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A BILL
20-318

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA



To amend section 47-863 of the District of Columbia Official Code to provide an exemption of real property taxes for District domiciled residents who have owned a residence in the District for at least 15 consecutive years immediately preceding the effective tax year, provided the resident is 75 years of age or older, has an annual household income of less than \$60,000, and owns the residence receiving the exemption.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Senior Citizen Real Property Tax Relief Act of 2013”.

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

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

(1) Paragraph (1A) is amended by striking the phrase “,in whole or in part,” both times it appears.

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

“(1B) “Exempt household” means:

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

“(i) That comprises a dwelling unit;

“(ii) That is Class 1 Property, as defined in § 47-813, and contains not more than 5 dwelling units therein;

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

“(I) Is 75 years of age or older;

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

3 (c) Subsections (c), (d), (e), (f), (f-1), (g), (h), (i), (j) and (k) are amended to read as
4 follows:

5 “(c) (1) In the case of a house or condominium, and to qualify the eligible household to
6 receive the deduction or exempt household to receive the exemption, the individual shall
7 complete and file with the Chief Financial Officer (“CFO”) an application in a form prescribed
8 by the CFO requesting the deduction or the exemption. The individual shall certify, under
9 penalty of perjury, the information provided on the application form and the application form
10 shall be filed in the manner prescribed by the CFO. The CFO may require the individual to
11 provide any information which the CFO considers necessary, including all taxpayer
12 identification numbers of the individual, any other owner, any person with legal or equitable
13 title, and any person in the household of the individual. The CFO may also require the
14 individual, any other owner, any person with legal or equitable title, and any person in the
15 household of the individual to submit information after the deduction or exemption has been
16 allowed to determine whether the real property remains an eligible or exempt household and
17 entitled to the deduction or exemption, respectively.

18 “(2) (A) For the cooperative housing association to qualify and receive the
19 deduction or exemption, the shareholder or member shall complete and file with the CFO an
20 application in a form prescribed by the CFO. The shareholder or member shall certify, under
21 penalty of perjury, the information provided on the application form, and the application form
22 shall be filed in the manner prescribed by the CFO. The CFO may require the shareholder or

1 member to provide any information which the CFO considers necessary, including the taxpayer
2 identification numbers of the shareholder or member, any other person with an ownership or
3 membership interest, and any person in the household of the shareholder or member. The CFO
4 may also require the shareholder or member, any other person with an ownership or membership
5 interest, and any person in the household of the shareholder or member to submit information
6 after the deduction or exemption has been granted to determine whether the cooperative housing
7 association remains entitled to the deduction or exemption for the eligible or exempt household,
8 as applicable.

9 “(B) The CFO may require the officers or managers of the
10 cooperative housing association to distribute the application forms to its shareholders or
11 members and to collect the completed application forms from the shareholders or members for
12 return to the CFO. Officers and managers of a cooperative housing association shall submit such
13 other information as the CFO may require.

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

17 “(d) If a properly completed and approved application is filed during the period October 1
18 through March 31 of the tax year, the real property shall receive the deduction or exemption, as
19 applicable, for the entire tax year. Notwithstanding subsection (b) of this section, if a properly
20 completed and approved application is filed during the period April 1 through September 30, the
21 real property shall receive 1/2 of the deduction or shall be exempt for one-half of the tax year, as
22 applicable, which shall be applied to the second installment only.

1 “(e) The application form filed by the individual, shareholder, or member shall apply to
2 the initial tax year, or applicable installment, and to any succeeding tax year thereafter for which
3 the deduction or exemption is allowed.

4 “(f) (1) If the eligible household no longer qualifies for the deduction or exemption, the
5 applicant (or former owner if there is no applicant) shall notify the CFO of the date of the change
6 in eligibility within 30 days after the change in eligibility. If the applicant (or former owner if
7 there is no applicant) fails to notify timely, the deduction or exemption shall be rescinded
8 without limitation for each tax year. Penalty and interest shall be added from the day the correct
9 amount of tax was due but not paid.

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

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

16 “(4) If the change in eligibility occurs during the period October 1 through March
17 31 of the tax year, the deduction or exemption shall be disallowed for the entire tax year.

18 “(5) Notwithstanding subsection (a) of this section, if the change in eligibility
19 occurs during the period April 1 through September 30, the real property shall receive 1/2 of the
20 deduction or shall be exempt for one-half of the tax year, as applicable, which shall be applied to
21 the first installment only.

22 “(6)(A) Notwithstanding the rescissions of the deduction or exemption pursuant to

1 paragraphs (4) and (5) of this subsection, if the applicant's required ownership interest in the real
2 property is transferred to a new owner, shareholder, or member who does not apply or qualify for
3 the deduction or exemption, as applicable, the real property shall nevertheless be entitled to the
4 apportioned amount of the deduction or exemption applicable to the installment payable during
5 the half tax year during which such ownership interest was transferred. At the end of the half tax
6 year, the deduction or exemption shall cease.

7 “(B) If the applicant purchases another real property or interest in a
8 housing cooperative for which he or she shall make application for the deduction or exemption,
9 and the application and purchase occurs during the same half tax year when the transfer
10 occurred, subsections (i) and (j) of this section shall not apply to the extent that both real
11 properties may benefit from the deduction or exemption during that half tax year and, thereafter,
12 only the newly purchased real property or housing cooperative in which the applicant acquired
13 newly an interest shall benefit from the applicant's deduction or exemption.

14 “(C) Notwithstanding the foregoing, a real property shall not benefit from
15 more than one deduction or exemption in any half tax year; provided, that in the case of a
16 housing cooperative, the real property shall not benefit from more than one deduction or
17 exemption related to an eligible or exempt household, as applicable, in any half tax year.

18 “(f-1) Within 45 days from the date of the notice rescinding or denying the deduction or
19 exemption, the owner may petition for an administrative review of the rescission or denial and
20 appeal from a final determination thereof to the same extent as if the appeal were filed under §
21 47-825.01a(d)(2).

22 “(g) If real property tax is owing as a result of an erroneous or improper deduction or

1 exemption, the following shall apply:

2 “(1) Except in the case of cooperative housing associations, if the eligible household
3 was transferred, the applicant or former owner, and not the real property shall be personally
4 liable for the amount of the delinquent real property tax which was not paid timely during the
5 period when the applicant or former owner had an ownership interest in the eligible or exempt
6 household, as applicable, together with interest and penalty at the same rate as provided in this
7 chapter for the late payment of real property tax. The tax shall be considered due on the date that
8 the total amount of real property tax was due but unpaid and shall be collected in the manner
9 prescribed under Chapter 44.

10 “(2) Notwithstanding paragraph (1) of this subsection, if the eligible or exempt
11 household was transferred and the grantee failed to timely record a deed under § 47-1431 (or
12 other evidence of the transfer in the case of a cooperative housing association), the real property
13 shall be liable for the amount of the delinquent real property tax which was not timely paid,
14 together with interest and penalty as provided in this chapter for the late payment of real property
15 tax.

16 “(3) In all other cases, the real property shall be liable for the amount of the
17 delinquent real property tax which was not paid timely, together with interest and penalty as
18 provided in this chapter for the late payment of real property tax; provided, that the Chief
19 Financial Officer may establish a payment plan to collect the delinquent taxes.

20 “(h) The eligibility of an eligible or exempt household for the deduction or exemption, as
21 applicable, shall not be affected by the transfer of the eligible or exempt household into a
22 revocable trust if the transfer is without consideration and the eligible or exempt household

1 remains the residence of the applicant-grantor before and after the transfer.

2 “(i) No other person in the household of the individual, shareholder, or member shall
3 claim a deduction or exemption for an eligible or exempt household in the District. The
4 cooperative housing association shall not receive a deduction or exemption for an eligible
5 household if the basis of the deduction or exemption is another person in the household of the
6 shareholder or member.

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

11 “(k) (1) The CFO may contract with a collection agency inside or outside of the District
12 to verify the contents of any application form or return for the purposes of determining the
13 eligibility of any eligible or exempt household.

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

18 “(3) At the discretion of the CFO:

19 “(A) The collection agency may charge a collection fee not in excess of
20 25% of the total amount of the delinquent taxes, excluding penalties and interest, that is actually
21 collected; or

22 “(B) The collection agency may be remunerated by fee, percentage of

1 taxes collected, or both.

2 “(4) Notwithstanding any other provision contained in this title, confidential
3 information related to the owner of the real property may be provided to a collection agency for
4 purposes of collecting a delinquent tax under this chapter. If the information is provided to a
5 collection agency under this subsection, the collection agency shall not disclose the information
6 to a third party, other than the owner (or his or her representative), unless the CFO would be
7 authorized by law to make the disclosure. A collection agency, or employee of a collection
8 agency, violating the provisions of this subsection shall be guilty of a misdemeanor and, upon
9 conviction thereof, shall be fined not more than the amount set forth in section 101(b)(4) of the
10 Criminal Fine Proportionality Amendment Act of 2012, effective June 11, 2013 (D.C. Law 19-
11 317; D.C. Official Code § 22-3571.01(b)(4)), or imprisoned for not more than 180 days, or both.
12 All prosecutions under this paragraph shall be brought in the Superior Court of the District of
13 Columbia on information by the Attorney General for the District of Columbia in the name of the
14 District of Columbia.”.

15 Sec. 3. Applicability.

16 This act shall apply as of October 1, 2013, upon its fiscal effect being included in an
17 approved budget and financial plan, as certified by the Chief Financial Officer to the Budget
18 Director of the Council in a certification published by the Council in the District of Columbia
19 Register.

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1 Sec. 4. Fiscal impact statement.

2 The Council adopts the January 7, 2014 fiscal impact statement ~~in the committee report~~
3 of the Chief Financial Officer as the fiscal impact statement required by section 602(c)(3) of the
4 District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official
5 Code § 1-206.02(c)(3)).

6 Sec. 5. Effective date.

7 This act shall take effect following approval by the Mayor (or in the event of veto by the
8 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
9 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
10 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
11 Columbia.