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A BILL

22-521

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 10 of Title 47 of the District of Columbia Official Code to exempt from taxation certain property owned by the National Community Reinvestment Coalition described as Lot 20, Square 222 and Lot 37, Square 221 contingent on the National Community Reinvestment Coalition investing over a 10-year period \$10 million in affordable housing and \$1.5 million in the development of entrepreneurship.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2017”.

Sec. 2. Chapter 10 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for section 47-1071 is amended to read as follows:

“47-1071. National Community Reinvestment Coalition and Subsidiaries; Lot 20, Square 222 and Lot 37, Square 221.”.

(b) Section 47-1071 is amended as follows:

(1) The heading is amended to read as follows:

“§ 47-1071. National Community Reinvestment Coalition and Subsidiaries; Lot 20, Square 222 and Lot 37, Square 221.”.

(2) The existing text is designated as subsection (a).

27 (3) The newly designated subsection (a) is amended by striking the phrase §§ 47-
28 1007 and 47-1009.” and inserting the phrase “§§ 47-1005, 47-1007 and 47-1009.” in its place.

29 (4) New subsections (b) and (c) are added to read as follows:

30 “(b)(1) Subject to paragraph (2) of this subsection:

31 (A)The real property described as Lot 37, Square 221, and the buildings
32 thereon (“Property”), shall be exempt from real property taxation so long as the Property is owned
33 by the National Community Reinvestment Coalition (“NCRC”) or a direct or indirect wholly
34 owned subsidiary of NCRC, and to the extent used for the purposes and activities of NCRC, the
35 direct or indirect wholly owned subsidiary of NCRC, or the nonprofit tenants of NCRC, and not
36 used for commercial purposes, subject to the provisions of §§ 47-1005, 47-1007, and 47-1009 as if
37 the exemption had been granted administratively under this chapter.

38 “(B) A deed granted to or transferred from NCRC, or a direct or indirect
39 wholly owned subsidiary of NCRC, with respect to:

40 “(i) The Property, shall be exempt from recordation or transfer tax
41 as if the Property was entitled to or receiving an exemption under § 47-1002 during the time and
42 to the extent that the Property is entitled to exemption under subparagraph (A) of this paragraph;
43 and

44 “(ii) Lot 20 in Square 222, shall be exempt from recordation or
45 transfer tax as if the Property was entitled to or receiving an exemption under § 47-1002 during
46 the time and to the extent that Lot 20 in Square 222 is entitled to exemption under subsection (a)
47 of this section.

48 "(iii) For the purposes of this subparagraph, the term "deed" shall
49 have the same meaning as in section 301(3) of the District of Columbia Deed Recordation Tax
50 Act, approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1101(3)).

51 “(2)(A) The exemptions provided under this subsection and the forgiveness
52 provided under section 3 shall apply only if NCRC, one or more direct or indirect subsidiaries of
53 NCRC, or one or more company affiliates of NCRC, beginning with the tax year that subsections
54 (b) and (c) are applicable, invests through equity or debt financing at least \$10 million in
55 affordable-housing development and preservation and, in addition to the \$10 million, at least
56 \$1.5 million in the development of entrepreneurship, with a priority given to returning citizens,
57 over 10 consecutive real property tax years (“commitment”).

58 (B) Each applicant for entrepreneurial assistance shall be required to meet
59 federally mandated minimum underwriting standards, as required by 12 CFR 614.4150 (1997),
60 for any loan provided pursuant to subparagraph (A) of this paragraph.

61 (C) For the purposes of this paragraph, the term:

62 (1) “Company affiliate” means a company that is less than 50%
63 owned by NCRC, or is in some way related to NCRC.

64 (2) “Returning citizens” means persons who are residents of the
65 District who were previously incarcerated.

66 “(c)(1) By January 1 of the year following the year that NCRC has fulfilled the
67 commitment as described in subsection (b)(2) of this section or of the expiration of the 10-year
68 commitment period described in subsection (b)(2) of this section, whichever is earlier, NCRC shall

69 submit a report to the Mayor detailing its compliance, or the extent of its compliance, with the
70 commitment.

71 “(2) Within 60 days after the report required by paragraph (1) of this subsection is
72 filed, the Mayor shall certify to the Office of Tax and Revenue that the commitment has been
73 satisfied or has not been satisfied, whichever applies.

74 “(3) If the commitment has not been satisfied, all real property, recordation, and
75 transfer taxes, together with all penalties and interest that was forgiven or exempted pursuant to
76 subsection (b) of this section shall be due and payable to the District of Columbia and such taxes,
77 penalties, and interest shall be a lien against the Property to secure repayment of such amounts;
78 provided, that recordation and transfer taxes may also be collected as otherwise provided by law.”.

79 Sec. 3. Forgiveness of taxes.

80 (a) The Council orders that beginning July 1, 2016, through the first day of the month
81 following the applicability date of this act that real property taxes, interest, penalties, fees, and
82 other related charges assessed against the portion of the real property described as Lot 37, Square
83 221 and the buildings thereon (“Property”), to the extent not used for commercial
84 purposes, be forgiven and any payments made with respect to the Property, to the extent not
85 used for commercial purposes, be refunded.

86 (b) The Council further orders that all unpaid recordation taxes, interest, penalties, and
87 other related charges with respect to Document Number 2016063937, recorded by the Recorder
88 of Deeds on June 24, 2016, and Document Number 2016063075, recorded by the Recorder of
89 Deeds on June 22, 2016, be forgiven.

90 Sec. 4. Applicability.

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

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

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

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

100 Sec. 5. Fiscal impact statement.

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

104 Sec. 6. Effective date.

105 This act shall take effect following approval by the Mayor (or in the event of veto by the
106 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
107 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
108 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
109 Columbia Register.