

*Brianne K. Nadeau*

*B.T. Todd*

1  
2 Councilmember Brianne K. Nadeau

Councilmember Brandon T. Todd

3  
4 *Mary M. Cheh*  
5 Councilmember Mary M. Cheh

*Charles Allen*  
Councilmember Charles Allen

6  
7 *Robert C. White, Jr.*  
8 Councilmember Robert C. White, Jr.

*Trayon White, Sr.*  
Councilmember Trayon White, Sr.

10  
11  
12  
13  
14  
15 A BILL

16  
17  
18  
19  
20 IN THE COUNCIL OF DISTRICT OF COLUMBIA

21  
22  
23  
24  
25 To amend Section 47-863 of the District of Columbia Official Code to provide an exemption  
26 from real property taxes for District domiciled residents who have owned a residence in  
27 the District for at least 25 consecutive years immediately preceding the effective tax year  
28 provided that the resident is 70 years of age or older, has an annual household adjusted  
29 gross income of less than \$80,000 and less than \$12,500 in household interest and  
30 dividend income, and owns the residence receiving the exemption.

31  
32 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
33 act may be cited as the "Senior Citizen Real Property Tax Exemption Amendment Act of 2020".

34 Sec. 2. Section 47-863 of the District of Columbia Official Code is amended as follows:

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

36 (1) Paragraph (1A)(iii)(I) is amended by striking the phrase "in whole or in  
37 part," both times it appears.

38 (2) A new paragraph (1B) is added to read as follows:

1977-78

1977-78

George Miller

George Miller

George Miller

39                   “(1B) “Exempt household” means:

40                               “(A) In the case of a house or condominium, an individual’s residence:

41                                       “(i) That comprises a dwelling unit;

42                                       “(ii) That is a Class 1 Property, as defined in § 47-813, and

43 contains not more than 5 dwelling units; and

44                                       “(iii) That is owned at least 50% by the individual who:

45   “(I) Is 70 years of age or older;

46   “(II) Has a household adjusted gross income of less than

47 \$80,000 and less than \$12,500 of household interest and dividend income; and

48   “(III) Has owned a residence in the District for at least 25

49 consecutive tax years immediately preceding the half tax year for which the exemption shall be

50 in effect; or

51                               “(B) In the case of a cooperative housing association that is a Class 1

52 Property, as defined in § 47-813, a shareholder’s or member’s residence:

53                                       “(i) That comprises a dwelling unit;

54                                       “(ii) That is owned at least 50% by the individual who:

55   “(I) Is 70 years of age or older;

56   “(II) Has a household adjusted gross income less than

57 \$80,000 and less than \$12,500 of household interest and dividend income; and

58   “(III) Has owned a residence in the District for at least 25

59 consecutive tax years immediately preceding the half tax year for which the exemption shall be

60 in effect; and

61                                       “(iii) That, by reason of the ownership of stock or membership

62 certificate, a proprietary lease, or other evidence of membership, is occupied by right by the  
63 shareholder or member with at least a 50% interest, which permits the occupation of the dwelling  
64 unit.”.

65 (3) Paragraph (2) is amended by striking the phrase “subsection (b)” and inserting  
66 the phrase “subsection (b) of this section or the exemption provided under subsection (b-2)” in  
67 its place.

68 (4) A new paragraph (2B) is added to read as follows:

69 “(2B) “Household interest and dividend income” means the total income amount  
70 reported on Schedule B of Treasury Form 1040 of all persons residing in a household, as  
71 determined by each person’s federal income tax year ending immediately before the beginning of  
72 the real property tax year during which the deduction provided under subsection (b) of this  
73 section or the exemption provided under subsection (b-2) of this section shall be applicable,  
74 excluding the adjusted gross income of any person who is a tenant by virtue of a written lease for  
75 fair market value.”.

76 (b) A new subsection (b-2) is added to read as follows:

77 “(b-2)(1) An exempt household shall be exempt from real property tax for the tax year in  
78 which the exempt household qualifies for the real property tax exemption.”.

79 (c) Subsection (c) is amended to read as follows:

80 “(c)(1) In the case of a house or condominium, to qualify the eligible household to  
81 receive the deduction or exempt household to receive the exemption, the individual shall  
82 complete and file with the Chief Financial Officer of the District of Columbia (“CFO”) an  
83 application in a form prescribed by the CFO requesting the deduction or the exemption. The  
84 individual shall certify, under penalty of perjury, the information provided on the application and

85 file the application in the manner prescribed by the CFO. The CFO may require the individual to  
86 provide any information that the CFO considers necessary, including all taxpayer identification  
87 numbers of the individual, any other owner, any person with legal or equitable title, and any  
88 person in the household of the individual. The CFO may also require the individual, any other  
89 owner, any person with legal or equitable title, and any person in the household of the individual  
90 to submit information after the deduction or exemption has been allowed to determine whether  
91 the real property remains an eligible or exempt household and entitled to the deduction or  
92 exemption.

93           “(2)(A) For a cooperative housing association to qualify and receive the deduction  
94 or exemption, the shareholder or member shall complete and file with the CFO an application in  
95 a form prescribed by the CFO. The shareholder or member shall certify, under penalty of perjury,  
96 the information provided on the application and file the application in the manner prescribed by  
97 the CFO. The CFO may require the shareholder or member to provide any information that the  
98 CFO considers necessary, including the taxpayer identification numbers of the shareholder or  
99 member, any other person with an ownership or membership interest, and any person in the  
100 household of the shareholder or member. The CFO may also require the shareholder or member,  
101 any other person with an ownership or membership interest, and any person in the household of  
102 the shareholder or member to submit information after the deduction or exemption has been  
103 granted to determine whether the cooperative housing association remains entitled to the  
104 deduction or exemption for the eligible or exempt household, as applicable.

105           “(B) The CFO may require the officers or managers of the  
106 cooperative housing association to distribute the application forms to its shareholders or  
107 members and to collect the completed application forms from the shareholders or members for

108 return to the CFO. Officers and managers of a cooperative housing association shall submit such  
109 other information as the CFO may require.

110                   “(C) The deduction or exemption shall be passed on to the eligible or  
111 exempt household, as applicable, by the cooperative housing association during the  
112 corresponding tax year.”

113           (d) Subsection (d) is amended by striking the phrase “the real property shall receive ½ of  
114 the deduction, which shall be applied to the second installment only.” and inserting the phrase  
115 “the real property shall receive half of the deduction or shall be exempt for half of the tax year,  
116 as applicable, which shall be applied to the second installment only.” in its place.

117           (e) Subsection (e) is amended by striking the phrase “thereafter for which the deduction is  
118 allowed.” and inserting the phrase “for which the deduction or exemption is allowed.” in its  
119 place.

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

121           “(f)(l) If the eligible household no longer qualifies for the deduction or exemption, the  
122 applicant (or former owner if there is no applicant) shall notify the CFO of the date of the change  
123 in eligibility within 30 days after the change in eligibility. If the applicant (or former owner if  
124 there is no applicant) fails to notify the CFO timely, the deduction or exemption shall be  
125 rescinded without limitation for each tax year. Penalty and interest shall be added from the day  
126 the correct amount of tax was due but not paid.

127           “(2) Notwithstanding paragraph (1) of this subsection, if the eligible or exempt  
128 household, as applicable, is transferred and continued to qualify for the deduction 30 days or less  
129 before the date of execution of the deed of transfer, the applicant shall not be required to notify  
130 the CFO of the change in eligibility.

131                   “(3) If the tax is paid within 30 days of the corresponding bill, timely notification  
132 of the change in eligibility shall preclude assessment of penalty and interest.

133                   “(4) If the change in eligibility occurs during the period October 1 through March  
134 31 of the tax year, the deduction or exemption shall be disallowed for the entire tax year.

135                   “(5) Notwithstanding subsection (a) of this section, if the change in eligibility  
136 occurs during the period April 1 through September 30, the real property shall receive half of the  
137 deduction or shall be exempt for half of the tax year, as applicable, which shall be applied to the  
138 first installment only.

139                   “(6)(A) Notwithstanding the rescission of the deduction or exemption pursuant to  
140 paragraphs (4) and (5) of this subsection, if the applicant's required ownership interest in the real  
141 property is transferred to a new owner, shareholder, or member who does not apply or qualify for  
142 the deduction or exemption, as applicable, the real property shall be entitled to the apportioned  
143 amount of the deduction or exemption applicable to the installment payable during the half tax  
144 year during which the ownership interest was transferred. At the end of the half tax year, the  
145 deduction or exemption shall cease.

146                   “(B) If the applicant purchases another real property or interest in a  
147 housing cooperative for which he or she shall make application for the deduction or exemption,  
148 and the application and purchase occur during the same half tax year when the transfer  
149 occurred, subsections (i) and (j) of this section shall not apply to the extent that both real  
150 properties may benefit from the deduction or exemption during that half tax year and, thereafter,  
151 only the newly purchased real property or housing cooperative in which the applicant acquired  
152 newly an interest shall benefit from the applicant's deduction or exemption.

153                   “(C) Notwithstanding the foregoing, a real property shall not benefit from

154 more than one deduction or exemption in any half tax year; provided, that in the case of a  
155 housing cooperative, the real property shall not benefit from more than one deduction or  
156 exemption related to an eligible or exempt household, as applicable, in any half tax year.”.

157 (g) Subsection (f-1) is repealed.

158 (h) A new subsection (f-3) is added to read as follows:

159 “(f-3) Within 45 days from the date of the notice rescinding or denying the deduction or  
160 exemption, the owner may petition for an administrative review of the rescission or denial and  
161 appeal from a final determination thereof to the same extent as if the appeal were filed under §  
162 47-825.01a(d)(2).”.

163 (i) Subsection (g) is amended to read as follows:

164 “(g) If real property tax is owing as a result of an erroneous or improper deduction or  
165 exemption, the following shall apply:

166 “(1) Except in the case of a cooperative housing association, if the eligible  
167 household was transferred, the applicant or former owner, and not the real property shall be  
168 personally liable for the amount of the delinquent real property tax that was not paid timely  
169 during the period when the applicant or former owner had an ownership interest in the eligible or  
170 exempt household, as applicable, together with interest and penalty at the same rate as provided  
171 in this chapter for the late payment of real property tax. The tax shall be considered due on the  
172 date that the total amount of real property tax was due but unpaid and shall be collected in the  
173 manner prescribed under Chapter 44.

174 “(2) Notwithstanding paragraph (1) of this subsection, if the eligible or exempt  
175 household was transferred and the grantee failed to timely record a deed under§ 47-1431 (or  
176 other evidence of the transfer in the case of a cooperative housing association), the real property

177 shall be liable for the amount of the delinquent real property tax that was not paid timely,  
178 together with interest and penalty as provided in this chapter for the late payment of real property  
179 tax.

180 “(3) In all other cases, the real property shall be liable for the amount of the  
181 delinquent real property tax that was not paid timely, together with interest and penalty as  
182 provided in this chapter for the late payment of real property tax; provided, that the CFO may  
183 establish a payment plan to collect the delinquent taxes.”

184 (j) Subsection (h) is amended to read as follows:

185 “(h) The eligibility of an eligible or exempt household for the deduction or exemption, as  
186 applicable, shall not be affected by the transfer of the eligible or exempt household into a  
187 revocable trust if the transfer is without consideration and the eligible or exempt household  
188 remains the residence of the applicant-grantor before and after the transfer.”

189 (k) Subsection (i) is amended to read as follows:

190 “(i) No other person in the household of the individual, shareholder, or member shall  
191 claim a deduction or exemption for an eligible or exempt household in the District. The  
192 cooperative housing association shall not receive a deduction or exemption for an eligible  
193 household if the basis of the deduction or exemption is another person in the household of the  
194 shareholder or member.”.

195 (l) Subsection (j) is amended to read as follows:

196 “(j) If an individual, shareholder, or member claims more than one eligible or exempt  
197 household in the same tax year, and has not timely notified the CFO of all changes in eligibility,  
198 the CFO shall disallow the deduction or exemption for all eligible or exempt households claimed  
199 by the individual, shareholder, or member.”.

200 (m) Subsection (k) is amended to read as follows:

201 “(k)(l) The CFO may contract with a collection agency inside or outside of the District to  
202 verify the contents of any application or return for the purposes of determining the eligibility of  
203 any eligible or exempt household.

204 “(2) All funds collected by the collection agency and belonging to the District  
205 shall be remitted to the CFO not less than once a month. Forms to be utilized for the remittances  
206 may be prescribed by the CFO. The CFO may require that the collection agency furnish a bond  
207 securing compliance with the provisions of this subsection and the contract with the District.

208 “(3) At the discretion of the CFO:

209 “(A) The collection agency may charge a collection fee not in excess of  
210 25% of the total amount of the delinquent taxes, excluding penalties and interest, that is actually  
211 collected; or

212 “(B) The collection agency may be remunerated by fee, percentage of  
213 taxes collected, or both.

214 “(4)(A) Notwithstanding any other provision contained in this title, confidential  
215 information related to the owner of the real property may be provided to a collection agency for  
216 purposes of collecting a delinquent tax under this chapter. If the information is provided to a  
217 collection agency under this subsection, the collection agency shall not disclose the information  
218 to a third party, other than the owner (or his or her representative), unless the CFO would be  
219 authorized by law to make the disclosure.

220 “(B) A collection agency, or employee of a collection agency, violating  
221 the provisions of this subsection shall be guilty of a misdemeanor and, upon conviction thereof,  
222 shall be fined not more than the amount set forth in § 22-3571.01(b)(4) or imprisoned for not

223 more than 180 days, or both. All prosecutions under this paragraph shall be brought in the  
224 Superior Court of the District of Columbia on information by the Attorney General for the  
225 District of Columbia in the name of the District of Columbia.”.

226           Sec. 3. Fiscal impact statement.

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

230           Sec. 4. Effective date.

231           This act shall take effect following approval by the Mayor (or in the event of veto by the  
232 Mayor, action by the Council to override the veto), a 30-day period of congressional review as  
233 provided in section 602(c)(2) of the District of Columbia Home Rule Act, approved December  
234 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(2)), and publication in the District of  
235 Columbia Register.