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Chairman Kwame Brown	Councilmember Michael A. Brown	2
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Councilmember Mary Cheh	Councilmember Phil Mendelson	4
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Councilmember Tommy Wells	Councilmember Marion Barry	6

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Councilmember Michael A. Brown, Chairman Kwame Brown, and Councilmembers Mary Cheh, Phil Mendelson, Tommy Wells, and Marion Barry introduced the following bill, which was referred to the Committee on _____.

To amend Title 47 of the District of Columbia Official Code to provide information requirements for the exemption or abatement of taxes and to provide for an annual certification by taxpayers for continued receipt of an exemption or abatement from real property taxation.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Exemptions and Abatements Information Requirements Act of 2011 ”.

Sec. 2. Title 47 of the District of Columbia Code is amended as follows:

(a) The table of contents for the title is amended by adding the chapter designation “Chapter 47. Exemptions and Abatements Approval Requirements.”.

(b) A new Chapter 47 is added to read as follows:

“CHAPTER 47. EXEMPTIONS AND ABATEMENTS APPROVAL REQUIREMENTS.

“Sec.

“47-4701. Exemptions and abatements approval requirements.	1
“47-4702. Annual certification of continuing eligibility from exemption for abatement from real property tax.	2 3
“§ 47-4701. Exemptions and abatements approval requirements.	4
“(a) Any act introduced in the Council of the District of Columbia that grants an exemption or abatement of a tax imposed by this title or by § 42-1103 shall satisfy the requirements set forth in this chapter.	5 6 7
“(b) An act described in sub-section (a) of this section shall be accompanied by an analysis that includes the following:	8 9
“(1) The terms of the exemption or abatement;	10
“(2) The annual proposed value of the exemption or abatement;	11
“(3) (A) A summary of the proposed community benefits to be provided by the recipient of the exemption or abatement. The summary shall include:	12 13
“(i) the number of affordable housing units to be developed, what level of Area Median Income, as defined by DC Code § 47-858.01 1(A)(i), the units will be affordable to, and the assessed financial value of the subsidy which shall be measured as the difference between the market rate of a comparable unit within the same neighborhood and the rate that is being charged as affordable housing;	14 15 16 17 18
“(ii) the number of jobs that will be created broken out by temporary and permanent status;	19 20
“(iii) the full-time or part-time status, and the estimated wages and benefits for every job created; and	21 22

“(iv) any District resident hiring commitments made; 1

“(B) The summary shall specifically state which community benefits are 2
already required by law, such as inclusionary zoning, or community amenities already negotiated 3
as part of a planned unit development approval; 4

“(4) A financial analysis prepared by the Office of the Chief Financial Officer, which 5
shall consist of the following: 6

“(A) (i) An estimate of the amount of tax revenue that will be lost to the 7
District during the term of the exemption or abatement. 8

“(ii) The estimate shall be measured as the difference between the 9
taxes that would be paid without the exemption or abatement and the taxes that would be paid with 10
the exemption or abatement. 11

“(iii) For a real property tax exemption or abatement, the Chief 12
Financial Officer shall take into account forecasted variations in the real property’s assessed value 13
during the term of the exemption or abatement; 14

“(B) For existing buildings, a review and analysis of the financial condition 15
of the recipient of the proposed exemption or abatement and an advisory opinion stating whether 16
or not it is likely that the recipient could be reasonably expected to meet its fiscal needs without the 17
proposed exemption or abatement; 18

“(C) (i) For development projects, a review and analysis of the financing 19
proposal submitted by the recipient of the proposed exemption or abatement and an advisory 20
opinion stating whether or not it is likely that the project could be financed without the proposed 21
exemption or abatement. 22

(ii) If, in the opinion of the Chief Financial Officer , it is unlikely that the project could be financed without the proposed exemption or abatement, the Chief Financial Officer shall provide an estimate of the amount of exemption or abatement necessary to enable the project to be financed.

(iii) If, in the opinion of the Chief Financial Officer , it is unlikely that the project could be financed without the proposed exemption or abatement, the Chief Financial Officer shall provide an assessment of the project developer’s documentation of:

(I) efforts to seek alternate financing; and

(II) the factors that limit the developer’s ability to obtain adequate financing.

“(c) An act described in sub-section (a) of this section shall not receive a council hearing until the analysis described in sub-section (b) of this section has been completed and provided to the council and made available to the public.

“§ 47-4702. Annual certification of continuing eligibility for exemptions and abatements from real property tax.

“(a) To the extent allowable by law, on or before April, 1 of each year, beginning in 2012, and every year thereafter any taxpayer receiving a real property tax exemption or abatement pursuant to Chapter 10 or 46 of this title, regardless of when the exemption or abatement was recieved, shall be required to file an annual report with the Office of the Chief Financial Officer stating:

“(i) the square and lot and certifying that the real property has been used during
the preceding real property tax year for the purpose for which the exemption or abatement was
granted; and

“(ii) an update on the progress of the community benefits identified in the
associated act granting their tax exemption or abatement.

“(b) Failure to certify that the property was still eligible for the exemption or abatement
based on the use of the property as required by paragraph (i) of this subsection shall result in a
termination of the exemption or abatement as of the beginning of the tax year in which the
report is filed. This section shall not apply to taxpayers who are required to file an annual report
pursuant to §47-1007.

“§ 47-4703. CFO Guidance.

“For the preparation of the fiscal analysis required by § 47-4701(b)(4) and the annual
certification required by § 47-4702 the Chief Financial Officer shall set forth guidance regarding
the collection of information necessary to implement these sections.

Sec. 3. Fiscal impact statement.

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

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.