

Government of the
District of Columbia



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District of Columbia Dedicated Taxes Report

Produced by the
Office of Revenue Analysis

Issued December 2023

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District of Columbia Dedicated Taxes

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Acknowledgments

This report is a product of the District of Columbia Office of Revenue Analysis (ORA).

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District of Columbia Dedicated Taxes

Introduction

This report aims to provide background and relevant data about dedicated taxes, representing an essential but need-to-be-understood part of the District of Columbia's general fund. Presently, 20 dedicated taxes earmark revenue to support specific programs or activities as the law requires. The dedicated tax revenues are from the following tax categories: real property tax, sales and use tax, motor fuel tax, public utility tax, toll telecommunications tax, insurance premiums tax, health care provider tax, private sports wager tax, ballpark fee, hospital bed tax and provider fee, ICF-IDD assessment, lottery, deed taxes, and economic interest.

The Fiscal Year 2024 Budget Support Act of 2023 eliminated the dedications of revenue from sports gaming (gross receipts tax and lottery-operated net revenue) to three funds: 1) the Department of Behavioral Health's Gambling Addiction Research and Treatment Fund; 2) the Neighborhood Safety and Engagement Fund; and 3) the Early Childhood Development Fund.

This report is intended to assist the Mayor, Council, agency directors, and other policymakers in making decisions about dedicated taxes. In addition, the report seeks to inform the public about the purpose and design of these revenue streams so residents can participate more fully in budget discussions and debates. The goal is to provide clear, concise information helpful to policymakers and the layperson.

Definition of Dedicated Taxes

Dedicated taxes refer to District of Columbia tax streams that are earmarked for specific purposes and are therefore not available for general budgeting to support the full range of agencies, programs, and services the D.C. government provides. For example, the District's revenue from the sales tax on parking is dedicated to a special fund used to make the District's annual subsidy payment to the Washington Metropolitan Area Transit Authority, which operates the regional Metrorail and Metrobus systems.

In most cases, only a portion of the revenue raised by a tax is dedicated to a particular purpose, and the rest of the revenue is available for unrestricted use. An example is the Housing Production Trust Fund, which receives 15 percent of the revenue generated by the District's deed recordation and deed transfer taxes. Sometimes, 100 percent of the revenue is dedicated to a particular purpose. There are eight cases where 100 percent of the tax revenue raised was dedicated in FY 2020. They include Motor Fuel Tax (Highway Trust Fund), Medical Marijuana Tax (Healthy DC), Healthcare Provider Tax (Nursing Facility Quality of Care Fund), Ballpark Fee (Ballpark Fund), Hospital Inpatient Fee and Hospital Outpatient Fee (Hospital Fund and Hospital Provider Fee Fund), ICF-IDD Assessment (Stevie Sellows Quality Improvement Fund), and Parking Tax (WMATA).

Taxes are levied on broad measures like an individual's ability to pay (such as income, consumption, property, or other measures of wealth), and the revenue generated from taxes primarily finances the collective needs of the citizenry. For a dedicated tax, the revenue is raised from taxpayers and is then earmarked to meet a specific purpose, such as building affordable housing or expanding access to health care.

In the District revenue system, dedicated taxes are like "special-purpose revenue" in that both revenue sources are earmarked for specific purposes. Unlike dedicated taxes, special purpose revenues are generated by non-tax assessments such as fees and other charges paid by individuals who receive a direct benefit in exchange for the payment (such as a fee for use of a recreation facility) or who pay a fine or penalty (such as a charge for overdue library materials) to discharge a debt or other obligation. For a dedicated tax, the payment required, and the goods or services provided apply on a general basis, whereas for special-purpose revenue, the payment and the purpose for which it is used concern a specific individual or individuals.

The Office of Revenue Analysis also prepared a guidebook on special-purpose revenue called the "District of Columbia Special-Purpose Revenue Funds Report." The last report, published in February 2015,¹ describes special-purpose revenue funds in detail.

Dedicated Taxes in Context

General fund gross revenue for the District of Columbia government in fiscal year (FY) 2022 totaled \$11.33 billion. Dedicated taxes accounted for \$778.5 million, or 6.9 percent of general fund revenue. General taxes, which include income, sales and use, property, and other minor taxes (net of dedicated taxes), provided the bulk of the revenue, raising \$9.22 billion (81.4 percent of the total revenue). Other categories of general fund revenue were non-tax revenue (fees, fines, and other assessments that are unrestricted in their use), which provided \$624.2 million, or 5.5 percent; special-purpose revenue, which raised \$669.7 million, or 5.9 percent; and lottery revenue, which totaled \$40.7 million, or 0.4 percent. Table 1 shows the distribution of general fund revenue by source.

Table 1

FY 2022 General Fund Revenue (actuals, \$ in thousands)		
Category	Amount	Share of Total
Tax Revenue (Net of dedicated taxes)	\$9,221,936	81.4%
Non-Tax Revenue	\$624,165	5.5%
Special-Purpose Fund Revenue	\$669,671	5.9%
Dedicated Taxes **	\$778,454	6.9%
Lottery Revenue	\$40,670	0.4%
Total**	\$11,334,896	100.0%
Government of the District of Columbia, <i>FY 2024 Approved Budget, and Financial Plan: A Fair Shot, Volume 1 Executive Summary, July 14, 2023</i> , Table 3-1, p.3-2, Table 3-3, p. 3-8, Table 3-16A, p. 3-40, <i>2023 Tax Facts</i> Table 1, p. 1.		
** includes dedicated taxes to general funds and enterprise funds.		

The Importance of Dedicated Taxes

Although dedicated taxes account for only a small portion of the District's revenues, they are essential policy instruments. Dedicated taxes have provided the funding for major policy and

¹ This report is available at www.cfo.dc.gov.

program initiatives in DC, such as building a convention center and baseball stadium and expanding access to affordable health care and housing. Moreover, the District government's reliance on dedicated taxes has grown lately as recently as FY 2015, \$484.8 million in general fund tax revenue was dedicated to specific projects.² The \$778.5 million for FY 2022 represents a 60.6 percent increase in total dedicated tax revenue in five years.

In fact, 12 of the District's 20 dedicated taxes were established since 2010: the Stevie Sellows Quality Improvement Fund (2010), the Hospital Fund (2010), the Healthy Schools Fund (2011), the Alcoholic Beverage and Cannabis Administration (2011), the Washington Metropolitan Area Transit Authority subsidy (2011), West End Library and Fire Station Maintenance Fund (2011), Hospital Provider Fee Fund (2013), Walter Reed Redevelopment Fund (2016), Washington Metropolitan Area Transit Authority Dedicated Financing Fund (2018), St. Elizabeth's East Campus Redevelopment Fund (2018), Commission on the Arts and Humanities (2019), and WMATA Dedicated Financing Fund (2020).

Advantages and Disadvantages of Dedicated Taxes

Dedicated taxes have clear advantages and disadvantages; these pros and cons are closely connected. As noted earlier, dedicated taxes provide a revenue stream and set aside funds for high-priority initiatives, ensuring at least a base level of financial support. In some cases, dedicated taxes incorporate principles of user financing, which promotes fairness by establishing a link between the benefits received and the cost of the benefits. For example, the Highway Trust Fund represents an application of the benefit principle because motorists who use the roads and bridges pay for maintaining and improving the infrastructure through the motor fuel tax. User financing can also enhance efficiency: the motor fuel tax, for example, may discourage the overuse of roads by making automobile travel costlier. Additionally, dedicated taxes can depoliticize funding decisions by removing funding from the rough and tumble of the political arena.³

At the same time, the earmarking of revenues creates potential inefficiencies. Because dedicated taxes support specific programs or services, the amount of money raised reflects the revenue capacity of the tax rather than actual program needs. Even if the dedicated tax is well-designed to finance a desired level of expenditures, the relationship between dedicated tax revenue and financing needs may diverge over time, and the money raised by the tax may be insufficient or excessive. A good example is the Housing Production Trust Fund, financed from a portion of deed recordation and transfer taxes – a highly volatile revenue source – with no clear link between housing needs and the revenue generated. The National Conference of State Legislatures stated, "As a general rule, earmarking constitutes a constraint on budgeting, with few if any advantages for state revenue and budgetary management. Earmarking may provide a reliable source of income for a program but not necessarily equal the demand for services."⁴

Another potential disadvantage is that dedicated taxes may fragment the budget into many separate pieces and reduce the revenue available to the unrestricted part of the general fund. Budget experts agree that social welfare can be maximized if policymakers can allocate revenue flexibly to the most valued and beneficial programs without restrictions on using specific revenue sources. As

² Government of the District of Columbia, *FY 2017 Proposed Budget and Financial Plan: Executive Summary*. Volume 1, June 22, 2016, p. 3-2.

³ Joel Michael (August 2015), *Earmarking State Tax Revenues*, Minnesota House of Representatives Research Department, Policy Brief

⁴ National Conference of State Legislatures, *Earmarking State Taxes*, Third Edition (April 1995), p. vii.

stated in the District's Comprehensive Financial Management Policy, "Dedicated funds limit the use of the District's general fund revenue by earmarking a portion of the revenue for special purposes." In fact, the Mayor and Council have redirected millions of dollars in dedicated tax revenue back to the unrestricted part of the general fund in recent years to close large budget gaps brought about by the economic recession.

Scope and Structure of the Report

The body of the report provides summaries of 20 dedicated taxes currently authorized by D.C. law. Each summary provides information on the legal authority to earmark revenue for specific programs or services, a seven-year revenue history (FY 2016 to FY 2022) of the dedicated tax, the year of enactment, the agency responsible for program administration, the purpose of the dedicated tax, and a description of the revenue source including applicable rates or percentage allocations. Table 2 on the next page presents a summary of the key data.

The Office of Revenue Analysis (ORA) welcomes comments on this report and will use the feedback to improve future versions. ORA will continue to update this report biennially.

District of Columbia Dedicated Taxes

Table 2: Summary Data on Dedicated Taxes, Fiscal Years 2016– 2022 (in \$ thousands)

#	Dedicated Tax Fund	Tax Base	Authority for Program	Authority to Dedicate	Revenue FY 2016	Revenue FY 2017	Revenue FY2018	Revenue FY 2019	Revenue FY2020	Revenue FY 2021	Revenue FY2022
1,2	Tax-Increment Financing and PILOT	Real Property Tax and General Sales Tax	§ 2-1217 and § 1-204.90, § 1-308	§ 2-1217.05 and § 1-204.90	\$67,850	\$77,688	\$84,913	\$97,714	\$67,385	\$55,149	\$73,933
3	Washington Convention Center Fund	Sales Tax on Hotel Rooms, Restaurant Meals, Alcohol on Premises, Rental Cars, and Prepaid Phone Cards	§ 10-1202.08	§ 47-2002.03	\$123,551	\$138,128	\$141,448	\$147,633	\$74,067	\$54,932	\$122,280
4	Ballpark Revenue Fund	Ball Park Fee; Sales Tax on Tickets and Goods Sold at Stadium; Public Utility Tax; Toll Telecommunications Tax	§ 10-1601.01 - .08	§ 10-1601.02 and § 47-2762	\$59,574	\$59,294	\$66,938	\$71,762	\$59,664	\$50,861	\$63,779
5	Healthy Schools Fund	General Sales Tax	§ 38-821.01 - § 38-828.02	§ 38-821.02	\$4,266	\$4,266	\$4,666	\$4,266	\$5,110	\$5,590	\$5,690
6	ABRA	General Sales Tax	23 DCMR 718	§ 47-2002	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170
7	WMATA Operating Subsidy	Sales Tax on Parking or Storing of Motor Vehicles	§ 9-1107.01 - .12	§ 47-2002.07	\$72,355	\$74,167	\$78,506	\$79,782	\$52,311	\$40,289	\$64,172
8	WMATA Dedicated Financing Fund	General Sales Tax	§ 1–325.401	§ 1–325.401	n/a	n/a	n/a	\$178,500	\$178,500	\$178,500	\$178,500
9	Commission on the Arts and Humanities	General Sales Tax	§ 39-205	§ 47-2002(b)	n/a	n/a	n/a	\$31,956	\$32,289	\$36,703	\$41,688

District of Columbia Dedicated Taxes

Summary Data on Dedicated Taxes, Fiscal Years 2016 – 2022 (in \$ thousands) contd.

#	Dedicated Tax Fund	Tax Base	Authority for Program	Authority to Dedicate	Revenue FY 2016	Revenue FY 2017	Revenue FY 2018	Revenue FY 2019	Revenue FY 2020	Revenue FY 2021	Revenue FY 2022
10	Highway Trust Fund	Motor Fuel Tax	§ 9-109.02	§ 9-111.01 and § 9-111.01a	\$25,332	\$26,099	\$26,268	\$27,935	\$22,472	\$23,618	\$22,928
11	Healthy D.C. and Health Care Expansion Fund	Insurance Premiums, Taxes, and Sales Tax on Medical Marijuana	§ 31-3514.02, § 31-3403.01, § 31-3501, and § 47-2002	§ 4-631 - 638	\$45,083	\$46,303	\$47,948	\$48,731	\$48,946	\$59,887	\$66,049
12	Nursing Facility Quality of Care Fund	Assessment on Nursing Facilities, or Healthcare Provider Tax	§ 47-1262	§ 47-1261 - 1269	\$17,014	\$13,949	\$16,800	\$14,338	\$16,217	\$15,453	\$17,818
13	Stevie Sellows Quality Improvement Fund	Assessment on ICF/IDDs	§ 47-1271	§ 47-1270 - 1278	\$4,860	\$4,913	\$5,752	\$4,864	\$6,831	\$4,314	\$5,518
14	Hospital Fund	Assessment on Hospitals	§ 44-662.11 – 662.18	§ 44-662.12	\$10,400	\$10,400	\$8,948	\$8,452	\$7,520	\$8,479	\$8,454
15	Hospital Provider Fee Fund	Assessment on Hospitals	§ 44-661.11 – 661.19	§ 44-661.12	\$6,406	\$5,528	\$5,511	\$5,345	\$5,326	\$5,317	\$5,319
16	Housing Production Trust Fund	Deed Recordation and Deed Transfer Taxes Economic Interest	§ 42-2802	§ 42-2802 - 2804	\$55,878	\$58,014	\$61,062	\$74,322	\$62,637	\$77,037	\$95,493
17	Housing Production Trust Fund-debt service	Deed Recordation and Deed Transfer Taxes	§ 1–325.181	§ 1–325.181	\$7,822	\$7,825	\$7,822	\$7,829	\$6,293	\$3,771	\$3,771
18	West End Library/ Fire Station Maintenance Fund	Deed Recordation and Deed Transfer Taxes	§ 1–325.181	§ 1–325.181	n/a	\$88	\$2,254	\$249	\$89	\$352	\$721

District of Columbia Dedicated Taxes

Summary Data on Dedicated Taxes, Fiscal Years 2016 – 2022 (in \$ thousands) contd.

#	Dedicated Tax Fund	Tax Base	Authority for Program	Authority to Dedicate	Revenue FY 2016	Revenue FY 2017	Revenue FY 2018	Revenue FY 2019	Revenue FY 2020	Revenue FY 2021	Revenue FY 2022
19	Walter Reed Redevelopment Fund	Real Property Tax	§ 2-1227.01- § 2-1227.07	§ 2-1227.05 and § 2- 1227.05	n/a	n/a	\$1,102*	\$1,068*	\$765	\$724	\$651
20	St. Elizabeth's East Campus Redevelopment Fund	Real Property Tax Sales Tax	§ 1-325.361	§ 1-325.361	n/a	n/a	n/a	\$60**	\$46**	\$627**	\$320

*The revenue is recorded as a special purpose fund in FY 2018 and FY 2019

**The revenue is recorded as a special purpose fund through FY 2021

Source: Government of the District of Columbia, Annual Approved Budgets and Financial Plans for Fiscal Years 2017 - 2024.

Summary Data on Dedicated Taxes with Eliminated Funding, Fiscal Years 2016 – 2022*

#	Dedicated Tax Fund	Tax Base	Authority for Program	Authority to Dedicate	Revenue FY 2016	Revenue FY 2017	Revenue FY 2018	Revenue FY 2019	Revenue FY 2020	Revenue FY 2021	Revenue FY 2022
1	Department of Behavioral Health Gambling Addiction Program	Private Sports Wager Tax	§ 36-621.15	§ 36-621.15	n/a	n/a	n/a	n/a	\$273	\$127	\$200
2	Neighborhood Safety and Engagement Fund	Sports Wager Tax Lottery	§ 7-2411 - § 7-2415	§ 7-2413				n/a	n/a	n/a	n/a
3	Early Childhood Development Fund	Sports Wager Tax Lottery	§ 4-410.04	§ 4-410.04				n/a	n/a	n/a	n/a

Source: Government of the District of Columbia, Annual Approved Budgets and Financial Plans for Fiscal Years 2017-2024.

*The FY 2024 Budget Support Act of 2023 eliminates dedications of revenue from sports gaming (gross receipts tax and lottery-operated net revenue) to the three funds above.

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DEDICATED TAXES IN THE DISTRICT OF COLUMBIA

Real Property Tax and Sales Tax

1, 2 Tax-Increment Financing / Payments in Lieu of Taxes

Authority for Program: D.C. Official Code § 2-1217.01 - § 2-1217.12, § 2-1217.31 - § 2-1217.36d, and § 2-1217.71 - § 2-1217.84 and § 1-204.90, § 1-308.01-.10, § 47-4611, § 47-4613, § 47-4616, § 47-4640

Authority to Dedicate: D.C. Official Code § 2-1217.05 and § 1-204.90

Year Enacted: 1998 (TIF) and 2004 (PILOT)

Administering Agency: Office of the Chief Financial Officer

In \$ Thousands

TIF	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$51,049	\$51,862	\$50,495	\$48,676	\$29,544	\$23,248	\$37,759

P.I.L.O.T.	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$16,801	\$25,826	\$34,418	\$49,038	\$37,841	\$31,900	\$36,174

TIF and P.I.L.O.T.	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$67,850	\$77,688	\$84,913	\$97,714	\$67,385	\$55,149	\$73,933

DESCRIPTION AND PURPOSE OF FUND: The D.C. government can issue tax increment financing (TIF) bonds repaid using the incremental property tax or sales tax revenues from an economic development project. This fund aims to set aside the tax increment revenue needed to pay the debt service on TIF bonds, establish and maintain TIF reserves, and defray development costs. The issuance of TIF bonds is subject to the District's debt cap (that is, TIF debt service must be included in the District's debt cap), which limits annual debt service to 12 percent of general fund expenditures for all tax-supported debt.

A TIF authorization defines the TIF area, the incremental tax revenue collected from the TIF area, and the issuance of TIF bonds. A project site may be designated as a TIF area according to the provisions of the "Tax Increment Financing Authorization Act of 1998" (TIF Act),⁵ the "Retail Incentive Act of 2004,"⁶ or a legislative act pertaining to a precise project.

To qualify for financing under the TIF Act, a project must be certified by the Chief Financial Officer following a review of financial feasibility, the likely effect on tax revenues, consistency with the District's Comprehensive Plan, the "special merits" of the project, and other factors. "Special merits" is defined in D.C. law as "economic, cultural, social, or financial factors, apart from the criteria established in this subchapter that may justify the approval of a TIF for a project." The D.C. Council must also approve TIF projects.

⁵ D.C. Law 12-143, which took effect on September 11, 1998.

⁶ D.C. Law 15-185, which took effect on September 8, 2004.

During FY 2022, 9 economic development projects were repaying the TIF bonds. The 9 TIF projects repaying the bonds in FY 2022 were: Bryant Street⁷, City Market at O Street, Gallery Place, Georgia Ave CVS, Reunion Square, Mandarin Oriental Hotel, Skyland Town Center, The Wharf, and Verizon Center.⁸

DESCRIPTION OF REVENUE SOURCE: The fund receives the incremental real property tax and/or sales tax revenues generated by a TIF project, which are used to repay the TIF bonds. Any amounts remaining in the tax increment account for a TIF area at the end of each tax year revert to the general fund if the following payments have been made: 1) principal or interest on TIF bonds; 2) costs of credit or liquidity enhancement; 3) other costs, fees, and expenses of administering and paying the bonds and the funds, trusts, and escrows pertaining to them; and 4) bond reserves.

The authority to issue bonds under the TIF Act expired on January 1, 2014, and under the Retail Incentive Act on September 30, 2015, so TIF issuances were only authorized under stand-alone legislation. However, the Tax Increment Financing Reauthorization Amendment Act of 2017 reinstated the legislation to allow the issuance of TIF bonds to finance development costs of eligible projects that are approved in accordance with the re-enacted TIF Act. In addition to the authority provided by the re-enacted TIF Act, TIFs can also be authorized through stand-alone legislation.

Payments in Lieu of Taxes (PILOT) agreements are like TIF arrangements for development that affect real estate, and sales taxes. Payments in lieu of taxes made pursuant to the PILOT agreement may be assigned or pledged in connection with the Bonds authorized to be issued. There are currently four PILOT projects: Department of Transportation/ Anacostia Waterfront, Southeast Federal Center (Foundry Lofts), Rhode Island Place, and Southeast Federal Center (The Navy Yard).

⁷ Debt service on Bryant Street in 2020 was paid with capitalized interest –bond proceeds set aside to pay interest until the Tax Increment Financing revenue commences once the project is complete.

⁸ District of Columbia Unified Economic Development Report: FY 2022 Year-End, Appendix 1, p. 21

Sales Tax

3. Washington Convention Center Fund/ Washington Convention Center Marketing Fund

Authority for Program: D.C. Official Code § 10-1202.08 and § 10-1202.08a
 Authority to Dedicate: D.C. Official Code § 47-2002.03 and § 47-2002.03a
 Year Enacted: 1994 and 2018
 Administering Agency: Washington Convention and Sports Authority

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$123,551	\$138,128	\$141,448	\$147,633	\$74,067	\$54,932	\$122,280

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Washington Convention Center Fund was to fund the payment of the costs of the new convention center and the costs of operating the Walter E. Washington Convention Center, which opened in 2003. The allowable costs include expenses for debt service, reserve funds, repair, maintenance, marketing service contracts, and all other expenses of operating the Washington Convention and Sports Authority, which manages the convention center.

For fiscal year 2020, at least \$10 million in grants from the Convention Center Fund would be used to support cultural institutions operating in the District of Columbia "provided that funds are available for such purpose and that the Authority first satisfy its current liabilities and legally required reserves, which shall not include the elective purchase or redemption of outstanding indebtedness."⁹

The Fiscal Year 2021 Budget Support Act of 2020 reduced the grant amount from the Convention Center Fund to support cultural institutions operating in the District of Columbia from a minimum of \$10 million to at least \$1 million, most likely because of the revenue loss due to the Covid 19 pandemic.

The Washington Convention Center Marketing Fund (Marketing Fund) is used to promote conventions, tourism, and leisure travel in the District and the hosting of sporting events, sports teams, recreational events, and entertainment events in the District. The funds dedicated to Destination DC are used for the purposes of marketing and promoting the District of Columbia as a destination.

DESCRIPTION OF REVENUE SOURCE: The Funds receive a portion of the sales tax imposed on certain goods and services. The following amounts are deposited into the Fund:

⁹ § 10-1202.08(g).

- 4.75 percent of the gross receipts from the sale of hotel rooms or other rooms furnished to transients (as of FY 2018, 0.3 percent of the 4.75 percent of hotel tax is transferred to Destination DC marketing programs through the Marketing Fund),¹⁰ and
- 1 percent of the gross receipts from the sale of the following items: food or drink prepared for immediate consumption; spirituous or malt liquors, beers, and wine sold for consumption on the premises; rental cars; and prepaid telephone cards.¹¹

D.C. law was amended in 2011 to clarify that when hotel accommodations are reserved or booked by a room remarketer (including online travel agencies such as Expedia and Orbitz), the hotel tax must be calculated based on the net charges and additional charges received by the room remarketer (rather than on the amount paid by the room remarketer to the hotel).¹²

¹⁰ The total tax rate for hotel rooms or other transient accommodations is 14.95 percent. The 4.75 percent portion is deposited into the Convention Center Fund and the other 10.20 percent flows into the general fund.

¹¹ The total sales tax for liquor sold for consumption off premises, and rental vehicles is 10.25 percent. The total sales tax for restaurant meals and drinks, and prepaid telephone cards is 10 percent.

¹² See Subtitle VII-A of D.C. Law 19-21, the “Fiscal Year 2012 Budget Support Act of 2011,” effective September 14, 2011.

Sales Tax and Gross Receipts Taxes

4. Ballpark Revenue Fund

Authority for Program: D.C. Official Code § 10-1601.01 - § 10-1601.08
 Authority to Dedicate: D.C. Official Code § 10-1601.02 and § 47-2762
 Year Enacted: 2005
 Administering Agency: Washington Convention and Sports Authority

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$59,574	\$59,294	\$66,938	\$71,762	\$59,664	\$50,861	\$63,779

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Ballpark Revenue Fund was to finance the construction of a publicly owned baseball stadium for the Washington Nationals baseball team in Southeast D.C. The Council found that “(S)uch a publicly-owned stadium or arena will contribute to the social and economic well-being of the citizens of the District of Columbia and significantly enhance the economic development and employment opportunities within the District of Columbia.”¹³ The 41,546-seat Nationals Park opened in March 2008.

The authorizing statute specifies that the Fund can be used to:

- reimburse the D.C. government and its agencies for pre-development and development costs incurred for the ballpark;
- reimburse the D.C. government for costs relating to the acquisition of real property by purchase, lease, or condemnation for construction of the ballpark;
- pay the costs of demolishing buildings located on the site of the ballpark and the cost of any environmental remediation of the ballpark site;
- pay the costs of designing, constructing, improving, and equipping the ballpark;
- pay the costs of renovating and maintaining Robert F. Kennedy Stadium for use as a ballpark until the new ballpark is completed;
- pay any other costs of the D.C. government associated with financing, designing, constructing, or renovating the ballpark; and
- pay the debt service on bonds issued to construct the stadium.

DESCRIPTION OF REVENUE SOURCE: The Fund receives revenue from the following sources: (1) a ballpark fee based on the gross receipts of certain persons or organizations doing business within the District of Columbia, (2) a 10.25 percent tax on the sale of tickets to the stadium and the sale of merchandise and other goods inside the stadium, (3) parking taxes collected from people attending baseball games or professional baseball-related events and exhibitions at the

¹³ See D.C. Official Code § 10-1601.01(1).

ballpark, (4) a 1 percent public utility tax on non-residential properties,¹⁴ and (5) a 1 percent toll telecommunications tax on non-residential properties.¹⁵

The ballpark fee is imposed on businesses with annual gross receipts of at least \$5 million if they are required to file a business franchise tax return or are required to make unemployment insurance contributions. The ballpark fee is calculated according to the schedule shown below.

D.C. Gross Receipts	Ballpark Fee
Less than \$5,000,000	\$0
\$5,000,000 to \$8,000,000	\$5,500
\$8,000,001 to \$12,000,000	\$10,800
\$12,000,001 to \$16,000,000	\$14,000
\$16,000,001 and greater	\$16,500

The authorizing statute provides that if the Chief Financial Officer (CFO) estimates that the amount to be collected by the ballpark fee in the current year is less than \$14 million, plus any amount necessary to replenish reserve funds in accordance with the ballpark financing documents, and any amount necessary to avoid a projected shortfall in debt service on the bonds, then the CFO may increase the ballpark fee schedule by proportional amounts to prevent the shortfall.

In addition, the statute provides that if at the end of a fiscal year, the balance of cash and investments in the Fund exceeds the balance of liabilities as well as required sinking fund deposits required to be paid from the Fund, the excess money must be used to pay any principal and interest accrued on the bonds, in advance of the scheduled maturity. The advance repayment of principal and interest must be consistent with any financing documents concerning the bond issuance.

The Fiscal Year 2021 Budget Support Act of 2020 requires any excess balance of cash and investments in the Fund that accrues during Fiscal Year 2020, Fiscal Year 2021, or Fiscal Year 2022 be deposited in the unrestricted fund balance of the General Fund during the fiscal year in which it accrues. The temporary change in the statute resulted from the economic downturn caused by the COVID-19 pandemic.

The Use of Excess Ballpark Fund Revenue Amendment Act of 2023, part of the Fiscal Year 2024 Budget Support Act of 2023, allows the first \$20 million of any excess that accrues during FY 2023, the first \$22 million of any excess that accrues during FY 2024, and the first \$20 million of any excess that accrues during FYs 2025, 2026, and 2027 be deposited in the General Fund during the fiscal year wherein it accrues.

¹⁴ The base rate for the public utility tax is 10 percent both for residential and non-residential properties. Non-residential owners pay an additional 1 percent that is dedicated to the Ballpark Revenue Fund.

¹⁵ The base rate for the toll telecommunications tax is 10 percent both for residential and non-residential properties. Non-residential owners pay an additional 1 percent that is dedicated to the Ballpark Revenue Fund.

Sales Tax

5. Healthy Schools Fund

Authority for Program: D.C. Official Code § 38-821.01 - § 38-828.02
 Authority to Dedicate: D.C. Official Code § 38-821.02
 Year Enacted: 2011 (the Healthy Schools Act took effect in 2010, but sales tax revenue was not dedicated until October 1, 2011)
 Administering Agency: Office of the State Superintendent of Education

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$4,266	\$4,266	\$4,666	\$4,266	\$5,110	\$5,590	\$5,690

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Healthy Schools Fund is to support improved school nutrition and health programs. To this end, the Fund may be used for the following purposes: (1) to increase the reimbursement rates for school breakfasts and lunches, (2) to eliminate copayments charged to students who qualify for reduced-price meals, (3) to implement the breakfast-in-the-classroom program, (4) to increase the serving of locally-grown and unprocessed foods, (5) to increase physical activity in schools, and (6) to support school gardens.

DESCRIPTION OF REVENUE SOURCE: D.C. law states that the Fund shall receive an annual deposit of \$5.690 million in general sales tax revenue. The amount dedicated to the Healthy School fund has steadily increased in the last seven years. The amount was first increased from \$4.266 million to \$4.666 million with the FY 2018 Budget Support Act of 2017. The Healthy Schools Funding Clarification Act of 2019, however, increased the dedication amount to \$5.110 million beginning in FY 2020. The Healthy Schools Fund Restoration Amendment Act of 2020 increased the dedication amount to \$5.590 million and became effective in FY 2021, and the Healthy Schools Amendment Act of 2021 increased the dedication to \$5.690 million.

Sales Tax

6. ABRA Reimbursable Detail Subsidy Program

Authority for Program: Title 23, Chapter 7 of the D.C. Municipal Regulations
 Authority to Dedicate: D.C. Official Code § 47-2002(b)
 Year Enacted: 2011
 Administering Agency: Alcoholic Beverage and Cannabis Administration

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Fund is to allow the Alcoholic Beverage and Cannabis Administration (ABCA), formerly known as the Alcoholic Beverage Regulation Administration (ABRA), to reimburse the Metropolitan Police Department (MPD) a percent of the total cost of services provided by MPD officers who work on details at ABCA licensees.

An alcoholic beverage licensee, group of licensees, or Business Improvement District acting on behalf of licensees must enter into an agreement with MPD to establish the reimbursable detail. MPD officers may work reimbursable details at ABCA licensees on Friday and Saturday nights, and on D.C. or federal holidays, from 11:30 PM to 5:00 AM. MPD must submit monthly invoices to ABCA documenting the amount owed by each licensee.

ABCA will reimburse a percentage of the cost if it has "sufficient funds earmarked" for this purpose. Any invoices not paid by ABCA either for good cause or a lack of sufficient funds left in the subsidy program remain the licensee's responsibility.

DESCRIPTION OF REVENUE SOURCE: The Fund receives a fixed amount of the sales tax on alcohol purchased for off-premises consumption. The amount was originally set at \$460,000 in 2011¹⁶ but was increased to \$1.17 million in 2013.¹⁷

The FY 2024 Budget Support Act of 2023 reduced the sales tax revenue dedicated to the ABCA by \$200,000 in FY 2024. The Act also reduced the available expenditures to ABCA by \$100,000 from \$1,170,000 to \$1,070,000.

¹⁶ See section 8143 of D.C. Law 19-21, the "Fiscal Year 2012 Budget Support Act of 2011," effective September 14, 2011.

¹⁷ See section 3(a) of D.C. Law 19-310, the "Omnibus Alcoholic Beverage Regulation Amendment Act of 2012," effective May 1, 2013.

Sales Tax

7. Washington Metropolitan Area Transit Authority Subsidy

Authority for Program: D.C. Official Code § 9-1107.01 - § 9-1107.12
 Authority to Dedicate: D.C. Official Code § 47-2002.07
 Year Enacted: 2011
 Administering Agency: None (subsidy payment to regional transit authority)

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$72,355	\$74,167	\$78,506	\$79,782	\$52,311	\$40,289	\$64,172

DESCRIPTION AND PURPOSE OF FUND: The purpose of this fund is to finance the District's annual operating subsidy to the Washington Metropolitan Area Transit Authority (WMATA), which operates the Metrorail and Metrobus systems in the national capital area.

The District of Columbia; State of Maryland; Arlington County, Virginia; Fairfax County, Virginia; City of Alexandria, Virginia; Fairfax City, Virginia; and City of Falls Church, Virginia, all make annual contributions to support WMATA operations.

DESCRIPTION OF REVENUE SOURCE: The fund receives its revenue from the 18 percent tax imposed on the sale of or charges for the parking or storing of motor vehicles or trailers, except for the parking or storing of vehicles or trailers on a parking lot owned or operated by WMATA and located adjacent to a WMATA station or passenger stop. In addition, the fund receives all fees generated from off-street parking meters, except those dedicated to two special-purpose revenue funds: (1) the Pay-by-Phone Transaction Fee Fund,¹⁸ and (2) the D.C. Circulator Fund.¹⁹

The Dedicated Revenue Adjustments Amendment Act of 2023, part of the FY 2024 Budget Support Act of 2023, limits the growth of the dedicated tax fund to WMATA’s operating subsidy to 2% annually, from FY 2024 to FY 2027.

¹⁸ This fund is a non-lapsing Fund that receives all the transaction fees paid by motorists who use the pay-by-phone system for parking fees. See D.C. Official Code § 50-921.14.

¹⁹ Pursuant to Subtitle VI-L of Bill 20-199, the “Fiscal Year 2014 Budget Support Act of 2013,” revenue generated by parking meters along the National Mall will be deposited into the D.C. Circulator Fund, which is authorized by D.C. Official Code § 50-921.33.

Sales Tax

**8. Washington Metropolitan Area Transit Authority
Dedicated Financing Fund**

Authority for Program: D.C. Official Code § 1–325.401
 Authority to Dedicate: D.C. Official Code § 1–325.401
 Year Enacted: 2018
 Administering Agency: Office of the Mayor

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	n/a	n/a	n/a	\$178,500	\$178,500	\$178,500	\$178,500

DESCRIPTION AND PURPOSE OF FUND: in FY 2019, the purpose of this fund was to finance the District's payment to the Washington Metropolitan Area Transit Authority (WMATA), which operates the Metrorail and Metrobus systems in the national capital area. After FY 2019, with an agreement between the District and WMATA, the Fund has become a grant for WMATA for the purposes of WMATA capital improvements, including payment on borrowings for such capital improvements.

DESCRIPTION OF REVENUE SOURCE: The fund receives all its revenue from the general retail sales tax. The revenue collected is capped at \$178.5 million. The Fiscal Year 2022 Budget Support Act of 2021 removed the initial 3 percent annual escalator clause, which was set to begin in FY 2021 for the WMATA dedicated payment.

Sales Tax

9. Commission on the Arts and Humanities Fund

Authority for Program: D.C. Official Code § 39-201 - § 39-206
 Authority to Dedicate: D.C. Official Code § 47-2002(d)
 Year Enacted: 2019
 Administering Agency: Commission on the Arts and Humanities

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	n/a	n/a	n/a	\$31,956	\$32,289	\$36,703	\$41,688

DESCRIPTION AND PURPOSE OF FUND: The dedication to the Arts and Humanities Fund is to finance the administration, improvement, and maintenance of property and programs the Commission on the Arts and Humanities manages. At most 23 percent of the fund is used for administrative costs, and at least 77 percent of the fund is used for the following purposes:

- (A) 17% for grants to fund capital projects in support of either the Arts and Humanities Cohort or the National Capital Arts Cohort;
- (B) 50% for grants to support the Arts and Humanities Cohort;
- (C) 28% for grants to support the National Capital Arts Cohort of which:
 - (i) 70% will be distributed equally to each organization that belongs to the National Capital Arts Cohort; and
 - (ii) 30% will be distributed proportionally to each organization that belongs to the National Capital Arts Cohort, in an amount based on that organization's share of the total annual income for the prior year, not including District funds, of all organizations that belong to the National Capital Arts Cohort; and
- (D) 5% for the Humanities Grant Program.²⁰

DESCRIPTION OF REVENUE SOURCE: The Fund receives 5 percent of retail sales and use tax revenue collected that has not been dedicated to legislatively proposed or existing tax increment financing districts or pledged to the benefit of holders of District Bonds or notes that exist by October 30, 2018.

The Dedicated Revenue Adjustments Amendment Act of 2023, part of the FY 2024 Budget Support Act of 2023, limits the growth of the dedicated tax fund to 2% annually, from FY 2024 to FY 2027.

²⁰ See D.C. Official Code § 39-205(c-1).

Motor Fuel Tax

10. Highway Trust Fund

Authority for Program: D.C. Official Code § 9-109.02
 Authority to Dedicate: D.C. Official Code § 9-111.01 and § 9-111.01a
 Year Enacted: 1997
 Administering Agency: D.C. Department of Transportation

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$25,332	\$26,099	\$26,268	\$27,935	\$22,472	\$23,618	\$22,928

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Highway Trust Fund is to finance the District's required match for federal highway aid. Like other jurisdictions, the District combines funding from local revenue with federal matching funds to construct, repair, and maintain eligible roads and bridges. Approximately 400 of the 1,020 miles of streets and highways in the District of Columbia, as well as 229 bridges, are eligible for federal aid.

DESCRIPTION OF REVENUE SOURCE: The Highway Trust Fund is the depository for motor fuel tax revenue, fees (such as the motor fuel importer's license fee), and penalties for non-compliance with motor fuel tax collection requirements. The motor fuel tax rate is \$0.235 per gallon.²¹ All the revenue from the tax would continue to be deposited into the Fund.

In addition, D.C. law includes a provision to prevent shortfalls in the fund and to transfer surpluses. First, revenue collected from public rights-of-way user fees, charges, and penalties (which are dedicated to the Local Transportation Fund) may be transferred annually to the fund, provided that local monies in the fund shall not exceed 22 percent of proposed annual federal highway aid expenditures. Second, any excess monies remaining in the fund after local match requirements have been met and revenue derived from the surcharge may be deposited into the Capital Improvements Program, which is used to renovate, repair, and maintain local transportation infrastructure that is not eligible for federal aid.²²

²¹ Motor vehicle fuels include gasoline, diesel fuel, benzol, benzene, naphtha, kerosene, heating oils, all liquefied petroleum gases, and all combustible gases and liquids suitable for the generation of power for the propulsion of motor vehicles.

²² See D.C. Official Code § 9-111.01a.

Insurance Premium Tax and Sales Tax

11. Healthy D.C. and Health Care Expansion Fund

Authority for Program: D.C. Official Code § 4-631 - § 4-638
 Authority to Dedicate: D.C. Official Code § 31-3514.02, § 31-3403.01, § 31-3501, and § 47-2002
 Year Enacted: 2007
 Administering Agency: Department of Health Care Finance

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$45,083	\$46,303	\$47,948	\$48,731	\$48,946	\$59,887	\$66,049

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Healthy D.C. and Health Care Expansion Fund is to provide affordable health care to eligible D.C. residents. The Mayor is authorized to contract with one or more health insurers to administer the program, which provides preventive health care, health screenings, dental care, emergency care, and hospital care.

The authorizing statute requires that participants (1) have lived in the District for six months before applying for benefits, (2) reside in a household with income at or less than 400 percent of the federal poverty standard, and (3) have lacked health insurance for the prior six months or lost health insurance during that period due to loss of a job or several other reasons stated in the statute. There are no exclusions for pre-existing conditions. An individual who qualifies for other public health insurance programs such as the D.C. Health Care Alliance, Medicare, or Medicaid is not eligible for Healthy D.C.

A health insurer that eliminates or restricts the availability of a health insurance plan offered in the District of Columbia to shift beneficiaries to Healthy D.C. is subject to a fine of not less than \$10,000. Premium costs for participants are limited to 3 percent of household income for those with household incomes less than 300 percent of the federal poverty level, and 5 percent for participants with household incomes above 300 percent of the federal poverty level.

DESCRIPTION OF REVENUE SOURCE: Revenue sources for the Fund include (1) insurance premiums taxes paid by Group Hospital and Medical Services, Inc. (GHMSI),^{23 24} (2) insurance premiums taxes paid by health maintenance organizations,²⁵ (3) annual appropriations, if any, (4)

²³ GHMSI is the District’s only non-profit hospital and medical services corporation, originally chartered as a “charitable and benevolent institution” by the U.S. Congress in 1939. GHMSI is a subsidiary of CareFirst, Inc., and does business as “CareFirst BlueCross Blue Shield.”

²⁴ See D.C. Code § 31–3506.01.

²⁵ The formula for allocating insurance premiums taxes paid by HMOs is as follows: 75 percent is dedicated to the Healthy D.C. and Health Care Expansion Fund and 25 percent is deposited into the general fund, except that *all* of the revenues generated from HMO contracts with the D.C. Medicaid, Health Care Alliance, or Healthy D.C. programs are dedicated to the Healthy D.C. and Health Care Expansion Fund.

federal grants, (5) fines and penalties paid by insurers who violate Healthy D.C. program rules, (6) grants, gifts, or subsidies, and (7) sales tax on purchases of medical marijuana.²⁶

²⁶ In 2009, GHMSI agreed to make an annual payment of \$ 5 million for five years as part of its community benefit obligations under D.C. law. The payments commenced in FY 2010. FY 2014 was the final year of payments as agreed.

Health Care Assessment

12. Nursing Facility Quality of Care Fund

Authority to Dedicate: D.C. Official Code § 47-1262
 Authority for Program: D.C. Official Code § 47-1261 - § 47-1269
 Year Enacted: 2004
 Administering Agency: Department of Health Care Finance

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$17,014	\$13,949	\$16,800	\$14,338	\$16,217	\$15,453	\$17,818

DESCRIPTION AND PURPOSE OF FUND: The primary purpose of the Nursing Facility Quality of Care Fund is to finance quality of care initiatives at District of Columbia nursing facilities. The authorizing statute requires, "No less than 90% of the Fund shall be used solely to fund quality of care initiatives."²⁷

Quality of care initiatives are defined in the statute as activities that "include a case mix reimbursement methodology," an annual audit of the income and expenses of the fund, and to the extent that amounts in the fund remain, "other programs designed to promote and foster the improved care, safety, and health of residents in Medicaid-certified nursing facilities." A case-mix reimbursement methodology is a prospective Medicaid rate payment system that adjusts for resident needs and three different types of facilities (freestanding nursing facilities, hospital-based nursing facilities, and nursing facilities owned by the District of Columbia).

DESCRIPTION OF REVENUE SOURCE: The primary source of revenue for the Fund is a uniform annual assessment per licensed bed of each nursing facility in the District of Columbia. The Mayor has the authority to determine the uniform amount by regulation, but the total assessment for a nursing facility cannot exceed 6 percent of annual net resident revenue. Since the law's enactment, the assessment has been set at 6 percent.

The fund also receives interest and penalty revenue from nursing facilities that fail to pay the full assessment amount by the required date. An unpaid balance accrues interest at the rate of 1.5 percent per month or any fraction thereof, and the administrative penalty equals 5 percent of the monthly assessment for each month, or any fraction thereof, that the failure to file continues. The administrative penalty cannot exceed 25 percent of the nursing facility's annual assessment.

²⁷ See D.C. Official Code § 47-1262 (b).

Health Care Assessment

13. Stevie Sellows Quality Improvement Fund

Authority to Dedicate: D.C. Official Code § 47-1271
 Authority for Program: D.C. Official Code § 47-1270 - § 47-1278
 Year Enacted: 2010
 Administering Agency: Department of Health Care Finance

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$4,860	\$4,913	\$5,752	\$4,864	\$6,831	\$4,314	\$5,518

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Stevie Sellows Quality Improvement Fund is to finance quality-of-care improvements worth up to \$2.50 per hour,²⁸ or a higher amount set by regulation, at intermediate care facilities for people with intellectual or developmental disabilities (ICF-IDDs). The fund may also be used to defray the costs of the Department of Health Care Finance (DHCF) to administer the fund. Administrative costs are limited to 10 percent of the fund’s total revenues in any fiscal year.

The authorizing statute defines quality-of-care improvements as “improving the quality of care for consumers with developmental disabilities by efforts to reduce turnover and increase the qualifications of the employees, excluding managers, administrators, and contract employees, such as an increase in salaries or benefits, or an increase in training and educational opportunities.”²⁹ To receive payments from the Fund, an ICF-IDD must submit to DHCF a legally binding commitment to fund quality-of-care improvements and proof of a mechanism to enforce the commitment. Any amounts remaining in the fund after quality-of-care improvements and administrative costs have been paid shall be used to increase the Medicaid reimbursement rate for ICF-IDDs.

DESCRIPTION OF REVENUE SOURCE: The primary source of revenue for the fund is an assessment of 6 percent of the annual gross revenue of each ICF-IDD. The Mayor may raise the assessment up to the maximum allowed by federal law if the revenue is insufficient to fund the quality-of-care disbursements that ICF-IDDs are entitled to receive under the authorizing statute. ICF-IDDs operated by the federal government are exempt from the assessment.

In addition, the fund is authorized to receive all interest earned on the assessments and all interest and penalties collected from facilities that fail to pay the full amount on time. Interest accrues on any unpaid balance at the rate of 1.5 percent per month, or any fraction thereof, and administrative penalties are set at 5 percent of the monthly assessment for each month, or fraction thereof, that the failure to file continues. The administrative penalty may not exceed 25 percent of an ICF-IDD’s annual assessment. If an ICF-IDD knowingly provides false information in any report needed to administer the fund, it shall be subject to a penalty of up to \$10,000.

²⁸ The amount of “\$2.50 per hour” is not defined with respect to any unit of measurement, such as an hour of patient care, in the statute.

²⁹ See D.C. Official Code § 47-1270(5).

Health Care Assessment

14. Hospital Fund

Authority for Program: D.C. Official Code § 44-664.11 - § 44-664.18
 Authority to Dedicate: D.C. Official Code § 44-664.12
 Year Enacted: 2010
 Administering Agency: Department of Health Care Finance

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$10,400	\$10,400	\$8,948	\$8,452	\$7,520	\$8,479	\$8,454

DESCRIPTION AND PURPOSE OF FUND: The sole purpose of the Hospital Fund is to finance Medicaid services. The Medicaid program pays for medical services, including doctor visits, hospitalization, and dental care for low-income and disabled individuals. The statutory authority for the Fund expired on September 30, 2014, and was reinstated for Fiscal years 2016 through 2029.

DESCRIPTION OF REVENUE SOURCE: The Fund receives revenue primarily from a hospital fee based on its inpatient net patient revenue filed between October 1 and September 30 of the period 3 fiscal years before the fiscal year the fee is assessed.

In addition, Fund revenue may include “interest and penalties collected under this subchapter” and “other amounts collected under this subchapter.”³⁰

St. Elizabeth's Hospital (the District's public psychiatric facility), the United Medical Center (owned and operated by the D.C. government), and hospitals operated by the federal government are not covered by these provisions.

For Fiscal Year 2022, the rate is 0.329% of Total Inpatient Net Patient Revenue.

The authorizing statute became effective on May 1, 2013, and was sunset on September 30, 2014. The statute was later reinstated for Fiscal Years 2016 through 2029

³⁰ See D.C. Official Code § 44-662.12.

Health Care Assessment

15. Hospital Provider Fee Fund

Authority for Program: D.C. Official Code § 44-664.01 -§ 44-664.09
 Authority to Dedicate: D.C. Official Code § 44-664.02
 Year Enacted: 2013
 Administering Agency: Department of Health Care Finance

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	6,406	\$5,528	\$5,511	\$5,345	\$5,326	\$5,317	\$5,319

DESCRIPTION AND PURPOSE OF FUND: The Hospital Provider Fee Fund has the following purposes: (1) to make Medicaid outpatient access payments to hospitals, (2) to pay administrative expenses incurred by the Department of Health Care Finance (DHCF) to implement the program, limited to \$150,000 annually, and (3) to make refunds to hospital providers under certain conditions.³¹

The authorizing statute states, "The Fund shall not be used to replace any money appropriated to the Medicaid program."³²

DESCRIPTION OF REVENUE SOURCE: Bill 20-199, the “Fiscal Year 2014 Budget Support Act of 2013,” provides that the Fund receive revenue from a hospital provider fee assessed on its gross outpatient receipts of every hospital in the District of Columbia.

The hospital provider fee will be applied at the uniform rate needed to generate an amount equal to the sum of the following: (1) the maximum non-federal share of total spending allowed for private hospitals in the District by the Medicaid program, (2) the maximum non-federal share of total spending allowed for District-owned hospitals by the Medicaid program, and (3) DHCF’s administrative expenses to administer the hospital provider fee program subject to the \$150,000, pro-rated annual limit. St. Elizabeth’s Hospital (the District’s public psychiatric facility) is exempt from the fee requirement.

For Fiscal Year 2022, the rate is 0.1013% of Total Outpatient Gross Revenue.

The authorizing statute became effective on May 1, 2013, and was sunset on September 30, 2014. The statute was later reinstated for Fiscal Years 2016 through 2029.

³¹ Refunds must be issued if DHCF reduces Medicaid payment rates, if the fees are not eligible for federal matching funds, or if the federal government determines that the provider fee is impermissible. See section 5075(b) of Bill 20-199, the “Fiscal Year 2014 Budget Support Act of 2013.”

³² § 5073 of the Fiscal Year 2014 Budget Support Emergency Act of 2013 (D.C. Act 20-130, July 30, 2013, 60 DCR 11384, 20 DCSTAT 1827)

Deed Recordation and Transfer Taxes

16, 17. Housing Production Trust Fund and Housing Production Trust Fund Debt Service

Authority to Dedicate: D.C. Official Code § 42-2802
 Authority for Program: D.C. Official Code § 42-2802 - § 42-2804
 Year Enacted: 2002
 Administering Agency: Department of Housing and Community Development

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$55,878	\$58,014	\$61,072	\$74,322	\$62,638	\$77,037	\$95,493

HPTF- Debt Service

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	\$7,822	\$7,825	\$7,822	\$7,829	\$6,293	\$3,771	\$3,771

DESCRIPTION AND PURPOSE OF FUND: The purpose of the Housing Production Trust Fund is to produce housing for targeted populations. At least 50 percent of the funds disbursed yearly must provide housing opportunities for low-income households (those with household income between 30 percent and 50 percent of the area median). In addition, at least 40 percent of the funds disbursed each year must be used to provide housing for extremely low-income households (those with household income less than or equal to 30 percent of the area median). Finally, at least 50 percent of the funds disbursed each year must be used to provide rental housing (this category overlaps with the other categories described above).

The fund may be used to finance pre-development loans for non-profit housing developers; loans to provide housing for low-income elderly persons with special needs; bridge loans and gap financing to reduce the costs of residential development; construction of new housing or the rehabilitation or preservation of existing housing; site acquisition; construction loan guarantees; collateral; or operating capital. Additionally, the fund can be used to secure bonds issued for the benefit of the New Communities Initiative or other purposes consistent with the Housing Production Trust Fund uses, capped at \$16 million. Council authorization is required to secure financing for the New Community Initiative or other purposes consistent with the Housing Production Trust Fund uses for any amount above \$16 million. The fund may also defray administrative costs, which are capped at 15 percent of revenues. In addition, \$4 million and, at most, \$18 million may be made available to the Workforce Housing Land Trust³³ and the Rent Supplement Fund, respectively.

DEDICATION OF REVENUE SOURCE: The fund’s primary source of revenue is a transfer of 15 percent of annual deed recordation and transfer tax revenue. As of September 30, 2022, the Fund had a balance of \$403.002 million.³⁴

³³ The “Workforce Housing Land Trust” is a non-profit organization chosen by the D.C. government to administer a pilot program to develop affordable housing for people who work in the District of Columbia.

³⁴ Government of the District of Columbia, Comprehensive Annual Financial Report, Year Ended September 30, 2022, p. 156, Table N10-1, District fund balances as of September 30, 2022

The Public Housing Stability Amendment Act of 2023, part of the FY 2024 Budget Support Act of 2023, limits the growth in the dedication to the Housing Production Trust Fund to two percent annually.

Deed Recordation and Transfer Taxes

18. West End Library and Fire Station Maintenance Fund

Authority to Dedicate: D.C. Official Code § 1–325.181
 Authority for Program: D.C. Official Code § 1–325.181
 Year Enacted: 2011
 Administering Agency: Department of General Services and the District of Columbia
 Public Library

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	n/a	\$88	\$2,254	\$249	\$89	\$352	\$721

DESCRIPTION AND PURPOSE OF FUND: The sole purpose of the West End Library and Fire Station Maintenance Fund (Maintenance Fund) is to fund the operating expenses of the West End Library and West End Fire Station. The operating expenses include providing supplemental maintenance service; common-area maintenance service; insurance; and capital improvements for the West End Library and West End Fire Station.

The Maintenance Fund supplements other revenues annually appropriated for the operation of branch libraries and fire stations, including the West End Library and West End Fire Station, and used solely to ensure that both West End facilities are maintained in a manner that is consistent with the high-quality conditions of the larger buildings of which they are a part. The Maintenance Fund is first used to pay for the operating expenses of the West End Library and West End Fire Station before other District funds are used. However, the Fund cannot be used to supplant other local funds typically appropriated to operate branch libraries and fire stations.

DEDICATION OF REVENUE SOURCE: The Maintenance Fund’s primary source of revenue is a transfer of 85 percent of annual deed recordation and transfer tax revenue attributable to the new buildings constructed on Lots 836, 837, and 855 in Square 37 (or such successor record or assessment and taxation lots as may be created through future subdivision or creation of condominium units).

Real Property Tax

19. Walter Reed Redevelopment Fund

Authority to Dedicate: D.C. Official Code § 2-1227.05 - § 2-1227.06
 Authority for Program: D.C. Official Code § 2-1227.01 - § 2-1227.07
 Year Enacted: 2016
 Administering Agency: Office of the Deputy Mayor for Planning and Economic Development

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	n/a	n/a	\$1,102*	\$1,068*	\$765	\$724	\$651

*Revenue was recorded as a special purpose fund in FY 2018 and FY 2019

DESCRIPTION AND PURPOSE OF FUND: The sole purpose of the dedication is to support the maintenance, operation, and construction activities on the Walter Reed Redevelopment Site. The Walter Reed Redevelopment Site is approximately 66.3 acres of land bounded by Fern Street, N.W., and Alaska Avenue, N.W., to the north, 16th Street, N.W., to the west, Aspen Street, N.W., to the south, and Georgia Avenue, N.W., to the east, also known as Parcel 0319/0004 and a portion of Parcel 0319/0005.

DEDICATION OF REVENUE SOURCE: The law dedicates all funds received from the possessory interest tax attributable to the Developer’s lease of the Walter Reed Redevelopment Site for the period ending on the last day of the tax year that is 10 years after the date on which the Developer commences the demolition of Building 2³⁵ on the Walter Reed Redevelopment Site in accordance with the requirements of the Land Disposition Agreement (LDA).

³⁵ Demolition of Building 2 began on 8/1/2017.

Real Property Tax and Sales Tax

20. St. Elizabeth’s East Campus Redevelopment Fund

Authority to Dedicate: D.C. Official Code § 1–325.361
 Authority for Program: D.C. Official Code § 1–325.361
 Year Enacted: 2018
 Administering Agency: Office of the Deputy Mayor for Planning and Economic Development

In \$ thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Actual Revenue	n/a	n/a	n/a	\$60**	\$46**	\$627**	\$320

**The revenue is recorded as a special purpose fund through FY 2021

DESCRIPTION AND PURPOSE OF FUND: The sole purpose of the St. Elizabeth's East Campus Redevelopment Fund is to support the maintenance, operation, and construction activities on the St. Elizabeth's East Campus Redevelopment Site, including the issuance of grants to support these activities.

Events DC ground leased a portion of the St. Elizabeth's East Campus owned by the District for 19 years to construct an Entertainment and Sports Arena (ESA). The ESA will be the new home arena for the Washington Mystics, a practice facility for the Washington Wizards, and a venue hosting several other concerts, tournaments, and community events.

The St. Elizabeth's East Campus Entertainment and Sports Arena Site is located at 1100 Alabama Avenue, S.E., Washington, D.C., known for tax and assessment purposes as Lot 838, in Square 5868, Suffix S.

DEDICATION OF REVENUE SOURCE: The fund's primary source of revenue from tax year commencing October 1, 2018, through tax year ending September 30, 2021, is real property taxes (including penalties and interest) from the leasehold interest, possessory interest, beneficial interest, or beneficial use of the lessee or user of the real property that can be assessed and taxed, and sales tax attributable to taxable payments or transactions generated from the St. Elizabeth's East Campus Entertainment and Sports Arena Site. The revenue amount is capped at \$855,000 per fiscal year. There is also a real property tax abatement for the possessory interest in the ESA Site over the capped amount per fiscal year. The fund cap at \$855,000 and tax abatement for the possessory interest in the ESA Site is no longer applicable beginning the tax year October 1, 2021. Additionally, the Designated Fund Transfer Act of 2023, part of the FY 2024 Budget Support Act of 2023, temporarily reduces the St. Elizabeth's East Campus Redevelopment Fund by \$300,000 by allowing the property tax revenue that would have otherwise been dedicated to be available to the Local Fund in FY 2024.