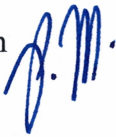


COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
1350 Pennsylvania Avenue, NW
Washington, DC 20004

MEMORANDUM

TO: Nyasha Smith, Secretary to the Council

FROM: Phil Mendelson, Chairman 

DATE: July 6, 2026

RE: Notice of intent to move an amendment in the nature of a substitute to the FY27 Budget Support Act at the July 7, 2026 Additional Legislative Meeting

This memorandum is to provide notice of my intent to move an Amendment in the Nature of a Substitute (ANS) for Bill 26-661, the Fiscal Year 2027 Budget Support Act of 2026 (FY27 BSA) at tomorrow's additional legislative meeting. The ANS is attached. It includes citation and numbering corrections, as well as other technical drafting changes. The ANS also makes substantive revisions, as well as clarifying changes developed with the Council's Office of the Budget Director and Office of the General Counsel, the Office of the Chief Financial Officer (OCFO), and the Executive (EOM). The substantive and clarifying changes are described briefly below.

TITLE I. GOVERNMENT DIRECTION AND SUPPORT

Subtitle D. Lobbying Fees and Penalties Reform Amendment Act of 2026: The ANS corrects a fund type.

Subtitle G. Martin Luther King, Jr. Holiday DC Parade Emergency Act of 2026: The ANS strikes this subtitle and moves the substantive provisions to 2-K, the Events DC Grants Act of 2026, due to the funding being transferred to Events DC.

Subtitle G. Department of General Services Public Litter Container Replacement Amendment Act of 2026: This new subtitle directs the Department of General Services, as part of the completion of a newly renovated or modernized DCPS facility or DPR-managed property, to procure and install publicly accessible and secure rodent-resistant trash and recycling containers.

Subtitle L. Office of Inspector General Term Succession Clarification Act of 2026: This new subtitle provides for the appointment of the Principal Deputy Inspector General as acting Inspector General (IG) at the expiration of the term of the IG, until a new IG is appointed by the Mayor.

TITLE II. ECONOMIC DEVELOPMENT AND REGULATION

Subtitle B. Rent Payment Reporting Amendment Act of 2026: The ANS makes several changes to strengthen tenant protections and clarify implementation details of the rent payment reporting program, including that housing providers must offer tenants the option to participate and establish a clear opt-out process, requiring a standardized written notice explaining the program and its implications and requiring the Department of Housing and Community Development to publish a standardized notice template within 90 days of establishing the program.

Subtitle C. Workforce Housing Opportunity Amendment Act of 2026: The ANS lowers the housing unit requirement from 40 to 30 and adds a provision requiring the Mayor to prioritize real property that is sold, conveyed, leased, or disposed of by the District government.

Subtitle G. Supermarket Tax Incentive Amendment Act of 2026: The ANS includes clarifying and drafting changes.

Subtitle I. Vacant Building Registration Fee Amendment At of 2026: The ANS corrects a citation.

Subtitle K. Events DC Grants Amendment Act of 2026: The ANS adds the Martin Luther King, Jr. Holiday DC Parade (“MLK Parade”) as an annual grant that must be issued by Events DC to the host organization of the parade to cover the costs of fees incurred for administering the MLK Parade events.

Subtitle L. Clean Energy DC Building Code Amendment Act of 2026: The ANS clarifies that the all-electric and 2024 International Energy Conservation Code requirements apply to only covered projects, defined as those subject to the District of Columbia Energy Conservation Code – Commercial Provisions; the subtitle also clarifies the new 2024 International Energy Conservation Code requirement does not negate previously-made exemptions to the conservation requirements for residential and non-residential projects subject to the Greener Government Buildings Act.

Subtitle M. Inclusionary Zoning Third Party Income Verification Amendment Act of 2026: The ANS removes the maintenance of waiting lists from the self-administration provisions, preserving DHCD’s role in that responsibility.

Subtitle P. Local Rent Supplement Program Vouchers for Families Exiting Rapid Rehousing Amendment Act of 2026: The ANS includes changes requested by the DC Housing Authority that will allow the Department of Human Services to continue referring families to DCHA until all the new slots funded in the budget are filled, thereby eliminating the implication that only 26 families must be referred. These revisions generally align the referral process with DCHA’s existing administrative procedures and ensure all the funded vouchers will be used.

Subtitle Z. Housing Production Trust Fund Reporting Amendment Act of 2026: The ANS makes a clarifying change at the request of the Department of Housing and Community Development.

Subtitle EE. Arts and Humanities Grants Amendment Act of 2026: The ANS clarifies that Council-directed grants are in addition to other competitive grants that an organization would otherwise be eligible for, and with respect to the matching grant, it provides a fundraising and disbursement schedule.

Subtitle FF. Deputy Mayor for Planning and Economic Development Grants Amendment Act of 2026: The ANS makes drafting changes; corrects the name of the technology incubator grantee; adds new subsections to reflect funding in the FY27 Local Budget Act, including funding to make improvements to the Rock Creek Tennis center, and issuing awards to businesses and property owners in certain areas of Georgie Avenue, NW; repeals a FY26 BSA subtitle related to the Rock Creek Tennis Center; and updates the applicability provision.

Subtitle JJ. Bruce Monroe Extension of Disposition Authority Amendment Act of 2026: This new subtitle extends this project’s disposition authority, which is set to expire this year, by three years, to December 20, 2029.

Subtitle KK. Federal Properties Tax Fund Act of 2026: This new subtitle creates a new non-lapsing dedicated tax fund that would receive revenue from real property tax and possessory interest tax collected from covered former federal properties, a term defined in the subtitle. Tax revenue collected pursuant to this subtitle could be used for infrastructure projects, civic projects, and property acquisition in specific geographic areas, to pay for debt service, and to pay for tax abatements on the covered federal properties. The subtitle requires the Mayor to submit a report to the Council that includes a proposed spend plan and an analysis of prior spending from the fund.

Subtitle LL. Robert F. Kennedy Stadium Complex CBE Clarification Amendment Act of 2026: This new subtitle clarifies the Project Developer’s (Washington Commanders) certified business enterprise (CBE) obligations as related to the Stadium Project and the mixed-use development components of the RFK Campus Redevelopment Project.

TITLE III. PUBLIC SAFETY AND JUSTICE

Subtitle C. Criminal Background Check and Fingerprinting Authority Amendment Act of 2026: The ANS makes several changes to this subtitle at the request of the Metropolitan Police Department (MPD), including defining “appropriate personnel authority”; striking provisions that are governed by other law or that were overly broad; and replacing MPD in several instances with the appropriate agency responsible for the licensing and suitability determinations.

TITLE IV: PUBLIC EDUCATION

Subtitle F. Universal Paid Leave Amendment Act of 2026: The ANS adds a new provision directing the Chief Financial Officer to issue a revised certification to account for any statutory or regulatory changes made after the annual March 1 certification. This allows for the OCFO to accurately calculate the amounts going to the Universal Paid Leave Fund and the General Fund, pursuant to existing law. The subtitle also includes clarifying changes.

Subtitle H. Early Childhood Educator Pay Equity Fund Amendment Act of 2026: The ANS removes a change to the definition of “assistant teacher” that would exclude some teachers from receiving higher salaries and updates the amount provided to the Pay Equity Fund in FY27 to \$73,500,000.

Subtitle I. Community Schools Grant Program Amendment Act of 2026: The ANS adds an additional member with public charter school and community school expertise to the task force.

Subtitle J. DCPS Educator Evaluation and Performance Amendment Act of 2026: The ANS makes a clarifying change to the makeup of the working group.

Subtitle P. Childcare Subsidy Program Amendment Act of 2026: The ANS clarifies how an enrollment freeze would be implemented (through the use of a waitlist) and removes a notification requirement to maintain flexibility in discussions with child development facilities or the Council, and to allow flexibility in opening and closing priority gates on the waitlist.

Subtitle S. Student Attendance Incentive Pilot Amendment Act of 2026: The ANS renames this subtitle (previously the Youth Financial Literacy Pilot Amendment Act of 2026); clarifies the contract awardee’s responsibilities; expands the awardee’s reporting requirements; and limits the program to high school students.

Subtitle T. Lead Exposure Prevention in Public Charter Schools Amendment Act of 2026: This new subtitle directs the Department of General Services to enter into a contract in FY27 with a third-party entity to provide public charter schools with services necessary to assist each school in meeting existing lead testing requirements; and sets the parameters of the contract.

TITLE V. HEALTH AND HUMAN SERVICES

Subtitle B. AIDS Drug Assistance Fund Amendment Act of 2026: The ANS changes a reference to an effective date to a date certain.

Subtitle E. Tobacco Permit Fees Amendment Act of 2026: The ANS makes clarifying and conforming changes, and amends the uses of the Smoking Cessation Fund.

Subtitle F. Truancy Reduction Pilot Program Amendment Act of 2026: The ANS adds two categories of students to the analysis that the Department of Human Services must publish by March 31, 2027 and adds a necessary conforming amendment.

Subtitle I. Food Policy Functions Amendment Act of 2026: The ANS removes the requirement that the Food Policy Director be appointed by the Mayor and confirmed by the Council, instead allowing the position to be career service within DC Health.

Subtitle N. Opioid Abatement Directed Funding Amendment Act of 2026: The ANS makes one clarifying change to the type of hospital to receive a grant.

Subtitle Q. Human Services Resource Utilization Amendment Act of 2026: The ANS authorizes the DC Housing Authority to use the FY27 contingent revenue, if it is realized, to continue paying the rent of Emergency Housing Voucher recipient households through FY27.

Subtitle V. Health Benefit Conforming Amendment Act of 2026: The ANS makes technical changes to clarify that the new section shall only apply if certain conditions are met.

TITLE VI. OPERATIONS AND INFRASTRUCTURE

Subtitle E. Enhanced Consumer Protections in the Retail Energy Market Act of 2026: The ANS strikes this subtitle.

Subtitle F. Fleet Electrification Amendment Act of 2026: The ANS removes references to limousine-service vehicles and taxis from the requirements as electrification of public vehicles-for-hire is a matter under consideration in the Committee on Public Works and Operations.

Subtitle H. Fishing License Fund Sweep Repeal and Reversal Amendment Act of 2026: The ANS strikes this subtitle and includes its provisions in a new subtitle that consolidates all the Mayor's sweep reversals in one place, 7-N, the Special Fund Sweeps Repeal and Reversal Amendment Act of 2026.

Subtitle H. Anacostia River Clean Up and Protection Technical Amendment Act of 2026: This new subtitle updates the definition of "retail establishment" to reflect the BEST Act's consolidation of categories of basic business licenses, thereby ensuring that DOEE can continue to enforce the disposable bag fee.

Subtitle N. Utility Assistance and Lead Poisoning Prevention Funds Sweep Repeals Amendment Act of 2026: The ANS strikes this subtitle and includes its provisions in a new subtitle that consolidates all the Mayor's sweep reversals in one place, subtitle 7-N, the Special Fund Sweeps Repeal and Reversal Amendment Act of 2026.

Subtitle N. Railroad Carrier Fee Pause Act of 2026: This new subtitle directs the Department of Energy and Environment to suspend implementation and enforcement of its railroad carrier fee regulations until September 30, 2027, retroactive to November 28, 2025.

Subtitle S. Carriers-for-Hire and Food Support Access Amendment Act of 2026: The ANS corrects a fund type.

Subtitle V. Greenhouse Gas Emissions Study Amendment Act of 2026: The ANS sets grant deadlines to a date certain in order to better align with DOEE's anticipated timeline.

Subtitle AA. District Waterways Management Clarification Amendment Act of 2026: The ANS adds a retroactive applicability date of August 13, 2026 to prevent a gap in the law between the expiration of the existing temporary law and the effective date of the BSA.

Subtitle EE. Performance Parking Zone Fund Modification Amendment Act of 2026: The ANS (1) adds a permissive annual grant of up to \$250,000 to support the African American Civil War Museum as an allowable use of the Fund; (2) establishes a mechanism to replenish the amount used from the Performance Parking Fund for the automated curbside program; and (3) adds an applicability date as of the effective date of the FY26 Revised Local Budget Adjustment Emergency Act.

TITLE VII. FINANCE AND REVENUE

Subtitle B. Hotel and Rental Car Taxes Amendment Act of 2026: The ANS adds a provision clarifying that peer-to-peer car sharing activities are subject to the rental car sales tax.

Subtitle D. West End Library and Firehouse Maintenance Sweep Reversal Amendment Act of 2026: The ANS strikes this subtitle and includes its provisions in a new subtitle that consolidates all the Mayor's sweep reversals in one place, 7-N, the Special Fund Sweeps Repeal and Reversal Amendment Act of 2026.

Subtitle D. Navy Yard BID Resignation Amendment Act of 2026: The ANS renumbers this subtitle from 7-N to 7-D. There are no other changes.

Subtitle G. Frank D. Reeves Municipal Center Tax Increment Financing Act of 2026: The ANS corrects a citation.

Subtitle I. D.C. Income and Franchise Tax Conformity Amendment Act of 2026: The ANS adds a provision that was mistakenly omitted from the committee print, related to allowing a taxpayer to exclude up to 100% of their capital gains from the sale of qualified small business stocks from taxation.

Subtitle M. Special Funds Transfers Act of 2026: The ANS updates the fund sweeps subtitle and strikes the transfer of \$150 million from the Fiscal Stabilization Reserve Account to the General Fund, which was moved to the FY26 Revised Local Budget Adjustment Emergency Act, and the corresponding applicability provision.

Subtitle N. Special Fund Sweeps Repeal and Reversal Amendment Act of 2026: This new subtitle consolidates the provisions of three first-reading subtitles (6-H, 6-N, and 7-D) into one subtitle and adds two other prior fund sweep changes: (1) reversing the FY26 and FY27 fund sweep of the Commission on the Arts and Humanities, and (2) reducing the FY26-FY29 amounts transferred to local from the Outpatient Hospital Directed Payments Provider Fee Fund, due to reduced revenue related to the One Big Beautiful Bill Act.

Subtitle T. Rule 736 Repeals Amendment Act of 2026: The ANS strikes the repeal of the Restoring Trust and Credibility to Forensic Sciences Amendment Act of 2022, effective April 21, 2023 (D.C. Law 24-348; 70 DCR 937).

Subtitle V. Revised Revenue and Local Reserves Act: The ANS makes changes to reflect the language included in the Fiscal Year 2027 Local Budget Act of 2026 regarding the replenishment of the Fiscal Stabilization Reserve Account and the contingent revenue provisions.

Subtitle W. Subject to Funding Repeals and Modifications Amendment Act of 2026: The ANS (1) updates the applicability provision for the Elections Modernization Amendment Act of 2022 as the Board of Elections is implementing section 2(d) and amendatory sections 5(10A) and (10E) within section 3(c)(1)(G) and (H) with existing resources; (2) repeals the applicability provision for the Open Movie Captioning Requirement Amendment Act of 2024 as the Department of Disability Services has absorbed the costs; (3) repeals the applicability provision for the Electrical and Gas Utility Underground Work Wage Act of 2024, which was funded in the FY27 Budget and Financial Plan; (4) repeals the applicability provision for the Ranked Choice Voting and Open Primary Elections to Independent Voters Act of 2024, the remaining unfunded provision of which was funded in the FY27 Budget and Financial Plan; (6) expands the section on the Enhancing Consumer Protections Amendment Act of 2026 to include technical corrections to ensure that changes made in in section 3(b) of the Medical Debt Mitigation Amendment Act of 2026 are preserved; and (7) updates citations.

Subtitle X. Income and Franchise Tax Refund Denial Deadline Amendment Act of 2026: This new subtitle, added at the request of the OCFO, restores a six-month deadline for appealing refund denials to the D.C. Superior Court.

Subtitle Y. Business Activity Tax Information and Process Report Act of 2026: This new subtitle requires the Chief Financial Officer to submit a report to the Mayor and the Council no later than January 31, 2027 that includes the process by which the Office of the Chief Financial Officer proposes to undertake estimating revenues associated with the implementation of a Business Activity Tax and legal issues associated with its implementation.

Subtitle Z. Howard University Tax Exemption Clarification Amendment Act of 2026: This new subtitle clarifies that real property of Howard University or a subsidiary, including any buildings, improvements, or other structures on land ground leased to a 501(c)(3), is exempt from taxation. The subtitle is retroactively applicable to March 10, 2023.

Subtitle AA. Parking Tax and Marketplace Seller Clarifications Amendment Act of 2026: This new subtitle clarifies that: (1) the District's parking meter charges are not subject to sales tax; (2) the transaction fee charged by Parkmobile under its contract with the District is not subject to the District's sales tax; and (3) the District's marking meter charges are not subject to tax even if made by a marketplace facilitator. It also moves the existing WMATA parking tax exemption to the exemptions section of the tax code.

TITLE VIII. TECHNICAL AMENDMENTS

Subtitle A. Technical Corrections Amendment Act of 2026: The ANS adds two additional sections to correct typographical and numbering errors.

A copy of the proposed ANS is attached. Please contact Jennifer Budoff, Council Budget Director, at 724-5689 if you have any questions.