



OFFICE OF CHAIRMAN MENDELSON
COUNCIL OF THE DISTRICT OF COLUMBIA

FOR IMMEDIATE RELEASE:

Wednesday July 22, 2020

CONTACT: Lindsey Walton

lwalton@dccouncil.us

**CHAIRMAN MENDELSON STATEMENT ON HIS PROPOSED CHANGES
TO FY 2021 BUDGET**

WASHINGTON, DC -- Chairman Phil Mendelson released the following statement ahead of the vote on proposed changes to the Fiscal Year 2021 Budget and Financial Plan.

"The amendments I am circulating today will reverse a policy choice that I now regret - a new tax," Mendelson said. "I overestimated my proposing the effect this tax would have to discourage colleagues' desire to raise other taxes. At issue, fundamentally, is whether our Council will succumb to dubious demands to tax-and-spend."

The proposed amendments:

- Change the funding source for \$11 million worth of capital projects – but do not reduce or change any of them;
- Reduce by \$2.8 million the spending for implementation of the Department of Buildings Establishment Act of 2019 (a bill I proposed that has not yet been adopted);
- Increase by \$5.5 million (rather than \$9.5 million) the Council's proposed increase to the Department of Behavioral Health; and
- Utilize \$643,000 from two funds with large unused, year-end balances.

These changes cover the \$18.4 million necessary to eliminate the advertising tax entirely. To balance the financial plan, several Council investments are converted to one-time spending.

In addition to these amendments, the Chairman is scheduling a hearing on the *Tax Revision Commission Reestablishment Amendment Act of 2019*. The bill will re-establish the Tax Revision Commission and require it to submit recommendations to the Mayor and Council.

Mendelson said, "It is clear that the Council has drifted toward ad hoc tax proposals focused on spending, without thoughtfully considering the implications of the taxes themselves – or the need for better spending. I hope the Mayor will fund the Commission in her next budget so that we can promote sound tax policy moving forward."