

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000 to clarify the basis for the appointment of a receiver, to authorize the Office of the Attorney General to issue subpoenas for documents and testimony as part of a receivership investigation, to require the Court to monitor the execution of a landlord’s plan to abate housing code violations, to authorize the Court to order an owner, member, or any person with charge, care, or control of the property to contribute funds in excess of the rents to abate violations, reimburse the District, relocate displaced tenants, fund up-front receivership costs, and maintain the upkeep, utilities, mortgages, back rent, and debts of the building while in receivership, to prohibit the termination of a receivership until the District is reimbursed in full for all expenses associated with the receivership, all abatement costs, and all fines, infractions, and penalties arising from code violations, and to clarify that the Court may enjoin a respondent from continuing actions, practices, or patterns of neglect at any rental accommodation owned, managed, or controlled by the respondent.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Abatement and Condemnation of Nuisance Properties Amendment Act of 2020”.

Sec. 2. Title V of the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3651.01 *et seq.*), is amended as follows:

(a) Section 501 (D.C. Official Code § 42-3651.01) is amended by striking the phrase “Nothing in this title shall be construed to limit or abrogate any other common law or statutory right to petition for receivership.” and inserting the phrase “Nothing in this title shall be construed to limit or abrogate any other common law or statutory right to petition for receivership, nor shall anything in this title prevent a tenant or tenant association from asserting as a defense or counterclaim a housing provider’s non-compliance with applicable housing regulations.” in its place.

(b) Section 502 (D.C. Official Code § 42-3651.02) is amended as follows:

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(1) Subsection (b) is amended by striking the phrase “security of the tenants. For purposes of this subsection, the term “pattern of neglect” includes all evidence that the owner, agent, lessor, or manager of the rental housing accommodation has maintained the premises in a serious state of disrepair, including vermin or rat infestation, filth or contamination, inadequate ventilation, illumination, sanitary, heating or life safety facilities, inoperative fire suppression or warning equipment, or any other condition that constitutes a hazard to its occupants or to the public.” and inserting the phrase “security of the tenants.” in its place.

(2) A new subsection (c) is added to read as follows:

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

“(1) “Pattern of neglect” includes evidence that the owner, agent, lessor, or manager of the rental housing accommodation has maintained the premises in a state of disrepair that constitutes a serious threat to the health, safety, or security of the tenants or to the public.

“(2) “Serious threat to the health, safety, or security of the tenants” includes violations that involve:

“(A) Vermin or rat infestation;

“(B) Filth or contamination;

“(C) Inadequate ventilation, illumination, sanitary, heating or life safety facilities;

“(D) Inoperative fire suppression or warning equipment;

“(E) Inoperative doors or window locks; or

“(F) Any other condition that constitutes a hazard to tenants, occupants or the public.”.

(c) Section 503 (D.C. Official Code § 42-3651.03) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “Corporation Counsel” and inserting the phrase “Attorney General for the District of Columbia” in its place.

(2) A new subsection (a-1) is added to read as follows:

“(a-1)(1) The Attorney General for the District of Columbia shall have the authority to issue subpoenas related to any investigation when necessary to determine whether adequate grounds exist to file a petition to appoint a receiver or to determine if a person or party subject to a receivership is maintaining other rental accommodations in a state of disrepair that constitutes a serious threat to the health, safety, or security of the tenants or to the public. Such subpoenas shall be for:

“(A) The production of documents and materials;

“(B) The inspection of premises;

“(C) The attendance and testimony of witnesses under oath; and

“(D) Sworn written responses to questions.

“(2) Subpoenas issued pursuant to this subsection shall conform to the procedures established in section 108d of the Attorney General for the District of Columbia Clarification and

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Elected Term Amendment Act of 2010, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-301.88d).”.

(3) Subsection (b) is amended by striking the phrase “Corporation Counsel” both times it appears and inserting the phrase “Attorney General for the District of Columbia” in its place.

(d) Section 504(a)(3)(A) (D.C. Official Code § 42-3651.04(a)(3)(A)) is amended by striking the phrase “Corporation Counsel” both times it appears and inserting the phrase “Attorney General for the District of Columbia” in its place.

(e) Section 505 (D.C. Official Code § 42-3651.05) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase “conditions alleged in the petition.” and inserting the phrase “conditions alleged in the petition. As part of any order granting a receivership, the Court may also enjoin the respondent from continuing any of the actions, practices, or patterns of neglect at the rental housing accommodation and at any other rental accommodations owned, managed, or controlled by the respondent.” in its place.

(B) Paragraph (2) is amended to read as follows:

“(2) Upon acceptance of a respondent’s plan, the Court shall retain the case for purposes of monitoring respondent’s execution of the plan. The monitoring shall continue until the Court, on its own motion or that of any party:

“(A) Dismisses the petition on grounds that all conditions that constituted a serious threat to the health, safety, or security of the tenants have been abated; or

“(B) Finds the respondent has not made sufficient progress to complete the plan, in which event it may order appointment of a receiver under this section.”.

(2) Subsection (f) is amended to read as follows:

“(f)(1) As part of any proceeding commenced for the appointment of a receiver, or in any plan for abatement presented by a respondent, the Court shall order that the respondent or any owner of the subject rental housing accommodation, or both, contribute funds in excess of the rents collected from the rental housing accommodation for any or all of the following purposes:

“(A) Abating housing code violations;

“(B) Reimbursing the District of Columbia for any abatements undertaken;

“(C) Assuring that any conditions that are a serious threat to the health, safety, or security of the occupants or public are corrected;

“(D) Relocating and maintaining tenants displaced during the implementation of any abatement plan into comparable units including paying any difference in the rent due to relocation;

“(E) Satisfying the up-front receivership costs, including posting a bond

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pursuant to subsection (d) of this section, reasonable up-front compensation to the receiver, and any costs associated with obtaining professional studies or evaluations of the property's condition and abatement needs;

“(F) Refunding prior rents paid of at least one-half of any month's rent up to 3 years prior to the date the receivership was granted for any period of time that the District of Columbia presents evidence that the rental housing accommodation suffered from a serious state of disrepair; and

“(G) For other purposes reasonably necessary in the ordinary course of business of the property, including maintenance and upkeep of the rental housing accommodation, payment of utility bills, mortgages and other debts, and payment of the receiver's fees.

“(2) For the purpose of this section, “owner” shall mean any person or entity who, alone or jointly or severally with others, meets either of the following criteria:

“(A) Has legal title to the subject rental housing accommodation; or

“(B) Has charge, care, or control of the subject rental accommodation, whether as owner or member, in whole or in part, of the legally titled owner, as agent of the legally titled owner, or as a fiduciary of the estate of the legally titled owner or any officer appointed by the court.”.

(f) Section 506 (D.C. Official Code § 42-3651.06) is amended by striking the phrase “Corporation Counsel” both times it appears and inserting the phrase “Attorney General for the District of Columbia” in its place.

(g) Section 507 (D.C. Official Code § 42-3651.07) is amended as follows:

(1) Subsection (a)(1) is amended to read as follows:

“(1) The Court determines that the receivership is no longer necessary because the grounds on which the appointment of the receiver was based no longer exist; the receiver has received proper compensation for the services provided; the District of Columbia has been reimbursed for all expenses related to the appointment of the receiver; the District of Columbia has been reimbursed for all expenses related to abatements performed by the District or on its behalf by any third-party; and all fines, infractions, and penalties arising from code violations at the property to date have been paid in full to the District of Columbia; or”.

(2) Subsection (b)(1) is amended by striking the period at the end and inserting the phrase “, for all expenses related to abatements performed by the District or on its behalf by any third-party, and all fines, infractions and penalties arising from code violations at the property to date have been paid in full to the District of Columbia.” in its place.

(3) A new subsection (d) is added to read as follows:

“(d) As part of any order terminating a receivership, the Court may also permanently enjoin the respondent from continuing any of the actions, practices, or pattern of neglect at the rental housing accommodation and at any other rental accommodations owned, managed, or controlled by the respondent.”.

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Sec. 3. 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. 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.

Chairman
Council of the District of Columbia

Mayor
District of Columbia