

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Title 47 of the District of Columbia Code to simplify the sales tax on snack foods in the District of Columbia ("District") by using the federal definition of eligible food for food stamps for food that is non-taxable; to make special event promoters responsible for providing a list of all vendors that will be participating at qualifying special events; to eliminate the one percent sales tax credit allowed to vendors if their sales tax returns are filed and paid timely; to clarify the presumption of taxability for transactions; to align the District exempt organizations classification with the Internal Revenue Code of 1986; to clarify the filing requirements of exempt organizations for unrelated business income and to require exempt organizations with unrelated business income subject to District tax to file a franchise tax return as a corporation; to clarify that a trust that is part of stock bonus, pension, or profit sharing plan must file a return if it has unrelated business income; to clarify allocation and apportionment of income as it relates to exempt organizations; to simplify the educational purpose qualification for sales tax exemption; to repeal the substantial benefits test for franchise and sales tax exemptions for exempt organizations; to clarify that personal property used to generate unrelated business income is not exempt from the personal property tax; to clarify, and make uniform, the exemption from personal property tax for companies subject to the gross receipts tax on utility services or telecommunications; to allow corporations to elect to file consolidated income tax returns; to clarify existing sales tax application for transactions involving services subject to the gross receipts or distribution tax on utility services or telecommunications; to clarify provisions necessary for the District's participation in the International Motor Fuel Tax Agreement; clarify that commercial local exchange carriers are subject to the gross receipts tax on telecommunications; to mandate the use of whole dollar amounts on income tax returns; to clarify the authority to reward informants in collecting taxes from the proceeds of the collected taxes; to authorize certain employees of the Office of Tax and Revenue to have peace officer authority; to add a new Chapter 42 regarding interest and penalties which consolidates and modifies, in part, the provisions of the current law, reducing the interest rate on underpayment of tax to 13%, revising the interest rates on overpayment, eliminating the requirement of a notarized request to obtain interest on a claim for refund, and revising tax penalty provisions by aligning them more closely with federal penalty provisions; to add a new Chapter 43 regarding administration which consolidates and modifies, in part, the provisions of the current law, changing the limitations period on assessments to 3 years and the limitations period on collection to 10 years from the date of assessment, tolling the running of the assessment or collection statute of limitation during certain administrative and civil actions, including certain actions by the Internal Revenue Service, and allowing the Office of Tax and Revenue to issue and serve administrative summonses; to add a new Chapter 44 regarding tax collection which consolidates and modifies, in part, the provisions of the current law, providing for electronic fund transfers and credit card payments, permitting collection contractors to pass their charges on to taxpayers or, alternatively, fund payment of contractors from monies collected by contractors, providing the authority to enter into reciprocal tax collection agreements with other states, and aligning the collection provisions more closely with federal provisions; to, for purposes of real property tax assessments, define an owner of real property to include persons owning certain long-term interests in real property; to clarify, for purposes of the real property tax, when notice is given to the Mayor and to the taxpayers; to provide 30 days to pay the real property tax bill; to repeal moot tax amnesty

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provisions; to substitute September 30 for June 30 for certain valuation dates; to clarify that the real property tax roll is estimated and eliminate the requirement for publishing the proposed tax rates and calculated rate letter; to clarify that real property tax increases are phased in during a triennial period; to provide the Mayor with authority to promulgate, amend, or repeal existing regulations related to real property tax administration; to provide the Mayor with the authority to publish the real property assessment and tax roll on the Internet; to provide procedures for appealing delayed notices of assessment; to provide procedures for appeals of assessments by new owners; to provide that the assessor may correct assessments for the benefit of the taxpayer in 3 past tax years; to modify supplemental real property assessments for residential construction; to change the procedures for appeal of later assessments of properties omitted from previous assessments; to provide that nonexempt use of governmentally owned exempt property shall be taxable to the owner of the commercial interest using the property; to change filing dates for the exemption use report forms to April 1; to provide a penalty for failure to file an exemption use report; to clarify the authority of the Mayor to promulgate rules and regulations for exempt real property use; to provide the Mayor with authority to abate taxes assessed to a property when the property was used for exempt purposes; to remove the deadline for submission of proposed economic development incentives legislation by the Mayor; to create a limitation on the refund of real property tax of 3 years from payment; to change the statistical index used for increasing the trash tax credit; to eliminate the quarterly payment of real property tax; to exclude weekends and holidays from the computations of time for real property tax sales; to clarify that bulk tax sale properties may be sold by the purchaser for fair market value; to provide that the delinquent tax interest rate of 18% on real property tax applies even after the redemption period expires; to clarify that a tax sale purchaser must pay the bill for a deed within 30 days of notice; to clarify that a property is sold for the amount of the oldest lien in the special deed process; to provide for the collection of notice and research fees associated with due process notices on tax sale property and allow the work to be performed by the Office of Tax and Revenue or the tax sale purchaser; to repeal a moot applicability provision; to clarify that the transfer tax will be based on the sales price of real property rather than the higher of the assessed value or sales price; to provide that recordation and transfer taxes will apply to certain long-term interests; provide that an assignment of commercial leasehold interests constitutes a transfer of economic interest subject to deed recordation and transfer taxes; to provide for taxation of refinancing instruments, allowing a pro-rata credit for tax previously paid; and to add a new Chapter 13A that revises the process for tax sales of real property by specifying procedures for notice of delinquencies, the interest rate on unpaid tax, certification to Mayor by District government agencies requesting the collection of assessments and charges other than real property tax collectible in the same manner as real property tax, the advertising of tax sales, the payment of purchase price bid at tax sale, the issuance of a certificate of sale, the right of redemption and the redemption period, an action for the foreclosure of the right of redemption if a real property is not redeemed within the redemption period, and the issuance of a deed upon a judgment for the tax sale purchaser in the action for the foreclosure of the right of redemption.

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BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Tax Clarity Act of 2000".

TITLE I. SALES TAXES.

Sec. 101. Short title.

This title may be cited as the "Sales Tax Simplification Act of 2000".

Sec. 102. Amending certain sales tax provisions.

Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-2001 is amended as follows:

(1) Subsection (g-2) is repealed.

(2) Section (n)(1)(A) is amended as follows:

(A) Sub-subparagraph (i) is amended by striking the semi-colon at the end of the sub-subparagraph and inserting the phrase "; and " in its place.

(B) Sub-subparagraph (ii) is amended by striking the phrase "; and " at the end of the sub-subparagraph and inserting a semi-colon in its place.

(C) Sub-subparagraph (iii) is repealed.

(3) Subparagraph (n)(2)(E) is amended to read as follows:

"(E) Sales of food or drink of a type that constitute "eligible foods", as defined in 7 CFR § 271.2, or food purchased for animal ingestion, without regard to whether such food or drink is purchased with food stamps, except sales of food or drink prepared for immediate consumption."

(4) A new subsection (w-1) is added to read as follows:

"(w-1)(1) "Special Event" means an uncommon, unique, noteworthy, or extra occurrence of a specific activity open to the general public that is designed, advertised, or promoted for an identified purpose to be conducted or held on a designated day or series of days, whether held outdoors, indoors, or both, in a public or private facility, at which at least 50 vendors will be present. Special events include auctions, shows, celebrations, circuses, expositions, entertainment, exhibits, fairs, festivals, fund raisers, historical re-enactments, movies, pageants, parades, and sporting events, the conduct of which has the effect, intent, or propensity to draw persons and create an atmosphere or opportunity to sell tangible personal property or services which are taxable under this chapter or Chapter 22."

"(2) Special events shall not include an activity that constitutes a "qualified convention or trade show activity" as defined in section 513(d) of the Internal Revenue Code of 1986."

(b)(1) The table of contents for Chapter 20 is amended by inserting the section designation "47-2002.4. Special event promoter obligations and penalties." after the section designation "47-2002.3. Same--Collection of tax and transfer to Washington Convention Center Authority."

(2) A new section § 47-2002.4 is added to read as follows:

"§47-2002.4. Special event promoter obligations and penalties.

"(a) A promoter of a special event shall submit to the Mayor:

"(1) At least 30 days before the beginning of a special event, a preliminary list of all vendors and exhibitors, including their names, addresses, representatives, and telephone numbers; and

"(2) Within 10 days after the last day of a special event, a final list of all vendors and exhibitors, including their names, addresses, representatives, and telephone numbers, if not previously provided.

"(b) Before the special event, a promoter shall provide to vendors and exhibitors such information regarding their District tax obligations, filing deadlines, and other such requirements as is supplied by the District after the preliminary list of vendors and exhibitors is submitted in accordance with subsection (a)(1) of this section .

"(c) A promoter shall provide access to the Mayor to the special event premises and activities to monitor vendor and exhibitor sales.

"(d) A promoter who fails to submit the preliminary vendor and exhibitor list in accordance with subsection (a)(1) of this section shall pay a penalty in the amount of \$1,000, plus \$50 for each day the list is late, which penalty shall not exceed \$2,500.

"(e) A promoter who fails to submit the final vendor and exhibitor list in accordance with subsection (a)(2) of this section shall pay a penalty in the amount of \$1,000, plus \$50 for each day the list is late, which penalty shall not exceed \$10,000.

"(f) For the purposes of this section, the term "promoter" means a person who arranges, organizes, or sponsors vendors or exhibitors engaged in the business of retail sales (as defined in this chapter) to participate in a special event. The term "promoter" includes for-profit and nonprofit persons."

(c) Section 47-2004(b) is repealed.

(d) Section 47-2010 is amended by striking the phrase "the property or service was purchased for resale," in the second sentence and inserting the phrase "the property or service was purchased for resale or the property or service is exempt under § 47-2005," in its place.

Sec. 103. Applicability.

Section 102(a) through (c) shall apply beginning April 1, 2001. Section 102(d) shall apply beginning October 1, 2001.

TITLE II. EXEMPT ORGANIZATIONS.

Sec. 201. Short title.

This title may be cited as the "Exempt Organizations Federal Conformity Act of 2000".

Sec. 202. Amending provisions related to exempt organizations.

Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-1802.1 is amended to read as follows:

"§ 47-1802.1 Exempt organizations – In general.

"Except to the extent that the organizations have unrelated business income subject to tax under section 511 of the Internal Revenue Code of 1986 or income subject to tax under section 527 of the Internal Revenue Code of 1986, which income shall be taxed in the same manner and to the same extent as the tax imposed by subchapter VII of this chapter, the following organizations shall be exempt from taxation under this chapter if the organization first obtains a letter from the Mayor stating that it is entitled to the exemption:

"(1) A corporation organized under the Act of Congress, which is an instrumentality of the United States and is exempt from federal income taxes under the Act;

"(2) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under this chapter;

"(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in section 501(h) of the Internal Revenue Code of 1986, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office;

"(4)(A) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare,

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or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes;

"(B) Subparagraph (A) of this paragraph shall not apply to an entity unless no part of the net earnings of the entity inures to the benefit of any private shareholder or individual;

"(5) Labor, agricultural, or horticultural organizations;

"(6) Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual;

"(7) [Reserved];

"(8) Fraternal beneficiary societies, orders, or associations:

"(A) Operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system; and

"(B) Providing for the payment of life, sick, accident, or other benefits to the members of the society, order, or association, or their dependents;

"(9) Voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of the association or their dependents or designated beneficiaries, if no part of the net earnings of the association inures (other than through such payments) to the benefit of any private shareholder or individual;

"(10) Domestic fraternal societies, orders, or associations, operating under the lodge system:

"(A) The net earnings of which are devoted exclusively to religious, charitable, scientific, literary, educational, and fraternal purposes; and

"(B) Which do not provide for the payment of life, sick, accident, or other benefits;

"(11) [Reserved];

"(12) [Reserved];

"(13)(A) Cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit; and

(B) A corporation chartered solely for the purpose of the disposal of bodies by burial or cremation which is not permitted by its charter to engage in any business not necessarily incident to that purpose, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

"(14)(A) Credit unions without capital stock organized and operated for mutual purposes and without profit;

"(B) Corporations or associations without capital stock organized before September 1, 1957, and operated for mutual purposes and without profit for the purpose of providing reserve funds for, and insurance of shares or deposits in:

"(i) Domestic building and loan associations,

"(ii) Cooperative banks without capital stock organized and operated for mutual purposes and without profit;

"(iii) Mutual savings banks not having capital stock represented by shares; or

"(iv) Mutual savings banks described in section 591(b) or the Internal Revenue Code of 1986;

"(C) Corporations or associations organized before September 1, 1957, and operated for mutual purposes and without profit for the purpose of providing reserve funds for associations or banks described in sub-subparagraph (i), (ii), or (iii) of subparagraph (B), if at least 85% of the income is attributable to providing such reserve funds and to investments. This subparagraph shall not apply to a corporation or association entitled to exemption under subparagraph (B) of this paragraph;

"(15) [Reserved];

"(16) [Reserved];

"(17) [Reserved];

"(18) [Reserved];

"(19) A post or organization of past or present members of the Armed Forces of the United States, or an auxiliary unit or society of, or a trust or foundation for, a post or organization:

"(A) Organized in the United States or any of its possessions;

"(B) At least 75% of the members of which are past or present members of the Armed Forces of the United States and substantially all of the other members of which are individuals who are cadets or are spouses, widows, or widowers of past or present members of the Armed Forces of the United States or of cadets; and

"(C) No part of the net earnings of which inures to the benefit of any private shareholder or individual;

"(20) [Reserved];

"(21) [Reserved];

"(22) [Reserved];

"(23) [Reserved];

"(24) [Reserved];

"(25) An organization described in section 501(c)(25) of the Internal Revenue Code of 1986;

"(26) Insurance companies, companies which guarantee the fidelity of any individual or individuals, such as bonding companies, and companies which furnish abstracts of title or which insure titles to real estate, all of which pay taxes on their gross earnings, premiums, or gross receipts under existing laws of the District."

(b) Section 47-1805.2 is amended by adding a new paragraph (7A) to read as follows:

"(7A) *Exempt Organizations.* – Every exempt organization that has unrelated business income subject to tax under section 511 of the Internal Revenue Code of 1986 as provided under § 47-1802.1."

(c) Section 47-1805.3 is amended by adding a new subsection (c) to read as follows:

"(c) *Exempt Organizations.* – Notwithstanding the provisions of subsection (a) of this section, unrelated business income tax returns of exempt organizations shall be filed on or before the 15th day of the 5th month following the close of the taxable year for the taxpayer."

(d) Section 47-1809.10(a) is amended to read as follows:

"(a) *Exempt status.* – A trust forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall not be taxable under this chapter and, except as expressly provided in this section, no other provision of this chapter shall apply with respect to such trust or to its beneficiary if such trust meets the requirements for exemption from federal income tax under sections 401, 402, and 501(a) of the Internal Revenue Code of 1986; provided, that to the extent that the trusts have unrelated business income subject to tax under section 511 of the Internal Revenue Code of 1986, the unrelated business income shall be taxed in the same manner and to the same extent as the tax imposed by subchapter VII of this chapter, except as hereinafter in this section expressly provided."

(e) Section 47-1810.2(a) is amended to read as follows:

"(a) *Allocation and apportionment.* – The entire net income of any corporation, financial institution, or unincorporated business, or the unrelated business income of an exempt organization, derived from any trade or business carried on or engaged wholly within the District shall, for the purposes of this chapter, be deemed to be from sources within the District and shall, along with other income from sources within the District, be allocated to the District. If the net income of a corporation, financial institution, or unincorporated business, or the unrelated business income of an exempt organization, is derived from sources within and without the District, the taxpayer shall apportion business income and

allocate non-business income as provided in this section.”.

(f) Section 47-2001(r) is amended by striking the sentence "For the purpose of this chapter, an organization or institution which does not embrace the generally recognized relationship of teacher and student shall be deemed not to be operated for educational purposes.".

(g) Section 47-2005(3)(C) is amended by striking the phrase ", carries on its activities to a substantial extent within the District, and such activities result in substantial benefits to citizens of the District".

(h) Section 47-1508(a)(1) is amended by striking the phrase "individual, except that the organization shall have first obtained a certificate from the Mayor stating that it is entitled to the exemption" and inserting the phrase "individual; provided, that (A) the organization shall have first obtained a letter from the Mayor stating that it is entitled to the exemption, and (B) any personal property used for activities that generate unrelated business income subject to tax under section 511 of the Internal Revenue Code of 1986 shall not be exempt." in its place.

Sec. 203. Applicability.

(a) Section 202(a) through (e) shall be apply for all tax years beginning after December 31, 2000.

(b) Section 202(h) shall apply for tax years beginning after June 30, 2001.

TITLE III. BUSINESSES AND DEREGULATED UTILITIES.

Sec. 301. Short title.

This title may be cited as the "Business and Deregulated Utilities Tax Initiative Act of 2000".

Sec. 302. Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-1508(a) is amended as follows:

(1) A new paragraph (3A) is added to read as follows:

“(3A) The personal property of any company subject to a gross receipts or distribution tax imposed by Chapter 25 or Chapter 39.”.

(2) Paragraphs (4) through (6) are repealed.

(b) Section 47-1805.2(5) is amended as follows:

(1) Subparagraph (B) is amended by striking the phrase “unless permitted by the Mayor to file consolidated returns” and inserting the phrase “unless an election is made in accordance with the requirements of subparagraph (C) of this paragraph” in its place.

(2) New subparagraphs (C) and (D) are added to read as follows:

“(C)(i) On or before the due date, excluding any extensions, for filing the original tax return, an affiliated group may elect to consolidate the taxable income of all members of the affiliated group. The election shall be binding on the affiliated group; provided, that the election shall terminate automatically upon the revocation or termination of its federal consolidation election.

“(ii) In order to file a consolidated return, the affiliated group shall have properly elected, or was required, to file a consolidated federal return under section 1501 of the Internal Revenue Code of 1986.

“(iii) The election to file a consolidated return shall be accompanied by written consents to the election signed by each of the members of the affiliated group.

“(iv) The District may require that a consolidated return be filed for an affiliated group that is eligible, but has not elected, to file a consolidated return under this subparagraph if the District determines that a consolidated return is necessary to prevent evasion of taxes or to clearly reflect the taxable income that is attributable to the business conducted in the District by the affiliated group.

“(v) In taxable years after the year of the election, a corporation that was not a member of the original affiliated

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group in the year of the election but is a member of the affiliated group in the current year shall be deemed to have waived any objection to the filing of the consolidated return in the District by its consent, if any, to join in filing a consolidated return in the District by the parent of the District affiliated group. In the case of a corporation that is a member of the affiliated group for a part of the taxable year, the consolidated return shall include the income of the corporation for the part of the year that it is a member of the affiliated group.

“(vi) All members of the affiliated group that elected or was required to file a consolidated return in the District are jointly and severally liable for the taxes, interest, and penalties of the affiliated group.

“(vii) The Mayor may promulgate regulations to determine, compute, assess, collect, and adjust, the tax liability of the affiliated group.

“(D) For purposes of this paragraph, the term “affiliated group” means an affiliated group as defined in section 1504 of the Internal Revenue Code of 1986; provided, that the affiliated group shall not include any corporation which does not have gross income derived from sources within the District.”.

(c) Section 47-2005(24) is amended to read as follows:

“(24)(A) Sales of residential public utility services and commodities by a gas, electric, or telephone company, sales of residential heating oil or related services by any person, sales of residential natural or artificial gas by any person, or sales of residential electricity by an electric supplier; and

“(B) Sales of residential local exchange service or exchange access as defined in § 47-3901(14).”.

(d) Section 47-2302(23) is repealed.

(e) Section 47-2352 is amended as follows:

(1) Subsection (b) is repealed.

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

“(c)(1) Commercial vehicles exhibiting the following characteristics shall declare a jurisdictional base and obtain the apportioned credentials issued under the terms of the IFTA:

“(A) Vehicles with 2 axles and GVWR of more than 26,000 pounds;

“(B) Vehicles with 3 or more axles regardless of weight; or

“(C) When used in combination, the weight of the combination exceeds 26,000 pounds.

“(2) Commercial vehicles not possessing any of the characteristics specified in paragraph (1) of this subsection are not subject to the payment of fuel use taxes under the terms of the IFTA.”.

(3) Subsection (e) is repealed.

(f) Section 47-3901 is amended as follows:

(1) Paragraph (10) is amended to read as follows:

“(10) “Toll telecommunication company” means each person or lessee of a person, including a commercial local exchange carrier, who provides for the transmission or reception, within the District, of any form of toll telecommunication service for a consideration.”.

(2) A new paragraph (14) is added to read as follows:

“(14) “Commercial local exchange carrier” means any person that is engaged in the provision of deregulated local telephone exchange service or exchange access as defined in § 43-1451(8).”.

Sec. 303. Applicability.

(a) Section 302(a) shall apply for all tax years beginning after June 30, 2001.

(b) Section 302(b) shall apply for all tax years beginning after December 31, 2000.

(c) Section 302(c) and (g) shall be applicable as of January 1, 1999.

TITLE IV. TAX COMPLIANCE SIMPLIFICATION.

Sec. 401. Short title.

This title may be cited as the "Tax Compliance Simplification Act of 2000".

Sec. 402. Amending provisions related to individual income tax and tax administration. Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-1804.7(b) is repealed.

(b)(1) The table of contents for Chapter 41 is amended by adding the section designation "47-4111. Rewards for informants." at the end.

(2) A new section 47-4111 is added to read as follows:

"§ 47-4111. Rewards for informants.

"(a) If the expenses are not otherwise provided for by law, the Mayor may pay the expenses which he considers necessary for:

"(1) Detecting underpayments of tax; and

"(2) Detecting and bringing to trial and punishment persons guilty of violating, or attempting to violate, the revenue provisions of Titles 45 and 47.

"(b) The amount payable under this section shall not exceed 10% of the proceeds, other than interest and penalties, collected by reason of the information obtained as a result of the payments. The proceeds collected shall be available for the payments.

"(c) No present or former employee of the District whose job responsibilities include, or have included, tax administration or enforcement, or any person who is working, or has worked, for a contractor on a tax administration or enforcement project for the District government, shall be eligible for the rewards authorized in this section.

"(d) The Mayor may promulgate regulations to carry out the purpose of this section."

(c)(1) The table for contents for Chapter 41 is amended by adding the section designation "47-4108a. Special agents for the Office of Tax and Revenue." after the section designation "'47-4108 Periods of limitation on criminal prosecutions."

(2) A new section 47-4108a is added to read as follows:

"§ 47-4108a. Special agents for the Office of Tax and Revenue.

"An employee of the Office of Tax and Revenue who, as part of his or her official duties, conducts investigations of alleged misdemeanor and felony violations, shall possess the following authority while engaged in the performance of his or her official duties:

"(1) To carry a firearm inside or outside of the District of Columbia in conformance with state and local laws; provided, that the employee has completed a course of training in the safe handling of firearms and the use of deadly force and is qualified to use a firearm according to the standards applicable to officers of the Metropolitan Police Department. The employee shall not carry a firearm in the course of official duties unless it is authorized in writing by the Deputy Chief Financial Officer for the Office of Tax and Revenue. The Deputy Chief Financial Officer, in consultation with the Metropolitan Police Department, shall issue written guidelines pertaining to the authority to carry firearms, the appropriate use of firearms, firearms issuance and security, and the use of force;

"(2) To make an arrest without a warrant if the employee has probable cause to believe that a felony violation of a federal or District of Columbia statute is being committed in his or her presence; provided, that the arrest shall be made while the employee is engaged in the performance of his or her official duties within the District of Columbia or, subject to state and local laws, outside of the District of Columbia; and

"(3) To serve as an affiant for, to apply to an appropriate judicial officer for, or execute, a search warrant under the authority of the District of Columbia or the United States for the search of premises or the seizure of evidence upon the probable cause .

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Sec. 403. Title 47 of the District of Columbia Code is amended as follows:

(a) The table of contents for the title is amended by adding the chapter designation "Chapter 42. Interest and Penalties."

(b) A new Chapter 42 is added to read as follows:

"Chapter 42. Interest and penalties.

"Subchapter I. Interest.

"47-4201. Interest on underpayments.

"47-4202. Interest on overpayments.

"Subchapter II. Penalties.

"47-4211. Imposition of accuracy-related penalty.

"47-4212. Imposition of fraud penalty.

"47-4213. Failure to file return or to pay tax.

"47-4214. Underpayment of estimated tax by individuals.

"47-4215. Underpayment of estimated tax by corporations, financial institutions, and unincorporated businesses.

"47-4216. Frivolous returns.

"47-4217. Tax return preparers; aiding and abetting by others.

"Subchapter III. Waiver and abatement.

"47-4221. Waiver of penalty – reasonable cause.

"47-4222. Abatements – tax, interest, and penalty.

Subchapter I. Interest.

"§ 47-4201. Interest on underpayments.

"(a)(1) Unless otherwise provided in this title, if any amount of tax imposed by this title (whether required on a return or to be paid by stamp or by some method) is not paid on or before the last date prescribed for payment, interest on the unpaid amount, at the underpayment rate set forth in subsection (d) of this section, shall be paid for the period from the last date prescribed for payment to the date paid.

"(2) For the purposes of this subsection, the last date prescribed for payment of the tax shall be determined in accordance with the following rules:

"(A) The last date prescribed for payment shall be determined without regard to any extension of time for filing a return required under this title.

"(B) In the case of taxes payable by stamp and in all other cases in which the last date for payment is not otherwise prescribed, the last date for payment shall be the date that the liability for the tax arises.

"(b)(1) Except as provided under paragraphs (1) and (2) of this subsection, interest shall be imposed at the underpayment rate set forth in subsection (d) of this section on an assessable penalty or addition to the tax only:

"(A) If the assessable penalty or addition to the tax is not paid within 21 calendar days after the date of notice and demand, and

"(B) For the period from the date of the notice and demand to the date of payment.

"(2) Interest shall be imposed at the underpayment rate set forth in subsection (d) of this section on an addition to tax imposed under §§ 47-4201, 47-4202, or 47-4203 for the period which:

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"(A) Begins on the date of the return of the tax with respect to which the addition to tax imposed is required to be filed (including extensions); and

"(B) Ends on the date of payment of the addition to tax.

"(3) Interest shall not be imposed on an underpayment of estimated tax required to be paid under § 47-4215.

"(c) Interest imposed under this section on an unpaid tax, assessable penalty, or addition to tax shall be paid upon notice and demand, and shall be assessed, collected, and paid in the same manner as a tax.

"(d) The underpayment rate shall be as follows:

(1) 13% per year, simple interest, from January 1, 2001 to December 31, 2002;

(2) 10% per year, compounded daily, beginning January 1, 2003.

“§ 47-4202. Interest on overpayments.

“(a) Unless otherwise provided in this title, interest shall be allowed and paid on an overpayment of a tax imposed by this title at the overpayment rate set forth in subsection (c) of this section.

“(b) Interest shall be allowed and paid as follows:

“(1) In the case of a refund, from the date of the overpayment to a date (to be determined by the Mayor) preceding the date of the refund check by not more than 60 days, whether or not the refund check is accepted by the taxpayer after tender of the check to the taxpayer. The acceptance of the check shall be without prejudice to any right of the taxpayer to contest the amount of the overpayment and interest thereon.

“(2) In the case of a return filed on or before the last day prescribed for filing the return (determined with regard to extension), interest shall not be allowed or paid before:

"(A) The 91st day after the due date of an individual income tax return required under Chapter 18; or

"(B) The 181st day after the due date of any other return required under this title.

“(3) In the case of a return filed after the last date prescribed for filing the return (determined with regard to extension), an amended return, or a claim for refund or credit, interest shall not be allowed or paid before:

"(A) The 91st day after an individual income tax return or claim is filed under Chapter 18; or

"(B) The 181st day after any other tax return or claim is filed under this title.

"(4) If an adjustment initiated by the Mayor results in a refund of an overpayment, interest on the overpayment shall be computed from:

"(A) The 91st day after the date of the adjustment to the date of the payment in the case of an individual income tax return filed under chapter 18; or

"(B) The 181st day after the date of the adjustment to the date of the payment in the case of any other return filed under this title.

"(c) The overpayment rate is 6% per year simple interest.

“Subchapter II. Penalties.

“§ 47-4211. Imposition of accuracy-related penalty.

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

"(1) "Negligence" means a failure to make a reasonable attempt to comply with the provisions of this title or to exercise ordinary and reasonable care in the preparation of a tax return without the intent to defraud. A position with respect to an item is attributable to negligence if it lacks a reasonable basis. Negligence is indicated where:

"(A) The taxpayer fails to include on an income tax return an amount of income shown on an information return;

"(B) The taxpayer fails to make a reasonable attempt to ascertain the correctness of a deduction, credit, or exclusion on a return; or

"(C) The taxpayer fails to keep adequate books and records or to substantiate items properly.

"(2) "Gross valuation misstatement" means the reporting on any return for a tax imposed by this title of the value of a property or the adjusted

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basis of a property which is 400% or more greater or less than the amount determined to be the correct amount of the valuation or adjusted basis.

"(3)(A) "Substantial understatement of income tax" means, for a taxable year, an understatement made by taxpayer in filing an individual or estate tax return if the amount of the understatement for the taxable year exceeds the greater of:

"(i) Ten percent of the tax required to be shown on the return for the taxable year; or

"(ii) \$2,000.

"(B) In the case of a taxpayer other than an individual or estate, subparagraph (A) of this paragraph shall be applied by substituting "\$ 4,000" for "\$ 2,000".

"(C)(i) For purposes of this section, the term "understatement" means the excess of the amount of tax required to be shown on a return less the tax shown on the return.

"(ii) The amount of the understatement under sub-subparagraph (i) of this paragraph shall be reduced by the portion of the understatement which is attributable to:

"(I) The tax treatment of an item by the taxpayer if there is or was substantial authority for the treatment; or

"(II) An item if:

"(aa) The relevant facts affecting the item's tax treatment are adequately disclosed in a statement attached to the return; and

"(bb) There is a reasonable basis for the tax treatment of the item by the taxpayer.

"(4) "Substantial valuation misstatement" means the reporting on any return for a tax imposed by this title of the value of a property or the adjusted basis of a property which is 200% or more greater or less than the amount determined to be the correct amount of the valuation or adjusted basis.

"(b)(1) There shall be added to a tax imposed by this title an amount equal to 20% of the portion of an underpayment which is attributable to one or more of the following:

"(A) Negligence;

"(B) A substantial understatement of income tax; or

"(C) A substantial valuation misstatement.

"(2) There shall be added to the tax imposed by this title an amount equal to 40% of the portion of an underpayment which is attributable to a gross valuation misstatement.

"(c)(1) Subsection (b) of this section shall not apply to the portion of an underpayment on which a penalty is imposed under § 47-4212.

"(2) No penalty shall be imposed under subsection (b) of this section by reason of a substantial valuation misstatement or a gross valuation misstatement unless the portion of the underpayment for the taxable year attributable to the substantial valuation misstatement exceeds \$5,000 (\$10,000 in the case of a corporation).

"§ 47-4212. Imposition of fraud penalty.

"(a) If a portion of an underpayment of tax required to be shown on a return is attributable to fraud, there shall be added to the tax imposed by this title an amount equal to 75% of the portion of the underpayment which is attributable to fraud.

"(b) If the Mayor establishes that a portion of an underpayment is attributable to fraud, the entire underpayment shall be deemed to be attributable to fraud, except with respect to any portion of the underpayment which the taxpayer establishes, by a preponderance of the evidence, is not attributable to fraud.

"(c) In the case of a joint return, this section shall not apply with respect to a spouse unless a portion of the underpayment is attributable to the fraud of the spouse.

"(d) Fraud is indicated where a taxpayer willfully:

"(1) Fails to pay a tax imposed by this title; or

"(2) Attempts to evade or defeat in any way the tax or the payment thereof.

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“§ 47-4213. Failure to file return or to pay tax.

“(a)(1) In case of failure to file a return required by this title on the date prescribed (determined with regard to any extension of time for filing), unless it is shown that the failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on the return 5% of the amount of the tax if the failure is for not more than one month, with an additional 5% for each additional month or fraction thereof during which the failure continues, not exceeding 25% in the aggregate. The amount of tax required to be shown on the return shall be reduced by the amount of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed on the return.

“(2) In the case of a failure to pay the amount shown as tax on a return specified in paragraph (1) of this subsection on or before the date prescribed for payment of the tax (determined with regard to any extension of time for payment), unless it is shown that the failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount shown as tax on the return 5% of the amount of the tax if the failure is for not more than one month, with an additional 5% for each additional month or fraction thereof during which the failure continues, not exceeding 25% in the aggregate. For purposes of computing the addition for a month, the amount of tax shown on the return shall be reduced by the amount of the tax which is paid on or before the beginning of the month and by the amount of any credit against the tax which may be claimed on the return.

“(3) In the case of a failure to pay an amount in respect of a tax that is required to be shown on a return specified in paragraph (1) of this subsection which is not shown (including an assessment made under this title), within 30 calendar days from the date of notice and demand for payment, unless it is shown that the failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount of tax stated in the notice and demand 5% of the amount of the tax if the failure is for not more than one month, with an additional 5% for each additional month or fraction thereof during which the failure continues, not exceeding 25% in the aggregate. For the purpose of computing the addition for a month, the amount of tax stated in the notice and demand shall be reduced by the amount of the tax which is paid before the beginning of the month.

“(b) With respect to a return, the amount of the addition under subsection (a)(1) of this section shall be reduced by the amount of the addition under subsection (a)(2) of this section for any month (or fraction thereof) to which an addition to tax applies under both subsection (a)(1) and (2) of this section.

“(c) This section shall not apply to a failure to pay an estimated tax required to be paid by this title.

“§ 47-4214. Underpayment of estimated tax by individuals.

“(a) An individual shall pay 4 installments of estimated tax on the dates as provided in § 47-1812.8(i)(4) in the amount provided under subsection (b) of this section.

“(b)(1) The amount of each installment of estimated tax under subsection (b) of this section shall be the lesser of (A) the amount required under the annualized income method under paragraph (2) of this subsection, or (B) twenty-five percent of the lesser of:

“(i) Ninety percent of the tax shown on the return for the taxable year (or, if no return is filed, 90% of the tax for the taxable year);

“(ii) One hundred percent of the tax shown on the return of the individual for the preceding taxable year if the individual filed a return for the preceding taxable year consisting of 12 months; or

“(iii) One hundred percent of the tax computed on the basis of the facts shown on his return for the preceding taxable year if the individual filed a return for the preceding taxable year consisting of 12 months.

“(2)(A) The required payments under the annualized income method shall be, on a cumulative basis, as follows:

“(i) On the first installment date, 22.5% of the tax for the taxable year based upon the annualized income of the individual for the first 3 months of the taxable year;

“(ii) On the second installment date, 45% of the tax for the taxable year based upon the annualized income of the individual for the first 5 months of the taxable year;

“(iii) On the third installment date, 67.5% of the tax for the taxable year based upon the annualized income of the individual for the first 8 months of the taxable year; and

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"(iv) On the fourth installment date, 90% of the tax for the taxable year.

"(B) The annualized income method shall not apply to individuals filing a return for part of a taxable year except under regulations as the Mayor may prescribe.

"(c)(1) Except as otherwise provided in this section, in the case of an underpayment of estimated tax by an individual, there shall be added to the tax imposed under § 47-1806.3(a) an amount determined by applying the underpayment rate set forth in § 47-4201 to the amount of the underpayment for the period of the underpayment.

"(2) For purposes of this subsection:

"(A) The amount of the underpayment shall be the excess of the required installment, over the amount, if any, of the installment paid on or before the due date for the installment.

"(B) The period of the underpayment shall run from the due date for the installment to the earlier of: (i) the 15th day of the 4th month following the close of the taxable year, or (ii) the date on which the amount of the underpayment is made; provided, that an underpayment which is unpaid during part of a month shall be considered to be paid at the end of the month.

"(d) For purposes of this section:

"(1) A payment of estimated tax shall be credited against unpaid required installments in the order in which the installments are required to be paid.

"(2) The term "tax" means the tax imposed by § 47-1806.3, less the amount of credit allowed against the tax (other than the credit under § 47-1806.4(b) for withholding of wages).

"(3) The amount of the credit allowed under § 47-1806.4(b) for withholding of wages shall be deemed a payment of estimated tax. An equal part of such amount shall be deemed paid on each due date for the payment of estimated tax for the taxable year unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld.

"(4) The amount of a refund of a prior year's tax applied against the tax during the taxable year shall be deemed a payment of estimated tax.

"(e) An addition to tax shall not be imposed under subsection (c) of this section for a taxable year if:

"(1) The tax shown on the return for the taxable year (or, if no return is filed, the tax), reduced by applicable credits and payments of estimated tax which are timely made, is less than \$100;

"(2)(A) The individual did not have any liability for tax for the preceding taxable year; and

"(B) The individual was a citizen or resident of the District of Columbia throughout the preceding taxable year;

"(3) The Mayor determines that:

"(A) The taxpayer (i) retired after having attained age 62, or (ii) became disabled in the taxable year for which estimated payments were required to be made or in the taxable year preceding such taxable year; and

"(B) The underpayment was due to reasonable cause and not to willful neglect;

"(4) The Mayor determines that, by reason of casualty, disaster, or other unusual circumstances, the imposition of the addition to tax would be against equity and good conscience; or

"(5) The taxpayer dies during the taxable year.

“§ 47-4215. Underpayment of estimated tax by corporations, financial institutions, and unincorporated businesses.

“(a) A corporation, financial institution, or unincorporated business shall pay 4 installments of estimated tax as provided in § 47-1812.14 in the amount provided under subsection (b) of this section.

"(b)(1) The amount of each installment of estimated tax under subsection (b) of this section shall be the lesser of (A) the amount required under the annualized income method under paragraph (2) of this subsection, or (B) twenty-five percent of the lesser of:

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"(i) Ninety percent of the tax shown on the return of the entity for the taxable year (or, if no return is filed, 100% of the tax for the taxable year); or

"(ii) One hundred percent of the tax shown on the return of the entity for the preceding taxable year if the individual filed a return for the preceding taxable year consisting of 12 months.

"(2)(A) The required payments under the annualized income method shall be, on a cumulative basis, as follows:

"(i) On the first installment date, 22.5% of the tax for the taxable year based upon the annualized income of the entity for the first 3 months of the taxable year;

"(ii) On the second installment date, 45% of the tax for the taxable year based upon the annualized income of the entity for the first 5 months of the taxable year;

"(iii) On the third installment date, 67.5% of the tax for the taxable year based upon the annualized income of the entity for the first 8 months of the taxable year; and

"(iv) On the fourth installment date, 90% of the tax for the taxable year based upon the annualized income of the entity for the first 9 months of taxable year.

"(B) The annualized income method shall not apply to entities filing a return for part of a taxable year except under regulations as the Mayor may prescribe.

"(c)(1) Except as otherwise provided in this section, in the case of an underpayment of estimated tax by a corporation, financial institution, or unincorporated business, there shall be added to the tax imposed under Chapter 18 an amount determined by applying the underpayment rate set forth in § 47-4201 to the amount of the underpayment for the period of the underpayment.

"(2) For purposes of this subsection:

"(A) The amount of the underpayment shall be the excess of (i) the required installment, over (ii) the amount, if any, of the installment paid on or before the due date for the installment.

"(B) The period of the underpayment shall run from the due date for the installment to the earlier of (i) the 15th day of the 3rd month following the close of the taxable year, or (ii) the date on which the amount of the underpayment is made; provided, that an underpayment which is unpaid during part of a month shall be considered to be paid at the end of the month.

"(d) For purposes of this section:

"(1) A payment of estimated tax shall be credited against unpaid required installments in the order in which the installments are required to be paid.

"(2) The term "tax" means the tax imposed by § 47-1807.2 or § 47-1808.3, less the amount of credit allowed against the tax (other than the credit with respect to payments of tax).

"(3) The amount of a refund of a prior year's tax applied against the tax during the taxable year shall be deemed a payment of estimated tax.

"(e) An addition to tax shall not be imposed under subsection (c) of this section for a taxable year if:

"(1) The tax shown on the return for the taxable year (or, if no return is filed, the tax) reduced by applicable credits and estimated payments which are made timely, is less than \$100; or

"(2)(A) The preceding taxable year was a taxable year of 12 months; and

"(B) The entity did not have any liability for tax for the preceding taxable year.

“§ 47-4216. Frivolous returns.

“(a) An individual shall pay a penalty of \$500 if:

"(1) The individual files what purports to be a tax return but which:

"(A) Does not contain information on which the substantial correctness of the self-assessment may be judged; or

"(B) Contains information that on its face indicated that the self-assessment is substantially incorrect; and

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“(2) The conduct referred to in paragraph (1) of this subsection is due to:

“(A) A position which is frivolous; or

“(B) A desire (which appears on the purported return) to delay or impede the administration of the District of Columbia's tax laws.

“(b) The penalty imposed by subsection (a) of this section shall be in addition to any other penalty provided by law.

“§ 47-4217. Tax return preparers; aiding and abetting by others.

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

“(1) “Tax return preparer” means a person who prepares for compensation, or who employs one or more persons to prepare for compensation, a return of tax imposed by this title or a claim for refund of tax imposed by this title. The preparation of a substantial portion of a return or claim for refund shall be deemed to be the preparation of the entire return or claim for refund. The term “tax return preparer” shall not mean a person who only:

“(A) Furnishes typing, reproducing, or other mechanical assistance;

“(B) Prepares a return or claim for refund of the employer (or an officer, partner, member, or employee of the employer) by whom the person is regularly and continuously employed; or

“(C) Prepares, as a fiduciary, a return or claim for refund for a person.

“(2) “Understatement of liability” means an understatement of the net amount due with respect to a tax imposed by this title or an overstatement of the net amount creditable or refundable with respect to the tax.

“(b) A tax return preparer shall sign the return or claim for refund as a tax return preparer. A tax return preparer who fails to sign a return or claim for refund shall pay a penalty of \$50 for each unsigned return or claim for refund unless it is shown that the failure is due to reasonable cause.

“(c) A tax return preparer shall pay a penalty of \$250 for each return or claim for refund prepared by the tax preparer which understates a taxpayer's liability if:

“(1) A part of an understatement of liability with respect to a return or claim for refund was due to the tax treatment of an item for which there was not a realistic possibility of success on its merits;

“(2) The tax return preparer knew or reasonably should have known of the tax treatment of the item; and

“(3)(A) The relevant facts affecting the tax treatment of the item were not adequately disclosed in the return or claim for refund or in a statement attached to the return or claim for refund (or in a copy of the federal return which was filed with the return or claim for refund, if applicable); or

(B) The position was frivolous.

“(d)(1) A tax return preparer shall pay a penalty of \$1,000 for each return or claim for refund prepared by the tax return preparer that understates a taxpayer's liability if a part of an understatement of liability with respect to a return or claim for refund was due to:

“(A) A willful attempt in any manner to understate the liability for tax with respect to the return or claim for refund; or

“(B) A reckless or intentional disregard of rules or regulations.

“(2) The amount of the penalty payable by a person by reason of paragraph (1) of this subsection shall be reduced by the amount of the penalty paid by the person by reason of subsection (c) of this section.

“(e)(1) Except as provided in paragraph (2) of this subsection, a person is subject to a penalty of \$1,000 if the person:

“(A) Aids or assists in, procures, or advises with respect to, the preparation or presentation of a portion of a return, affidavit, claim for refund, or other document (for purposes of this paragraph, the term “procures” includes ordering or otherwise causing a subordinate to perform an act and knowing of, and not attempting to prevent, participation in the act by any other person (whether or not the person is a director, officer, employee, or agent of the taxpayer involved) over whose activities the person has direction, supervision, or control);

“(B) Knows or has reason to believe that the portion will be used in connection with a material matter arising under a tax imposed by this title; and

“(C) Knows that the portion would result in an understatement of the liability for tax of another person.

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“(2) If the return, affidavit, claim for refund, or other document relates to the tax liability of a corporation, the amount of the penalty imposed by this subsection shall be \$10,000.

“(3) If a person is subject to a penalty under this subsection with respect to a document relating to a taxpayer for a taxable period (or where there is no taxable period, a taxable event), the person shall not be subject to a penalty under this subsection with respect to another document relating to the taxpayer for the taxable period (or event).

“(4) This subsection shall apply whether or not the understatement is made with the knowledge or consent of the persons authorized or required to present the return, affidavit, claim for refund, or other document.

“(5) For purposes of paragraph (1) of this subsection, a person furnishing typing, reproducing, or other mechanical assistance with respect to a document shall not be treated as having aided or assisted in the preparation of the document by reason of the assistance.

“(6) The penalty imposed by this section shall be in addition to any penalty assessed under subsection (b) of this section.

“(7) A penalty on a person shall not be assessed under subsection (c) of this section with respect to a return for which a penalty is imposed on the person under this subsection.

“(f)(1) Except as provided by paragraph (3) of this subsection, before a final assessment of a penalty against a person under this section, the Mayor shall send the person a proposed assessment and provide the person, not less than 30 days after the proposed assessment is sent, with an opportunity to file a protest that explains why the penalty should not be assessed. If a protest is filed in a timely manner, the Mayor shall grant the person a hearing.

“(2) If the person fails to file a protest in a timely manner under paragraph (1) of this subsection, or the Mayor determines after a hearing granted under paragraph (1) of this subsection that the person is subject to a penalty under this section, the Mayor shall send the person a final assessment of the penalty.

“(3) If the period of limitations will expire without adequate opportunity for assessment, the Mayor may issue a final assessment of a penalty against a person under this chapter without first issuing a proposed assessment.

“(4) The penalty shall be paid within 30 days after the final assessment is sent to the person.

“(g)(1) A claim for refund of a penalty paid under this section may be filed with the Mayor by the person against whom the penalty is assessed. The claim for refund shall be in a form prescribed by the Mayor and shall state the specific grounds upon which the claim for refund is based.

“(2) If the Mayor denies the claim for refund, the person may, within 6 months from the date of the denial, appeal to the Superior Court of the District of Columbia in the same manner and to the same extent as set forth in §§ 47-3303, 47-3304, and 47-3306 through 47-3308.

“Subchapter III. Waiver and abatement.

“§ 47-4221. Waiver of penalty - reasonable cause.

“(a) A penalty shall not be imposed with respect to a portion of an underpayment if the taxpayer shows that there was reasonable cause for the underpayment and that the taxpayer acted in good faith.

“(b) Relief for reasonable cause is available for the following penalties:

“(1) Accuracy-related penalty under §47-4211;

“(2) Failure to pay penalty under §47-4213;

“(3) Failure to file penalty under §47-4213;

“(4) Return preparer penalties under § 47-4217; and

“(5) Personal liability for failure to collect or pay tax under § 47-4491.

“(c) Reasonable cause generally exists if, based on all the facts and circumstances, the taxpayer exercises ordinary business care and prudence in determining his or her tax obligations, but was unable to comply with a prescribed duty within the prescribed time. Ordinary business care and prudence includes

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making provision for business obligations to be met when reasonably foreseeable events occur.

“§ 47-4222. Abatements – tax, interest, and penalty.

“(a) The Mayor may abate the unpaid portion of the assessment of a tax or a liability in respect of a tax upon a request in a form prescribed by the Mayor, which is:

“(1) Assessed after the expiration of the applicable period of limitation; or

“(2) Erroneously or illegally assessed, in whole or in part.

“(b)(1) In the case of an assessment of interest on a deficiency attributable in whole or in part to an unreasonable error or delay by the Mayor, the Mayor may abate the assessment of all or a part of the interest. The Mayor may refuse to abate the assessment of interest if a significant aspect of the error or delay is attributable to the taxpayer involved.

“(2) The Mayor shall abate the assessment of all interest on an erroneous refund under § 47-4201 until the date that demand for repayment is made, unless the taxpayer (or a related party) has in any way caused the erroneous refund.

“(c)(1) The Mayor shall abate any portion of interest or penalty attributable to erroneous advice furnished to the taxpayer in writing by the Mayor.

“(2) Paragraph (1) of this subsection shall apply only if:

“(A) The written advice was reasonably relied upon by the taxpayer; and

“(B) The portion of the penalty or addition to tax did not result from a failure by the taxpayer to provide adequate or accurate information.

“(d)(1) For purposes of this subsection, the term:

“(A) "Notice" means a document specifically stating the amount of the taxpayer's liability and the basis for the liability.

“(B) "Abatement date" means the day after the expiration of the one-year period beginning on the later of: (i) the date on which the return is filed, or (ii) the due date of the return determined without regard to extensions.

“(2) If an individual files a timely return of tax imposed by this title (determined with regard to extensions) and the Mayor does not provide a notice to the taxpayer before the abatement date, the Mayor shall abate any interest or penalty for a failure relating to the return for the period (A) beginning on the abatement date, and (B) ending 21 days after the date on which the notice is provided by the Mayor.

“(3) Paragraph (2) of this subsection shall not apply to:

“(A) A penalty imposed by § 47-4213;

“(B) Interest, penalty, an addition to tax, or an additional amount in a case involving fraud;

“(C) Interest, penalty, an addition to tax, or an additional amount with respect to a tax liability shown on the return; or

“(D) A criminal penalty.”.

Sec. 404. Title 47 of the District of Columbia Code is amended as follows:

(a) The table of contents for the title is amended by adding the chapter designation "Chapter 43. Administration."

(b) A new Chapter 43 is added to read as follows:

“Chapter 43. Administration.

Subchapter I. Limitations.

"Sec.

"47-4301. Periods of limitation.

"47-4302. Limitation on collection.

"47-4303. Suspension of running of period of limitation.

"47-4304. Limitation on credit or refund.

"Subchapter II. Summons authority; records; protests.

"47-4310. Summons authority.

"47-4311. Requirement to maintain books and records.

"47-4312. Protest of assessment.

"Subchapter I. Limitations.

"§ 47-4301. Periods of limitation

"(a) Unless otherwise provided in subsection (d) of this section, the amount of a tax imposed under this title shall be assessed within 3 years after the return was filed (whether or not the return was filed after the date due) or, if the tax is payable by stamp, at any time after the tax became due and before the expiration of 3 years after the date on which a part of the tax was paid. A proceeding in court without assessment for the collection of the tax shall not commence after the expiration of such period. For purposes of this chapter, the term "return" means the return of tax required to be filed by the taxpayer (and does not include a return of tax of a person from whom the taxpayer has received an item of income, gain, loss, deduction, or credit).

"(b) For purposes of this section, a return filed before the last day prescribed by this title, or by regulations promulgated under this title for filing, shall be considered as filed on the last day.

"(c) The execution of a return by the Mayor shall not start the running of the period of limitations on assessment and collection.

"(d)(1) In the case of a (A) false or fraudulent return with the intent to evade tax, (B) willful attempt in any manner to defeat or evade tax imposed by this title, or (C) failure to file a return, the tax may be assessed, or a proceeding in court for the collection of the tax may begin without assessment, at any time.

"(2) In the case of a tax imposed by Chapter 18, if the taxpayer omits an amount properly includible in gross income which is in excess of 25% of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of the tax may be begun without assessment, at any time within 6 years after the return was filed. In the case of a trade or business, the term "gross income" means the amount received or accrued from the sale of goods or services (if the amounts are required to be shown on the return) before diminution by the cost of the sales or services.

"(3) In the case of a return not under Chapter 18, if the taxpayer omits from the return an amount of tax properly includible on the return which exceeds 25% of the amount of the tax reported on the return, the tax may be assessed, or a proceeding in court for the collection of the tax may be begun without assessment, at any time within 6 years after the return is filed.

"(e) If, before the expiration of the time prescribed in this section for the assessment of a tax imposed by this title, both the Mayor and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time before the expiration of the extended period. The period may be extended further by subsequent agreement in writing made before the expiration of an extended period.

"(f) If the amount of taxable income for a taxable year (or portion of a taxable year) of a taxpayer as reported by the taxpayer, or his duly authorized agent, to the United States Department of Treasury for federal income tax purposes is changed or corrected by the Commissioner of Internal Revenue, by a court of the United States, or by a court of the District of Columbia, or if the amount of taxable income for a taxable year (or portion of a taxable year) of a taxpayer as reported by the taxpayer or his duly authorized agent, to the District of Columbia for District of Columbia income or

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franchise tax purposes is changed or corrected by a court of the United States or the District of Columbia, the taxpayer, or his duly authorized agent, shall, within 90 days after the change or correction is finally determined, report in writing the changed or corrected taxable income to the District of Columbia. The Mayor may, within 180 days from the date of the receipt of written notice from the taxpayer of the changed or corrected taxable income as finally determined, assess or reassess the amount of a tax imposed by this title; provided, that if the date of receipt by the District of Columbia of a notice from the taxpayer is more than 180 days before the expiration of the applicable period of limitation, the Mayor shall have until the expiration of the applicable period of limitation to assess or reassess the amount of the tax. Failure to report the changed or corrected taxable income as finally determined within the 90-day period shall suspend the running of the period of limitation for a period of 180 days after the date that the report from the taxpayer, or his duly authorized agent, is received by the District of Columbia.

“§ 47-4302. Limitation on collection.

“(a) If the assessment of a tax imposed by this title has been made within the applicable period of limitation, the tax may be collected by levy or by a proceeding in court, but only if the levy is made or the proceeding begun within 10 years after the assessment of the tax.

“(b) If, before the expiration of the time prescribed in this section for the collection of a tax imposed by this title, both the Mayor and the taxpayer have consented in writing to its collection after such time, the tax may be collected at any time before the expiration of the extended period. The period may be extended further by subsequent agreement in writing made before the expiration of an extended period.

“§ 47-4303. Suspension of running of period of limitation.

“The running of the period of limitation provided in §§ 47-4301 and 47-4302 on the making of assessments or collection shall be suspended for the period during which the Mayor is prohibited from making the assessment or from collecting due to a proceeding in court, plus:

“(1) For assessment, 60 days thereafter; and

“(2) For collection, 6 months thereafter.

“§ 47-4304. Limitations on credit or refund.

“(a) A credit or refund of an overpayment of a tax imposed by this title shall not be allowed unless the taxpayer files a claim within the later of 3 years from the due date of the return or 3 years from the date that the tax was paid.

“(b) If, before the expiration of the period of limitation prescribed in subsection (a) of this section, both the Mayor and the taxpayer have consented in writing, the period of limitation may be extended. The period may be extended further by subsequent agreement in writing made before the expiration of the extended period.

“(c) If the amount of taxable income for a taxable year (or portion of a taxable year) of a taxpayer as reported by the taxpayer, or his duly authorized agent, to the United States Department of the Treasury for federal income tax purposes is changed or corrected by the Commissioner of Internal Revenue, by a court of the United States, or by a court of the District of Columbia, or if the amount of taxable income for a taxable year (or portion of a taxable year) of a taxpayer as reported by the taxpayer, or his duly authorized agent, to the District of Columbia for District of Columbia income or franchise tax purposes is changed or corrected by a court of the United States or the District of Columbia, a claim for credit or refund shall not be allowed unless the taxpayer files a claim for refund or credit with respect to the correction or change in the amount of taxable income within 180 days after the date that the change or correction is made or ordered.

“(d)(1) In the case of an individual, the running of the period of limitation specified in subsection (a) of this section shall be suspended during any period that the individual is financially disabled.

“(2) For purposes of paragraph (1) of this subsection, an individual is "financially disabled" if the individual's ability to receive and evaluate information effectively or to communicate decisions is impaired to such an extent that he or she lacks the capacity to manage some or all of his or her financial resources. An individual shall not be treated as financially disabled during any period that the individual's spouse or another

person may act on behalf of the individual in financial matters.

“Subchapter II. Summons authority; records; protests.”

“§ 47-4310. Summons authority.

“(a) For the purpose of ascertaining the correctness of a return; making a return where none has been made; determining the liability of a person for a tax imposed under this title; determining the liability at law or in equity of a transferee or fiduciary of a person for a tax under this title; collecting tax; or inquiring into an offense connected with the administration or enforcement of a law, the Mayor may:

“(1) Summon any person to appear and produce all books, records, or other data which may be relevant or material to the inquiry;

“(2) Summon any person to give testimony under oath as may be relevant or material to the inquiry;

“(3) Summon any person to answer interrogatories under oath as may be relevant or material to the inquiry; and

“(4) Administer oaths to a person summoned.

“(b) A summons under this section shall be served by the Mayor or by a member of the Metropolitan Police Department in the same manner as a subpoena issued by the Superior Court of the District of Columbia.

“(c) The Mayor may report to the Superior Court of the District of Columbia the failure of a person to obey a summons.

“(d) The Superior Court of the District of Columbia may compel obedience of a summons under this section to the same extent as witnesses may be compelled to obey the subpoenas of the Court.

“§ 47-4311. Requirement to maintain books and records.

“Every person who is liable for a tax imposed by this title shall maintain sufficient books and records to determine liability for the tax.

“§ 47-4312. Protest of assessment.

“(a) Unless otherwise provided in this title, before a final assessment of a deficiency, interest, and penalties against a person, the Mayor shall send the person a proposed assessment and provide the person, not less than 30 days after the proposed assessment is sent, with an opportunity to file a protest that explains why the deficiency, interest, and penalties should not be assessed. If a protest is filed in a timely manner, the Mayor shall grant the person a hearing if requested.

“(b) If the person fails to file a protest in a timely manner under subsection (a) of this section, or the Mayor determines after review of the protest or after a hearing granted under subsection (a) of this section, that the person is liable for a deficiency, interest, or penalties, the Mayor shall send the person a final assessment of the deficiency, interest, or penalties.

“(c) If the period of limitations will expire without adequate opportunity for assessment, the Mayor may issue a final assessment of a deficiency, interest, or penalties against a person under this title without first issuing a proposed assessment.”.

Sec. 405. Title 47 of the District of Columbia Code is amended as follows:

(a) The table of contents for the title is amended by adding the chapter designation "Chapter 44. Collections."

(b) A new Chapter 44 is added to read as follows:

"Chapter 44. Collections.

"Subchapter I. General Provisions.

Sec.

- “47-4401. Payment of tax.
- “47-4402. Credit card or electronic payment of taxes.
- “47-4403. Closing agreements.
- “47-4404. Compromise of tax.
- “47-4405. Collections through third party contractors.
- “47-4406. Secrecy of returns.

"Subchapter II. Liens.

- “47-4421. Lien for taxes.
- “47-4422. Period of lien.
- “47-4423. Lien priority.

"Subchapter III. Refund Offset.

Sec.

- “47-4431. Refund offset.
- “47-4432. Joint and combined returns; real property refund due to more than one owner.
- “47-4433. Notice and protest.
- “47-4434. Protests not considered.
- “47-4435. Return of refund in certain cases.
- “47-4436. Deposit of offset amount; application when more than one debt.
- “47-4437. Applicability in certain cases.
- “47-4438. Right of appeal to Superior Court.
- “47-4439. Priority.
- “47-4440. Other methods not precluded.
- “47-4441. Reciprocal refund offset.

"Subchapter IV. Jeopardy.

- “47-4451. Jeopardy and termination.
- “47-4452. Bond to stay collection.

"Subchapter V. Bulk Sales.

- “47-4461. Notice of bulk sale.
- “47-4462. Failure to give notice; existence of claim for tax.
- “47-4463. Personal liability.

"Subchapter VI. Distraint.

- “47-4471. Distraint.
- “47-4472. Notice and sale.

- “47-4473. Storage and sale of perishable property.
- “47-4474. Redemption of property.
- “47-4475. Certificate of sale; deed of real property.
- “47-4476. Legal effect of certificate of sale of personal property and deed of real property.
- “47-4477. Application of proceeds.
- “47-4478. Release of levy and return of property.
- “47-4479. Judgment for wrongful distraint.
- “47-4480. Liability for failure or refusal to surrender.

“Subchapter VII. Responsible officer.

- “47-4491. Personal liability for failure to collect or pay tax.

“Subchapter I. General Provisions.

- “§ 47-4401. Payment of tax.

“Unless otherwise specified in this title, all taxes are due and payable on the due date or upon notice and demand for payment, and shall be collected by the Mayor.

- “§ 47-4402. Credit card or electronic payment of taxes.

“(a) For purposes of this section, "electronic funds transfer" means a transfer of funds, other than a transaction by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes point of sale transfers, automated teller machine transfers, direct deposit or withdrawal of funds, transfers initiated by telephone, and transfers resulting from debit card transactions.

“(b) The Mayor may accept payment of taxes by credit card or electronic funds transfer. The Mayor may contract with a bank or credit card vendor, or third party provider, for the acceptance of the credit card or other form of payment, with any fee or charge for the election to use this method of payment absorbed by the taxpayer, or, in the alternative, paid to the vendor or contractor out of the monies collected. If the taxpayer elects to pay by one of these methods, the payment shall not be deemed to be made until the District receives the funds.

“(c) The Mayor may require non-individual taxpayers to make payments electronically if the amount of the payment due for a period exceeds \$25,000.

- “§ 47-4403. Closing agreements.

“The Mayor may enter into a written agreement with a person relating to the liability of the person for a tax for a period ending before the date of the agreement. If the agreement is approved by the Mayor within the time as may be stated in the agreement, or later agreed upon, the agreement shall be final and conclusive and, except upon a showing of fraud, malfeasance, or misrepresentation of a material fact:

"(1) The case shall not be reopened as to the matters agreed upon;

"(2) The agreement shall not be modified; and

"(3) In a suit or proceeding relating to the tax liability of the taxpayer, the agreement shall not be annulled, modified, set aside, or disregarded.

- “§ 47-4404. Compromise of tax.

“If the Mayor believes there is a reasonable doubt as to the liability of the taxpayer or the collectibility of the tax imposed under this title,

the Mayor may compromise the tax.

“§ 47-4405. Collections through third party contractors.

“(a) For purposes of this section, the term “delinquent taxes” includes all tax liabilities that are due and owing for a period longer than 6 months which may be collected under this chapter and for which the taxpayer has been sent notice in accordance with subsection (b)(1) of this section.

“(b)(1) For the purpose of collecting delinquent taxes due from a taxpayer, the Mayor may contract with a collection agency inside or outside the District of Columbia. Before contracting with a collection agency, the Mayor shall send the taxpayer at least one written notice, by certified or registered mail, to the taxpayer's last known mailing address requesting payment. The notice shall state that the matter of the taxpayer's delinquency may be referred to a collection agency. The taxpayer shall have 30 days from the date of mailing of the certified or registered notice to pay, in full, the delinquent taxes before the delinquent account is referred to a collection agency.

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

“(3) The costs of collection, including reasonable attorneys' or agents' fees, shall be the responsibility of the delinquent taxpayer. In addition to the costs of collection, the collection agency may charge a collection fee not in excess of 25% of the total amount of the delinquent taxes, excluding penalties and interest, that is actually collected.

“(c) Notwithstanding any other provision contained in this title or Title 45, the tax return or other information required to be disclosed in connection with the tax return may be provided to a collection agency for purposes of collecting a delinquent tax under this section. If the tax return or other information is provided to a collection agency under this subsection, the collection agency shall not disclose the information to a third party, other than the taxpayer (or his or her representative), unless the Mayor would be authorized by law to make the disclosure. A collection agency, or employee of a collection agency, violating the provisions of this subsection shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000, or imprisoned for not more than 180 days, or both. All prosecutions under this paragraph shall be brought in the Superior Court of the District of Columbia on information by the Corporation Counsel in the name of the District of Columbia.

“§ 47-4406. Secrecy of returns.

“(a) Except as provided in subsections (b), (c), (d)(2), and (e) of this section, and except as to an official of the District of Columbia, having a right thereto in his official capacity, an officer, employee, or contractor, or a former officer, employee, or contractor, of the District of Columbia shall not divulge or make known in any manner the amount of reported value, or any information relating to value or the computation of value, disclosed in a return required to be filed under this title. The original (or a copy) of a tax return desired for use in litigation in court shall not be furnished where the District of Columbia or the United States is not interested in the result of the litigation, whether or not the request is contained in an order of the court. Nothing contained in this section shall prevent the furnishing to the taxpayer of a copy of his or her return upon the payment of a fee as provided by the Mayor. This subsection shall also be applicable to federal, state, or local tax returns (or copies of these returns) and to federal, state, or local tax information either submitted by the taxpayer or otherwise obtained.

“(b) The District of Columbia may provide the information reported in a tax return to either the Mayor or the United States if either the District of Columbia or the United States is a party to litigation in which either of the 2 governments is interested in the result of the litigation and if the information reported in the tax return would be relevant to the liabilities of the parties in the litigation.

“(c) The District of Columbia may provide the information reported in a tax return to either the federal government or a state government if the United States, with respect to disclosure to the federal government, and the state government, with respect to disclosure to the state government, grant substantially similar privileges to the District of Columbia.

“(d) The District of Columbia may publish the following information if it does not identify particular tax returns and items in tax returns:

- “(1) Statistics about the tax system;
- “(2) A list of taxpayers who are delinquent in their taxes; and
- “(3) Other information that may help the Mayor collect taxes.

“(e) The District of Columbia may disclose information reported on tax returns to a contractor obligated to the District of Columbia to store documents or information to provide other services related to tax administration to the extent that the disclosure relates to the obligations of the contractor.

“(f) A person who willfully violates this section shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than \$1,000, or imprisoned not more than 180 days, or both. Prosecutions under this section shall be brought in the Superior Court of the District of Columbia by the Corporation Counsel in the name of the District of Columbia.

“Subchapter II. Liens.

“§ 47-4421. Lien for taxes.

“If a person liable to pay a tax neglects or refuses to pay the tax after demand, the amount, including any interest, addition to tax, or assessable penalty, together with any costs that may accrue, shall be a lien in favor of the District of Columbia upon all property (including rights to property), whether real or personal, belonging to the person, and shall have the same effect as a lien created by judgment. The lien shall attach to all property (including rights to property) belonging to, or acquired by, the person at any time during the period of the lien.

“§ 47-4422. Period of lien.

“The lien imposed by § 47-4421 shall be deemed to have arisen at the time the assessment is made, or if the tax return is not timely filed, on the due date of the tax return, and shall continue until the liability for the amount assessed (or a judgment against the taxpayer arising out of the liability) is satisfied or becomes unenforceable; provided, that:

- “(1) A lien for the tax imposed by Chapter 20 or § 47-1812.8 shall arise on the due date of the tax return; and
- “(2) A lien for the taxes imposed by Chapter 37 shall arise on the date of death.

“§ 47-4423. Lien priority.

“Except for a lien for the tax imposed by Chapter 20 or § 47-1812.8, the lien imposed by § 47-4421 shall not be valid as against a purchaser, holder of a security interest, mechanic's lienor, or judgment lien creditor until the lien has been filed with the Recorder of Deeds.

“Subchapter III. Refund Offset.

“§ 47-4431. Refund offset.

“(a) The Mayor, within the applicable period of limitations set forth in § 47-4302, may credit the amount of the overpayment of a tax, including interest allowed thereon, against the liability for a tax or an installment thereof (whether the tax was assessed as a deficiency or otherwise) of the person who made the overpayment and shall, subject to subsections (c) and (d) of this section, refund any balance to the person.

“(b) The Mayor may credit the amount of the overpayment, including interest, in the following order of priority:

- “(1) Liability for District of Columbia taxes;
- “(2) Liability for United States taxes;
- “(3) Liability for state, local, or municipal taxes if a reciprocal tax refund offset agreement with the District under § 47-4440(e) is in effect at the time the refund is to be issued; and
- “(4) Other liabilities set forth in this section.

“(c) The Mayor shall credit the amount of the overpayment of an individual who has been determined:

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“(1) To owe overdue child support, as defined in section 466(e) of the Social Security Act, approved August 16, 1984 (98 Stat. 1310; 42 U.S.C. § 666(e)), for purposes of enforcing an order under any state plan approved under Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), for persons identified by the Mayor under subsection (d) of this section;

“(2) To be in default under the provisions of federal student loan programs as determined under subsection (e) of this section;

or

“(3) To owe to the District a repayment for benefit overpayment under Chapter 1 of Title 46 as determined under subsection (f) of this section.

“(d) Upon request, the Superior Court of the District of Columbia shall provide the Mayor with the names, and any other available identifying information, of individuals whom the Superior Court of the District of Columbia has determined are more than 60 days in arrears in court-ordered child support payments.

“(e) For purposes of collecting an amount determined to be in default under federal student loan programs, the university shall provide the Mayor with the names, and any other available identifying information, of individuals whom the university has determined to be in default. A determination and notice of default under federal student loan programs shall be made as follows:

“(1) The determination of whether an individual is in default under subsection (c)(2) of this section and the defaulted principal amount outstanding shall be made in accordance with the terms of the loan.

“(2) Immediately upon the university's determination that an individual is in default, the university shall provide the individual with written notice of its determination by registered mail. The individual shall have 10 days from receipt of the notice to inform the university of the individual's intention to contest the validity of the determination.

“(3) Upon receipt of notice that an individual intends to contest the validity of the university's determination, the university shall provide the individual with a hearing in accordance with the provisions of Subchapter I of Chapter 15 of Title 1.

“(f) For purposes of collecting an amount determined to be an overpayment of unemployment compensation, the Department of Employment Services, through its Director, shall provide the Mayor with the names, and any other identifying information, of individuals whom the Director has determined to have received benefit overpayments. Determination and notice of overpayment of unemployment compensation shall be made in accordance with the provisions of §§ 46-112, 46-113, and 46-120.

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

“(1) “University” means the University of the District of Columbia established by § 31-1511(b);

“(2) “Federal student loan programs” means the programs authorized by the National Defense Education Act of 1958, approved September 2, 1958 (72 Stat. 1580; 20 U.S.C. § 401 *et seq.*), the Higher Education Act of 1965, approved Nov. 8, 1965 (79 Stat. 1219; 20 U.S.C. § 1001 *et seq.*), and Part B of Title VIII of the Public Health Service Act, approved September 4, 1964 (78 Stat. 913; 42 U.S.C. § 297a *et seq.*).

“(3) “Unemployment compensation” means the unemployment compensation benefits paid under the program established by Chapter 1 of Title 46 and administered under Reorganization Plan No. 1 of 1980, effective April 17, 1980.

“§ 47-4432. Joint and combined returns; real property refund due to more than one owner.

“If a joint income tax return is filed, the Mayor shall separate the amount due to the spouse who owes delinquent taxes from the spouse who does not owe delinquent taxes based upon the proportion of gross income of each spouse. In applying the tax refund against delinquent taxes owed by a spouse, the tax refund of the spouse who does not owe delinquent taxes shall not be credited against the liability of the spouse who owes delinquent taxes. If a separate income tax return on a combined individual form prescribed by the Mayor is filed, the tax refund of the spouse who does not owe delinquent taxes shall not be credited against the liability of the spouse who owes delinquent taxes. If a real property tax refund is due to more than one owner of real property, the Mayor shall separate the amount of tax refund of the owners who are liable for delinquent taxes from the owners who are

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not liable for delinquent taxes determined on the basis of each owner's ownership percentage in the real property.

“§ 47-4433. Notice and protest.

“(a) If the refund offset concerns (1) the existence or amount of an arrearage for court-ordered child support, a default under a federal student loan program, or the overpayment of unemployment compensation benefits under § 47-4431(c), or (2) the division of a joint refund under § 47-4432, the taxpayer shall have the right to contest the proposed referral for offset of the tax refund, the offset of the tax refund, or the apportionment of the tax refund. Before a refund offset is disbursed, the Mayor shall notify the taxpayer in writing and provide a period of at least 30 days after the notice is sent for the taxpayer to file a protest.

“(b) If a protest is filed within the period set forth in the notice, an administrative hearing shall be granted by the Mayor. The Mayor shall promptly notify the taxpayer of the final determination of the protest. If no protest is filed within the period, a refund offset or apportionment, as determined by the Mayor, shall be final.

“(c) The Mayor shall refuse to consider a protest if:

“(1) The protest solely concerns an issue which has been previously decided and no new facts or evidence have been provided;

or

“(2) The protest is not filed within the period set forth in the notice.

“§ 47-4434. Return of refund in certain cases.

“If the Mayor determines that all or a portion of a tax refund should not have been offset, or that the division of a joint tax refund was incorrect, the Mayor shall return the excess amount to the taxpayer within 30 days of the determination.

“§ 47-4435. Deposit of offset amount; application when more than one debt.

“(a) The amount offset for liabilities other than District of Columbia or United States taxes shall be deposited with:

“(1) The agency of the District responsible for administering the child support program as authorized by Part D of Title IV of the Social Security Act, approved January 4, 1995 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), and shall be disbursed in accordance with section 651 of the Social Security Act, approved January 4, 1995 (88 Stat. 2356; 42 U.S.C. § 657) and the regulations promulgated thereunder;

“(2) The university (for refunds withheld from individuals in default under a federal student loan program) and applied to the repayment of the amount of principal determined to be in default; or

“(3) The Department of Employment Services and applied to the repayment of the Unemployment Compensation Fund.

“(b) If the Mayor is notified that a taxpayer owes more than one debt that is subject to an offset of a tax refund under § 47-4431(c), the Mayor shall apply the portion of tax refund of a taxpayer remaining after application to satisfy in the following order:

“(1) To satisfy any court-ordered child support under § 47-4431(c)(1);

“(2) To satisfy the default under a federal student loan under § 47-4431(c)(2); and

“(3) To satisfy overpayments of unemployment compensation under § 47-4431(c)(3).

“§ 47-4436. Applicability in certain cases.

“(a) The provisions of this subchapter relating to the offset of tax refunds of individuals who are in arrears with court-ordered child support payments shall apply to income tax refunds issued after September 18, 1982.

“(b) The provisions of this subchapter relating to the offset of tax refunds of individuals in default under the federal student loan programs shall apply to income tax refunds issued for tax years 1987 and thereafter.

“(c) The provisions of this section relating to an offset of tax refunds of individuals who received overpayments of unemployment compensation shall apply to income tax refunds issued for Tax Year 1993 and subsequent years.

“§ 47-4437. Right of appeal to Superior Court.

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“A person aggrieved by a final determination of the Mayor in accordance with this subchapter may, within 6 months from the date of the determination, appeal to the Superior Court of the District of Columbia, in the same manner and to the same extent as set forth in §§ 47-3303, 47-3304, and 47-3306 through 47-3308.

“§ 47-4438. Priority.

“The offset of a tax refund against the delinquent taxes for which a taxpayer is liable shall have priority over the offset of a tax refund requested by the United States.

“§ 47-4439. Other methods not precluded.

“The collection remedy under this subchapter shall be in addition to, and not in substitution for, any other remedy available by law.

“§ 47-4440. Reciprocal refund offset.

“(a) The chief taxing official of a state, local, or municipal government may certify to the Mayor the existence of a tax debt and request that the Mayor withhold a refund due to a taxpayer to satisfy the debt owed by the taxpayer to the requesting state, local, or municipal government.

“(b) A request under subsection (a) of this section shall not be honored unless the state, local, or municipal government provides a reciprocal right of credit to the District of Columbia.

“(c) Certification of a tax debt shall include:

“(1) The full name and current address of the taxpayer;

“(2) The taxpayer’s social security number or federal identification number;

“(3) The amount of the debt, including a detailed statement showing tax, interest, and penalty for each taxable period; and

“(4) A statement that all rights to administrative remedies or appeals have been exhausted or lapsed and that the assessment of tax, interest, and penalty is final and enforceable.

“(d) Upon receipt of a request under subsection (a) of this section, the Mayor shall notify the taxpayer (and in the case of a refund of a tax imposed upon the income of individuals, a spouse with whom the taxpayer filed a joint return). The notice shall include a copy of the certification by the chief taxing official of the requesting state, local, or municipal government.

“(e) The Mayor may enter into agreements with the chief taxing official of a state, local or municipal government with respect to the operation of this section, including safeguards against the disclosure or inappropriate use of any information which personally identifies the taxpayer.

“Subchapter IV. Jeopardy.

“§ 47-4451. Jeopardy and termination.

“(a) If the Mayor believes that the assessment or collection of a deficiency of a tax imposed under this title (except real property taxes) will be jeopardized by delay, or if the Mayor finds that a taxpayer designs quickly to depart from the United States or to remove his property therefrom, to conceal himself or his property therein, or to perform any other act (including, in the case of a corporation, distributing all or a part of its assets in liquidation or otherwise) tending to prejudice or to render wholly or partially ineffectual proceedings to collect a tax, the Mayor may immediately make a determination of tax due and shall, notwithstanding any other law, immediately assess the tax, together with all interest and additions to the tax, and notice and demand shall be made for the payment thereof.

“(b) If a jeopardy assessment has been made, the taxpayer shall have the right to administratively appeal, within 5 business days, the assessment of tax, the seizure of property, or both, and the property seized for the collection of the tax shall not be sold until the appeal is completed.

“§ 47-4452. Bond to stay collection.

“(a) The collection of any or all of the amount of the assessment may be stayed by filing with the Mayor a bond in an amount, equal to 150% of the amount to be stayed, and with sureties as the Mayor may approve, conditioned upon the payment of the amount (together with interest accruing thereon) for which the collection is stayed. The taxpayer shall have the right to waive the stay at any time in respect to the whole or any part of

the amount covered by the bond, and if, as a result of the waiver, part of the assessment covered by the bond is paid, the bond shall, at the request of the taxpayer, be proportionately reduced. If a part of the assessment is abated, the bond shall, at the request of the taxpayer, be proportionately reduced.

“(b) If a jeopardy assessment has been made under § 47-4451, the taxpayer may administratively appeal, within 5 business days, the assessment of tax or the seizure of property and the property seized for the collection of the tax shall not be sold until any appeal is completed.

“Subchapter V. Bulk Sales.

“§ 47-4461. Notice of bulk sale.

“The purchaser, transferee, or assignee ("purchaser") of all or a part of the inventory, fixtures, equipment, materials, or supplies ("property") of a business, pursuant to a sale, transfer, or assignment in bulk other than in the ordinary course of trade or business ("sale"), shall, at least 15 days before taking possession of or paying for the property, notify the Mayor by registered or certified mail. The notice shall identify the price, terms, and conditions of the sale, including a description of the property being sold, its location, and the identity of the seller, transferor, or assignor ("seller"). The notice is required whether or not the seller has represented to, or informed, the purchaser that it owes tax under this title, whether it has complied with § 28:6-104, or whether taxes are in fact owing.

“§ 47-4462. Failure to give notice; existence of claim for tax.

“If the purchaser fails to give the notice set forth in § 47-4461 or the Mayor informs the purchaser that a possible claim for tax exists:

“(1) The money or other consideration which the purchaser is required to pay for the sale shall be subject to a first priority right and lien for the taxes determined to be due from the seller to the District of Columbia; and

“(2) The purchaser shall not pay the seller any money or other consideration to the extent of the amount of the lien.

“§ 47-4463. Personal liability.

“A purchaser who fails to comply with the provisions of § 47-4461 or § 47-4462 shall be personally liable for the payment to the District of Columbia of the taxes determined to be due from the seller to the extent of the fair market value of the assets transferred.

“Subchapter VI. Distraint.

“§ 47-4471. Distraint.

“(a) If a person determined to be liable to the District of Columbia for a tax neglects or refuses to pay the tax within 10 days after notice and demand, the Mayor may collect the tax, with interest and penalties thereon (and an amount sufficient to cover the expenses of the levy), by levy upon all property (including rights to property) of the person or on which there is a lien provided in this chapter for the payment of the tax. Levy shall be made upon the accrued salary or wages of an officer, employee, or elected official of the District of Columbia, or an agency or instrumentality of the District of Columbia, by serving a notice of levy on the employer of the officer, employee, or elected official. If the Mayor finds that the collection of the tax is in jeopardy under § 47-4451, notice and demand for immediate payment of the tax may be made by the Mayor and, upon failure or refusal to pay the tax, the tax may be collected by levy without regard to the 10-day period provided in this section.

“(b) For the purposes of this subchapter, the term "levy" includes the exercise of the power of distraint and seizure by any means. Except as otherwise provided in subsection (e) of this section, a levy shall extend only to property possessed and obligations existing at the time of the levy. If the Mayor levies upon property, the Mayor may seize and sell the property.

“(c) If property levied upon under subsection (a) of this section is not sufficient to satisfy the amount due to the District of Columbia, the Mayor may levy upon any other property of the person until the amount due, together with all expenses, is fully paid.

“(d)(1) Levy shall be made under subsection (a) of this section upon the salary, wages, or other property of a person with respect to an unpaid tax only after the Mayor has notified the person in writing of his intention to make the levy.

“(2) The notice required under paragraph (1) of this subsection shall be:

“(A) Given in person;

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“(B) Left at the dwelling or usual place of business of the person with some person of suitable age and discretion residing or working therein; or

“(C) Sent by mail to the person's last known address.

“(3) Paragraph (1) of this subsection shall not apply to a levy if the Mayor finds in accordance with subsection (a) of this section that the collection of tax is in jeopardy.

“(e) The effect of a levy on salary or wages payable to, or received by, a taxpayer shall be continuous from the date the levy is first made until the levy is released.

“§ 47-4472. Notice and sale.

“(a) After seizure of property, notice in writing shall be given by the Mayor to the owner of the property (or, in the case of personal property, the possessor of the property), or shall be left at his usual place of abode or business. If the owner cannot be readily located, or has no dwelling or place of business, the notice may be mailed to his last known address.

“(b) After giving notice to the owner in the manner prescribed in subsection (a) of this section, the Mayor shall publish a notice 3 times in a daily newspaper of general circulation within the area wherein the seizure is made. The notice shall specify the property to be sold, and the time, place, manner, and conditions of the sale thereof.

“(c) If property subject to levy is not divisible, so as to enable the Mayor by sale of a part thereof to raise the whole amount of the tax and expenses, the whole of the property shall be sold.

“(d) The time of sale shall not be less than 10 days or more than 40 days from the date of the third public notice under subsection (b) of this section. The place of sale shall be determined by the Mayor.

“(e)(1) If, at the sale, one or more persons offer to purchase such property for not less than the minimum price determined by the Mayor, the property shall be declared sold to the highest bidder.

“(2) If, at the sale, the property is not declared sold, the property may be released to the owner and the expense of the levy and sale shall be added to the amount of tax for the collection of which the levy was made. Property released under this paragraph shall remain subject to any lien imposed by this title and shall be subject to further seizure.

“(3)(A) The sale shall not be conducted in any manner other than by public auction or by public sale under sealed bids.

“(B) In the case of the seizure of several items of property, the property may be offered separately, in groups, or in the aggregate, under whichever method may produce the highest aggregate amount.

“(C) The Mayor may adjourn the sale from time to time.

“(4) If payment of the bid price is not made in full, the Mayor may declare the sale to be void, the amount paid upon the bid price by the defaulting purchaser shall be forfeited, and the property may again be advertised and sold as provided in subsections (b) and (c) of this section. The amount paid upon the bid price by the defaulting purchaser shall be applied first to the expense of the levy and sale and then to the amount of tax for the collection of which the levy was made. In the event of a readvertisement and sale, a new purchaser shall receive the property, free and clear of any claim or rights of the defaulting purchaser.

“§ 47-4473. Storage and sale of perishable property.

“If the Mayor seizes property to enforce the payment of the tax, the property seized shall be kept in a safe and convenient place until the sale of the property. If the Mayor determines that the property seized may perish, may become greatly reduced in value while stored, or cannot be kept without great expense, the Mayor shall appraise the value of the property. If the Mayor can readily find the owner, the Mayor shall notify the owner in writing of the appraised value of the property. The Mayor shall return the property to the owner if, within the period stated in the notice, the owner either pays the Mayor the appraised value of the property or gives the Mayor a bond to pay the appraised amount at a time that the Mayor considers

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appropriate under the circumstances. If the owner does not pay the amount or furnish the bond in accordance with this section, the Mayor shall as soon as practicable, and without regard to the notice requirements under § 47-4472(b) and (d), make a public sale of the property under § 47-4472(e).

“§ 47-4474. Redemption of property.

“(a) A person whose property has been levied upon shall have the right to pay the amount due, together with the expenses of the proceeding, if any, to the Mayor at any time before the sale of the property, and upon the payment, the Mayor shall restore the property to him, and all further proceedings in connection with the levy on the property shall cease.

“(b)(1) The owners of real property sold as provided in this chapter; their heirs, executors, or administrators; any person having an interest in or a lien on the property; or any person on their behalf, shall be permitted to redeem the property sold at any time within 180 days after the sale.

“(2) The property may be redeemed upon payment to the purchaser (or if the purchaser cannot be found, to the Mayor), for the use of the purchaser, his heirs, or assigns, the amount paid by the purchaser and interest thereon at the rate of 18% per year.

“§ 47-4475. Certificate of sale; deed of real property.

“(a) If property is sold as provided in § 47-4472, the Mayor shall give to the purchaser a certificate of sale upon payment in full of the purchase price. In the case of real property, the certificate shall set forth the real property purchased, for whose taxes the property was sold, the name of the purchaser, and the price paid.

“(b) In the case of real property sold as provided in § 47-4472 and not redeemed in the manner and within the time specified in § 47-4474(b), upon the surrender of the certificate of sale, the Mayor shall execute a deed to the real property, reciting the facts set forth in the certificate.

“§ 47-4476. Legal effect of certificate of sale of personal property and deed of real property.

“(a) In all cases of sale of property (other than real property) sold under § 47-4472, the certificate of the sale:

“(1) Shall be prima facie evidence of the right of the officer to make the sale and conclusive evidence of the regularity of the proceedings in making the sale;

“(2) Shall transfer all rights in the property sold;

“(3) If the property is the stock of a corporation, company, or association, shall be notice, when received, to the corporation, company, or association of the transfer, and shall be authority to the corporation, company, or association to record the transfer on its books and records in the same manner as if the stock was transferred or assigned by the taxpayer, in lieu of an original or prior certificate, which shall be void, whether canceled or not;

“(4) If the property is securities (other than stock) or other evidences of debt, shall be a good and valid receipt to the purchaser, as against a person holding, or claiming to hold, the securities or other evidences of debt; and

“(5) If the property is a motor vehicle, shall be notice, when received, to a public official charged with the registration of title to motor vehicles of the transfer, and shall be authority to the official to record the transfer on the books and records in the same manner as if the certificate of title to the motor vehicle were transferred or assigned by the taxpayer, in lieu of an original or prior certificate, which shall be void, whether canceled or not.

“(b) In the case of the sale of real property under § 47-4472:

“(1) The deed of sale given under § 47-4475(b) shall be prima facie evidence of the facts set forth in the deed; and

“(2) If the seizure and sale have been made substantially in accordance with the law, the deed shall convey all rights of the delinquent party in the real property at the time that the lien of the District of Columbia attached.

“(c) A certificate of sale of personal property given, or a deed to real property executed, under § 47-4475 shall discharge the property from all liens, encumbrances, and titles over which the lien of the District of Columbia with respect to which the levy was made had priority.

“§ 47-4477. Application of proceeds.

“(a) The proceeds realized from a seizure and sale under this chapter shall be applied in the following order of priority:

- “(1) The expenses of the proceedings for seizure and sale;
- “(2) The specific tax liability on the seized property;
- “(3) The liability for which the levy was made or the sale was conducted;
- “(4) Any other District of Columbia tax liability due and unpaid.

“(b) Any proceeds remaining after the application of subsection (a) of this section shall, upon application and satisfactory proof, be credited or refunded by the Mayor to the person entitled thereto.

“§ 47-4478. Release of levy and return of property.

“(a) The Mayor shall release the levy upon all, or part, of the property levied upon and shall promptly notify the person upon whom the levy was made (if any) that the levy has been released if:

- “(1) The liability for which the levy was made is satisfied or becomes unenforceable;
- “(2) Release of the levy will facilitate the collection of the liability;
- “(3) The taxpayer has entered into an agreement to satisfy the liability by means of installment payments (unless the agreement provides otherwise); provided, that the Mayor shall not be required to release the levy if the release would jeopardize the status of the District of Columbia as a secured creditor;

“(4) The Mayor determines that the levy is creating an economic hardship due to the financial condition of the taxpayer; or
“(5) The fair market value of the property exceeds the liability and release of the levy on part of the property will not hinder the collection of the liability.

“(b) The release of levy on a property under subsection (a)(1) of this section shall not prevent a subsequent levy on the property.

“(c) If the Mayor determines that property has been wrongfully levied upon, the Mayor may return:

- “(1) The specific property levied upon, at any time;
- “(2) An amount of money equal to the amount of money levied upon; or
- “(3) An amount of money equal to the amount of money received by the District of Columbia from a sale of the property.

“(d) Interest shall be allowed and paid at the overpayment rate established in § 47-4212:

“(1) In a case described in subsection (c)(2) of this section, from (A) the date of receipt of the money by the Mayor from the levy to (B) a date (to be determined by the Mayor) preceding the date of return of the money by not more than 60 days; or

“(2) In a case described in subsection (c)(3) of this section, from (A) the date of the sale of the property to (B) a date (to be determined by the Mayor) preceding the date of return of the proceeds of sale by not more than 60 days.

“§ 47-4479. Judgment for wrongful distraint.

“If there is a recovery in a suit or proceeding against the Mayor (or the Mayor's designee), for a wrongful distraint or any other act performed by the Mayor or for the recovery of money paid to the Mayor and transmitted to the District of Columbia in the performance of the Mayor's official duty, and the court finds there was probable cause for the act performed, an execution shall not issue thereon, but the amount so recovered shall, upon final judgment, be paid by the District of Columbia in the same manner as judgments against the District of Columbia are paid.

“§ 47-4480. Liability for failure or refusal to surrender.

“A person who fails or refuses to surrender property subject to distraint on which a levy has been made shall be liable to the District of Columbia for the value of the property not surrendered, but not exceeding the amount of the taxes, including interest and penalties, for which the

levy has been made, together with costs and interest thereon from the date of the levy.

“Subchapter VII. Responsible officer.

“§ 47-4491. Personal liability for failure to collect or pay tax.

“(a) An officer or director of a corporation, general partner of a partnership, or similar principal of a business shall, in addition to other penalties provided by law, be liable for a penalty equal to the tax, including interest and penalties thereon, not collected or paid to the District of Columbia for which the business is liable under § 47-1812.8 or Chapter 20. No other penalty shall be imposed under Chapter 42 for a liability arising from application of this section.

“(b) A penalty shall not be imposed under subsection (a) of this section unless the Mayor notifies the responsible person in writing by mail at the taxpayer’s last known address, or in person, that the responsible person is subject to an assessment of the penalty. The mailing of the notice (or, in the case of such a notice delivered in person, the delivery) shall be given at least 30 days before the imposition of a penalty under subsection (a) of this section. If the Mayor finds that the collection of the penalty is in jeopardy, this subsection shall not apply.

“(c) The penalty under subsection (a) of this section shall not be imposed if reasonable cause in accordance with § 47-4221 is established.

“(d) The penalty under subsection (a) of this section shall not be imposed after the expiration of the period prescribed in § 47-4312 for the underlying tax liability.

“(e) If more than one officer, director, general partner, or similar principal is liable for the penalty under subsection (a) of this section with respect to a tax, each officer, director, general partner, or similar principal who pays the penalty shall be entitled to recover from other officers, directors, general partners, or similar principals who are liable for the penalty an amount equal to the excess of the amount paid by the officer, director, general partner, or similar principal over his proportionate share of the penalty. A claim for recovery may be made only in a proceeding in which the District of Columbia is not a party.

“(f)(1) A penalty shall not be imposed by subsection (a) of this section on an unpaid member of the board of trustees or directors of an organization exempt from tax under this title if the member:

“(A) Is solely serving in an honorary capacity;

“(B) Does not participate in the day-to-day or financial operations of the organization; and

“(C) Does not have actual knowledge of the failure to pay tax for which the penalty is imposed.

“(2) Paragraph (1) of this subsection shall not apply if no individual is liable for the penalty imposed by subsection (a) of this section.”.

Sec. 406. Conforming amendments to Title 47.

Title 47 of the District of Columbia Code is amended as follows:

(a)(1) The table of contents for the title is amended by striking the chapter designation "1A. Tax Return Preparers." and inserting the chapter designation "1A. Repealed." in its place.

(2) Chapter 1A is repealed.

(b)(1) The table of contents for the title is amended by striking the chapter designation "1B. Crediting of Tax Refunds Against Delinquent Taxes." and inserting the chapter designation "1B. Repealed." in its place.

(2) Chapter 1B is repealed.

(c)(1) The table of contents for Chapter 4 is amended by striking the section designation "47-407. Same--Waiver of interest and penalties." and inserting the section designation "47-407. Repealed." in its place.

(2) Section 47-407 is repealed.

(d)(1) The table of contents for Chapter 4 is amended by striking the section designations "47-412. Applicability of personal property tax provisions. 47-413. Jeopardy assessment and collection. 47-414. Abatement of taxes." and inserting the section designation "47-412. Repealed. 47-413. Repealed. 47-414. Repealed." in their place.

(2) Sections 47-412 through 47-414 are repealed.

(e) Section 47-421 is amended by striking the phrase "this subsection" and inserting the section number "§ 47-4110" in its place.

(f)(1) The table of contents for Chapter 4 is amended by striking the section designation "47-422. Authority to make payments." and inserting the section designation "47-422. Repealed." in its place.

(2) Section 47-422 is repealed.

(g) Section 47-423 is amended by striking the phrase "this subchapter" in the first sentence and inserting the section number "§ 47-4110" in its place.

(h) Section 47-424 is amended by striking the phrase "this subchapter" in the lead-in text and inserting the section number "§ 47-4110" in its place.

(i)(1) The table of contents for Chapter 4 is amended by striking the section designations "47-451. Amnesty. 47-452. Establishment and application; availability; publicity." and inserting the section designations "47-451. Repealed. 47-452. Repealed." in their place.

(2) Sections 47-451 and 47-452 are repealed.

(j)(1) The table of contents for Chapter 4 is amended by striking the section designations "47-453. Interest. 47-454. Substantial understatement penalty. 47-455. Failure to file or pay penalty. 47-456. Fraud penalty. 47-457. Garnishment. 47-458. Deficiencies; collection. 47-459. Rules." and inserting the section designations "47-453. Repealed. 47-454. Repealed. 47-455. Repealed. 47-456. Repealed. 47-457. Repealed. 47-458. Repealed. 47-459. Repealed." in their place.

(2) Sections 47-453 through 47-459 are repealed."

(k)(1) The table of contents for Chapter 4 is amended by striking the section designation "47-459.1. Amnesty. " and inserting the section designation "47-459.1. Repealed." in its place.

(2) Section 47-459.1 is repealed

(l)(1) The table of contents for Chapter 9 is amended by striking the section designation "47-910. Compromise; written agreements for settlement of tax liability; illegal acts; prosecutions." and inserting the section designation "47-910. Repealed." in its place.

(2) Section 47-910 is repealed.

(m)(1) The table of contents for Chapter 9 is amended by striking the section designations "47-911. Compromise of penalties; adjustment of interest. 47-912. Limitations; time for making assessments; extension of time by agreement; suspension of running of limitations. 47-913. Administration of oaths and affidavits." and inserting the section designations "47-911. Repealed. 47-912. Repealed. 47-913. Repealed." in their place.

(2) Sections 47-911 through 47-913 are repealed.

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(n) Section 47-915 is amended by striking the phrase “§§ 47-412 and 47-413” and inserting the phrase “Chapter 44” in its place.

(o)(1) The table of contents for Chapter 9 is amended by striking the section designations "47-917. Abatement authorized. 47-918. Penalty; prosecutions." and inserting the section designations "47-917. Repealed. 47-918. Repealed." in their place.

(2) Sections 47-917 and 47-918 are repealed.

(p)(1) The table of contents for Chapter 15 is amended by striking the section designation "47-1509. Penalties." and inserting the section designation "47-1509. Repealed." in its place.

(2) Section 47-1509 is repealed.

(q)(1) The table of contents for Chapter 15 is amended by striking the section designations "47-1525. Filing returns; notice to party; records; examination. 47-1526. Assessment; collection; deadline; fraudulent returns; extensions." and inserting the section designations "47-1525. Repealed. 47-1526. Repealed." in their place.

(2) Sections 47-1525 and 47-1526 are repealed.

(r)(1) The table of contents for Chapter 15 is amended by striking the section designations "47-1529. Acceleration of due date; distraint of taxpayer's property. 47-1530. Personal debt liability; priority; collection; "person" defined." and inserting the section designations "47-1529. Repealed. 47-1530. Repealed." in their place.

(2) Sections 47-1529 and 47-1530 are repealed.

(s)(1) The table of contents for Chapter 15 is amended by striking the section designations "47-1531. Failure to file; fraudulent return; penalties and interest. 47-1532. Overpayment; credit or refund; time for filing; interest." and inserting the section designations "47-1531. Repealed. 47-1532. Repealed." in their place.

(2) Sections 47-1531 and 47-1532 are repealed.

(t)(1) The table of contents for Chapter 15 is amended by striking the section designation "47-1534. Violations; penalties; prosecutions." and inserting the section designation "47-1534. Repealed." in its place.

(2) Section 47-1534 is repealed.

(u)(1) The table of contents for Chapter 15 is amended by striking the section designation "47-1536. Enforcement." and inserting the section designation "47-1536. Repealed." in its place.

(2) Section 47-1536 is repealed.

(v)(1) The table of contents for the title is amended by striking the chapter designations "16. Enforcement of Personal Property Taxes by Distraint or Levy. 17. Enforcement of Personal Property Taxes by Acquisition of Lien." and inserting the chapter designations "16. Repealed. 17. Repealed." in their place.

(2) Chapters 16 and 17 are repealed.

(w)(1) The table of contents for Chapter 18 is amended by striking the section designation "47-1812.3. Examination of books and witnesses; failure to obey summons or permit examination; prosecutions." and inserting the section designation "47-1812.3. Repealed." in its place.

(2) Section 47-1812.3 is repealed.

(x)(1) The table of contents for Chapter 18 is amended by striking the section designation "47-1812.6. Jeopardy assessment." and inserting the section designation "47-1812.6. Repealed." in its place.

(2) Section 47-1812.6 is repealed.

(y) Section 47-1812.8(f)(1) is amended to read as follows:

"(f)(1) Any sum or sums withheld in accordance with the provisions of this section shall be deemed to be, and shall be, held in trust by the employer for the District of Columbia."

(z)(1) The table of contents for Chapter 18 is amended by striking the section designations "47-1812.9. Lien liability. 47-1812.10. Period of limitation upon assessment and collection. 47-1812.11. Credits and refunds for overpayments." and inserting the section designations "47-1812.9. Repealed. 47-1812.10. Repealed. 47-1812.11. Repealed." in their place.

(2) Sections 47-1812.9 through 47-1812.11 are repealed.

(aa)(1) The table of contents for Chapter 18 is amended by striking the section designations "47-1812.12. Closing agreements. 47-1812.13. Compromises." and inserting the section designations "47-1812.12. Repealed. 47-1812.13. Repealed." in their place.

(2) Sections 47-1812.12 and 1812.13 are repealed.

(bb) Section 47-1812.14 is amended to read as follows:

"Every corporation, financial institution, and unincorporated business required to make and file a franchise tax return under this chapter shall make and file a declaration of estimated tax at the time and under the conditions, and shall make payments of the tax year in the amount and under the conditions, as the Mayor shall prescribe by regulation. In the case of the taxable year beginning in 1970, the regulations may not require the payment before the last day on which a return for the taxable year is required to be filed under § 47-1805.3(a) of estimated tax for the year exceeding 1/2 of the estimated tax; provided, that in the case of financial institutions, the provisions of this section shall be subject to § 47-2507(a)(3) and to § 47-2507(b)(3)."

(cc)(1) The table of contents for Chapter 18 is amended by striking the section designations "47-1812.15. "Person" defined. 47-1812.16. Collection by Mayor." and inserting the section designations "47-1812.15. Repealed. 47-1812.16. Repealed." in their place.

(2) Sections 47-1812.15 and 47-1812.16 are repealed.

(dd)(1) The table of contents for Chapter 18 is amended by striking the section designations "47-1813.1. Additions to tax - Delinquencies. 47-1813.2. Same - Interest on deficiencies. 47-1813.3. Same - Fraud. 47-1813.4. Same - Nonpayments. 47-1813.5. Same - Payment extensions." and inserting the section designations "47-1813.1. Repealed. 47-1813.2. Repealed. 47-1813.3. Repealed. 47-1813.4. Repealed. 47-1813.5. Repealed." in their place.

(2) Sections 47-1813.1 through 47-1813.5 are repealed.

(ee)(1) The table of contents for Chapter 18 is amended by striking the section designation "47-1813.7. Application of subchapter." and inserting the section designation "47-1813.7. Repealed." in its place.

(2) Section 47-1813.7 is repealed.

(ff)(1) The table of contents for Chapter 20 is amended by striking the section designations "47-2011. Tax a personal debt; period of limitation; liens." and "47-2013. Collection of tax; liens; jeopardy assessments; distraint." and inserting the section designations "47-2011. Repealed." and "47-2013. Repealed." in their place.

(2) Sections 47-2011 and 47-2013 are repealed.

(gg)(1) The table of contents for Chapter 20 is amended by striking the section designation "47-2022. Sales in bulk." and inserting the section designation "47-2022. Repealed." in its place.

(2) Section 47-2022 is repealed.

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(hh) Section 47-2024(1)(A) is amended by striking the section number “§ 47-2027(a)” and inserting the section number “§ 47-4213” in its place.

(ii)(1) The table of contents for Chapter 20 is amended by striking the section designation "47-2025. Examination of records and witnesses." and inserting the section designation "47-2025. Repealed." in its place.

(2) Section 47-2025 is repealed.

(jj)(1) The table of contents for Chapter 20 is amended by striking the section designation "47-2027. Penalties and interest." and inserting the section designation "47-2027. Certificate of Mayor; presumptions." in its place.

(2) Section 47-2027 is amended to read as follows:

“§ 47-2027. Certificate of Mayor; presumptions.

“The certificate of the Mayor to the effect that a tax has not been paid, that a return has not been filed, that a registration certificate has not been obtained, or that information has not been supplied under the provisions of this chapter shall be presumptive evidence thereof; provided, that the presumptions created by this subsection shall not be applicable in criminal prosecutions.”.

(kk)(1) The table of contents for Chapter 20 is amended by striking the section designations "47-2029. Assessment of and limitations on deficiencies. 47-2030. Prosecutions. 47-2031. Notices. 47-2032. Extensions of time." and inserting the section designation "47-2029. Repealed. 47-2030. Repealed. 47-2031. Repealed. 47-2032. Repealed." in their place.

(2) Sections 47-2029 through 47-2032 are repealed.

(ll)(1) The table of contents for Chapter 22 is amended by striking the section designation "47-2207. Collection of tax." and inserting the section designation "47-2207. Repealed." in its place.

(2) Section 47-2207 is repealed.

(mm)(1) The table of contents for Chapter 22 is amended by striking the section designation "47-2213. Incorporation and application of §§ 47-2019 to 47-2025 and 47-2027 to 47-2032." and inserting the section designation "47-2213. Incorporation and application of certain provisions of Chapter 20." in its place.

(2) Section 47-2213 is amended to read as follows:

“§ 47-2213. Incorporation and application of certain provisions of Chapter 20.

“The provisions of §§ 47-2019 to 47-2021, 47-2023, 47-2024, and 47-2027 are hereby incorporated in and made applicable to this chapter.”.

(nn)(1) The table of contents for Chapter 23 is amended by striking the section designation "47-2310. Penalties." and inserting the section designation "47-2310. Repealed." in its place.

(2) Section 47-2310 is repealed.

(oo) Section 47-2316 is amended to read as follows:

“If a report required by this subchapter is not filed, or if the report when filed is incorrect or insufficient, or if the tax as imposed by this subchapter has been determined to be due from a licensee or another person, the amount of tax due shall be determined by the Mayor from information as may be obtainable. Notice of the determination shall be given to the licensee or other person required to file a report or pay the tax. The determination shall finally fix the tax unless: (1) the person against whom the tax is assessed, within 30 days after the giving of the determination, shall apply to the Mayor for a hearing; or (2) the Mayor shall redetermine the same. After such hearing or redetermination, the

Mayor shall give notice of the final determination to the person against whom the tax is assessed.”.

(pp)(1) The table of contents for Chapter 23 is amended by striking the section designation "47-2317. Collection; liens." and inserting the section designation "47-2317. Repealed." in its place.

(2) Section 47-2317 is repealed.

(qq) Section 47-2405(c) is amended by striking the section number “§47-2411.1” and inserting the phrase “§§ 47-4201.1 and Subchapter II of Chapter 42” in its place.

(rr) The second sentence of Section 47-2408(f) is amended by striking the phrase "this chapter" and inserting the phrase “this chapter, but the period of limitations upon assessment and collections shall be determined by § 47-4301” in its place.

(ss)(1) The table of contents for Chapter 24 is amended by striking the section designation "47-2411.1. Penalty; interest." and inserting the section designation "47-2411.1 Repealed." in its place.

(2) Section 47-2411.1 is repealed.

(tt)(1) The table of contents for Chapter 24 is amended by striking the section designation "47-2414. Penalties." and inserting the section designation "47-2414. Repealed." in its place.

(2) Section 47-2414 is repealed.

(uu) Section 47-2753 is amended by striking "Chapter 18 of this title" and inserting “Chapter 18 and Chapter 41, but the period of limitations upon assessment and collection shall be determined by § 47-4301” in its place.

(vv) Section 47-3705(c) is amended by striking the second sentence.

(ww)(1) The table of contents for Chapter 37 is amended by striking the section designation "47-3706. Jeopardy assessments." and inserting the section designation "47-3706. Repealed." in its place.

(2) Section 47-3706 is repealed.

(xx) Section 47-3707 is amended to read as follows:

"If a person fails to make and file a return at the time prescribed by law or by regulations, or makes, willfully or otherwise, a false or fraudulent return, the Mayor shall make the return from his own knowledge and from information obtained through testimony or otherwise. The return made and subscribed by the Mayor shall be prima facie good and sufficient for all legal purposes."

(yy) Section 47-3708 is amended as follows:

(1) The second sentence of subsection (a) is amended by striking the phrase “together with interest in accordance with §§ 47-453 through 47-458, at the time of filing the amended return” and inserting the phrase “together with interest in accordance with § 47-4201.1 at the time of filing the amended return” in its place.

(2) The second sentence of subsection (b) is amended by striking the phrase “together with interest in accordance with §§ 47-453 through 47-458 at the time he or she files the notice” and inserting the phrase “together with interest in accordance with § 47-4201.1 at the time of filing the notice” in its place.

(zz)(1) The table of contents for Chapter 37 is amended by striking the section designation "47-3709. Testimony; production of books and records." and inserting the section designation "47-3709. Repealed." in its place.

(2) Section 47-3709 is repealed.

(aaa)(1) The table of contents for Chapter 37 is amended by striking the section designation "47-3711. Lien for taxes." and inserting the

section designation "47-3711. Repealed." in its place.

(2) Section 47-3711 is repealed.

(bbb)(1) The table of contents for Chapter 37 is amended by striking the section designation " 47-3718. Penalties." and inserting the section designation "47-3718. Repealed." in its place.

(2) Section 47-3718 is repealed.

(ccc)(1) The table of contents for Chapter 39 is amended by striking the section designations "47-3909. Compromises. 47-3910. Closing agreements." and inserting the section designations "47-3909. Repealed. 47-3910. Repealed." in their place.

(2) Sections 47-3909 and 47-3910 are repealed.

(ddd)(1) The table of contents for Chapter 39 is amended by striking the section designations "47-3911. Testimony; production of books and records. 47-3912. Interest and penalties." and inserting the section designations "47-3911. Repealed. 47-3912. Repealed." in their place.

(2) Sections 47-3911 and 47-3912 are repealed.

(eee)(1) The table of contents for Chapter 39 is amended by striking the section designation "47-3913. Jeopardy assessments." and inserting the section designation "47-3913. Repealed." in its place.

(2) Section 47-3913 is repealed.

(fff)(1) The table of contents for Chapter 39 is amended by striking the section designations "47-3914. Assessment; collection; deadline; fraudulent returns; extensions. 47-3915. Overpayment; credit or refund; time for filing; interest." and inserting the section designations "47-3914. Repealed. 47-3915. Repealed." in their place.

(2) Sections 47-3914 and 47-3915 are repealed.

(ggg)(1) The table of contents for Chapter 39 is amended by striking the section designations "47-3916. Lien for taxes. 47-3917. Secrecy of returns. 47-3918. Personal debt liability; priority; collection; "person" defined." and inserting the section designations "47-3916. Repealed. 47-3917. Repealed. 47-3918. Repealed." in their place.

(2) Sections 47-3916 through 47-3918 are repealed.

Sec. 407. Conforming amendment to Title 28.

Title 28 of the District of Columbia is amended as follows:

(a) The table of contents for Article 6 is amended by adding the section designation "28:6-112. Compliance with Article 47."

(b) A new section § 28:6-112 is added to read as follows:

"§ 28:6-112. Compliance with Article 47.

"In addition to the requirements of this article, all transferees shall comply with § 47-4461."

Sec. 408. Conforming amendments regarding peace officer authority.

Section 5(a) of An Act To control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe penalties, to prescribe rules of evidence, and for other purposes, approved July 8, 1932 (47 Stat. 651; D.C. Code § 22-3205(a)), is amended by striking the phrase "duly appointed law-enforcement officers," and inserting the phrase "duly appointed

law enforcement officers including special agents of the Office of Tax and Revenue, authorized in writing by the Deputy Chief Financial Officer for the Office of Tax and Revenue to carry a firearm while engaged in the performance of their official duties” in its place.

Sec. 409. Amendment to Title 46.

Section 13 of An Act To provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, approved August 28, 1935 (49 Stat. 953; D.C. Code § 46-114(f)), is amended by striking the phrase "or the Internal Revenue Service of the United States Department of the Treasury," and inserting the phrase "or the Internal Revenue Service of the United States Department of the Treasury, or the District of Columbia Office of Tax and Revenue," in its place.

Sec. 410. Applicability.

(a) Section 402(a) applies for all tax years beginning after December 31, 2000.

(b) Except as otherwise provided therein, sections 403 and 404 shall apply to taxes other than the real property tax imposed under Chapter 8, for all tax years or taxable periods beginning after December 31, 2000.

(c) Except as otherwise provided therein, section 405 shall apply as of January 1, 2001 to taxes other than the real property tax imposed under Chapter 8 of Title 47.

(d) Section 406(a), (c), (j), (m), (p), (q), (s), (w), (bb), (dd), (ee), (hh) through (kk), (mm) through (oo), (qq) through (uu), (yy), (zz), (bbb), (ddd), and (fff) shall apply for all tax years or taxable periods beginning after December 31, 2000.

(e) Section 406(b), (d), (f), (l), (n), (o), (r), (v), (x) through (aa), (cc), (ff), (gg), (ll), (pp), (vv), (ww), (aaa), (ccc), (eee), and (ggg) shall apply as of January 1, 2001.

(f) Section 407 shall apply as of January 1, 2001.

TITLE V. REAL PROPERTY TAX.

Sec. 501. Short title.

This title may be cited as the "Real Property Tax Reorganization Act of 2000".

Sec. 502. Amending provisions related to real property assessments.

(a) Section 47-802(5) is amended to read as follows:

“(5) Unless otherwise provided in this chapter, the terms “owner” and “taxpayer” shall include the following:

“(A) An owner of record of real property; provided that if real property is subject to an estate for life, or a lease or ground rent for a term (with renewals) that is at least 30 years, the holder of the possessory interest shall be deemed the owner; provided further, that the owner of record shall also retain the right to appeal under this chapter;

“(B) For purposes of receiving notices of proposed assessed value, receiving bills, and filing any petition or appeal under this chapter, the lessee or user in § 47-1005.1;

“(C) One or more persons whose leasehold interest in a leasehold condominium, as defined in § 45-1802(18),

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comprises the entire balance of the unexpired term; or

“(D) One or more persons who meet the requirements of § 47-3502(a)(2)(B) in a single family residential property.”.

(b)(1) The table of contents for Chapter 8 is amended by striking the section designation "§ 47-804. Service of notice." after the section designation "47-803. Additional Definitions."

(2) A new section 47-804 is added to read as follows:

"§ 47-804. Service of notice.

"Notice shall be deemed to be properly served on the date when mailed by first class mail."

(c) Section 47-811(b) is amended by striking the phrase ", except" and inserting the phrase "; provided, that an owner shall have at least 30 days from the date of the issuance of a bill to pay an installment; provided further," in its place.

(d)(1) The table of contents for Chapter 8 is amended by striking the section designation "47-811.1. Real property tax amnesty." and inserting the designation "47-811.1. Repealed." in its place.

(2) Section 47-811.1 is repealed.

(e) Section 47-813(c-3) is amended by striking the phrase “June 30” wherever it appears and inserting the phrase “September 30” in its place.

(f) Section 47-813(c-4) is amended by striking the phrase “June 30” wherever it appears and inserting the phrase “September 30” in its place.

(g)(1) The table of contents for Chapter 8 is amended by striking the section designation "47-815. Submission and publication of proposed rates and certain assessed values." and inserting the section designation "47-815. Submission of estimated assessment roll." in its place.

(2) The section designation of 47-815 is amended to read as follows:

“§ 47-815. Submission of estimated assessment roll.”.

(h) Section 47-815 is amended as follows:

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

“(a) Before September 16th of each year, the Mayor shall estimate the assessment roll and submit the estimate to the Council.”.

(2) Subsections (a-3), (a-4), (b), (d), and (e) are repealed.

(i) Section 47-815(f) is amended by striking the phrase “this section and”.

(j) Section 47-816 is amended by striking “proposed real property tax rate or rates” and inserting “estimated assessment roll” in its place.

(k) The section designation of section 47-820 is amended to read as follows:

“§ 47-820. Assessments – Estimated assessment roll; frequency of assessments.”.

(l) Section 47-820(b-1)(2) is amended to read as follows:

“(b-1)(2) When real property is assessed under this section, an increase in the overall assessed value shall be phased in over the 3-year period of a 3-year cycle or the remaining portion of the cycle; provided, that under § 47-829, an increase in the improvement value under a supplemental assessment shall not be phased in.”.

(m) Section 47-820(c) is amended by striking the word “Council” and inserting the word “Mayor” in its place.

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(n) Section 47-820(d) is amended to read as follows:

“(d) The Mayor may promulgate regulations regarding information to be provided to the Mayor by owners of real property.”.

(o) Section 47-821(d)(2) is amended to read as follows:

“(d)(2)(A) Except as otherwise provided in this chapter or under a court order, an officer, former officer, employee, or former employee of the District may not open valuation records for public inspection or reveal any information contained in valuation records. For purposes of this section, the term "valuation records" means:

“(i) Information regarding private appraisals, actual building costs, rental data, or business volume;

“(ii) Income or expense forms; and

“(iii) Rent rolls.

“(B) Notwithstanding subparagraph (A) of this paragraph, the Mayor shall permit a valuation record of a real property to be inspected by:

“(i) An owner or authorized agent of the property that is the subject of the valuation record; or

“(ii) An official of the District of Columbia executive branch acting in his official capacity, having a right thereto in his official capacity; provided, that no official shall inspect or use, in any review or appeal under this chapter, any information provided to the Mayor under § 47-820(d) or this section, other than information provided to the Mayor for the real property under review or appeal; provided further, that nothing contained in this subsection shall be construed to:

(I) Prohibit the use by the official, in reviews or appeals, of statistical data in a form which ensures that the identification of a particular property. The particular valuation records therefrom shall not be divulged or made known; or

(II) Prohibit the official from offering any information of the subject real property provided to defend the assessment of the subject real property in a review or appeal under this chapter.

“(C) A violation of this paragraph shall be a misdemeanor and, upon conviction thereof, shall be punishable by a fine not exceeding \$1,000, by imprisonment for not more than 180 days, or both. All prosecutions under this subparagraph shall be brought in the Superior Court of the District of Columbia on information by the Corporation Counsel in the name of the District of Columbia.”.

(p) Section 47-823(a) is amended as follows:

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

“(a)(1) The Mayor shall compile the estimated assessment roll and, for every property, indicate at least the following: the name of the owner; address of the property; lot and square; assessed value; and whether the property is taxable or exempt.

“(2) The roll shall also include the total aggregate estimated assessed value of all real property, listing the values of the properties by class as set forth in § 47-813.

“(3) The Mayor shall transmit to the Council, no later than May 15 of each fiscal year, a mid-year financial report. The report shall contain:

“(A) Schedules which reflect actual obligations for the General Fund object classes of the District government for the first 6 months of the fiscal and a forecast of full-year obligations compared to the most recent Congressionally-approved budget;

“(B) A comparison of the most recent Congressionally-approved budget to the mid-year forecast for the full fiscal year by appropriations title and agency; and

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"(C) A schedule of revenue estimates for the full fiscal year comparing the current approved revenue estimates to revenue estimates revised as of the end of the first 6 months of the fiscal year."

(2) Subsection (b) is amended as follows:

(A) The first sentence is amended by striking the word "preliminary" and inserting the word "estimated" in its place.

(B) The second sentence is amended by striking the word "taxpayer" and inserting the word "owner" in its place.

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

"(e) The estimated assessment roll, sales price information, description of each property, owner's mailing address, property use information, valuation history, other information in the public record, and information not made confidential in this chapter may be published by the Mayor by any form of electronic media, including the Internet."

(q) Section 47-824(b) is amended by adding a new paragraph (4) to read as follows:

"(4) Notwithstanding any other law, the Mayor may notify an owner of real property of a proposed change in the assessed value of the owner's real property before May 2 if a delay occurs for cause, as determined by the Mayor. If a delay for cause occurs, the Mayor shall notify the owner of the delay within a reasonable period of time from discovery of the cause. If a delayed notice of proposed change in the assessed value is issued under this paragraph, a petition for administrative review in accordance with § 47-825.1(f-1)(1) may be filed before September 2 in lieu of April 2."

(r)(1) The table of contents for Chapter 8 is amended by striking the section designation "§ 47-825.1. Public Advocate for Assessments and Taxation." and inserting the section designation "47-825.1 Board of Real Property Assessments and Appeals." in its place.

(2) Section 47-825.1 is amended as follows:

(A) The section designation of section 47-825.1 is amended to read as follows:

"§ 47-825.1 Board of Real Property Assessments and Appeals."

(B) Subsection (f) is repealed.

(C) Subsection (f-1) is amended as follows:

(i) Paragraph (1) is amended to read as follows:

"(1)(A) Before April 2 of the immediately preceding tax year, an owner may petition for an administrative review of the real property's in-cycle or out-of-cycle assessed value or its classification that shall be in effect for the tax year at issue and any remaining portion of the property's 3-year triennial cycle.

"(B) If the real property is transferred to a new owner between January 1 through March 1 of the immediately preceding tax year for which the proposed assessed value or classification shall be in effect, the new owner may petition for an administrative review before April 2 of the immediately preceding tax year.

"(C) If a real property is transferred to a new owner after March 1st of the immediately preceding tax year for which the proposed assessed value or classification shall be in effect, and no other petition or appeal has been filed for the real property, the new owner may before:

"(i) The 61st day after the date of transfer of the real property, file a petition for an administrative review; provided, that a petition may not be filed after July 1 of the immediately preceding tax year;

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“(ii) October 1 of the immediately preceding tax year, file an appeal with the Board if the 60th day after the date of transfer of the real property occurs after July 1 of the immediately preceding tax year and no petition for an administrative review was filed by such July 1; or

“(iii) April 2 of the tax year, file a petition for an administrative review if the 61st day after the date of transfer of the real property occurs after September 30 of the immediately preceding tax year and no appeal to the Board was filed by such September 30.

“(D) The Mayor shall have authority to change a proposed assessed value or classification in accordance with a final determination made on a petition for administrative review.

“(E) A final determination or Board decision shall pertain to the value or classification of a real property for the tax year at issue and any remaining portion of the property's 3-year triennial cycle.

“(F) A petition for an administrative review under this paragraph shall be filed on a form and in the manner prescribed by the Mayor.”.

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

“(2) If an owner is aggrieved by a notice of final determination on a petition for administrative review, the owner may file an appeal from the proposed assessed value or classification with the Board within 30 days from the date of the notice of final determination. All notices of final determination shall be accompanied by the assessor's worksheets indicating the rationale for the determination. If a notice of final determination on a petition for an administrative review brought under subsections (f-1)(1)(A) or (f-1)(1)(B) of this section and the assessor's worksheets relating thereto are not sent to the owner before August 2, the owner may appeal the proposed assessed value or classification to the Board before October 1.”.

(iii) Paragraph (3) is amended to read as follows:

“(3) Unless otherwise provided in this section, a petition for an administrative review shall be a prerequisite for filing an appeal from a proposed assessed value or classification with the Board.”.

(iv) Paragraph (8) is amended to read as follows:

“(8) The Board shall notify the Mayor of any decision on an appeal from a proposed assessed value or classification at the same time the Board notifies the owner.”.

(D) Subsection (g)(2) is amended by striking the phrase "a taxpayer" and inserting the phrase “an owner” in its place.

(E) Subsection (h-1) is amended to read as follows:

“(h-1)(1) The Mayor may make an administrative or clerical correction to an assessment or correct a real property classification only for the current or immediately succeeding tax year; provided, that:

“(A) The notice of correction under this paragraph shall be mailed by certified or registered mail to the owner’s address of record; and

“(B) The owner may petition and appeal in the same manner and to the same extent as a new owner under subsection (f-1)(1) of this section and the date of the correction shall be deemed to be the date of transfer thereunder.

“(2) Notwithstanding § 47-820(a-1), the Mayor may change an assessment or real property classification which is the result of

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a substantial error that would cause an injustice to the owner for the immediately succeeding, current, or preceding 3 tax years.”

(F) Subsection (j-1) is amended to read as follows:

“(j-1) Except as provided in § 47-830, an owner aggrieved by a proposed assessed value or classification may appeal the proposed assessed value or classification to the Superior Court of the District of Columbia in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304 before October 1 of the tax year for which the proposed assessed value or classification is in effect; provided, that (1) the owner shall have first appealed the proposed assessed value or classification to the Board; and (2) a new owner, who filed a petition for an administrative review under to subsection (f-1)(1)(C)(iii) of this section and an appeal to the Board, may, before October 1 of the next succeeding tax year in which the proposed assessed value or classification is in effect, appeal the proposed assessed value or classification in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304.”

(G) A new subsection (j-2) is added to read as follows:

“(j-2) If an owner’s second-half installment payment is placed on extended billing under § 47-811(b) to a date after September 15, the owner shall have 15 days from the payment due date to appeal to the Superior Court of the District of Columbia the proposed assessed value or classification in the same manner, to the same extent, and subject to the same limitations and requirements (except the filing deadline as provided in this subsection) as provided in subsection (j-1) of this section.”

(H) A new subsection (k-1) is added to read as follows:

“(k-1) Notwithstanding the definition of owner and taxpayer in § 47-802(5) to include persons other than the owner of record of real property, the owner of record of real property shall retain the right to appeal an assessment under this section.”

(s) Section 47-829 is amended as follows:

(1) Subsection (e)(2) is amended to read as follows:

“(e)(2) A certificate of occupancy has been issued or, in the case of a single-family dwelling, a building permit has been made final.”

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

“(f)(2) Notify the affected owner in writing of any change in assessment and right of appeal, as provided in § 47-830. The notice shall be mailed by certified or registered mail to the owner’s address of record.”

(t) Section 47-830 is amended as follows:

(1) Strike the phrases “real property owner” and “any real property owner” wherever they appear and insert the word “owner” in their place.

(2) Subsection (c-1) is amended as follows:

(A) Paragraph (2)(A) is amended by adding a new sentence at the end to read as follows:

“All notices of final determination shall be accompanied by assessor's worksheets indicating the rationale for any determination.”

(B) Paragraph (3) is amended as follows:

(i) Subparagraph (A) is amended to read as follows:

“An owner may appeal from either a supplemental assessment conducted between January 1 and June 30 or a supplemental assessment conducted between July 1 and December 31 on or before December 31st of the year following the year in which the supplemental assessment was conducted in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304. An appeal from the supplemental assessment filed with the Board shall be a prerequisite to filing an appeal with the Superior Court of the District of Columbia; provided, that written notice of the

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supplemental assessment was given to the taxpayer before December 2 for a supplemental assessment conducted between January 1 and June 30 and before May 31 of the following year for a supplemental assessment conducted between July 1 and December 31."

(ii) Subparagraph (B) is repealed.

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

"(d) Notwithstanding the definition of owner and taxpayer in § 47-802(5) to include persons other than the owner of record of real property, the owner of record of real property shall retain the right to appeal an assessment under this section."

(u) Section 47-831 is amended as follows:

(1) Strike the word "taxpayer" wherever it appears and insert the word "owner" in its place.

(2) Strike the last sentence and insert the sentence "An owner aggrieved by a reassessment made under this section may petition for administrative review, and appeal from a final determination thereof, in the same manner and to the same extent as a new owner under § 47-825.1(f-1)." in its place.

(v) Section 47-1005 is amended to read as follows:

"(a) If a building (or a portion thereof) or grounds belonging to and actually used by an institution, organization, or other entity exempt from real property taxation under § 47-1002 is used to secure rent or income for an activity other than that for which the exemption was granted, the building (or portion thereof) or grounds shall be assessed and taxed, unless otherwise prohibited by law.

"(b) If a building (or a portion thereof) or grounds belonging to and actually used by an institution, organization, or other entity exempt from real property taxation is used to secure a rent or income for any activity, where the exemption was not specifically limited to a particular use, the building (or a portion thereof) or grounds shall be assessed and taxed. This subsection shall not apply to real property exempt under § 47-1002(1) through (3), buildings or grounds subject to taxation under subsection (a) of this section, or real property immune from the levy and collection of tax under the laws of the United States."

(w)(1) The table of contents for Chapter 10 is amended by adding the section designation "47-1005.1. Interests in real property belonging to government and international organizations." after the section designation "47-1005. Real property tax exemption."

(2) A new section 47-1005.1 is added to read as follows:

"§ 47-1005.1. Interests in real property belonging to government and international organizations.

"(a) For purposes of this section, the term "exempt purpose", as applied to a lessee or user, shall mean an exempt purpose with specified use, operation, and other restrictions as set forth in § 47-1002(4) through (20).

"(b) If real property (or a portion thereof), which is exempt or immune from real property taxation under §47-1002(1) through (3) or the law of the United States, is leased, loaned, or otherwise made available to any person in connection with a business or as a residence, or both, and the use is not for an exempt purpose and the person is not exempt or immune from income taxation under the laws of the United States or District of Columbia, the leasehold interest, possessory interest, beneficial interest, or beneficial use of the lessee or user of the real property shall be assessed and taxed:

"(1) On the portion of the real property leased, used, or made available for the nonexempt purpose; and

"(2) For the percentage of time during the real property tax year that the lease, use, or availability for the nonexempt purpose can be segregated and identified.

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“(c) This section shall not apply if:

“(1) A payment is made in lieu of taxes in an amount equivalent to the tax which would be lawfully assessed if the real property were not exempt or immune from real property taxation;

“(2) The application of this section would cause the District of Columbia to breach a pre-existing agreement or other legal obligation;

“(3) The person liable for the tax under this section is subject to taxation under § 47-2002.4 and has paid the tax; or

“(4) The real property is subject to taxation under § 47-1005.

“(d) The taxable value of a leasehold interest, possessory interest, beneficial interest, or beneficial use for the purpose of this section shall be determined in the same manner as the taxable value of the real property would otherwise be determined if the lessee or user of the real property were the owner of the real property and the real property were not exempt from taxation; provided, that the taxable value determined shall be reduced by a percentage of the taxable value that is equal to the:

“(1) Percentage of the real property that is not actually leased or used by, or made available to, the lessee or user during the real property tax year; and

“(2) Percentage of time that the real property is not actually leased or used by, or made available to, the lessee or user during the real property tax year.

“(e) The lessee or user shall be subject to the same application process, filing requirements for reports and income and expense statements, taxes, and penalties as an institution, organization, corporation, or association under § 47-1007.

“(f)(1) A notice of proposed assessed value shall be mailed to the lessee or user in the same manner and as required under Chapter 8 for a notice of proposed assessed value to an owner of real property.

“(2) A lessee or user may appeal from a notice of proposed assessed value and real property classification in the same manner and under the same conditions as an owner under § 47-825.1.

“(3) Tax assessed under this section shall be a personal liability of a lessee or user of real property and billed to the lessee or user. Payments of tax shall be applied in the same manner as payments of real property tax. The tax due under this section shall not give rise to a lien against the real property. If the tax is not paid within the time prescribed for payment of real property tax, there shall be added to the tax a penalty of 10% of the unpaid amount, plus interest on the unpaid amount at the rate of 1.5% per month (or portion of a month) until the tax is paid. The amount of the unpaid tax, plus penalty and interest due, shall constitute a delinquent tax to be collected in accordance with Chapter 44.

“(g)(1) The Mayor may assign assessment and taxation squares and lots, or implement such other designation system, to identify a parcel or (portion thereof) for which the corresponding leasehold interest, possessory interest, beneficial interest, or beneficial use of the lessee or user of the real property may be subject to taxation and assessed to the lessee or user in accordance with this section.

“(2) A person subject to tax under this section shall provide to the Mayor a District of Columbia Business Tax Identification Number and other tax identification number which the Mayor may require.”.

(x) Section 47-1007 is amended as follows:

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

(A) The first sentence is amended by striking the phrase “on or before March 1, 1943, and on or before March 1st

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of each succeeding year,” and inserting the phrase “before April 1 of each year,” in its place.

(B) The second sentence is amended by striking the phrase “March 1st of any year,” and inserting the phrase “April 1 of any year,” in its place.

(2) Subsection (b) is amended by striking the phrase “provided, however, that such tax shall be for a minimum period of 30 days.” and inserting the phrase “provided, that the Mayor may abate the tax for reasonable cause” in its place.

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

“(c) If the report is not filed within the time provided in subsection (a) of this section, or as extended by the Mayor, a penalty in the amount of \$250 shall be assessed. The penalty shall constitute a delinquent tax on the real property when not paid within 30 days after the date of levy. The Mayor may abate the penalty for reasonable cause.”.

(y) Section 47-1010 is amended to read as follows:

“The Mayor may promulgate regulations to carry out the purpose of this chapter and amend or repeal any existing regulations promulgated to carry out the purpose of this chapter.”.

(z)(1) The table of contents for Chapter 13 is amended by adding the section designation "47-1321". Regulations." after the section designation "47-1320. Delinquent taxpayers--bidding at tax sales prohibited."

(2) A new section 47-1321 is added to read as follows:

“§ 47-1321. Regulations.

“The Mayor may promulgate regulations to implement the provisions of this chapter and for the proper administration of all real property tax sales. The Mayor may also amend or repeal existing regulations relating to real property tax sales.”.

(aa) Section 47-3305(a) and (b) are repealed.

Sec. 503. Repealer relating to real property tax assessments.

Sections 4 and 5 of the BNA Washington Inc. Real Property Tax Deferral Amendment Act of 1996, effective April 9, 1997 (D.C. Law 11-250; 44 DCR 1253), are repealed.

Sec. 504. Amending provisions related to real property tax collection.

Title 47 of the District of Columbia Code is amended as follows:

(a)(1) The table of contents to Chapter 8 is amended by adding the section designation “47-811.2. Overpayment; credit or refund; interest.” after the section designation “47-811.1. Repealed.”.

(2) A new section 47-811.2 is added to read as follows:

“§ 47-811.2. Overpayment; credit or refund; interest.

“(a) Subject to subsection (b) of this section, if there is a payment of real property tax that results in an overpayment for a billing period or levy with priority, the overpayment shall be credited in order of priority against the real property tax owing on the property for a subsequent billing period or levy.

“(b) The Mayor shall refund the payment, less the real property tax owing, to the person who made the payment; provided, that the refund

shall not be allowed unless:

"(1) A claim for refund within 3 years from the date the payment was made;

"(2) The Mayor corrected or changed an assessment or real property classification under § 47-825.1(h-1) which created the overpayment;

"(3) The property has been so reassessed under § 47-831 that an overpayment resulted for the periods of reassessment; or

"(4) The tax was abated for reasonable cause under § 47-1007.

"(c) A claim for refund shall be made in the manner prescribed by the Mayor.

"(d) The District of Columbia shall pay interest on the overpayment beginning 90 days after the receipt of the claim for refund.

"(e) The interest payable by the District under subsection (d) of this section shall be at the rate provided in § 47-3310(c).

"(f) The owner, after seeking refund of the overpayment as set forth in this section, may, within one year from the last day of the tax year in which the claim for refund was made, file suit in the Superior Court of the District of Columbia in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304; provided, that the real property tax, including any penalties and interest, shall have first been paid.

"(g) This section shall not apply to an action timely filed under § 47-825.1(j-1) and (j-2)."

(b) Section 47-872(d) is amended by striking the phrase "percentage increase in the Consumer Price Index for All Urban Consumers ("CPI-U") for all items, in the Washington, D.C. Standard Metropolitan Statistical Area," and inserting the phrase "percentage increase in the local Consumer Price Index for all items" in its place.

(c) Section 47-873(d) is amended by striking the phrase "percentage increase in the CPI-U for all items, in the Washington, D.C. Standard Metropolitan Statistical Area," and inserting the phrase "percentage increase in the local Consumer Price Index for all items" in its place.

(d) Section 47-1101 is amended as follows:

(1) Strike the word "instalment" wherever it appears and insert the word "installment" in its place.

(2) Strike the word "instalments" wherever it appears and insert the word "installments" in its place.

(3) Strike the sentence "Such taxes and assessments shall be payable, at the election of the taxpayer, in 4 equal instalments, in the months of September, December, March, and June, and no interest shall be payable with respect to any such instalment unless it is unpaid after the time it is due."

(e) Section 47-1102 is amended as follows:

(1) Strike the word "instalment" wherever it appears and insert the word "installment" in its place.

(2) Strike the word "instalments" wherever it appears and insert the word "installments" in its place.

(f) Section 47-1301(a) is amended by striking the phrase "and continuing on each following day," and inserting the phrase "and continuing on each following day, Saturdays."

(g) Section 47-1303(a) is amended by striking the phrase "every secular day" and inserting the phrase "every day, except Saturdays, Sundays, and legal holidays," in its place.

(h) Section 47-1303.4(h) is amended by adding a new paragraph (3) to read as follows:

"(3) In an action for the foreclosure on a tax certificate, notwithstanding § 47-1312 through §47-1315 or any other law, the court may order the prevailing plaintiff to sell the property at private sale for the fair market value of the property to satisfy the amount of the

plaintiff's lien, fees, and costs, as provided for in this section, including all fees and charges necessarily incurred to sell the property at private sale. Any surplus resulting from the sale shall be paid as provided in § 47-1315.”.

(i) Section 47-1304 is amended as follows:

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

(A) Strike the phrase “5 days” in the second sentence and insert the phrase “5 business days” in its place.

(B) Strike the phrase “2 days” in the second sentence and insert the phrase “2 business days” in its place.

(C) Strike the phrase “5 days” in the third sentence and insert the phrase “5 business days” in its place.

(D) Strike the phrase “5 years” in the third sentence wherever it appears and insert the phrase “one year” in its place.

(E) Strike the phrase “and 1½% thereon for each month or part thereof, a deed shall be given by the Mayor of the District, or his successors in office,” in the third sentence and insert the phrase “with interest on the amount at the rate of 1.5% for each month (or part thereof) after the date of the certificate of sale, a deed shall be given by the Mayor, after notice satisfying the requirements of due process,” in its place.

(F) Strike the phrase “and if no such application be made then the owner of any property sold as aforesaid,” in the third sentence and insert the phrase “and if no deed be given as yet by the Mayor then the owner of property sold,” in its place.

(G) Strike the phrase “plus interest thereon for the first 6 months after the date of such certificate of sale at the rate hereinabove provided, and for 3 years thereafter at the rate of 6% per annum,” in the third sentence and insert the phrase “plus interest thereon at the rate hereinbefore prescribed;” in its place.

(H) Strike the phrase “that within 5 years from the time that payment has been made to the Collector of Taxes to redeem such tax sale certificate,” in the third sentence and insert the phrase “that within one year from the last day of the sale,” in its place.

(I) Strike the phrase “such money shall be forfeited to the District of Columbia,” in the third sentence and insert the phrase “or, in the case where a property is not redeemed, to pay all taxes and assessments, within 30 days from the date the Mayor sends a letter for payment to the owner of the tax sale certificate or within any extension beyond the 30 days as granted at the discretion of the Mayor, required to be paid before a deed shall be issued, money otherwise owing to the owner of the tax sale certificate or paid by the owner of the tax sale certificate shall be forfeited to the District of Columbia,” in its place.

(J) Strike the phrase “sell said property at public or private sale and issue to any purchaser of such property a deed, which deed shall have the same force and effect as the deed hereinbefore provided for in this section for property sold at the regular annual sale; provided, however,” in the third sentence and insert the phrase “sell the property at public or private sale for the amount of the oldest lien owing to the District and issue to a purchaser of the property, after notice satisfying the requirements of due process and the property not redeemed within 30 days therefrom, a deed, which shall have the same force and effect as the deed provided in this section for property sold at the regular annual sale; provided, that unless the purchaser of the property shall pay all other taxes and assessments, within 30 days from the date that the Mayor sends a letter for payment to the purchaser or within any extension beyond the 30 days as granted at the discretion of the Mayor, required to be paid before a deed shall be issued, money paid by the purchaser shall be forfeited to the District of Columbia;” in its place.

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

“(h)(1) If a certificate of sale is issued for a property sold and the period of the right of redemption expires, the costs for ascertaining and locating a party with a legally protected interest in the property when the identity and location of the party are reasonably ascertainable, the costs for preparing, sending, or otherwise providing legally required notices to the party, and other incidental or consequential costs incurred or accrued as a

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result of unpaid taxes, shall be paid to the District of Columbia Treasurer, in addition to any sums owing under subsection (a) of this section, to redeem the property; provided, that:

(A) The Mayor shall, by regulation, fix the amount of all costs to be paid as the Mayor shall determine is reasonable to reimburse the District;

(B) The Mayor may, in his or her discretion, contract with any person or authorize the agent of the legal holder of the certificate to perform the services for which the costs shall be paid;

(C) Payment of costs shall be made for the use of the person who performed the services or the legal holder of the certificate, and (i) the person or legal holder of the certificate shall receive from the District of Columbia payment of costs as collected by the District of Columbia, or (ii) the Mayor may order that payment of costs be made directly to the person or legal holder of the certificate in accordance with procedures that the Mayor shall prescribe, by regulation.

"(2) If the property is not redeemed and the District is liable for the costs incurred, the legal holder of the certificate shall pay the costs incurred and no deed shall be given until such costs are paid.

"(3) The Mayor may waive, in whole or in part, costs in this subsection when it would be equitable or in the public interest; provided, that if the Mayor waives the costs, the District of Columbia shall reimburse the person who performed the services or the legal holder of the certificate for costs otherwise payable under this subsection."

(j)(1) The table of contents for Chapter 13 is amended by striking the section designation "47-1305. Same--Applicability of changed interest rates." and inserting the section designation "47-1305. Repealed." in its place.

(2) Section 47-1305 is repealed.

(k) Section 47-1307(a) is amended by striking the phrase "with 20 days, exclusive of" and inserting the phrase "within 20 days, exclusive of Saturdays" in its place.

Sec. 505. Amending provisions in Title 47 related to recordation of deeds.

Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-901(3) is amended as follows:

(1) Strike the phrase "will or a lease" and insert the phrase "lease or ground rent for a term (including renewals) that is less than 30 years" in its place.

(2) Strike the phrase "or any interest therein" and insert the phrase "or any interest therein (including an estate for life)".

(b) Section 47-902 is amended as follows:

(1) Paragraph (15) is amended by striking the phrase "; and" and inserting a semi-colon in its place.

(2) Paragraph (16) is amended as follows:

(A) Subparagraph (A) is amended by striking the period and inserting a semi-colon in its place.

(B) Subparagraph (B) is amended by striking the period and inserting a semi-colon in its place.

(C) Subparagraph (C) is amended by striking the period and inserting a semi-colon in its place.

(3) A new paragraph (17) is added to read as follows:

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"(17) Deeds of personal representatives of decedents, acting under the provisions of Title 20, transferring to a distributee, without additional consideration, real property of a decedent or a life estate in real property."

(c) Section 47-903 is amended as follows:

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

"(a)(1) There is imposed on the transferor for each transfer at the time the deed is submitted to the Mayor for recordation a tax at the rate of 1.1% of the total consideration paid for the transfer; provided, that:

"(A) If the interest in real property transferred is a lease or ground rent for a term (including renewals) that is at least 30 years, the transfer tax will be computed using the value determined in accordance with paragraphs (2) or (3) of this subsection; and

"(B) If there is no consideration for a transfer or the consideration is nominal, the rate shall be applied to the fair market value of the real property covered by the interest transferred as determined by the Mayor.

"(2) If there is a lease or ground rent for a term (including renewals) that is at least 30 years, the transfer tax shall be based on the capitalization of 10% of the average annual rent over the term of the lease, including renewals, plus any additional actual consideration payable; provided that the amount to which the rate is applied shall not exceed the fair market value of the real property covered by the interest transferred.

"(3) If the average annual rent of the lease or ground rent for a term (including renewals) that is at least 30 years cannot be determined, the transfer tax will be based on the greater of:

"(A) One hundred and five percent of the minimum average annual rent ascertainable from the terms of the lease, capitalized at a rate of 10%, plus any additional consideration payable; or

"(B) One and one-half percent of the assessed value of the property covered by the interest transferred."

(2) Subsection (b) is amended by striking the phrase "setting forth the assessed value and the sales price for the deed" and inserting "setting forth the assessed value and the consideration paid for the deed" in its place.

(3) Subsection (d) is amended by striking the phrase "The Mayor is authorized to prescribe, by regulation, reasonable extensions of time for the filing of the return required by subsection (b) of this section" and inserting "The Mayor may promulgate regulations to carry out the purpose of this section." in its place.

(d) The table of contents to the title is amended by striking "Chapter 14. Residential real property transfer excise tax" and inserting "Chapter 14. Taxation of recordation and transfers of real property" in its place.

(e) Section 47-1401 is amended as follows:

(1) Strike the word "residential" wherever it appears, except in paragraph (23).

(2) Paragraph (23) is amended by striking the phrase "or "property"" in the first sentence.

(f) Section 47-1431(a) is amended as follows:

(1) Strike the phrase "Within 30 days after the execution of a deed or other document by which legal title to real property" and inserting the phrase "Within 30 days after the execution of a deed or other document by which legal title to real property, or an estate for life or a lease or ground rent (including renewals) for a term that is at least 30 years," in its place.

(2) Strike the phrase "all transferees of the legal title or economic interest in the real property and all holders of the security interest in" and insert the phrase "all transferees of, and all holders of the security interest in," in its place.

(g) Section 47-1433(c) is amended by striking the first sentence and inserting the sentence "If a person other than a dealer fails to record, as required by § 47-1431, there shall be imposed on the person a penalty in the amount of \$250." in its place.

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Sec. 506. Conforming amendment to the District of Columbia Deed Recordation Tax Act.

The District of Columbia Recordation Tax Act is amended as follows:

(a) Section 301(c) is amended as follows:

(1) Paragraph (3)(A)(ii) is amended by striking the phrase "An interest in real property" and inserting the phrase "An interest in real property (including an estate for life)" in its place.

(2) Paragraph (2)(B) is amended by striking the phrase "lease with a term of 99 years or less" and inserting the phrase "lease or ground rent for a term (with renewals) that is less than 30 years" in its place.

(b) Section 302(10) is amended as follows:

"Deeds of personal representatives of decedents, acting under the provisions of Title 20, transferring to a distributee, without additional consideration, real property of a decedent or a life estate in the real property."

(c) Section 303(a) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

"At the time a deed or a lease or ground rent for a term (with renewals) that is at least 30 years is submitted for recordation, it shall be taxed at the rate of 1.1%, as follows:

"(A) A deed that conveys title to real property in the District shall be taxed at a rate of 1.1% applied to the total consideration for the deed; provided, that if there is no consideration for a transfer or if the consideration for the transfer is nominal, the rate shall be applied to the fair market value of the real property, as determined by the Mayor.

"(B)(i) If there is a lease or ground rent for a term (with renewals) that is at least 30 years, the recordation tax shall be based on the capitalization of 10% of the average annual rent over the term of the lease, including renewals, plus any additional consideration payable; provided that the amount to which the rate is applied shall not exceed the fair market value of the real property covered by the interest transferred.

"(ii) If the average annual rent of the lease or ground rent for a term (including renewals) that is at least 30 years cannot be determined, the recordation tax will be based on the greater of:

"(I) One hundred and five percent of the minimum average annual rent ascertainable from the terms of the lease, capitalized at a rate of 10%, plus any additional consideration payable; or

"(II) One hundred and fifty percent of the assessed value of the real property covered by the interest transferred."

(2) Paragraph (3) is amended to read as follows:

"(3) At the time it is submitted for recordation, a security interest instrument shall be taxed at a rate of 1.1% of the total amount of debt incurred which is secured by the interest in real property; provided, that if the existing debt is refinanced, the rate shall be applied only to the principal amount of the new debt in excess of the principal balance due on the existing debt that was previously subject to tax under this paragraph, which tax on the existing debt was timely and properly paid."

Sec. 507. New Chapter 13A revising the real property tax sale process.

Title 47 of the District of Columbia is amended as follows:

(a)(1) The table of contents for the title is amended by adding the chapter designation "Chapter 13A. Real Property Tax Sales." after the

chapter designation "Chapter 13. Real Property Tax Sales."

(2) A new Chapter 13A is added to read as follows:

"Chapter 13A. Revised Real Property Tax Sale.

"Subchapter I. General provisions.

"Sec.

"47-1330. Definitions.

"47-1331. Tax is lien on real property; priority; application of payment; lien for deferred tax.

"47-1332. Sale by Mayor of all properties

"47-1333. Sale not subject to procurement.

"47-1334. Interest rate.

"47-1335. Issuance of regulations to carry out chapter.

Subchapter II. Sale.

"47-1340. Notice to agencies; certification of taxes due agencies; General Fund; disbursement.

"Sec.

"47-1341. Notice of delinquency.

"47-1342. Public notice; costs.

"47-1343. Real property to be sold as entirety.

"47-1344. Personal property of owner not affecting sale.

"47-1345. Sale of real property subject to possessory interests.

Sec.

"47-1346. Sale at public auction.

"47-1347. Payment of purchase price at tax sale.

"47-1348. Certificate of sale – in general.

"47-1349. Same – assignment.

"47-1350. Same – recording.

"47-1351. Same – as evidence.

"47-1352. Purchase by District – in general.

"47-1353. Same – right to sell or foreclose upon real property.

"47-1354. Payment of other taxes and liabilities by purchaser; assignment.

"47-1355. Void certificate of sale.

"Subchapter III. Redemption.

"47-1360. Right of redemption.

"47-1361. Required payments; notice to purchaser; certificate of redemption.

"47-1362. Fixing amount necessary for redemption after action to foreclose filed.

"47-1363. Rights of owners and purchasers during redemption period; appointment of receiver of real property.

"47-1364. Assessment during redemption period; assessment to purchaser.

"§ 47-1365. Tenant or person with less than fee simple interest paying taxes or levies to have credit out of rents.

"§ 47-1366. Cancellation of sale by Mayor.

"Subchapter IV. Foreclosure.

"47-1370. Complaints by purchasers to foreclose the right of redemption; exercise of authority by form of complaint.

"47-1371. Parties.

"47-1372. Notice to certain persons.

"47-1373. How unknown owner made party; affidavit of search.

"47-1374. Service of process.

"47-1375. Notice by publication.

"47-1376. Validity of taxes and sale presumed unless attacked in answer.

"47-1377. Purchaser reimbursed by redeeming party for expenses.

"47-1378. Final order.

"47-1379. Reopening judgments.

"§ 47-1380. Judgment setting aside sale.

"47-1381. Judgment bars redemption only in real property described therein.

"47-1382. Purchaser's deed; payment; compliance with terms of

judgment as to payments.

“47-1383. Obtaining possession.

“47-1384. Construction of chapter.

“47-1385. Transition provisions; applicability of chapter.

“Subchapter I. General provisions.

“§ 47-1330. Definitions.

“For purposes of this chapter, the term:

"(1) "Costs" means amounts paid or payable by the purchaser to the District in connection with the sale of a real property.

"(2) "Tax" means unpaid real property tax owing as of October 1, including penalties, interest, and costs. The term shall include an assessment or charge due at any time to the District and certified to the Mayor for collection under this chapter in the same manner as a real property tax, along with permitted penalties, interest, and costs.

"(3) "District" means the District of Columbia.

"(4) "Expenses" means amounts paid or payable by the purchaser to persons other than the District in connection with the sale of a real property.

"(5) "Purchaser" shall include the purchaser at the tax sale, the holder of the certificate of sale, the assignee or transferee of the certificate of sale, the plaintiff, or the District, as the context requires.

"(6) "Superior Court" means the Superior Court of the District of Columbia.

"(7) "Surplus" means the portion of the bid at the tax sale that exceeds the taxes, penalties, interest, and costs for which the property was sold.

"(8) "Taxing agency" means an agency of the District which may levy a tax, assessment, or charge collectible under this chapter. The term "taxing agency" shall include a business improvement district.

“§ 47-1331. Tax is lien on real property; priority; application of payment; lien for deferred tax.

“(a) A tax shall automatically become a lien on the real property on the date the tax was due and unpaid or converted to a real property tax under § 47-1340.

“(b) The lien for a tax shall be a prior and preferred claim over all other liens and shall be perpetual.

“(c) Unless otherwise provided in this chapter, all payments for taxes collected under this chapter shall be applied to each outstanding lien in order of its priority measured by the date that it became, or was converted to, a lien under subsection (a) of this section. The payment shall be applied to the lien in the following order: costs; penalties; interest; and the original amount of the lien.

“(d) A lien transferred to a third party by the District under § 47-1303.4, including an assignee or successor in interest, shall enjoy the same priority and preference as if the lien were still held by the District.

“(e) A tax or any other unpaid tax, charge, or indebtedness owing to the District and deferred under Subchapter VIII of Chapter 25 of Title 45, is a lien on the real property for which the deferral was granted. Payments shall be applied first to the lien having priority and for which the deferral is not granted; provided, that (1) the taxpayer shall make additional payments under the deferral agreement entered into with the Mayor, which payments shall be applied first to the deferred lien having priority until all deferred liens are paid, and (2) payment of taxes not deferred in the

agreement and assessed for periods after the latest period deferred in the agreement remains current. The taxpayer may designate a payment to the nondeferred tax if the designation and application of payment shall not cause the District to default on another contractual obligation.

“§ 47-1332. Sale by Mayor of all properties.

“(a) The Mayor shall sell all real property on which the tax is in arrears unless otherwise provided by law.

“(b) The Mayor shall designate a single agency to conduct tax sales in the District.

“§ 47-1333. Sale not subject to procurement.

“Notwithstanding any other law, sale or assignment under this chapter or in furtherance thereof shall not be subject to Subchapter I of Chapter 11A of Title 1.

“§47-1334. Interest rate.

“The rate of interest on all amounts due, owing, or paid for purposes of redemption under this chapter (whether relating to real property sold or bid off to the District) shall be 18% per year. No interest shall accrue for surplus, expenses, or the reasonable value of improvements.

“§ 47-1335. Issuance of regulations to carry out chapter.

“The Mayor may promulgate regulations to carry out the purposes of this chapter.

Subchapter II. Sale.

“§ 47-1340. Notice to agencies; certification of taxes due agencies; General Fund; disbursement.

“(a) At least 60 days before the mailing of the notices required by § 47-1341, the Mayor shall notify all taxing agencies (other than the agency to whom the Mayor has delegated his authority under § 47-1332) of the Mayor's intention to hold a tax sale and shall state the time and place of the sale. Each of the taxing agencies shall, within 30 days after receiving the notice, submit a statement to the Mayor certifying all taxes appearing on its records then due to the District as of the date of the Mayor's notice that have not been previously certified to the Mayor. The statement shall be in the form and medium, and shall contain the information, that the Mayor requires. In addition to the real property taxes due, the Mayor shall include in the notice of delinquency required by § 47-1341 and in the public notice required by § 47-1342 the taxes certified to him by the taxing agencies.

“(b) When a taxing agency certifies a tax to the Mayor under subsection (a) of this section for which tax a lien was filed with the Recorder of Deeds, the taxing agency shall file with the Recorder of Deeds a Notice of Converted Real Property Tax releasing the prior lien as of the date of certification. The notice shall state the name of the owner, describe the real property by taxation square, suffix, and lot number, or parcel and lot number, and specify the amount of the lien.

“(c) If a taxing agency does not certify a tax which is due to the District as of the date of the Mayor's notice under subsection (a) of this section, the tax shall not be collected through a tax sale under this chapter unless the taxing agency files a lien with the Recorder of Deeds within the time required for certification. If such lien is filed, the taxing agency may later certify such lien for collection in accordance with subsection (a) of this section.

“(d) The Mayor shall not sell a real property for which taxes have not been certified by a taxing agency. Unpaid real property taxes shall not be required to be certified.

“(e) Notwithstanding any other provision of law, payments received for taxes that have been certified to the Mayor shall be credited to the General Fund of the District in the same manner as real property tax payments are credited.

“(f) If (1) a taxing agency certifies taxes (for which real property is offered for sale) to the Mayor under subsection (a) of this section, and (2) the real property sold for such taxes has been redeemed or a deed therefor issued to the purchaser, the taxing agency may submit an accounting to the designated agency under § 47-1332(b) in the form that the Mayor requires. Upon receipt of the accounting and verification of the redemption or delivery

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of the deed, the amount of the certified taxes collected, to the extent that it is available after application of all amounts collected according to the priority of the taxes before certification, shall be disbursed from the General Fund for the purpose designated by, and in accordance with, the law creating the obligation for the certified tax.

"(g) Any omission by the Mayor or any taxing agency under this section shall not adversely affect a sale or a purchaser's interest. This section shall be construed pursuant to §§ 47-1341(b) and 47-1342(b)(2).

"§ 47-1341. Notice of delinquency.

"(a) At least 30 days before real property is first advertised for a tax sale under this chapter, the Mayor shall mail to the person who last appears as owner of the real property on the tax roll, at the last address shown on the tax roll, as updated by the filing of a change of address at the Recorder of Deeds, a notice of delinquency stating the name of the person who last appeared as owner on the tax roll, identifying by taxation square, suffix, and lot number, or parcel and lot number, the real property to be sold, and the amount of taxes due. The notice of delinquency shall also include the following:

".....

"Date

"This Is a Notice of Delinquency and Final Bill to the Person Whose Name Appears on This Notice.

"According to the Mayor's tax roll, you are the owner of the real property appearing on this notice of delinquency. Some of the taxes listed are in arrears and this list may not include all taxes in arrears. Notice is given to you that unless all taxes in arrears and appearing on this Notice are paid within 30 days from the date of this notice, the Mayor will proceed to sell the above real property. Interest, penalties, and costs not included in this notice of delinquency must be added to the total at the time of payment. A final payoff amount must be obtained at ? You must make payment by cash, certified check, cashier's check or money order at ? You must act now to avoid additional costs and significant expenses, including a reasonable attorney's fee."

"(b) Failure of the Mayor to mail the notice of delinquency as provided in subsection (a) of this section, or to include any taxes in the notice of delinquency, shall not:

- "(1) Invalidate or otherwise affect a tax;
- "(2) Invalidate or otherwise affect a sale made under this chapter to enforce payment of taxes;
- "(3) Prevent or stay any proceedings under this chapter; or
- "(4) Affect the title of a purchaser.

"(c) Payment of the total amount stated in the notice of delinquency and as directed in the notice shall preclude the real property from being offered at the tax sale to which the notice corresponds.

"§ 47-1342. Public notice; costs.

"(a) At any time after 30 days from the mailing of the notice of delinquency, the Mayor shall cause to be advertised, at least once in not less than 2 newspapers of general circulation within the District which are published at least once every 2 weeks, a public notice stating that listed real property will be sold at public auction because of taxes on the date and at the place named in the public notice.

"(b)(1) The list in the public notice shall contain, with substantial accuracy, at least the following:

- "(A) A description of the real property, by taxation square, suffix, and lot number, or parcel and lot number;
- "(B) The name of the person who last appears on the Mayor's tax roll as the owner of the real property; and
- "(C) The amount of all taxes for which the real property shall be sold at the scheduled sale; provided, that costs

need not be included in the public notice, but, if not included, costs shall be included in the opening bid amount at the time of the sale.

"(2) Failure of the Mayor to include a tax in the published notice of sale shall not: "(A)

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Affect the validity or collectibility of the taxes or the validity of a sale to enforce the payment of taxes;

"(B) Prevent or stay proceedings under this chapter; or

"(C) Affect the title of a purchaser.

"(c)(1) The following fees, in an amount prescribed by regulation, shall be costs payable by the purchaser (and paid into the General Fund of the District) and shall be included in the certificate of sale as provided in § 47-1348:

"(A) A fee for the mailing of a notice;

"(B) A fee for publication of notices when a real property is offered for sale, including newspaper advertisements;

"(C) An auctioneer's fee when a real property is offered for sale at public auction, whether or not the auctioneer is a

District employee; and

"(D) A fee assessed against each real property to reimburse the District for legal representation, whether or not the provider of the service is a District employee.

"(2) A redeeming party shall pay the costs to redeem real property bid off to the District, and such costs shall be deemed included in the amount for which the real property was bid off regardless of whether a certificate of sale was issued.

"§ 47-1343. Real property to be sold as entirety.

"Each parcel of real property for sale shall be sold in its entirety, which shall be the parcel of real property as assessed in the assessment records.

"§ 47-1344. Personal property of owner not affecting sale.

"The power to sell real property for taxes shall not be affected by personal property of the owner on the real property to be sold.

"§ 47-1345. Sale of real property subject to possessory interests.

"(a) Whether or not any real property subject to sale under this chapter is subject to an estate for life, or a lease or ground rent for a term (with renewals) that is at least 30 years, the Mayor shall sell the entire fee simple estate; provided, that after the judgment of foreclosure of the right of redemption, no claim for rent unpaid, due, or accruing before the date of the judgment of foreclosure of the right of redemption shall be made by the purchaser (or his assignee).

"(b) The termination of claims on real property sold under subsection (a) of this section shall not foreclose a personal claim against previous holders of the interest sold for rent unpaid, due, or accruing before the date of the judgment of foreclosure of the right of redemption.

"§ 47-1346. Sale at public auction.

"(a)(1)(A) The sale shall be held by the Mayor on the date and at the place stated in the public notice.

"(B) If the sale cannot be completed on the date stated in the notice, the Mayor shall continue the sale, as determined by the Mayor and announced to the potential purchasers at the sale, until all real property included in the public notice is sold.

"(2) All sales shall be at public auction to the purchaser who makes the highest bid.

"(3)(A) The Mayor shall retain any common law or other authority normally granted to an auctioneer conducting a public auction and may refuse to accept bids that are not made in good faith.

"(B) The Mayor may delegate this authority to an auctioneer.

"(4) The conduct of the sale shall be according to terms set by the Mayor, and published with a reasonable degree of specificity in the public notice, to ensure the orderly functioning of the public auction and the integrity of the tax sale process, including requirements that potential purchasers:

"(A) Establish their eligibility for bidding by presenting evidence of the legal existence of the bidding entities that are satisfactory to the Mayor;

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“(B) Limit their representation at a sale to no more than a single agent for each bidding entity;

“(C) Refrain from an act, agreement, consent, or conspiracy to suppress, pre-determine, rig, or fix the bidding at the sale; and

“(D) Provide such other information as the Mayor may require.

“(5) A potential purchaser, including a natural person or business entity, who is delinquent in payment of taxes to the District, may not bid on real property offered at a sale held under this chapter or otherwise acquire an interest in real property sold under this chapter. For purposes of this paragraph, a potential purchaser shall include a person owning a 10% or more equity interest in, or an officer of, an entity that owns a 10% or more equity interest in real property on which taxes are delinquent. The certificate of sale held by the purchaser in violation of this paragraph shall be void and monies paid for the real property as described in the certificate of sale shall be forfeited to the District. This paragraph shall not be circumvented by a purchaser through the use of one or more business entities to avoid its intended application.

“(b) Before making any bid, a potential purchaser shall deposit the greater of \$100 or 20% of the purchase price. The deposit shall guarantee full and final settlement for the purchase. If the required deposit is not sufficient, the real property shall be immediately re-auctioned.

“(c) Unless otherwise provided in this chapter, a real property shall not be sold for less than the amount of the taxes.

“§ 47-1347. Payment of purchase price at tax sale.

“The payment of the purchase price shall be on the terms established by the Mayor. A purchaser shall pay the full amount of his bid, including surplus and costs, within 5 business days after the last day of the sale. If the payment is not received within the time prescribed, the deposit of the defaulting purchaser shall be forfeited to the District, and the real property shall be deemed to have been bid off to and purchased by the Mayor in the name of the District.

“§ 47-1348. Certificate of sale – in general.

“(a) The Mayor shall deliver to the purchaser a certificate of sale under the Mayor's hand and seal or authorized facsimile signature (or a delegate's hand and seal). The certificate shall set forth:

“(1) The date of the certificate;

“(2) That the real property described in it was sold by the Mayor to the purchaser;

“(3) The date of the original public tax sale to which the certificate corresponds;

“(4) The date of the sale to the purchaser;

“(5) The amount of taxes for which the real property was offered for sale at the original tax sale;

“(6) The total amount of taxes owing at the time of sale to the purchaser;

“(7) The purchase price;

“(8) The amount of surplus;

“(9) A description of the real property in substantially the same form as the description appearing on the Mayor's tax roll;

“(10) A statement that the rate of interest, upon redemption, shall be 18% per year calculated on the amount paid on account of the purchase price, except surplus;

“(11) The date when an action to foreclose the right of redemption may be filed; and

“(12) That the certificate shall be void unless diligent proceedings to foreclose the right of redemption are brought within one year from the date of the certificate, and that if the certificate shall become void, all monies paid for the real property by the purchaser shall be forfeited to the District.

“(b) The rate of interest on the purchase price, except surplus, shall be 18% per year from the date the real property was sold or bid off.

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The interest shall continue to accrue until the real property is redeemed or the taxes and accrued interest are otherwise paid.

“(c) The certificate of sale shall be in substantially the following form:

" I,, acting under authority of the Mayor of the District of Columbia, certify that on, 20...., the real property described as square....., suffix, lot and assessed to, was offered at public tax sale for the sum of Dollars and Cents, for the periods and amounts of taxes and costs, to wit:

"I further certify that on, 20...., with the amounts specified above totaling, I sold to the said real property for the sum of Dollars and Cents, plus surplus in the amount of Dollars and Cents. The real property described in this certificate is subject to redemption.

"On redemption, the purchaser will be refunded the sums paid on account of the purchase price, together with interest thereon at the rate of 18% per annum from the date the real property was sold to the date of redemption; provided, that the purchaser shall not receive interest on any surplus. On redemption, the purchaser shall also receive expenses permitted by Chapter 13A of Title 47 of the D.C. Code that may have been collected by the Mayor. Before a deed can be delivered to the purchaser, all taxes as defined in Chapter 13A with interest thereon, and including taxes with interest thereon for years for which the District or a third party purchased the real property at any tax sale and expenses reimbursable under Chapter 13A, shall be paid to the D.C. Treasurer except as provided in D.C. Code § 47-1361(b).

"After, 20...., an action can be brought to foreclose the right of redemption in the real property. This certificate will be void unless such an action is brought and diligently pursued within one year from the date of this certificate. If this certificate becomes void as provided in D.C. Code § 47-1355, all monies paid for the real property will be forfeited to the District. An assignee of this certificate shall notify the Mayor within 30 days of the assignment and provide the Mayor with the assignee’s name, address, and telephone number.

"Witness my hand and seal, this day of, 20.... ?

"
"For the Mayor

"(To be followed by acknowledgment)"

“§ 47-1349. Same – assignment.

“(a) A certificate of sale executed and delivered by the Mayor to the purchaser is assignable and an assignment of the certificate of sale vests in the assignee, or the legal representative of the assignee, all the right, title, and interest of the original purchaser.

“(b) The assignment of the certificate of sale may be made in accordance with § 45-714(b) relating to the substitution of trustees.

“(c) Within 30 days of the assignment, the assignee shall notify the Mayor in the manner that the Mayor shall prescribe and provide the Mayor with the assignee’s name, address, telephone number, taxpayer identification number, and such other information which the Mayor may require.

“(d) The assignee shall notify the Mayor of an assignment of the interest in the payment of other taxes and liabilities described in § 47-1354.

“§ 47-1350. Same – recording.

“The purchaser may record the certificate of sale and the assignee may record the assignment of the certificate of sale in the Recorder of Deeds.

“§ 47-1351. Same – as evidence.

“The certificate of sale or assignment of the certificate of sale is presumptive evidence in all judicial proceedings by and against the purchaser, and the purchaser’s representatives, heirs and assigns, of the:

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- "(1) Truth of the statements in the certificate of sale or assignment of the certificate of sale;
- "(2) Interest of the purchaser in the real property described;
- "(3) Regularity and validity of all proceedings regarding the taxes for which the real property was sold; and
- "(4) Sale of the real property.

“§ 47-1352. Purchase by District – in general.

“(a) If the highest bid at a public auction is not sufficient to pay the taxes or if a certificate of sale shall become void, the real property shall be bid off to and purchased by the Mayor in the name of the District. Real property bid off to the District shall not be exempt from assessment and taxation, but shall be assessed and taxed as other real property. If real property is bid off to the District (including by a void certificate of sale under § 47-1355), the taxes, and interest from the date the real property was bid off, shall remain a lien on the real property.

“(b) A certificate of sale in substantially the same form as provided in this chapter may be issued at any time by the Mayor in the name of the District for real property bid off in the name of the District, and, for purposes of the interest computation, the certificate of sale shall relate back to the date the real property was bid off; provided, that notwithstanding any other law, if the certificate of sale is not sold, assigned, or otherwise transferred by the District, the certificate shall be perpetual and the Mayor shall not be required to foreclose on the right of redemption. The Mayor shall have the same rights and remedies with regard to the real property as other purchasers, including the right to foreclose the right of redemption and to be reimbursed for expenses.

§ 47-1353. Same – right to sell or foreclose upon real property.

“(a) If a real property has been bid off in the name of the District, the Mayor may:

“(1) Sell the real property and:

“(A) If a certificate of sale has been issued for the real property, assign to the purchaser the certificate of sale upon payment of the amount for which the real property was bid off, plus interest thereon to the date of the assignment; provided, that (i) the one-year period under § 47-1355 shall commence from the date of assignment; and (ii) the purchaser under this paragraph shall be deemed to have provided to the Mayor the purchaser’s name, address, and telephone number within the time prescribed; or

“(B) If a certificate of sale has not been issued for the real property, issue to a purchaser (who has given to the Mayor such information as the Mayor may require) a certificate of sale as provided in § 47-1348 upon payment of the amount for which the real property was bid off, plus interest thereon to the date of issuance; or

“(2) Foreclose the right of redemption in the same manner as a purchaser.

“(b)(1) Notwithstanding the minimum sale amount in subsection (a) of this section or § 47-414, the Mayor may sell real property bid off in the name of the District for an amount less than required from the owner to redeem the real property and, if a certificate of sale has not been issued for the real property, issue to the purchaser thereof a certificate of sale, or, if a certificate of sale has been issued for the real property, assign the certificate of sale of the real property; provided, that:

“(A) A public notice, to solicit potential purchasers, is published in 2 daily newspapers of general circulation within the District at least 30 days before offers or bids shall begin to be received;

“(B) The public notice states how, where, and when offers or bids shall begin to be received and the closing date for offers or bids;

“(C) The public notice states that the real property shall be sold or assigned to the person with the highest offer or bid;

“(D) The public notice states that the successful purchaser shall pay the full amount of the bid before the sale or assignment shall be concluded;

“(E) The public notice states that the results concerning all sales or assignments shall be published on the Internet in

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the form prescribed by paragraph (2) of this subsection;

“(F) The public notice contains a list of the real properties to be so sold or assigned or the public notice states where the list may be obtained;

“(G) The list contains a description of each real property, by square, suffix, and lot number or parcel and lot number, as the real property appears on the tax roll; and

“(H) The list states the periods and amounts of taxes for which the real property may be sold or the certificate of sale assigned.

“(2) As soon as practical after the sale or assignment, the Mayor shall:

“(A) Publish on the Internet a public notice concerning the results of the sale or assignment; and

“(B) A list shall be attached to the public notice, which list shall state at least the following:

“(i) The name of the purchaser of each real property sold or assigned, along with the corresponding square, suffix, and lot number or parcel and lot number;

“(ii) The total amount of taxes for which the real property was sold or assigned; and

“(iii) The amount paid for each real property by the purchaser.

“(c)(1) When a certificate of sale is issued for real property sold or a certificate of sale is assigned under this section, the 6-month waiting period described in § 47-1370 shall be reduced by the number of days that shall have passed since the original public tax sale to which the certificate of sale corresponds.

“(2) The Mayor may file a complaint to foreclose the right of redemption upon the expiration of the 6-month waiting period that shall commence from the date of the original tax sale at which the real property was bid off to the District.

“(d) Upon redemption, a purchaser under this section shall be entitled to the amount for which the real property was sold or the certificate of sale assigned by the Mayor to the purchaser, with interest thereon at the rate set forth in § 47-1334 and § 47-1348 from the date the real property was so sold or the certificate of sale assigned to the date of redemption, and any other amounts permitted to the purchaser under this chapter; provided, that the purchaser shall not receive interest on any surplus.

“§ 47-1354. Payment of other taxes and liabilities by purchaser; assignment.

“(a) After the 6-month waiting period set forth in § 47-1370, as may be reduced under § 47-1353, has expired, the purchaser may pay the taxes, interest, and penalties owing on the real property for any period for which the real property has not been sold or bid off.

“(b) The purchaser shall receive a refund of the payment upon redemption, with interest as required to be paid by the redeemer, only if the purchaser’s certificate of sale is not void and if the purchaser provides proof satisfactory to the Mayor that the purchaser made the payment.

“(c) If the certificate becomes void, a payment credited to the account of the real property under this section shall be nonrefundable.

“(d) The Mayor shall prescribe, by regulation, the procedures for making a payment under this section. Notwithstanding any other law, the Mayor may require payment to be made directly to the Office of Tax and Revenue or any other entity, and payment may be held in escrow or applied as designated.

“(e) The purchaser shall immediately notify the Mayor, in the manner that the Mayor shall prescribe, of a payment made under this section. If the purchaser fails to notify the Mayor, the Mayor shall not be liable to the purchaser for the amount of the payment.

“(f) If the purchaser assigns a certificate of sale in accordance with § 47-1349, the purchaser shall also assign to the assignee the purchaser’s interest in the payment made under this section. The purchaser shall immediately notify the Mayor of the assignments in the manner that

the Mayor may prescribe. Failure of the purchaser to assign the interest at the time the certificate of sale is assigned, or to immediately notify the Mayor of the assignment of the interest, shall invalidate the assignment of the certificate of sale and the assignment of the interest.

“§ 47-1355. Void certificate of sale.

“(a) Except as otherwise provided, a certificate of sale shall be void if:

- “(1) An action to foreclose the right of redemption is not brought within one year from the date of the certificate of sale;
- “(2) The purchaser owes taxes to the District as described in § 47-1346(a)(5);
- “(3) An action to foreclose the right of redemption is dismissed for a lack of prosecution;
- “(4) The purchaser fails to comply with § 47-1382; or
- “(5) A sale is set aside because of fraud on the part of the purchaser.

“(b) If a certificate shall become void:

- “(1) The right, title, and interest of the purchaser in the real property shall cease;
- “(2) All monies paid for the real property by the purchaser shall be forfeited to the District and deposited by the Mayor in the General Fund of the District; and
- “(3) The real property shall be deemed to have been bid off in the name of the District for the taxes for which the real property was sold or bid off at the original public tax sale to which the certificate corresponds, and interest thereon shall accrue from the date that the property was sold or bid off, as if the sale or assignment to the purchaser had not occurred.

“(c) Subsection (b) of this section shall not apply if a judgment or sale is set aside in the absence of fraud on the part of the purchaser and the certificate of sale is not void under subsection (a) of this section.

“Subchapter III. Redemption.

“§ 47-1360. Right of redemption.

“Unless otherwise provided in this chapter, an owner or other person who has an interest in the real property sold by the Mayor may redeem the real property at any time until the foreclosure of the right of redemption is final.

“§ 47-1361. Required payments; notice to purchaser; certificate of redemption.

“(a) To redeem the real property, the person redeeming shall pay to the Mayor, for deposit into the General Fund of the District (notwithstanding any other law), the following:

- “(1) If the real property was sold at tax sale to a purchaser, the amount paid by the purchaser for the real property exclusive of surplus, with interest thereon
- “(2) If the real property was bid off to the District, the taxes with interest thereon from the date the real property was bid off;
- “(3) If the real property was bid off to the District and subsequently sold or the certificate of sale assigned to a purchaser:
 - “(A) The taxes with interest thereon from the date the real property was bid off; plus
 - “(B) Interest on the total amount in subparagraph (A) of this paragraph from the date the real property was subsequently sold or the certificate of sale assigned;
- “(4) All other taxes, interest, and penalties paid by a purchaser on behalf of the real property, with the interest that would have been owing if the purchaser had not paid the taxes provided, that the certificate of sale of the purchaser is not void;
- “(5) All other taxes to bring the real property current;
- “(6) Unless the person redeeming furnishes the Mayor a release or acknowledgment executed by the purchaser that all expenses under § 47-1377 have been paid to the purchaser, all expenses for which the purchaser is entitled to reimbursement under § 47-1377;
- “(7) All expenses owing to any other purchaser; and

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“(8) If judgment of foreclosure of the right of redemption of the sale is set aside, the reasonable value, at the date of the judgment, of all reasonable improvements made on the real property by the purchaser and the purchaser's successors in interest, subject to § 47-1363.

“(b) Notwithstanding subsection (a) of this section, payment of all real property tax liens and permitted accruals assigned or sold and transferred to third parties under § 47-1303.4 shall be required before a person may redeem under this chapter.

“(c) The provisions of subsection (a) of this section may apply more than once if the real property has been sold or bid off more than once. In such case, the person redeeming shall pay all required amounts to satisfy the purchasers and the District.

“(d) After receipt of the payment set forth in this section, the Mayor shall notify the purchaser that the real property has been redeemed. The purchaser shall surrender the certificate of sale and shall receive from the Mayor the amount to which the purchaser is entitled. For the purposes of this section, the Mayor may conclusively presume that the original purchaser at the tax sale is the holder of the certificate of sale, unless the Mayor receives a written notice of an assignment of the certificate of sale in accordance with this chapter.

“(e) Upon request and subject to the payment of a fee, the Mayor shall execute and deliver to the person redeeming the real property a certificate of redemption, which may be recorded in the Recorder of Deeds and, when recorded, shall release any encumbrance created by the recording of the certificate of sale.

“§ 47-1362. Fixing amount necessary for redemption after action to foreclose filed.

“(a) If the real property is redeemed after an action to foreclose the right of redemption is filed and there is a dispute regarding redemption, the person redeeming may apply to the Superior Court for an order fixing the amount necessary for redemption in accordance with the provisions of this chapter.

“(b) Except as provided in subsection (c) of this section, the Mayor may accept a payment for redemption without an order of court.

“(c) If there is a dispute regarding redemption, the Mayor shall not accept a payment for redemption unless a certified copy of the order of court fixing the amount necessary for redemption is filed with the Mayor.

“§ 47-1363. Rights of owners and purchasers during redemption period; appointment of receiver of real property.

“The owner of a real property sold under this chapter shall have the right, during the period of redemption, to continue in possession of, and to exercise all rights of ownership over, the real property until the right of redemption has been finally foreclosed under the provisions of Subchapter IV; provided, that a purchaser may apply to the Superior Court for the appointment of a receiver of the real property covered by the certificate of sale or assignment of the certificate of sale in accordance with the provisions of laws and of rules and practice of the Superior Court that relate to receivers. If a certificate of sale is held by the District, the Mayor may make application by complaint to the Superior Court for the appointment of a receiver of the real property covered by the certificate of sale. The defendant, in an action brought by the Mayor for the appointment of a receiver, shall be the owner of the real property whose name last appears as the owner on the Mayor's tax roll. Notwithstanding the foregoing, if the real property is vacant or abandoned, a certificate of sale has at any time been issued in the name of the District, and the certificate of sale is presently held by the District, the Mayor shall have the right of immediate possession of the real property from the date of the sale without the necessity of receivership proceedings; provided, that the Mayor shall make an accounting of all rents collected to the owner on redemption of the real property, and on redemption, shall remit the rents, less all remuneration for the maintenance and upkeep of the real property.

“§ 47-1364. Assessment during redemption period; assessment to purchaser.

“Until a judgment is entered that forecloses the right of redemption in a real property sold by the Mayor and a deed is executed by the Mayor, the real property shall continue to be assessed as though no sale had been made. When the judgment is entered and the deed executed, the real property shall be transferred on the assessment books or records to the purchaser notwithstanding any other law. After the transfer, the real property shall be assessed in the name of the purchaser.

“§ 47-1365. Tenant or person with less than fee simple interest paying taxes or levies to have credit out of rents.

“A tenant or person with less than a fee simple interest from whom payment is obtained ("payor"), by distress or otherwise, of taxes due from an owner or other person under whom the payor holds shall receive a credit for the payment against the rents that the payor owes, except when:

- "(1) The payor is bound either by operation of law or by contract to pay the taxes;
- "(2) The real property is the subject of receivership proceedings; or
- "(3) The Mayor has taken possession of the real property in accordance with § 47-1363.

“§ 47-1366. Cancellation of sale by Mayor.

“The Mayor may cancel a sale before the issuance of a final order by the Superior Court to prevent an injustice to the owner or person with an interest in the real property. In the event of such cancellation, the Mayor shall pay to the purchaser the amount which the purchaser would have received if the real property had been redeemed, but no part of such amount shall be deemed a payment of tax on behalf of the real property. A certificate of redemption, if necessary, shall be executed and filed by the Mayor with the Recorder of Deeds for no fee.

“Subchapter IV. Foreclosure.

“§ 47-1370. Complaints by purchasers to foreclose the right of redemption; exercise of authority by form of complaint.

“(a) At any time after the expiration of a 6-month waiting period following the date of sale, a purchaser may file a complaint to foreclose the right of redemption of the real property to which the certificate of sale corresponds.

“(b) In a suit to foreclose the right of redemption, the Superior Court may:

"(1) Bar the right of redemption and foreclose (A) all transfers of the real property occurring before the judgment of the court as provided in this chapter and (B) all liens and encumbrances on the real property except as provided in § 47-1382;

"(2) Vest title in fee simple in the purchaser; or

"(3) Set aside the sale and determine the amount required to redeem the real property.

“(c)(1) A complaint filed pursuant to subsection (a) of this section shall state:

“(A) The fact of the issuance of the certificate of sale and the date of the certificate;

“(B) A description of the real property in substantially the same form as the description appearing on the certificate along with the street address, if any;

“(C) An itemization of the amount paid at tax sale by the purchaser for each year or period of taxes, including costs of sale.

“(D) The fact that the real property has not been redeemed by a person having an interest in the real property;

“(E) A request for an order of publication directed to all persons having an interest in the real property; and

“(F) A request that the court pass a judgment that forecloses the right of redemption of the defendants and any other person having any interest in the real property.

"(2) The caption of the complaint filed for relief under subsection (a) of this section shall comply with §§ 47-1373(a) and 47-1374(a).

“(3) The certificate of sale issued by the Mayor to the purchaser or a photocopy of the certificate shall be attached to the complaint and shall be made part of the complaint. “(d) The right of redemption shall continue until a judgment foreclosing the right of redemption becomes final.

“§ 47-1371. Parties.

“(a) The plaintiff in an action to foreclose the right of redemption shall be the purchaser. “(b)(1) Except as otherwise provided in this

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subsection, the defendants in an action to foreclose the right of redemption shall be:

“(A) The record title holder of the real property;

“(B) The legal title holder, if different from the record title holder;

“(C) If the real property is encumbered by a recorded life tenancy, the record life tenant and record remaindermen;

“(D) If the real property is subject to an estate for life or a lease or ground rent for a term (with renewals) that is at least 30 years, the record title holder of the fee simple title and the owner of the possessory interest as disclosed by a search performed in accordance with generally accepted standards of title examination of the records of the Recorder of Deeds and the Probate Division of the Superior Court;

“(E) Any mortgagee of the real property, or any assignee of the mortgage of record, named as such in an unreleased mortgage recorded in the records of the Recorder of Deeds;

“(F) The trustee of record under a deed of trust recorded against the real property and a holder of a beneficial interest in a deed of trust who files notice of the interest, which notice includes identification of the deed of trust, the book and page or roll and frame where the deed of trust is recorded, and the current address at which the holder may be served with a summons; and

“(G) The District.

"(2) The plaintiff shall certify, under penalties of perjury, to the Superior Court that a search for the defendants has been performed in accordance with generally accepted standards of title examination of the records of the Recorder of Deeds and probate decisions of the Superior Court.

“(3) The plaintiff may elect not to include as a defendant any of the persons named in paragraph (1) of this subsection. However, the rights of any person not included as a defendant shall not be affected by the action.

“(4) The plaintiff shall not be required to name as defendant any other person that has, or claims to have, any right, title, interest, claim, lien, or equity of redemption in the real property sold by the Mayor. Any of these persons shall be included as defendants by the designation "all persons that have or claim to have any interest in real property ... (giving a description of the real property in substantially the same form as the description that appears on the Mayor's certificate of sale along with the street address, if any)." Any of these persons shall be designated throughout the action by the above designation, may participate as defendants in the action, and the action may proceed against them by publication under order of court as provided in this chapter.

§ 47-1372. Notice to certain persons.

"(a)(1) The plaintiff shall send written notice of the action to:

“(A) Notwithstanding the provisions of § 47-1371(b)(4), all persons having a recorded interest, recorded claim, or recorded lien, including a recorded judgment, who have not been made a defendant in the action and, if the real property is the common areas owned by or legally dedicated to a homeowners association, to the homeowners association governing the real property, at the last reasonably ascertainable address; and

“(B) Each commercial tenant of the real property whose identity is known to the plaintiff at the commercial tenant's last reasonably ascertainable address.

"(2) This section shall not apply to residential tenants.

“(b) The notice under subsection (a) of this section shall be:

“(1) Sent by certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service; and

“(2) Accompanied by a copy of the summons and a copy of the complaint.

“(c) The plaintiff shall file in the action:

“(1) The return receipt from the notice; or

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“(2) If the return receipt has not been returned, the proof of mailing and an affidavit stating that the notice provisions of subsection (b) of this section have been complied with, or an affidavit stating that the address of the holder of the subordinate interest is not reasonably ascertainable.

“(d)(1) Notwithstanding any other provisions of this section, the plaintiff shall send written notice of the action to any commercial tenant of the real property whose occupancy of the real property is reasonably ascertainable by the plaintiff, whether or not the commercial tenant's identity is known:

“(A) By first-class mail, postage prepaid, bearing a postmark from the United States Postal Service, addressed to the commercial tenant by name if the identity of the commercial tenant is known to the plaintiff, or addressed to "occupant" if the identity of the commercial tenant is not known;

“(B) To each separately leased area of the real property that the plaintiff can reasonably ascertain is occupied;

“(C) In an envelope prominently marked on the outside with the phrase "Notice of Action to Foreclose"; and

“(D) Accompanied by a copy of the complaint.

“(2) The notice shall include the following statement in conspicuous, bold-faced print:

""If the unpaid taxes, together with costs and expenses, are not paid, the court may enter a judgment foreclosing the right of redemption that would terminate your lease and right to occupy the real property. You have the right to pay the unpaid taxes, together with costs and expenses, and avoid lease termination and eviction. A judgment foreclosing the right of redemption could be entered within the next 90 days and at that time you could be evicted or required to vacate the real property."

“(e) If the filing under subsection (c) of this section is made before the entry of final judgment, the failure of a person under subsection (a)(1) of this section to receive the notice shall not invalidate the sale.

“(f) In addition to the notice required by subsection (a) of this section, the plaintiff shall provide notice of the action by posting a copy of the summons on a place on the premises of the real property where it may be conveniently read.

“(g)(1) Subject to § 47-1371(b)(1) and (4), after entry of a judgment foreclosing the right of redemption and at least 30 days before taking possession of the real property, the plaintiff shall give any commercial tenant of the real property written notice of the plaintiff's intention to obtain possession of the real property and that the commercial tenant shall vacate the real property within 30 days after the notice.

“(2) During the 30-day period immediately following entry of the judgment foreclosing the right of redemption, the plaintiff may apply for, process, and obtain, but not execute upon, a writ of possession of the real property.

“(3) The notice under paragraph (1) of this subsection shall be sent:

“(A) By first-class mail, postage prepaid, bearing a postmark from the United States Postal Service, addressed to the commercial tenant by name if the identity of the commercial tenant is known to the plaintiff, or addressed to "occupant" if the identity of the commercial tenant is not known;

“(B) To each separately leased portion of the real property that the plaintiff can reasonably ascertain is occupied;

and

“(C) In an envelope prominently marked on the outside with the phrase "Notice of taking possession of real property."

“§ 47-1373. How unknown owner made party; affidavit of search.

"(a) If the identity of an owner cannot be ascertained as provided in § 47-1371, the unknown owner of the real property may be included as a defendant by the designation: ""Unknown owner of real property (insert a description of the real property in substantially the same form as the description that appears on the certificate of sale along with the street address, if any), the unknown owner's heirs, devisees, and personal representatives and their or any of their heirs, devisees, executors, administrators, grantees, assigns, or successors in right, title and interest." The unknown owner shall be so designated throughout the action. The action shall proceed against the unknown owner by publication under order of the

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court as provided in § 47-1375.

"(b) A complaint to foreclose the right of redemption filed against an unknown owner as set forth in subsection (a) of this section shall have attached to it an affidavit by the person making the search stating at a minimum that:

"(1) The owner of the real property (or a part of the real property) is unknown; and

"(2) A complete search of the records for at least 40 years immediately before the filing of the action was performed in accordance with generally accepted standards of title examination.

“§ 47-1374. Service of process.

“(a) The plaintiff shall set forth in the caption of the complaint the last address known to the plaintiff or to the attorney filing the complaint of each defendant, as obtained from:

“(1) Any records examined as part of the title examination;

“(2) The Recorder of Deeds; and

“(3) Any other address that is known to the plaintiff or the attorney filing the complaint.

“(b) Subsection (a) of this section shall not require the plaintiff or the attorney for the plaintiff to make any investigations or to search any other records or sources of information other than those stated.

“(c) This subsection applies only if a last known address for a defendant is obtained as provided under subsections (a) and (b) of this section. The plaintiff shall cause a copy of the order of publication to be mailed by first class, certified mail, postage prepaid, to each defendant at the defendant's address as determined by the provisions of subsections (a) and (b) of this section. If a defendant is not served by summons or as provided by subsection (d) of this section, the plaintiff shall file an affidavit in the action, which affidavit:

“(1) Shall certify compliance with this subsection; and

“(2) Shall be accompanied by the receipt obtained from the post office for the mailing or the certified mail receipt.

“(d) Notice to a defendant may be made in any other manner that results in actual notice of the pendency of the action to the defendant. If notice is given under this subsection, the plaintiff shall file an affidavit that fairly describes the method and time of service.

“(e) A final judgment may not be entered before the later of:

“(1) If actual service is made on the defendant, the failure to timely respond to the summons issued by the court;

“(2) The actual time specified in the order of publication; or

“(3) Twenty-three days after the date of the mailing of the copy of the order of publication under subsection (c) of this section.

“§ 47-1375. Notice by publication.

“At the time the summons (or initial summons) is issued, the plaintiff shall obtain an order of publication directed to all defendants, naming them as provided by this chapter. The real property shall be described in the order of publication as the real property is described on the certificate of sale along with the street address, if any. The order of publication shall notify all persons that have, or claim to have, an interest in the real property to answer the complaint or to redeem the real property on or before the date named in the order of publication and, in case of failure to appear, answer, or redeem the real property, that a judgment will be entered that forecloses the right of redemption in the real property. The date named may not be less than 60 days from the date of the order. Subject to §47-1371(b), when the order of publication is issued and published, any person that has any right, title, interest, claim, lien, or equity of redemption in the real property is bound by the judgment of the court that may be entered in the case as if the person were personally served with process. The order of publication shall be in substantially the following form:

""Order of Publication

"The object of this proceeding is to secure the foreclosure of the right of redemption in the following real property located in the District of Columbia, and sold by the Mayor of the District of Columbia to the plaintiff in this action:

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(Insert description of real property in substantially the same form as the description appearing on the Mayor's certificate of sale along with the street address, if any.)

"The complaint states, among other things, that the amounts necessary for redemption have not been paid.

"It is thereupon this day of, 20..., by the Superior Court of the District of Columbia, Ordered, That notice be given by the insertion of a copy of this order in some newspaper having a general circulation in District of Columbia once a week for 3 successive weeks, notifying all persons interested in the real property to appear in this Court by the day of, 20..., and redeem the real property by payment of \$..... or answer the complaint or, thereafter, a final judgment will be entered foreclosing the right of redemption in the real property and vesting in the plaintiff a title in fee simple."

"§ 47-1376. Validity of taxes and sale presumed unless attacked in answer.

"In an action to foreclose the right of redemption, the plaintiff shall not be required to plead or prove the various steps, procedure, and notices for the assessment and imposition of the taxes for which the real property was sold or the proceedings taken by the Mayor to sell the real property. The validity of the procedure is conclusively presumed unless a defendant in the proceeding shall, by answer, plead as an affirmative defense, the invalidity of the taxes, the invalidity of the proceedings to sell, or the invalidity of the sale.

"§ 47-1377. Purchaser reimbursed by redeeming party for expenses.

"(a) Except as provided in subsection (b) of this section, upon redemption, a purchaser is entitled to be reimbursed by the redeeming person for the following expenses incurred in an action, or in preparation for an action, to foreclose the right of redemption:

"(1) Before the filing of an action to foreclose redemption:

"(A) The amount of \$300 for pre-complaint legal expenses, including a title search of the public record required to satisfy the notice requirements of this chapter, and

"(B) The amount paid to record the certificate of sale; or

"(2) If a complaint has been filed before redemption, all expenses as allowed by the Superior Court, including expenses incurred for personal service of process, expenses for service of process by publication, expenses for publication and posting of all required notices, expenses for postage, and reasonable attorneys' fees.

"(b) No purchaser of a certificate of sale shall be reimbursed for expenses incurred within 4 months after the date of sale or if the certificate becomes void under this chapter.

"§ 47-1378. Final order.

"Upon the occurrence of the last event specified in § 47-1374(e), a plaintiff may be entitled to judgment foreclosing the right of redemption. An interlocutory order shall not be required. The judgment shall be final and conclusive on the defendants, their heirs, devisees, and personal representatives and they, or any of their heirs, devisees, executors, administrators, assigns, or successors in right, title, or interest, shall be bound by the judgment as if they had been named in the action and personally served with process.

"§ 47-1379. Reopening judgments.

"The Superior Court shall not open a judgment rendered in an action for foreclosure of the right of redemption, except on the grounds of lack of jurisdiction or fraud in the conduct of the action to foreclose; provided, that the reopening of a judgment on the ground of constructive fraud in the conduct of the action to foreclose shall not be entertained by the court unless an application to reopen a judgment rendered is filed within 90 days from the date of the judgment.

"§ 47-1380. Judgment setting aside sale.

"(a) If the Superior Court shall set aside a sale, the amount required to redeem is: (A) the amount required by this chapter, as may be adjusted by the court, and (B) the reasonable value, on the date the judgment is set aside, of all reasonable improvements made on the real property by

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the purchaser and the purchaser's successors in interest subject to § 47-1363.

“(b) A sale shall not be set aside unless the real property is redeemed.

“(c) If the Superior Court sets aside a sale in the absence of fraud on the part of the purchaser, the Mayor shall repay to the purchaser:

“(1) The amount paid to the Mayor on account of the purchase price of the property sold, with interest thereon except surplus;

“(2) All taxes accrued after the date of sale that were paid by the purchaser under this chapter, with interest as would have been required to be paid by a redeemer;

“(3) The expenses collected by the Mayor and properly incurred under § 47-1377; and

“(4) The amount, as collected by the Mayor, of the value of all reasonable improvements made on the real property by the purchaser and the purchaser's successors in interest.

“§ 47-1381. Judgment bars redemption only in real property described therein.

“If a plaintiff who files a complaint to foreclose the right of redemption describes the real property in the complaint in a manner other than that contained in the certificate of sale or states an incorrect street address, and the description in the judgment, the description in the complaint, and the description in the certificate of sale are intended to describe the same real property, the judgment entered barring the defendant's right to redeem bars the defendant's interest only in the real property described in the judgment.

“§ 47-1382. Purchaser's deed; payment; compliance with terms of judgment as to payments.

“(a) A final judgment foreclosing the right of redemption shall direct the Mayor to execute and deliver a deed to the purchaser in fee simple on payment to the Mayor of the amount required under this section. No deed shall be executed before such payment is received. The final judgment shall direct the Mayor to enroll the purchaser in fee simple as the owner of the real property. The fee simple interest shall be conveyed subject to:

“(1) A lien filed by the taxing agency under § 47-1340(c);

“(2) The tenancy of a residential tenant (other than a tenant described in § 47-1371(b)(1)(C) and (D)); and

“(3) Easements of record and any other easement that may be observed by an inspection of the real property.

“(b) Notwithstanding subsection (a)(1) of this section, the fee simple interest conveyed of a real property sold under § 47-1353(b) shall not be subject to a lien filed by the taxing agency under § 47-1340(c).

“(c) The purchaser shall pay all amounts that would be required of a person redeeming under § 47-1361; provided, that the purchaser shall not make payment for taxes and periods for which the purchaser purchased the certificate of sale, was assigned a certificate of sale under § 47-1349, and made payment under § 47-1354.

“(d) The deed shall be prepared by the purchaser or the attorney for the purchaser and all expenses incident to the preparation, execution, delivery, and recordation of the deed shall be paid by the purchaser.

“(e) The plaintiff shall provide a certified copy of the final judgment to the Mayor.

“(f) If the purchaser fails to pay to the Mayor the amount required under this section within 30 days of the final judgment, the final judgment may be vacated as void by the Superior Court on the motion of any party. If the purchaser does not record the deed in the Recorder of Deeds within 30 days of the execution of the deed, the final judgment may be vacated as void by the Superior Court on the motion of any party. If a final judgment is so vacated, the deed and the certificate of sale are void and all money paid by the purchaser to the Mayor is forfeited except as provided in § 47-1354(c).

“(g) Any surplus paid for a real property by a purchaser shall be applied against other taxes, interest thereon, and expenses owing on the real property for which a deed is sought if the application and timely balance payment shall result in the full payment required to obtain the deed.

“(h) Any overpayment, including expenses, shall be paid by the Mayor to the person who made the overpayment. If there is a dispute regarding payment of the overpayment, the Mayor shall hold the overpayment until a court of competent jurisdiction determines the proper distribution

of the overpayment.

"§ 47-1383. Obtaining possession.

"Subject to the rights of tenants under residential leases described in § 47-1382(a), a person who acquires a deed to real property under this chapter is entitled to issuance of a writ of possession of the real property as if the person had obtained a judgment awarding possession of the real property.

"§47-1384. Construction of chapter.

"Notwithstanding any other law, the provisions of this chapter shall be liberally construed as remedial legislation to encourage the foreclosure of the right of redemption by suits in the Superior Court and for the decreeing of marketable titles to real property sold by the Mayor."

"§ 47-1385. Transition provisions; applicability of chapter.

"Chapter 13 shall apply to any tax sale made or instituted, and any agreement executed between the District and any third party with respect to such sale, before January 1, 2001. This chapter shall apply to any tax sale made or instituted (or which could have been made or instituted), and any agreement executed between the District and any third party with respect to such sale, after December 31, 2000."

Sec. 508. Conforming amendments regarding enforcement of assessments and charges.

(a) The second sentence of section 15(g) of the Business Improvements Districts Act of 1996 is amended to read as follows:

"If an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, the proceeds from such sale shall be applied towards such delinquent BID taxes together with interest and penalties thereon, including costs associated with such sale; provided, that the proceeds from such sale shall be applied first to any delinquent real property taxes (and penalties and costs associated therewith), and then, to the extent a required accounting is made in accordance with section 47-1340(f) of the District of Columbia Code, in the following order of priority: any delinquent water and sewer charges; and any delinquent litter control nuisance fines, in accordance, respectively, with section 47-1304.4 of the District of Columbia Code, sections 104 and 210 of the District of Columbia Public Works Act of 1954 and section 8 of the Litter Control Administrative Act of 1985.

(b) Section 1(b)(2) of An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes is amended by striking the phrase "amounts assessed and collected as a tax against real property pursuant to subsection (a) of this section" and inserting the phrase "if an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, amounts assessed and collected as a tax against real property under subsection (a) of this section" in its place.

(c) The last sentence of section 5(b) of An Act To authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes is amended to read as follows:

"If an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, any amounts assessed and collected as a tax against real property under this section shall be deposited to the credit of the revolving fund."

(d) Section 104(a) of the District of Columbia Public Works Act of 1954 is amended to read as follows:

"Except as provided in subsections (c) and (d) of this section, if an owner of real property fails to pay District water and sanitary sewer service charges in full in accordance with section 103 on or before the 60th day, but not later than the 120th day, after the bill is rendered, the Mayor shall file a certificate of delinquency with the Recorder of Deeds. Upon filing, the certificate of delinquency shall constitute a continuing lien against the real property (including a lien for purposes of section 47-1340(c)) of the District of Columbia Code and show the amount of unpaid charges for District water and sanitary sewer services. The Mayor may enforce the lien, plus penalties, interest, and administrative costs, in accordance with the provisions for the sale of property for delinquent real property taxes under Chapter 13A of Title 47 of the District of Columbia Code if any water and sanitary sewer service charges remain unpaid upon the later of 181 days after the date the bill is rendered or 16 days after a final decision of an appeal

challenging the bill. If an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, proceeds from the sale that represent unpaid water charges shall be credited to the Water and Sewer Enterprise Fund of the District of Columbia as established by section 47-375(g) of the District of Columbia Code."

(e) Title 47 of the District of Columbia Code is amended as follows:

(1) Section 47-405 is amended to read as follows:

"(a) The Mayor shall furnish whenever called upon, a certified statement of all taxes and assessments, general and special, that may be due at the time of making the certificate; and the certificate when furnished shall be a bar to the collection and recovery from any subsequent purchaser of any tax or assessment omitted from and which may be a lien upon the real property mentioned in the certificate, and the lien shall be discharged as to such subsequent purchaser, but shall not affect the liability of the person who owned the real property at the time such tax was assessed to pay the same, mentioned in the certificate. The Mayor shall collect a fee for each certificate of taxes issued.

"(b) This section shall not apply to taxes and assessments, general and special, for which a lien has been recorded at the Recorder of Deeds."

(2) Section 47-1203(b)(1) is amended by striking the phrase "pursuant to § 47-1301" and inserting the phrase "under Chapter 13A" in its place.

(3) Section 47-1204 is amended by striking the phrase "pursuant to § 47-1301" and inserting the phrase "under Chapter 13A" in its place.

(4) Section 47-1205(a) is amended by striking the phrase "pursuant to § 47-1301" and inserting the phrase "under Chapter 13A" in its place.

Sec. 509. Applicability.

Section 502(s) shall apply to tax periods beginning after June 30, 2001. Section 502(w) shall apply for tax years beginning after September 30, 2001.

TITLE VI. FISCAL IMPACT STATEMENT AND EFFECTIVE DATE.

Sec. 601. The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

Sec. 602. 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), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 60-day period of Congressional review as provided in section 602(c)(2) of the District of Columbia Home Rule

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Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(2)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia