

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 46 of Title 47 of the District of Columbia Official Code to exempt persons that locate certain businesses in specified sites in Ward 7 or 8 from deed recordation, real property, and personal property taxation.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “East End Grocery and Retail Incentive Tax Exemption Act of 2018”.

Sec. 2. Chapter 46 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“47-4667. East End grocery and retail incentive tax exemption.”.

(b) A new section 47-4667 is added to read as follows:

“§ 47-4667. East End grocery and retail incentive tax exemption.

“(a)(1) Subject to subsection (d) of this section, the development of a new eligible business in the following locations shall be eligible for tax exemptions in accordance with subsection (b) of this section:

“(A) Capitol Gateway;

“(B) East River Park;

“(C) The Shops at Penn Hill;

“(D) Parkside Planned Unit Development;

“(E) St. Elizabeths East Campus;

“(F) The existing United Medical Center parcel; and

“(G) Columbian Quarter.

“(2) Subject to subsection (d) of this section, new grocery stores constructed in Ward 7 or Ward 8 shall be eligible for tax exemptions in accordance with subsection (b) of this section.

“(b) An eligible business shall be eligible for a tax exemption as follows:

“(1) A 30-year exemption from real property or possessory interest taxes imposed pursuant to Chapter 8 of this title for the land and improvements; provided, that if the eligible

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business is operated in leased premises, the benefit of the exemption is passed through to the lessee in the form of reduced rent in accordance with subsection (c) of this section;

“(2) An exemption from recordation taxation, imposed pursuant to Chapter 11 of Title 42;

“(3) An exemption from transfer taxes imposed pursuant to Chapter 9 of this title;

“(4) A 30-year exemption from the license fee imposed pursuant to § 47-2827(b);

“(5) A 30-year tax exemption on personal property imposed by Chapter 15 of this title for the property located at that eligible business;

“(6) A 30-year exemption from corporate franchise taxes (including combined reporting) imposed by Chapter 18 of this title on the income received from operation of the eligible business; provided, that no capital costs or operating expenses incurred with respect to the eligible business shall be allowable for purposes of such tax exemption; and

“(7) A 30-year exemption from sales or use taxes imposed pursuant to Chapter 20 or Chapter 22 of this title for purchases of property or services used to construct the eligible business.

“(c)(1) If an eligible business leases real property that is subject to tax under Chapter 8 of this title, the eligible business shall receive a rebate of the tax that represents the eligible business' pro rata share of the tax levied for the tax year on that portion of the real property that the eligible business leases if:

“(A) The eligible business is liable under the lease for its pro rata share of the tax;

“(B) An application for the rebate of the tax is made on or before December 31 of the succeeding tax year; and

“(C) The lessor paid the tax.

“(2) The rebate shall be the amount of the pro rata share of the tax paid by the eligible business as required by the lease.

“(3) The application required by paragraph (1)(B) of this subsection shall include:

“(A) A copy of the lease; and

“(B) Documentation, as required by the Mayor, that the tax has been paid.

“(4) If a proper application has been made, the Mayor shall require that a rebate be provided to the eligible business on or before March 1 of the succeeding tax year.

“(5) Any rebates authorized under this subsection shall be paid from the General Fund of the District of Columbia.

“(d)(1) To qualify for the tax exemptions set forth in this section, the owner of an eligible business shall certify to the Mayor semiannually that 50% of its full-time employees at the eligible business are District residents.

“(2) For an eligible business that is a grocery store, or selling grocery and retail goods, to be eligible for the tax exemption under subsection (b) of this section, the eligible

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business has to accept Supplemental Nutrition Assistance Program and Women, Infants, and Children benefits and offer fresh food items such as vegetables, fruits, meat, dairy, and eggs.

“(e)(1) The Mayor shall certify to the Office of Tax and Revenue semiannually that each business is eligible to receive the exemptions set forth in subsection (b) of this section.

“(2) The certification shall:

“(A) Identify the property or portion thereof (by square and lot) or person (by full legal name and taxpayer identification number) eligible to receive an exemption;

“(B) The taxes for which the exemption is granted; and

“(C) The period or date at which each exemption commences and terminates; provided, that no exemption shall be more than 30 years in duration.

“(3) The Mayor shall notify the Office of Tax and Revenue if a property loses entitlement to any exemption previously certified, and the date of such loss of entitlement.

“(f) The Mayor, pursuant to subchapter I of Chapter 5 of Title 2, shall issue rules to implement the provisions of this section.

“(g) For the purposes of this section, the term:

“(1) “Anchor store” means, generally, a major, large, well-known chain retailer that offers various goods and is a driver of business to smaller retailers in the area.

“(2) “Eligible business” means a grocery anchor store, an anchor store selling grocery and retail goods, or a sit-down restaurant.”.

Sec. 3. Applicability.

(a) This act shall apply upon the date of inclusion of its fiscal effect in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 5. 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

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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.

Chairman
Council of the District of Columbia

Mayor
District of Columbia