



2014-SEP-16 PM 4:57  
OFFICE OF THE  
SECRETARY

VINCENT C. GRAY  
MAYOR

SEP 16 2014

Honorable Phil Mendelson, Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, D.C. 20004

Dear Chairman Mendelson:


This letter transmits my request to the Council to enact legislation to authorize the financing of the District's Fiscal Year 2015 seasonal cash flow needs. A copy of the proposed legislation, the "Fiscal Year 2015 Tax Revenue Anticipation Notes Act of 2014," is enclosed, along with the Fiscal Impact. The proposed legislation would authorize the District to issue Tax Revenue Anticipation Notes (TRANS) in an amount not to exceed \$600 million in Fiscal Year 2015, which would be repaid by the end of Fiscal Year 2015. The Office of the Attorney General has indicated in writing that this proposed legislation is legally sufficient.

The funds that would be used to pay debt service on this borrowing are included in the District's Proposed Fiscal Year 2015 Budget and Financial Plan.

I request that the enclosed emergency legislation be included in the Secretary's Log of Introductions for the September 23, 2014 Legislative Meeting.

Sincerely,

A handwritten signature in black ink that reads "Vincent C. Gray".  
Vincent C. Gray

  
Chairman Phil Mendelson  
at the Request of the Mayor

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A BILL  
IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To authorize the issuance of District of Columbia general obligation tax revenue anticipation notes to finance general governmental expenses for the fiscal year ending September 30, 2015.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fiscal Year 2015 Tax Revenue Anticipation Notes Act of 2014".

Sec. 2. Definitions.

For the purposes of this act, the term:

(1) "Additional Notes" means District general obligation revenue anticipation notes described in section 9 that may be issued pursuant to section 472 of the Home Rule Act and that will mature on or before September 30, 2015, on a parity with the notes.

(2) "Authorized delegate" means the City Administrator, the Chief Financial Officer, or the Treasurer to whom the Mayor has delegated any of the Mayor's functions under this act pursuant to section 422(6) of the Home Rule Act.

(3) "Available funds" means District funds required to be deposited with the Escrow Agent, receipts, and other District funds that are not otherwise legally committed.

(4) "Bond Counsel" means a firm or firms of attorneys designated as bond counsel or co-bond counsel from time to time by the Chief Financial Officer.

- 1           (5)       “Chief Financial Officer” means the Chief Financial Officer  
2       established pursuant to section 424(a)(1) of the Home Rule Act.
- 3           (6)       “City Administrator” means the City Administrator established  
4       pursuant to section 422(7) of the Home Rule Act.
- 5           (7)       “Council” means the Council of the District of Columbia.
- 6           (8)       “District” means the District of Columbia.
- 7           (9)       “Escrow Agent” means any bank, trust company, or national banking  
8       association with requisite trust powers designated to serve in this capacity by the Chief Financial  
9       Officer.
- 10          (10)      “Escrow Agreement” means the escrow agreement between the  
11       District and the Escrow Agent authorized in section 7.
- 12          (11)      “Home Rule Act” means the District of Columbia Home Rule Act,  
13       approved December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 *et seq.*)
- 14          (12)      “Mayor” means the Mayor of the District of Columbia.
- 15          (13)      “Notes” means one or more series of District general obligation  
16       revenue anticipation notes authorized to be issued pursuant to this act.
- 17          (14)      “Receipts” means all funds received by the District from any source,  
18       including, but not limited to, taxes, fees, charges, miscellaneous receipts, and any moneys  
19       advanced, loaned, or otherwise provided to the District by the United States Treasury, less funds  
20       that are pledged to debt or other obligations according to section 9 or that are restricted by law to  
21       uses other than payment of principal of, and interest on, the notes.
- 22          (15)      “Secretary” means the Secretary of the District of Columbia.

1                   (16)        “Treasurer” means the District of Columbia Treasurer  
2 established pursuant to section 424(a)(3)(E) of the Home Rule Act.

3           Sec. 3. Findings.

4           The Council finds that:

5                   (1)        Under section 472 of the Home Rule Act, the Council may  
6 authorize, by act, the issuance of general obligation revenue anticipation notes for a fiscal  
7 year in anticipation of the collection or receipt of revenues for that fiscal year. Section  
8 472 of the Home Rule Act provides further that the total amount of general obligation  
9 revenue anticipation notes issued and outstanding at any time during a fiscal year shall  
10 not exceed 20% of the total anticipated revenue of the District for that fiscal year, as  
11 certified by the Mayor pursuant to section 472 of the Home Rule Act, as of a date not more  
12 than 15 days before each original issuance of the notes.

13                   (2)        Under section 482 of the Home Rule Act, the full faith and  
14 credit of the District is pledged for the payment of the principal of, and interest on, any  
15 general obligation revenue anticipation note.

16                   (3)        Under section 483 of the Home Rule Act, the Council is  
17 required to provide in the annual budget sufficient funds to pay the principal of, and  
18 interest on, all general obligation revenue anticipation notes becoming due and payable  
19 during that fiscal year, and the Mayor is required to ensure that the principal of, and  
20 interest on, all general obligation revenue anticipation notes is paid when due, including by  
21 paying the principal and interest from funds not otherwise legally committed.

22                   (4)        The Chief Financial Officer has advised the Council that, based upon  
23 the Chief Financial Officer’s projections of anticipated receipts and disbursements during the

1 fiscal year ending September 30, 2015, it may be necessary for the District to borrow  
2 to a sum not to exceed \$600 million, an amount that does not exceed 20% of the total anticipated  
3 revenue of the District for such fiscal year, and to accomplish the borrowing by issuing general  
4 obligation revenue anticipation notes in one or more series.

5 (5) The issuance of general obligation revenue anticipation notes in a sum  
6 not to exceed \$600 million is in the public interest.

7 Sec. 4. Note authorization.

8 (a) The District is authorized to incur indebtedness by issuing the notes pursuant  
9 to sections 472 and 482 of the Home Rule Act, in one or more series, in a sum not to  
10 exceed \$600 million, to finance its general governmental expenses, in anticipation of the  
11 collection or receipt of revenues for the fiscal year ending September 30, 2015.

12 (b) The Chief Financial Officer is authorized to pay from the proceeds of the notes the  
13 costs and expenses of issuing and delivering the notes, including, but not  
14 limited to, underwriting, legal, accounting, financial advisory, note insurance or other credit  
15 enhancement, marketing and selling the notes, and printing costs and expenses.

16 Sec. 5. Note details.

17 (a) The notes shall be known as "District of Columbia Fiscal Year 2015 General  
18 Obligation Tax Revenue Anticipation Notes" and shall be due and payable, as to both  
19 principal and interest, on or before September 30, 2015.

20 (b) The Chief Financial Officer is authorized to take any action necessary or appropriate  
21 in accordance with this act in connection with the preparation, execution, issuance, sale, delivery,  
22 security for, and payment of the notes, including, but not limited to, determinations of:

23 (1) The final form, content, designation, and terms of the notes, including

1 any redemptions applicable thereto and a determination that the notes may be issued in book-  
2 entry form;

3 (2) Provisions for the transfer and exchange of the notes;

4 (3) The principal amount of the notes to be issued;

5 (4) The rate or rates of interest or the method of determining the rate or rates of  
6 interest on the notes; provided, that the interest rate or rates borne by the notes of any series shall  
7 not exceed in the aggregate 10% per year calculated on the basis of a 365-day year (actual days  
8 elapsed); provided, further, that if the notes are not paid at maturity, the notes may provide for an  
9 interest rate or rates after maturity not to exceed in the aggregate 15% per year calculated on the  
10 basis of a 365-day year (actual days elapsed);

11 (5) The date or dates of issuance, sale, and delivery of the notes;

12 (6) The place or places of payment of principal of, and interest on, the notes;

13 (7) The designation of a registrar, if appropriate, for any series of the  
14 notes, and the execution and delivery of any necessary agreements relating to the designation;

15 (8) The designation of paying agent(s) or escrow agent(s) for any series of the  
16 notes, and the execution and delivery of any necessary agreements relating to such  
17 designations; and

18 (9) Provisions concerning the replacement of mutilated, lost, stolen or  
19 destroyed notes.

20 (c) The notes shall be executed in the name of the District and on its behalf by the manual  
21 signature of the Mayor or an authorized delegate. The official seal of the District or a facsimile  
22 of it shall be impressed, printed, or otherwise reproduced on the notes. If a registrar is  
23 designated, the registrar shall authenticate each note by manual signature and maintain the books

1 of registration for the payment of the principal of and interest on the notes and perform other  
2 ministerial responsibilities as specifically provided in its designation as registrar.

3 (d) The notes may be issued at any time or from time to time in one or more  
4 issues and in one or more series.

5 Sec. 6. Sale of the notes.

6 (a) The notes of any series shall be sold at negotiated sale pursuant to a purchase contract  
7 or at competitive sale pursuant to a bid form. The notes shall be sold at a price not less than par  
8 plus accrued interest from the date of the notes to the date of delivery thereof. The purchase  
9 contract or bid form shall contain the terms that the Chief Financial Officer considers necessary  
10 or appropriate to carry out the purposes of this act. The Chief Financial Officer's  
11 execution and delivery of the purchase contract or bid form shall constitute conclusive evidence  
12 of the Chief Financial Officer's approval, on behalf of the District, of the final form and content  
13 of the notes. The Chief Financial Officer shall deliver the notes, on behalf of the District, to the  
14 purchasers upon receiving the purchase price provided in the purchase contract or bid form.

15 (b) The Chief Financial Officer may execute, in connection with each sale of the notes,  
16 an offering document on behalf of the District, and may authorize the document's distribution in  
17 relation to the notes being sold.

18 (c) The Chief Financial Officer shall take actions and execute and deliver  
19 agreements, documents, and instruments (including any amendment of or supplement to any  
20 such agreement, document, or instrument) in connection with any series of notes  
21 as required by or incidental to:

22 (1) The issuance of the notes;

1           (2) The establishment or preservation of the exclusion from gross income for  
2 federal income tax purposes of interest on the notes, the treatment of interest on the notes as not  
3 constituting an item of tax preference for purposes of the federal alternative minimum tax (“non-  
4 AMT”), if the notes are originally issued as non-AMT notes, and the exemption from District  
5 income taxation of interest on the notes (except estate, inheritance, and gift taxes);

6           (3) The performance of any covenant contained in this act, in any  
7 purchase contract for the notes, or in any escrow or other agreement for the security thereof;

8           (4) The provision for securing the repayment of the notes by a letter or line of  
9 credit or other form of credit enhancement, and the repayment of advances under any such credit  
10 enhancement, including the evidencing of such a repayment obligation with a negotiable  
11 instrument with such terms as the Chief Financial Officer shall determine; or

12           (5) The execution, delivery, and performance of the Escrow Agreement, a  
13 purchase contract, or a bid form for the notes, a paying agent agreement, or an agreement  
14 relating to credit enhancement, if any, including any amendments of any of these  
15 agreements, documents, or instruments.

16           (d) The notes shall not be issued until the Chief Financial Officer receives an approving  
17 opinion of Bond Counsel as to the validity of the notes and the establishment or preservation of  
18 the exclusion from gross income for federal income tax purposes of the interest on the notes  
19 and, if the notes are issued as non-AMT notes, the treatment of such interest as not an item of tax  
20 preference for purposes of the federal alternative minimum tax, and the exemption from the  
21 District income taxation of the interest on the notes (except estate, inheritance and gift taxes).

22           (e) The Chief Financial Officer shall execute a note issuance certificate evidencing the  
23 determinations and other actions taken by the Chief Financial Officer for each issue or series of



1 the notes issued and shall designate in the note issuance certificate the date of the notes, the  
2 series designation, the aggregate principal amount to be issued, the authorized denominations of  
3 the notes, the sale price, and the interest rate or rates on the notes. The Mayor shall certify in a  
4 separate certificate, not more than 15 days before each original issuance of a series, the total  
5 anticipated revenue of the District for the fiscal year ending September 30, 2015, and that the  
6 total amount of all general obligation revenue anticipation notes issued and outstanding at any  
7 time during the fiscal year will not exceed 20% of the total anticipated revenue of the District for  
8 the fiscal year. These certificates shall be delivered at the time of delivery of the notes and shall  
9 be conclusive evidence of the actions taken as stated in the certificates. A copy of each of the  
10 certificates shall be filed with the Secretary to the Council not more than 3 days after the delivery  
11 of the notes covered by the certificates.

12           Sec. 7.    Payment and security.

13           (a) The full faith and credit of the District is pledged for the payment of the principal of,  
14 and interest on, the notes when due.

15           (b) The funds for the payment of the notes as described in this act shall be irrevocably  
16 deposited with the Escrow Agent pursuant to the Escrow Agreement. The funds shall be used for  
17 the payment of the principal of, and interest on, the notes when due, and shall not be used for  
18 other purposes so long as the notes are outstanding and unpaid.

19           (c) The notes shall be payable from available funds of the District, including, but  
20 not limited to, any moneys advanced, loaned, or otherwise provided to the District by the  
21 United States Treasury, and shall evidence continuing obligations of the District until paid in  
22 accordance with their terms.

1 (d) The Chief Financial Officer may, without regard to any act or resolution of the  
2 Council now existing or adopted after the effective date of this act, designate an Escrow Agent  
3 under the Escrow Agreement. The Chief Financial Officer may execute and deliver the Escrow  
4 Agreement, on behalf of the District and in the Chief Financial Officer's official  
5 capacity, containing the terms that the Chief Financial Officer considers necessary or appropriate  
6 to carry out the purposes of this act. A special account entitled "Special Escrow for Payment of  
7 District of Columbia Fiscal Year 2015 General Obligation Tax Revenue Anticipation Notes" is  
8 created and shall be maintained by the Escrow Agent for the benefit of the owners of the notes as  
9 stated in the Escrow Agreement. Funds on deposit, including investment income, under the  
10 Escrow Agreement shall not be used for any purposes except for payment of the notes or, to the  
11 extent permitted by the Home Rule Act, to service any contract or other arrangement  
12 permitted under subsections (k) or (l) of this section, and may be invested only as  
13 provided in the Escrow Agreement.

14 (e) Upon the sale and delivery of the notes, the Chief Financial Officer shall deposit  
15 with the Escrow Agent to be held and maintained as provided in the Escrow Agreement all  
16 accrued interest and premium, if any, received upon the sale of the notes.

17 (f) (1) The Chief Financial Officer shall set aside and deposit with the Escrow Agent  
18 funds in accordance with the Escrow Agreement at the time and in the amount as provided in the  
19 Escrow Agreement.

20 (2) If Additional Notes are issued pursuant to section 9(b), and if on the date set  
21 forth in the Escrow Agreement, the aggregate amount of principal and interest payable at  
22 maturity on the outstanding notes, including any Additional Notes, less all amounts  
23 on deposit, including investment income, under the Escrow Agreement exceeds 90% of the

1 actual receipts of District taxes (other than special taxes or charges levied pursuant to section  
2 481(a) of the Home Rule Act, and taxes, if any, dedicated to particular purposes pursuant  
3 to section 490 of the Home Rule Act), for the period August 15, 2015, until September 30, 2015,  
4 beginning on the date set forth in the Escrow Agreement, the Chief Financial Officer shall  
5 promptly, upon receipt by the District, set aside and deposit with the Escrow Agent the receipts  
6 received by the District after the date set forth in the Escrow Agreement, until the aggregate  
7 amount of principal and interest payable at maturity on the outstanding notes, including any  
8 Additional Notes as described above, is less than 90% of actual receipts of District taxes (other  
9 than special taxes or charges levied pursuant to section 481(a) of the Home Rule  
10 Act, and taxes, if any, dedicated to particular purposes pursuant to section 490 of the  
11 Home Rule Act).

12 (3) The District covenants that it shall levy, maintain, or enact taxes due  
13 and payable during August 1, 2015, through September 30, 2015, to provide for payment in full  
14 of the principal of, and interest on, the notes when due. The taxes referred to in this  
15 paragraph shall be separate from special taxes or charges levied pursuant to section 481(a) of the  
16 Home Rule Act, or taxes, if any, dedicated to particular purposes pursuant to section 490 of the  
17 Home Rule Act.

18 (4) The District covenants that so long as any of the notes are outstanding, it shall  
19 not grant, create, or permit the existence of any lien, pledge, or security interest with respect  
20 to its taxes due and payable during the period August 1, 2015, through September 30, 2015, or  
21 commit or agree to set aside and apply those tax receipts to the payment of any obligation of the  
22 District other than the notes. The taxes referred to in this paragraph shall not include special  
23 taxes or charges levied pursuant to section 481(a) of the Home Rule Act, or taxes, if

1 any, dedicated to particular purposes pursuant to section 490 of the Home Rule Act, or any real  
2 property tax liens created or arising in any fiscal year preceding the issuance of the notes.

3 (g) Before the 16<sup>th</sup> day of each month, beginning in August 2015, the Chief Financial  
4 Officer shall review the current monthly cash flow projections of the District, and if the Chief  
5 Financial Officer determines that the aggregate amount of principal and interest payable at  
6 maturity on the notes then outstanding, less any amounts and investment income on deposit  
7 under the Escrow Agreement, equals or exceeds 85% of the receipts estimated by the Chief  
8 Financial Officer to be received after such date by the District but before the maturity of the  
9 notes, then the Chief Financial Officer shall promptly, upon receipt by the District, set aside and  
10 deposit with the Escrow Agent the receipts received by the District on and after that date until  
11 the aggregate amount, including investment income, on deposit with the Escrow Agent equals or  
12 exceeds 100% of the aggregate amount of principal of and interest on the notes payable  
13 at their maturity.

14 (h) The Chief Financial Officer shall, in the full exercise of the authority granted the  
15 Chief Financial Officer under the Home Rule Act and under any other law, take actions as may  
16 be necessary or appropriate to ensure that the principal of and interest on the notes are  
17 paid when due, including, but not limited to, seeking an advance or loan of moneys from the  
18 United States Treasury if available under then current law. This action shall include, without  
19 limitation, the deposit of available funds with the Escrow Agent as may be required under  
20 section 483 of the Home Rule Act, this act, and the Escrow Agreement. Without limiting any  
21 obligations under this act or the Escrow Agreement, the Chief Financial Officer reserves the  
22 right to deposit available funds with the Escrow Agent at his or her discretion.

23 (i) There are provided and approved for expenditure sums as may be necessary

1 for making payments of the principal of, and interest on, the notes, and the provisions of the  
2 District of Columbia Appropriations Act, 2015, if enacted prior to the effective date of this  
3 act, relating to short-term borrowings are amended and supplemented accordingly  
4 by this section, as contemplated in section 483 of the Home Rule Act.

5 (j) The notes shall be payable, as to both principal and interest, in lawful money of the  
6 United States of America in immediately available or same day funds at a bank or trust company  
7 acting as paying agent, located in the District, and at not more than 2 co-paying agents that may  
8 be located outside the District, one of which shall be located in New York, New York. All of the  
9 paying agents shall be qualified to act as paying agents under the laws of the United States of  
10 America, of the District, or of the state in which they are located, and shall be designated by the  
11 Chief Financial Officer without regard to any other act or resolution of the Council now existing  
12 or adopted after the effective date of this act.

13 (k) In addition to the security available for the holders of the notes, the Chief Financial  
14 Officer is hereby authorized to enter into agreements, including any agreement calling for  
15 payments in excess of \$1 million during fiscal year 2015, with a bank or other financial  
16 institution to provide a letter of credit, line of credit, or other form of credit enhancement  
17 to secure repayment of the notes when due. The obligation of the District to reimburse the  
18 bank or financial institution for any advances made under any such credit enhancement shall be a  
19 general obligation of the District until repaid and shall accrue interest at the rate of  
20 interest established by the Chief Financial Officer not in excess of 15% per year until paid.

21 (l) The Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-  
22 371; D.C. Official Code § 2-351.01 *et seq.*), and the Financial Institutions Deposit and  
23 Investment Amendment Act of 1997, effective March 18, 1998 (D.C. Law 12-56; D.C. Official

1 Code § 47-351.01 *et seq.*), shall not apply to any contract which the Chief Financial Officer may  
2 from time to time determine to be necessary or appropriate to place, in whole or in part,  
3 including:

- 4 (1) An investment or obligation of the District as represented by the notes;
- 5 (2) An investment or obligation or program of investment; or
- 6 (3) A contract or contracts based on the interest rate, currency, cash flow, or other

7 basis as the Chief Financial Officer may desire, including, without limitation, interest rate swap  
8 agreements; currency swap agreements; insurance agreements; forward payment conversion  
9 agreements; futures; contracts providing for payments based on levels of, or changes in, interest  
10 rates, currency exchange rates, or stock or other indices; contracts to exchange cash flows or a  
11 series of payments; and contracts to hedge payment, currency, rate, spread, or similar exposure,  
12 including, without limitation, interest rate floors, or caps, options, puts, and calls. The contracts  
13 or other arrangements also may be entered into by the District in connection with, or incidental  
14 to, entering into or maintaining any agreement that secures the notes. The contracts or other  
15 arrangements shall contain whatever payment, security, terms, and conditions as the Chief  
16 Financial Officer may consider appropriate and shall be entered into with whatever party or  
17 parties the Chief Financial Officer may select, after giving due consideration, where applicable,  
18 to the creditworthiness of the counterparty or counterparties including any rating by a nationally  
19 recognized rating agency or any other criteria as may be appropriate. In connection with, or  
20 incidental to, the issuance or holding of the notes, or entering into any contract or other  
21 arrangement referred to in this section, the District may enter into credit enhancement or  
22 liquidity agreements, with payment, interest rate, termination date, currency, security, default,  
23 remedy, and any other terms and conditions as the Chief Financial Officer determines. Proceeds

1 of the notes and any money set aside for payment of the notes or of any contract or other  
2 arrangement entered into pursuant to this section may be used to service any contract or other  
3 arrangement entered into pursuant to this section.

4 Sec. 8. Defeasance.

5 (a) The notes shall no longer be considered outstanding and unpaid for the purpose of this  
6 act and the Escrow Agreement, and the requirements of this act and the Escrow Agreement shall  
7 be deemed discharged with respect to the notes, if the Chief Financial Officer:

8 (1) Deposits with an Escrow Agent, herein referred to as the “defeasance escrow  
9 agent,” in a separate defeasance escrow account, established and maintained by the Escrow  
10 Agent solely at the expense of the District and held in trust for the note owners, sufficient  
11 moneys or direct obligations of the United States, the principal of and interest on which, when  
12 due and payable, will provide sufficient moneys to pay when due the principal of, and interest  
13 payable at maturity on, all the notes; and

14 (2) Delivers to the defeasance escrow agent an irrevocable letter of  
15 instruction to apply the moneys or proceeds of the investments to the payment of the  
16 notes at their maturity.

17 (b) The defeasance escrow agent shall not invest the defeasance escrow account in any  
18 investment callable at the option of its issuer if the call could result in less than sufficient moneys  
19 being available for the purposes required by this section.

20 (c) The moneys and direct obligations referred to in subsection (a)(1) of this section may  
21 include moneys or direct obligations of the United States of America held under the Escrow  
22 Agreement and transferred, at the written direction of the Chief Financial Officer, to the  
23 defeasance escrow account.

1 (d) The defeasance escrow account specified in subsection (a) of this section may be  
2 established and maintained without regard to any limitations placed on these accounts by any act  
3 or resolution of the Council now existing or adopted after this act becomes  
4 effective, except for this act.

5 Sec. 9. Additional debt and other obligations.

6 (a) The District reserves the right at any time to: borrow money or enter into  
7 other obligations to the full extent permitted by law; secure the borrowings or obligations by the  
8 pledge of its full faith and credit; secure the borrowings or obligations by any other security  
9 and pledges of funds as may be authorized by law; and issue bonds, notes, including Additional  
10 Notes, or other instruments to evidence the borrowings or obligations. The reserved right with  
11 regard to notes and Additional Notes issued pursuant to sections 471, 472, 475, and 490 of the  
12 Home Rule Act shall be subject to this act. No borrowings or other obligations, including  
13 Additional Notes, shall be entered into that would require an immediate set-aside and deposit  
14 under section 7(g) applied as of the date of the issuance.

15 (b) (1) The District may issue Additional Notes pursuant to section 472 of the Home Rule  
16 Act that shall mature on or before September 30, 2015, and the District shall covenant to set  
17 aside and deposit under the Escrow Agreement, receipts and other available funds for payment of  
18 the principal of, and the interest on, the Additional Notes issued pursuant to section 472 of the  
19 Home Rule Act on a parity basis with the notes.

20 (2) The receipts and available funds referred to in subsection (a) of this  
21 section shall be separate from the special taxes or charges levied pursuant to section 481(a) of the  
22 Home Rule Act, and taxes, if any, dedicated to particular purposes pursuant to section 490 of the  
23 Home Rule Act.



1           (3) Any covenants relating to any Additional Notes shall have equal standing  
2 and be on a parity with the covenants made for payment of the principal of, and the interest on,  
3 the notes.

4           (4) If Additional Notes are issued pursuant to section 472 of the Home Rule Act,  
5 the provisions of section 7 shall apply to both the notes and the Additional Notes and increase  
6 the amounts required to be set aside and deposited with the Escrow Agent.

7           (5) As a condition precedent to the issuance of any Additional Notes, the Chief  
8 Financial Officer shall deliver a signed certificate certifying that the District is in full compliance  
9 with all covenants and obligations under this act and the Escrow Agreement, that no set-aside  
10 and deposit of receipts pursuant to section 7(g) applied as of the date of issuance is required, and  
11 that no set-aside and deposit will be required under section 7(g) applied immediately after the  
12 issuance.

13           (c) Any general obligation notes issued by the District pursuant to section 471 of the  
14 Home Rule Act shall not be scheduled to be due and payable until after the earlier of the  
15 following:

16           (1) The stated maturity date of all outstanding notes and Additional Notes; or

17           (2) The date an amount sufficient to pay all principal and interest payable at  
18 maturity on the notes and the Additional Notes is on deposit with the Escrow Agent.

19           (d) Revenue notes of the District, which are payable from specified District revenue that  
20 is set aside for the payment of the revenue notes and that is included in the amount of receipts  
21 estimated by the Chief Financial Officer, pursuant to section 7(g), to be received after the  
22 proposed date of issue of the revenue notes and before the maturity of the notes, shall not be  
23 issued if a set-aside and deposit of receipts pursuant to section 7(g) applied as of the proposed

1 date of the issuance of revenue notes would be required. In determining, for purposes of this  
2 subsection, whether a set-aside and deposit would be required, there shall be excluded from  
3 receipts estimated by the Chief Financial Officer to be received after the proposed date of  
4 issuance of revenue notes and before the maturity of the notes an amount equal to the  
5 estimated revenues set aside for the payment of revenue notes.

6           Sec. 10.     Tax matters.

7           The Chief Financial Officer shall not take any action or omit to take any action, or invest,  
8 reinvest, or accumulate any moneys in a manner, that will cause the interest on the notes to be  
9 includable in gross income for federal income tax purposes or, if the notes were issued as non-  
10 AMT notes, to be treated as an item of tax preference for purposes of the federal alternative  
11 minimum tax. The Chief Financial Officer also shall take all actions necessary to be taken so  
12 that the interest on the notes will not be includable in gross income for federal income tax  
13 purposes or, if the notes were issued as non-AMT notes, be treated as an item of tax preference  
14 for purposes of the federal alternative minimum tax.

15           Sec. 11.     Contract.

16           This act shall constitute a contract between the District and the owners of the notes  
17 authorized by this act. To the extent that any acts or resolutions of the Council may  
18 be in conflict with this act, this act shall be controlling.

19           Sec. 12.     District officials.

20           (a) The elected or appointed officials, officers, employees, or agents of the  
21 District shall not be liable personally for the payment of the notes or be subject to any  
22 personal liability by reason of the issuance of the notes.

1 (b) The signature, countersignature, facsimile signature, or facsimile countersignature of  
2 any official appearing on the notes shall be valid and sufficient for all purposes, notwithstanding  
3 the fact that the official ceases to be that official before delivery of the notes.

4 Sec. 13. Authorized delegation of authority.

5 To the extent permitted by the District and federal laws, the Mayor may delegate to the  
6 City Administrator, the Chief Financial Officer, or the Treasurer the performance of any act  
7 authorized to be performed by the Mayor under this act.

8 Sec. 14. Maintenance of documents.

9 Copies of the notes and related documents shall be filed in the Office of the Secretary of  
10 the District of Columbia.

11 Sec. 15. Information reporting.

12 (a) Within 3 days after the Chief Financial Officer's receipt of the transcript of  
13 proceedings relating to the issuance of the notes, the Chief Financial Officer shall transmit a  
14 copy of the transcript to the Secretary to the Council

15 (b) The Chief Financial Officer shall notify the Council within 30 days of any action  
16 taken under section 7(g).

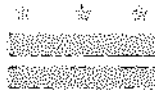
17 Sec. 16. Fiscal impact statement.

18 The Council adopts the fiscal impact statement in the committee report as the fiscal  
19 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,  
20 approved December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(3)).

21 Sec. 17. Effective date.

1           This act shall take effect upon enactment as provided in section 472(d)(1) of the District  
2 of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 806; D.C. Official Code §  
3 1-204.72(d)(1)).

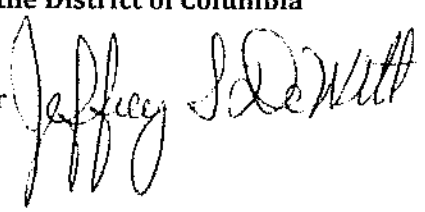
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeff DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeff DeWitt  
Chief Financial Officer 

**DATE:** September 9, 2014

**SUBJECT:** Fiscal Impact Statement - Fiscal Year 2015 Tax Anticipation Notes  
Emergency Act of 2014

**REFERENCE:** Draft Bill as Shared with the Office of Revenue Analysis on August 25,  
2014

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**Conclusion**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

**Background**

The bill authorizes the issuance of up to \$600 million in general obligation tax revenue anticipation notes with a maturity date on or before September 30, 2015. The proceeds from the sale of the notes will be used to finance the general government expenses of the District during FY 2015 in anticipation of the collection and receipt of revenues during the course of the fiscal year.

Revenue anticipation notes are typically issued to finance seasonal cash shortages that arise due to differences in the timing between the receipt of revenues and the disbursement of expenditures within a given fiscal year. The \$600 million authority in short term borrowing is consistent with the authority requested for FY 2014.

**Financial Plan Impact**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill. The bill reflects borrowing that is planned and already reflected in the current budget and financial plan.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General





Commercial Division  
Tax and Finance Section



**MEMORANDUM**

**TO:** Jeffrey Barnette, Deputy Chief Financial Officer  
and Treasurer  
Office of Finance and Treasury  
Office of the Chief Financial Officer

**THROUGH:** Richard M. Wilson  
Chief 

**FROM:** Andrea R. Littlejohn   
Assistant Attorney General

**DATE:** September 15, 2014

**SUBJECT:** Certification of Legal Sufficiency for  
Proposed Fiscal Year 2015 Tax Revenue Anticipation Notes Emergency Act of  
2014  
Proposed Fiscal Year 2015 Tax Revenue Anticipation Notes Act of 2014

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This responds to your requests, dated August 25, 2014, and September 12, 2014, respectively, to review for legal sufficiency the above-referenced draft proposed legislation. A review of the draft proposed legislation indicates that the attached draft proposed legislation substantively conform with the Model Bond Legislation No. 1 of the District of Columbia Bond Legislation Manual, as modified and found legally sufficient, from time-to-time, by the General Counsel of the Council, the Office of the Attorney General, and bond counsel. Accordingly, we find the above-referenced draft proposed legislation legally sufficient.

Please contact me at 724-7761 if you have further questions or concerns.

Attachments: The Fiscal Year 2015 Tax Revenue Anticipation Notes Emergency Act of 2014  
The Fiscal Year 2015 Tax Revenue Anticipation Notes Act of 2014

ARL/arl