

A RESOLUTION

24-582

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 12, 2022

To declare the existence of an emergency with respect to the need to amend Title 47 of the District of Columbia Code to provide support during a public health emergency for certain businesses that host performing artists, and to give the Mayor the authority to administer a tax rebate for performing arts venues, and to make other clarifying changes.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Performing Arts Promotion Tax Rebate Clarification Emergency Declaration Resolution of 2022”.

Sec. 2. (a) In 2018, the Council passed the Performing Arts Promotion Amendment Act of 2017 to provide a tax rebate to small performing arts venues that host at least 48 hours of performing artists at the venue per month. The goal of the program is to support small, local venues that host performances of local performing artists so that the District can sustain and expand our vibrant local music culture, including our jazz and go-go cultures.

(b) The original legislation was supported by small venues, but applicants found it challenging to apply for the rebate. At the time that the Council approved the legislation, the Office of the Chief Financial Officer estimated that 25 venues would apply. But in the first year of the program only 5 venues applied for the tax rebate, and in the second year only 2 venues applied. While the COVID-19 pandemic may explain some of the lack of demand, venues have reported that the application process has been extremely challenging. Currently, the Office of Tax and Revenue (“OTR”) manages the application process, and while the venues have reported that OTR has been helpful and responsive, they are not the best suited agency to interface with small performing arts venues, which have unique challenges.

(c) Venue owners identified another model that they would prefer in which another agency, the Office of Cable Television, Film, Music, and Entertainment (“OCTFME”), manages the application process, certifies that the information is correct, and submits it to OTR. OTR would then calculate and issue the rebate. OCTFME is in a better position to understand what information small venues are able to provide and how to verify that small venues meet the eligibility requirements. The model is based on a similar program providing a tax abatement to urban farms. The Office of Urban Agriculture manages the application process, certifies which farms are eligible, and submits the information to OTR.

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(d) Emergency legislation is necessary to give OTR and OCTFME time to put the new application process in place so that venues can apply for the rebate in property tax year 2022.

(e) Additionally, the legislation extends an emergency provision that the Council passed in response to the COVID-19 pandemic and the public health emergency because all performances were canceled for several months, and no venue would have qualified for the rebate. The proposed measure amends the definition of a qualified business to permit qualification for the property tax rebate for any tax year in which a public health emergency has been declared if the business hosts live performances for 48 hours per month during the months of the tax year during which there was not a declared public health emergency.

(f) Without Council action, venues will continue to struggle to apply for this tax rebate, which is important to the financial well-being of these creative small businesses and achieving the goal of supporting local venues.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Performing Arts Promotion Tax Rebate Clarification Emergency Amendment Act of 2022 must be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.