

**PUBLIC HEARING ON
BILL 15-302, THE “NEIGHBORHOOD
INVESTMENT ACT OF 2003”**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

Councilmember Jack Evans, Chairman

**June 23, 2003
10:00 a.m., Room 412
John A. Wilson Building
1350 Pennsylvania Avenue, NW**



**Testimony of
Dr. Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairman Evans and members of the Committee on Finance and Revenue. I am Dr. Natwar M. Gandhi, Chief Financial Officer of the District of Columbia. I am pleased to be here today to testify on Bill 15-302, the “Neighborhood Investment Act of 2003.”

The purpose of the legislation is to enhance economic development in the District. This bill establishes a non-lapsing fund within the General Fund called the Neighborhood Investment Fund. Money deposited in the fund would be made available to pay for a variety of community development purposes, including commercial, residential, social service, and civic uses. The legislation requires the Mayor to submit to the Council each year an investment plan, which must then be approved. Expenditures from the fund would be subject to annual appropriation.

The bill designates nine target areas, including: (1) Shaw, (2) Logan Circle, (3) Deanwood Heights, (4) Washington Highlands, (5) Columbia Heights, (6) Brightwood and Upper Georgia Avenue, (7) Bloomingdale and Eckington, (8) Brookland and Edgewood, and (9) Anacostia.

The bill increases the personal property tax rate from \$3.40 per \$100 to \$3.90 per \$100 of taxable personal property. The tax revenue from the \$0.50 increase in the tax rate is to be credited to the fund.

The \$0.50 increase in the personal property tax rate proposed in this legislation would generate \$8.5 million in FY 2004 and \$35.2 million in FY 2004 through FY 2007. It is anticipated that expenditure authority for FY 2004 would be granted through a supplemental appropriation, which would allow revenue collected that year to be spent in the same year. Further, it is expected that in future years all of the additional dedicated revenue will be appropriated and spent in the same year collected.

I would be pleased to answer any questions you might have.

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