years beginning after September 30, 1999.

(b) Section 2702(d) and (e) shall apply for tax years beginning after June 30, 2000.

(c) Section 2702(f), (h), (i), and (j) shall apply for tax years beginning after December 31, 1999.

(d) Section 2702(m) shall apply to all arena fees due for fiscal years beginning after September 30, 1999.

Sec. 2704. The tax rate applicable to the highest individual income tax bracket shall be reduced to a goal of 8.0% or lower based upon revenues, realized in excess of those budgeted. A formula to allocate such revenues if actual local source revenues for any fiscal year are determined to have exceeded projected local source revenues for that fiscal year (an amount equal to 50% of that portion of the excess identified as on-going revenue), shall be used in the immediately succeeding fiscal year to reduce the individual income tax rates set by § 47-1806.3(a).

**Note,  
§ 47-813  
Note,  
§ 47-813  
Note,  
§§ 47-1801.4,  
47-1806.3,  
47-1807.2,  
47-1808.3  
47-2752**

Sec. 2705. Chapter 3 of Title 47 of the District of Columbia Code is amended as follows:

(a) The table of contents to the chapter is amended by adding the following section designation after "§47-318.5. Same -- Cash flow statements." to read as follows:

"§ 47-318.6 Monitoring indications of economic growth." .

(b) A new section 47-318.6 is added to read as follows:

"§ 47-318.6 Monitoring indications of economic growth.

"Each year, in connection with budget estimates, the Chief Financial Officer shall prepare an analysis of change in the economy and in economic assumptions and revenue forecasts which, to the extent practical, shall comment on the impact of tax changes on expanding the District's tax base. Such analysis shall be transmitted to the Council of the District of Columbia at the time of the Mayor's budget submission to the Council."

**Note,  
§ 47-1806.3**

Sec. 2706. Fiscal impact statement.

This title is part of a broader package on tax reform. The District anticipates the federal government becoming a partner in funding further tax reductions.

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In FY 2000 the cost will be \$58.95 million, in FY 2001 the cost will be \$134.6 million, in FY 2002 the cost will be \$185.8 million, in FY 2003 the cost will be \$226 million, and in FY 2004 the cost will be \$297.9 million. The costs in each year, by tax reductions provided are as follows:

New  
§ 47-318.6

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Personal Property</u>	3.8	15.0	15.8	16.6	17.4
Threshold	1.5	6.0	6.3	6.6	6.9
Accelerated Depreciation	2.25	9.0	9.5	10.0	10.5
<u>Franchise</u>	0	0	0	16.7	28.7
Rates	9.975%	9.975%	9.975%	9.0%	8.5%
<u>Real Property</u>	34.0	63.4	92.8	92.8	92.8
Class 2	13.1	25.6	38.1	38.1	38.1
Rate	\$1.34	\$1.15	\$0.96	\$0.96	\$0.96
Class 4	16.8	33.5	50.3	50.3	50.3
Rate	\$2.05	\$1.95	\$1.85	\$1.85	\$1.85
Class 5	4.1	4.3	4.4	4.4	4.4
Rate	\$2.05	\$1.95	\$1.85	\$1.85	\$1.85
<u>Individual Income Tax</u>	21.2	56.2	77.2	99.9	148.7
\$1-\$10K NTI	15.8	21.1	21.1	29.0	39.5
Rate	5.0%	5.0%	5.0%	4.5%	4.0%
\$10-\$20K NTI	5.4	7.2	12.6	14.4	28.8
Rate	7.5%	7.5%	7.0%	7.0%	6.0%
\$20K and above NTI					
Change top bracket to					
\$30K then \$40K NTI	0.0	27.9	43.5	56.5	80.4
Bracket Floor	\$20K	\$30K	\$30K	\$40K	\$40K
Rate	9.5%	9.3%	9.0%	8.7%	8.5%
<u>No Sales Tax on</u>					
Internet Access	0	0	0	0	0
Franchise Tax NOL	0	0	0	0	0
Arena Fee	0	0	0	0	0
<u>TOTAL</u>	59.0	134.6	185.8	226.0	287.6

Revised Budget Assumptions Relied Upon in Determining the Feasibility of the Revised Tax Reduction Package:

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	<b>FY 1998 Actuals</b>	<b>FY 1999 Budget (Revised Revenue)</b>	<b>FY 2000 Budget</b>	<b>FY 2001 Projected</b>	<b>FY 2002 Projected</b>	<b>FY 2003 Projected</b>
<b>Revenues</b>						
1 Taxes	2,773,561	2,773,800	2,847,300	2,932,000	3,019,850	3,130,380
2 Tax Cut	0	0	(58,950)	(134,604)	(185,825)	(225,966)
3 Non-Tax Revenues	235,188	222,746	233,001	250,801	249,442	246,725
4 Federal Payment (Contribution)	198,000	0	0	0	0	0
5 Lottery	81,300	69,000	69,000	69,000	69,000	69,000
6 <b>Subtotal, Local Funds</b>	<b>3,288,049</b>	<b>3,065,546</b>	<b>3,090,351</b>	<b>3,117,197</b>	<b>3,152,467</b>	<b>3,220,139</b>
7 Grants	1,011,510	1,217,043	1,244,804	1,299,271	1,356,887	1,416,371
8 Federal Payments	0	123,762	0	0	0	0
9 Private/Other Revenues	116,954	314,660	318,574	328,016	337,941	347,749
10 <b>Subtotal, Non-Local Funds</b>	<b>1,128,464</b>	<b>1,655,465</b>	<b>1,563,378</b>	<b>1,627,287</b>	<b>1,694,828</b>	<b>1,764,120</b>
11 <b>Total Revenues</b>	<b>4,416,513</b>	<b>4,721,011</b>	<b>4,653,729</b>	<b>4,744,484</b>	<b>4,847,295</b>	<b>4,984,259</b>
<b>Expenditures (by Appropriation Title)</b>						
12 Governmental Direction and Support	153,828	164,144	174,667	179,937	185,419	190,939
13 Economic Development and Regulation	110,581	159,039	190,335	195,965	201,856	207,710
14 Public Safety and Justice	564,269	755,786	778,670	801,873	826,770	851,922
15 Public Education System	734,569	788,956	850,411	874,635	899,657	925,826
16 Human Support Services	1,665,119	1,514,751	1,525,996	1,595,304	1,668,613	1,744,828
17 Public Works	249,142	266,912	271,395	280,865	290,431	300,223
18 Receiverships	0	318,979	337,077	346,999	357,382	367,707
19 Financing and Other	421,136	451,623	383,653	395,753	403,003	399,915
20 Financial Authority	3,220	7,840	3,140	3,140	0	0
21 Local fund support for Enterprise funds	0	2,498	0	0	0	0
22 Federal Payments to be Allocated	0	100,700	0	0	0	0
23 Non-Union Pay Increase	0	0	8,500	17,561	18,141	18,739
24 Optical and Dental Benefits	0	0	1,295	2,675	2,764	2,855
25 Reserve	0	0	150,000	150,000	150,000	150,000
26 Adjustment of Reserve	0	0	0	(40,000)	(60,000)	(60,000)
27 Productivity Bank	0	0	20,000	0	0	0
28 Productivity Bank Savings	0	0	(20,000)	0	0	0
29 Management Reform Productivity Savings	0	(10,000)	(7,000)	(37,000)	(47,000)	(47,000)
30 Managed Competition Savings	0	0	0	(10,000)	(15,000)	(20,000)
31 General Supply Schedule Savings	0	0	(14,457)	(14,862)	(15,293)	(15,706)
32 <b>Total Expenditures</b>	<b>3,901,864</b>	<b>4,521,227</b>	<b>4,653,682</b>	<b>4,742,846</b>	<b>4,866,742</b>	<b>5,017,959</b>
33 <b>Total Surplus - Budget Basis</b>	<b>514,649</b>	<b>199,784</b>	<b>47</b>	<b>1,638</b>	<b>(19,447)</b>	<b>(33,700)</b>
34 Prepayment of Debt Service	0	(30,000)	0	0	20,000	10,000
35 Net Benefit from ITS	0	0	0	0	0	25,000
36 <b>Revised Surplus - Budget Basis</b>	<b>514,649</b>	<b>169,784</b>	<b>47</b>	<b>1,638</b>	<b>553</b>	<b>1,300</b>
37 GAAP Adjustments	(69,800)					
38 <b>Total Surplus GAAP Basis</b>	<b>444,849</b>					
39 <b>Fund Balance, Beginning of Year</b>	<b>(332,357)</b>	<b>112,492</b>	<b>282,276</b>	<b>282,323</b>	<b>283,961</b>	<b>284,514</b>
40 <b>Fund Balance, End of Year</b>	<b>112,492</b>	<b>282,276</b>	<b>282,323</b>	<b>283,961</b>	<b>284,514</b>	<b>285,814</b>

**TITLE XXVIII. EFFECTIVE DATE**

Sec. 2801. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia