

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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FISCAL YEAR 2003 BUDGET SUPPORT AMENDMENT ACT OF 2002

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AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998 to add the definition “Special Education School,” to amend the foundation level or cost of providing public education services, to amend weightings applied to counts of students enrolled at certain grade levels, to amend weightings applied to supplemental foundation level funding on the basis of the count of special education, LEP/NEP, summer school, and residential school students; to amend Title 24 of the District of Columbia Municipal Regulations to allow for the increase in fees for the clean-up and trash removal of public space after special events; to amend the Housing Production Trust Fund Act of 1988 to provide \$5 million in funding for the Housing Production Trust Fund in Fiscal Year 2003; to amend the Tobacco Settlement Trust Fund Establishment Act of 1999 to limit the administrative expenses of the Board, to allow the Board to adopt operating procedures, to require the Board to submit financial and performance reports, and to reallocate 100% of the residuals savings from Fiscal Years 2001 and 2002 to the General Fund of the District of Columbia, to reallocate 100% of the debt service savings during Fiscal Year 2003 and Fiscal Year 2004 to specific agencies; to amend the Vital Records Act of 1981 to allow civil fines, penalties, and fees to be imposed as sanctions for infractions of the act; to amend the District of Columbia Substance Abuse Treatment and Prevention Act of 1989 to allow for the collection of fees, penalties, and fines; to amend the Fiscal Year 2001 Budget Support Act of 2000 to increase the prescribed fee to \$0.76 per access line, \$0.62 per Centrex line, \$0.76 for each wireless telephone number that has a District of Columbia billing address, and \$0.62 for each PBX station; to repeal the Pay-As-You Go Funding Amendment Act of 2002; to amend Title 47 of the District of Columbia Official Code to increase the rate of excise tax on certain items, including alcohol, cigarettes, toll telecommunications, including wireless services, and utilities; to amend Title 47 of the District of Columbia Official Code to maintain the effective tax rates on incorporated and unincorporated business; to amend the District of Columbia Deed Recordation Tax Act to increase the rate on deed and recordation transfer taxes; to amend Chapter 3 of Title 47 of the District of Columbia Official Code to allow for the transfer of all or part of the balance of “Other-Type Funds” to the General Fund of the District of Columbia and to allow the Mayor to increase such funds and Fees and Charges by an average of 30%; to amend Title 47 of the District of Columbia Code to create a new class of property taxation for vacant and abandoned property and to make certain administrative changes; to amend Title 47 of the District of Columbia Official Code to preserve an inheritance and estate tax in the District of Columbia; to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to make the requirement that the Director of Personnel conduct classification and compensation studies for the police and fire

departments subject to the availability of appropriations; to amend An Act relative to the control of wharf property and certain public spaces in the District of Columbia, the District of Columbia Business Corporation Act, the District of Columbia Nonprofit Corporation Act, the Limited Liability Company Act of 1994, the Rental Housing Conversion and Sale Act of 1980, and Title 47 of the District of Columbia Official Code to increase fees; to amend section 47-2842 of the District of Columbia Official Code, An Act To provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes, the Motor Vehicle Safety Responsibility Act of the District of Columbia, An Act To provide additional revenue for the District of Columbia, and for other purposes, the District of Columbia Traffic Act, 1925, and Title 18 of the District of Columbia Municipal Regulations to increase the fees and fines associated with these provisions; to amend Title 47 of the District of Columbia Official Code to create a tax rate reduction mechanism for deed and recordation transfer taxes and certain excise taxes; to approve amendments to the District of Columbia State Plan for Medical Assistance which authorize the Medicaid Program to remove provisions which require that rates paid to hospitals, nursing facilities, and intermediate care facilities for persons with mental retardation be adjusted annually for inflation, to add provisions which require that payments made to hospitals, nursing facilities, and intermediate care facilities for persons with mental retardation for inflation adjustments in subsequent fiscal years be contingent upon availability of funds, to increase the pharmacy dispensing fee effective April 1, 2003, to remove provisions authorizing payment exceptions to the cost ceilings applicable to nursing facilities, and to approve a waiver to the District of Columbia State Plan for Medical Assistance to expand coverage of its Medicaid Program to childless adults 50 to 64 years of age; to amend the Health Services Planning Program Re-Establishment Act of 1996 to repeal provisions referencing the defunct Commissioner of Public Health and the Commissioner of Health Care Finance, to authorize the State Health Planning and Development Agency to utilize local revenues to fund only 3 staff positions in Fiscal Year 2003 for a period not to exceed March 1, 2003, to require the Director of the Department of Health to convene a working group to develop recommendations by February 1, 2003 for streamlining the data collection, analysis, and certificate of need functions performed by the State Health Planning and Development Agency, to increase the amounts that the State Health Planning and Development Agency is authorized to charge for certificate of need applications, and to make the implementation of the act subject to the availability of appropriations; to amend section 23-1321 of the District of Columbia Official Code to prohibit pretrial defendants being held at the District of Columbia Jail or the Correctional Treatment Facility from participating in limited release for purposes such as employment or schooling; to amend the District of Columbia Procurement Practices Act of 1985 to extend until 2004 the provision for the Council to review contracts on an expedited basis; to amend the Anti-Intimidation and Defacing of Public or Private Property Criminal Penalty Act of 1982 to authorize an hourly fee for graffiti removal services on private property; and to amend Chapter 45 of Title 47 of the District of Columbia Official Code to provide a limitation on the amount that can be deducted for District of Columbia income tax purposes in any year, to eliminate the strict District of Columbia residency requirements, and to make certain changes to conform to 2001 tax law changes.

**ENROLLED ORIGINAL**

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Fiscal Year 2003 Budget Support Amendment Act of 2002”.

**TITLE I. UNIFORM PER STUDENT FUNDING FORMULA FOR PUBLIC SCHOOLS AND PUBLIC CHARTER SCHOOLS AMENDMENT**

Sec. 101. Short title.

This title may be cited as the “Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Second Amendment Act of 2002”.

Sec. 102. The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*), is amended as follows:

(a) Section 104 (D.C. Official Code § 38-2903) is amended by striking the phrase “\$6,555 per student for 2003,” and inserting the phrase “\$6,419 per student for 2003” in its place.

Amend  
§ 38-2903

(b) Section 105 (D.C. Official Code § 38-2904) is amended to read as follows:

Amend  
§ 38-2904

“Sec. 105. Weightings applied to counts of students enrolled at certain grade levels.

“ The student counts at certain grade levels and in certain programs shall be weighted to provide an amount per student differing from the basic foundation level in accordance with the following schedule:

<b>Grade Level</b>	<b>Weighting</b>	<b>Per Pupil Allocation in FY 2003</b>
Pre-School / Pre Kindergarten	1.17	\$7,510
Kindergarten	1.17	\$7,510
Grades 1-3	1.03	\$6,611
Grades 4-5	1.00	\$6,419
Ungraded ES	1.03	\$6,611
Grades 6-8	1.03	\$6,611
Ungraded MS/JHS	1.03	\$6,611
Grades 9-12	1.17	\$7,510
Ungraded SHS	1.17	\$7,510
Alternative	1.30	\$8,344
Special Education Schools	1.17	\$7,510
Adult	0.75	\$4,814

(c) Section 106(c) (D.C. Official Code § 38-2905(c)) is amended to read as follows:

Amend  
§ 38-2905

“(c) These supplemental allocations shall be calculated by applying weightings to the foundation level as follows:

**ENROLLED ORIGINAL**

<b>Level/Program</b>	<b>Definition</b>	<b>Weighting</b>	<b>Supplemental Per Pupil FY 2003</b>
Level 1: Special Education	Regular class; special education services 6 hours or less per school week	0.55	\$3,530
Level 2: Special Education	Resource room; special education services 7-15 hours per school week	0.85	\$5,456
Level 3: Special Education	Separate class; special education services more than 15 hours per school week	1.50	\$9,628
Level 4: Special Education	Separate DCPS or public charter school	2.70	\$17,330
LEP/NEP	Limited and non-English proficient students	0.40	\$2,567
Summer	An accelerated instructional program in the summer for students who do not meet literacy standards pursuant to promotion policies of the District of Columbia Public Schools and public charter schools	0.17	\$1,091
Residential	D.C. Public School or public charter school that provides students with room and board in a residential setting, in addition to their instructional program	1.70	\$10,911
Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	0.374	\$2,401
Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	1.36	\$8,729

Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	2.941	\$18,877
Level 4: Special Education - Residential	Additional funding to support the after-hours level 4 special instructional needs of limited and non-English proficient students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	2.924	\$18,768
Level 5: Special Education - Residential	Residential 24 hour intensity in a public charter school	9.40	\$60,334
LEP/NEP - Residential	Additional funding to support the after-hours level 4 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	0.68	\$4,365

Sec. 103. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

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TITLE II. SPECIAL EVENTS CLEAN-UP AND TRASH REMOVAL

Sec. 201. Short title.

This title may be cited as the "Special Events Clean-Up and Trash Removal Act of 2002".

Sec. 202. Section 720 of Title 24 of the District of Columbia Municipal Regulations is amended as follows:

(a) Subsection 720.3 is amended as follows:

(1) The fee for "Clean-up and Trash Removal" is amended to read as follows:  
 "Clean-up and Trash Removal - to cover the personnel costs of public space cleaning and trash removal. Rate per District employee per hour \$27.00".

(2) The fee for "Disposable Trash Bags" is repealed.

(3) A new fee entitled "Transportation" is added to read as follows:  
 "Transportation - to cover vehicle costs associated with transporting trash removed from public space at the site of a special event and transporting it to a District solid waste facility. Rate per hour \$40.00".

**ENROLLED ORIGINAL**

(4) A new fee entitled "Disposal" is added to read as follows:  
"Disposal - to cover the District's cost to dispose of trash transported from a special event. Cost per ton \$79.23".

(b) A new subsection 720.4 is added to read as follows:  
"720.4. Individual arrangements may be made for trash collection by community groups; provided, that those arrangements are approved by the Director of the Department of Public Works."

Sec. 203. The amendments made by section 202 to the special event fees shall not preclude the Mayor from further amending these same fees by rulemaking to cover the costs incurred for the service.

Sec. 204. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3))

Amend  
§ 42-2802

**TITLE III. HOUSING PRODUCTION TRUST FUND AMENDMENT**

Sec. 301. Short title.

This title may be cited as the "Housing Production Trust Fund Second Amendment Act of 2002".

Sec. 302. Section 3(c) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(c)), is amended as follows:

(a) Paragraph (14) is amended by striking the phrase "14) \$11.5 million" and inserting the phrase "(14) \$5 million" in its place.

(b) Paragraph (15) is amended by striking the phrase "by § 1-206.03(c)" and inserting the phrase "by section 603(c) of the Home Rule Act, approved December 24, 1973 (87 Stat. 814; D.C. Official Code § 1-206.03(c))," in its place.

Sec. 303. Fiscal impact statement.

This title has no negative fiscal impact. Funding for the Housing Production Trust Fund in Fiscal Year 2003 is included in the budget and financial plan.

**TITLE IV. TOBACCO SETTLEMENT SAVINGS FUND AMENDMENT**

Amend  
§ 7-1811.02

Sec. 401. Short title.

This title may be cited as the "Tobacco Settlement Savings Fund Second Amendment Act of 2002".

Sec. 402. The Tobacco Settlement Trust Fund Establishment Act of 1999, effective October 20, 1999 (D.C. Law 13-38; D.C. Official Code § 7-1811.01 *et seq.*), is amended as follows:

(a) Section 2302a (D.C. Official Code § 7-1811.02) is amended as follows:

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

"(e)(2) The budget prepared and submitted by the Mayor under D.C. Official Code § 47-



301.01 shall include recommended expenditures at a reasonable level for the forthcoming fiscal year for the administrative expenses of the Board, except that the recommended expenditures for the administrative expenses for fiscal year 2003 shall not exceed \$1,000.00.”

Amend  
§ 7-1811.03

(2) Subsection (g) is amended by adding a new paragraph (3) to read as follows:

“(3) The Board may adopt, amend, repeal, and enforce bylaws or other operating procedures as appropriate in accordance with District laws.”

(3) Subsection (h)(2) is amended to read as follows:

“The Board shall submit reports of the investment performance of and financial transactions related to the Fund to the Council within 90 days after the end of the fiscal year, including a listing of the assets of the Fund, the earnings of each asset of the Fund, the value of each asset of the Fund at the beginning and end of the fiscal year, and the investment strategy of the Fund, including any proposed changes.”

(b) Section 2302b(b)(5) (D.C. Official Code § 7-1811.03(b)(5)) is amended as follows:

(1) The introductory language of subparagraph (A) is amended to read as follows:

“(5)(A) All residual funds accumulated from fiscal years 2001 and 2002 shall be allocated to the General Fund during fiscal year 2003. In addition, beginning October 1, 2002 through September 30, 2004, 100% of the residual shall be spent for purposes specified in local law, and 100% of the annual savings from debt defeasance or prepayment, after being reduced by \$1,000,000 to be allocated to the General Fund, shall be allocated to the Department of Human Services, the Child and Family Services Agency, Department of Mental Health, Department of Health, and the District of Columbia Public Schools, for spending pressures associated with the Medicaid, Medicare, Title IV, Part E of the Social Security Act (42 U.S.C. § 674(a)) and Special Education programs, provided the following:”

(2) Sub-subparagraph (i) is amended by striking the phrase “No such funds” and inserting the phrase “No such funds from annual savings described above” in its place.

(3) Sub-paragraph (ii) is amended by striking the phrase “No such funds” and inserting the phrase “No such funds from annual savings described above” in its place.

#### Sec. 403. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

Amend  
§ 7-225

### TITLE V. VITAL RECORDS AND PENALTIES AMENDMENT

#### Sec. 501. Short title.

This title may be cited as the “Vital Records Penalties Amendment Act of 2002”.

Sec. 502. Section 26 of the Vital Records Act of 1981, effective October 8, 1981 (D.C. Law 4-34; D.C. Official Code § 7-225), is amended as follows:

(a) Designate the existing text as subsection (a).

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

“(b) Civil fines, penalties, and fees may be imposed as sanctions for any infraction of the provisions of this act, or the rules issued under authority of this act, pursuant to Titles I-III of the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801 *et seq.*) (“Civil Infractions Act”).

Adjudication of any infractions shall be pursuant to Titles I-III of the Civil Infractions Act."

Sec. 503. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

Amend  
§ 44-1207

#### TITLE VI. SUBSTANCE ABUSE TREATMENT AND PREVENTION AMENDMENT

Sec. 601. Short title.

This title may be cited as the "Substance Abuse Treatment and Prevention Fees Amendment Act of 2002".

Sec. 602. Section 8 of the District of Columbia Substance Abuse Treatment and Prevention Act of 1989, effective March 15, 1990 (D.C. Law 8-80; D.C. Official Code § 44-1207), is amended as follows:

(a) The section heading is amended to read as follows:

"Sec. 8. Fees and fines; rules."

(b) Subsection (a) is amended by adding a new sentence at the end to read as follows: "The Mayor, by rule, shall establish a schedule of fees for the certification required by section 5."

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

"(d) Except as provided in section 5(f), civil fines, penalties, and fees may be imposed as sanctions for any infraction of the provisions of this act, or the rules issued under authority of this act, pursuant to Titles I-III of the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801 *et seq.*) ("Civil Infractions Act"). Adjudication of any infractions shall be pursuant to Titles I-III of the Civil Infractions Act."

Sec. 603. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

Amend  
§ 34-1802

#### TITLE VII. EMERGENCY AND NON-EMERGENCY NUMBER TELEPHONE CALLING SYSTEM FUND AMENDMENT

Sec. 701. Short title.

This title may be cited as the "Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2002".

Sec. 702. The Fiscal Year 2001 Budget Support Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1801 *et seq.*), is amended as follows:

(a) Section 603 (D.C. Official Code § 34-1802), is amended by adding new subsections

(d) and (e) to read as follows:

“(d) All income and expenses of the Fund shall be audited annually by the Chief Financial Officer, who shall transmit the audit report to the Mayor and Council. The expenses of the annual audit shall be defrayed by the Fund. The Chief Financial Officer shall also transmit to the Mayor and Council quarterly reports summarizing the income and expenditures of the Fund.

Amend  
§ 34-1803

“(e) During fiscal year 2003, the Mayor shall allocate at least \$500,000 of any revenue the Fund earns due to the enactment of the Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2002, passed on 2<sup>nd</sup> reading on November 7, 2002 (Enrolled version of Bill 14-892), in excess of the Fund revenue projection included in the District of Columbia’s budget submission to Congress, to increase the number of emergency call-taking staff who are working during hours when call volume is above average. The Mayor may increase the number of emergency call-taking staff through such measures that he considers appropriate, including hiring new staff, authorizing overtime, employing light-duty sworn police officers or firefighters, or offering a shift differential, in accordance with the Comprehensive Merit Personnel Act of 1978 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*), and any applicable collective bargaining agreements.”.

(b) Section 604(a)(2) (D.C. Official Code § 34-1803(a)(2)) is amended to read as follows:

“(2)(A) Subscribers to wireline local exchange service shall pay the following monthly user fees:

- “(i) A fee of \$0.76 per access line;
- “(ii) A fee of \$0.62 per Centrex line; and
- “(iii) A fee of \$0.62 per Private Branch Exchange (“PBX”)

station.

“(B) For billing and collection purposes, the PBX fee per station shall be converted into a per-trunk fee based on a ratio of 8 PBX stations to one PBX trunk.

“(C) Subscribers to wireless local exchange service shall pay a monthly user fee of \$0.76 for each telephone number that has a District of Columbia billing address.

“(D) For the purposes of collection and billing, a provider may continue treating all lines as access lines until such time as the provider is able to make the necessary technical changes to its billing and collection systems to implement the specific monthly user fees for Centrex and PBX stations, but in no event later than 120 days after the effective date of the Fiscal Year 2003 Budget Support Amendment Act of 2002, passed on 2<sup>nd</sup> reading on November 7, 2002 (Enrolled version of Bill 14-892).”.

Note,  
§ 1-204.46

Sec. 703. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

## TITLE VIII. PAY AS YOU GO FUNDING AMENDMENT

Sec. 801. Short title.

This title may be cited as the “Pay-As-You-Go Funding Second Amendment Act of 2002”.

Sec. 802. The Criteria for Spending Pay-As-You-Go Funding Act of 2002, effective

October 1, 2002 (D.C. Law 14-190; 49 DCR 6968), is repealed.

Amend  
§ 47-2002

Sec. 803. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

Amend  
§ 47-2202

TITLE IX. REVISION OF CERTAIN EXCISE TAXES

Sec. 901. Short title.

This title may be cited as the "Excise Tax Revision Act of 2002".

Amend  
§ 47-2402

Amend  
§ 47-2501

Sec. 902. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-2002(3A) is amended to read as follows:

"(3A) The rate of tax shall be 9% of the gross receipts of the sales of or charges for spirituous or malt liquors, beers, and wine sold for consumption off the premises where sold; and".

(b) Section 47-2202(3A) is amended to read as follows:

"(3A) The rate of tax shall be 9% of the gross receipts of the sales of or charges for spirituous or malt liquors, beers, and wine sold for consumption off the premises where sold; and".

(c) Section 47-2402(a) is amended by striking the phrase "3.25 cents" and inserting the phrase "\$.05" in its place.

(d) Section 47-2501 is amended as follows:

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

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

"(3) After December 31, 2002, pay to the Mayor 11% of these gross receipts from sales included in bills rendered after December 31, 2002, for a telephone company, 11% of these gross receipts from deliveries made after December 31, 2002, for a person who delivers heating oil to an end-user in the District, or 11% of these gross receipts from sales determined from meters read after December 31, 2002, for a gas company; or".

(B) Paragraph (4) is amended to read as follows:

"(4) After December 31, 2002, pay to the Mayor 11% of the gross receipts from the sales of natural or artificial gas by a nonpublic utility person delivered after December 31, 2002, by any method, to an end-user located in the District.".

Amend  
§ 47-3902

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

"(a-1) The rates of tax in subsection (a)(3) and (4) of this section shall be subject to reduction in accordance with § 47-143.".

(3) Subsection (d-1) is amended as follows:

(A) Paragraph (1)(B) is amended by striking the phrase "\$0.007" and inserting the phrase "\$0.0077" in its place.

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

"(4) The rate of tax in paragraph (1)(B) of this subsection shall be subject to reduction in accordance with § 47-143.".

Note,  
§§ 47-2002,  
47-2202,  
47-2402,  
47-2501,  
47-3902

(e) Section 47-3902 is amended as follows:

(1) Subsection (a) is amended by striking the phrase "The rate shall be 10%" and inserting the phrase "The rate shall be 11%" in its place.

(2) Subsection (b)(1) is amended by striking the phrase "The rate shall be 10%" and inserting the phrase "The rate shall be 11%" in its place.

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

"(c) The rates in subsections (a) and (b) of this section shall be subject to reduction in accordance with § 47-143."

Sec. 903. Applicability.

Section 902 shall apply as of January 1, 2003.

Amend  
§ 47-1807.02

Sec. 904. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

#### TITLE X. IMPOSITION AND RATES OF FRANCHISE TAX AND UNINCORPORATED BUSINESS TAX

Sec. 1001. Short title

This title may be cited as the "Imposition and Rates of Franchise and Unincorporated Business Tax Revision Amendment Act of 2002".

Sec. 1002. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-1807.02(a) is amended as follows:

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

"(3) For the taxable years beginning after December 31, 2002, a tax at the rate of 9.5% upon the taxable income of every corporation, whether domestic or foreign."

(2) New paragraphs (3A) and (3B) are added to read as follows:

"(3A) A surtax at the rate of 2.5% on the tax determined under paragraph (2) or (3) of this subsection, as applicable, for any tax period beginning after September 30, 1992.

"(3B) A surtax at the rate of 2.5%, separate from and in addition to, the surtax imposed by paragraph (3A) of this subsection, on the tax determined under paragraph (2) or (3) of this subsection, as applicable, for any tax period beginning after September 30, 1994."

(3) Paragraph (4) is amended to read as follows:

"(4) For the taxable years beginning after December 31, 2003, a tax at the rate of 9.975% upon the taxable income of every corporation, whether domestic or foreign."

(b) Section 47-1808.03(a) is amended as follows:

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

"(3) For the taxable years beginning after December 31, 2002, a tax at the rate of 9.5% upon the taxable income of every unincorporated business, whether domestic or foreign."

(2) New paragraphs (3A) and (3B) are added to read as follows:

"(3A)(A) A surtax at the rate of 2.5% on the tax determined under paragraph (2) or (3) of this subsection, as applicable.

"(B) Subparagraph (A) of this paragraph shall apply for any tax period beginning after September 30, 1992.

"(3B)(A) A surtax at the rate of 2.5%, separate from and in addition to, the surtax imposed by paragraph (3A) of this subsection, on the tax determined under paragraph (2) or (3) of this subsection, as applicable, for any tax period beginning after September 30, 1994.

Amend  
§ 47-1808.03

Note,  
§§ 47-1807.02  
47-1808.03

"(B) Subparagraph (A) of the paragraph shall apply for any tax period beginning after September 30, 1994."

(3) Paragraph (4) is amended to read as follows:

"(4) For the taxable years beginning after December 31, 2003, a tax at the rate of 9.975% upon the taxable income of every unincorporated business, whether domestic or foreign."

Amend  
§ 42-1103

Sec. 1003. Section 1002 shall apply as of January 1, 2003.

Sec. 1004. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

## TITLE XI. DEED RECORDATION TAX

Sec. 1101. Short title.

This title may be cited as the "Deed Recordation Tax Amendment Act of 2002".

Sec. 1102. Section 303 of the District of Columbia Deed Recordation Tax Act, approved March 2, 1962 (76 Stat. 12; D.C. Official Code § 42-1103), is amended as follows:

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

(1) Paragraph (1) is amended as follows:

(A) Strike the phrase "1.1%" and insert the phrase "1.5%" in its place.

(B) Strike the phrase "deed or a lease" and insert the phrase "deed, including a lease" in its place.

(C) Strike the word "total".

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

"(2) Notwithstanding paragraph (1) of this subsection, at the time it is submitted for recordation, a deed that evidences a transfer of an economic interest in real property shall be taxed at the rate of 3.0% of the consideration allocable to the real property."

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

(A) Strike the phrase "At the time it is submitted for recordation, a security interest instrument" and insert the phrase "Notwithstanding paragraph (1) of this subsection, at the time a security interest instrument is submitted for recordation, it" in its place.

(B) Strike the phrase "1.1%" and insert the phrase "1.5%" in its place.

(b) A new subsection (a-3) is added to read as follows:

"(a-3) Notwithstanding the provisions of subsection (a)(1) of this section, the rate of tax under subsection (a)(1) of this section shall be 1.1% if:

"(1) The consideration of the deed does not exceed \$250,000; and

"(2) The real property qualifies as a homestead as defined by D.C. Official Code § 47-849(2), the application for the homestead deduction accompanies the deed, and the deed is recorded timely as provided by D.C. Official Code § 47-1431(a)."

Amend  
§ 47-903

Sec. 1103. Section 47-903 of the District of Columbia Official Code is amended as

follows:

Amend  
§§ 42-1103,  
47-903

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

(1) Strike the phrase "1.1%" and insert the phrase "1.5%" in its place.

(2) Strike the word "total".

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

"(a-1) Notwithstanding the provisions of subsection (a) of this section, the rate of tax under subsection (a) of this section shall be 1.1% if:

"(1) The consideration of the deed does not exceed \$250,000; and

"(2) The real property qualifies as a homestead as defined by § 47-849(2), the application for the homestead deduction accompanies the deed, and the deed is recorded timely as provided by § 47-1431(a)."

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

"(a-2) The rate in subsection (a)(1) of this section shall be subject to reduction in accordance with § 47-143."

Sec. 1104. Sections 1102 and 1103 shall apply as of January 1, 2003.

Sec. 1105. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

TITLE XII. OTHER-TYPE FUNDS AND ADJUSTMENT TO OTHER FEES AND CHARGES

New  
§ 47-368.01

Sec. 1201. Short title.

This title may be cited as the "Other-Type Funds and Adjustment to Other Fees and Charges Act of 2002".

Sec. 1202. Chapter 3 of Title 47 of the D.C. Official Code is amended as follows:

(a) The table of contents for Chapter 3 is amended by adding a new Subchapter IV-A to read as follows:

"Subchapter IV-A. Special Budget Provisions.

"Sec.

"47-368.01. Transfer of dedicated funds to the General Fund.

"47-368.02. Increase in funds and fees and charges.

(b) A new Subchapter IV-A is added to read as follows:

"SUBCHAPTER IV-A. SPECIAL BUDGET PROVISIONS.

"§ 47-368.01 Transfer of dedicated funds to the General Fund.

"(a) For the purposes of this section, the term "Other-Type Funds" means District revenues, as defined in § 1-202.03(10), generated from fees, fines, assessments, or reimbursements by District of Columbia or its agencies or instrumentalities (including independent agencies or instrumentalities), earmarked for special purposes and accounted for or placed in a fund for such purposes; provided, that the term "Other-Type O-type Funds" shall not include funds of the Housing Finance Agency; National Capital Revitalization Corporation; Sports and Entertainment Commission; Washington Convention Center Authority; Public Service Commission; Office of People's Counsel; Department of Insurance and Securities

Regulation; Department of Banking and Financial Institutions; District of Columbia Water and Sewer Authority; and Alcoholic Beverage Regulation Administration, except to the extent that there are not sufficient Other-Type Funds available in other agencies from which a total of \$9.5 million may be obtained.

"(b) Notwithstanding any other provision of law, including the dedication of funds to a particular use, all or part of the balance in an Other-Type Fund up to the total amount of \$9.5 million in fiscal year 2003 of Other-Type Funds in fiscal year 2003 may be transferred to the General Fund of the District of Columbia in accordance with the procedure set forth in subsection (c) of this section. To the extent that these funds are needed, and it has been certified by the Chief Financial Officer that they are needed, in fiscal years subsequent to fiscal year 2003, the Mayor shall submit an approval resolution to the Council.

"(c)(1) The Mayor, in consultation with the Chief Financial Officer of the District of Columbia, may submit to the Council for approval a proposed resolution requesting the transfer of all or part of the balance in an Other-Type Fund to the General Fund of the District of Columbia. The proposed resolution shall include, for each agency affected:

"(A) The Chief Financial Officer's certification that the proposed transfer of funds is not prohibited by federal action, court order, or settlement and that funds have not been properly identified as deferred revenue or restricted fund balance;

"(B) The legislative or regulatory authority for the establishment of the Other-Type Fund;

"(C) The purpose of the Other-Type Fund;

"(D) The original fiscal year budget and year-to-date expenditures for the Other-Type Fund for the fiscal year in which the request is made;

New  
§ 47-368.02

"(E) The accumulated balance of the Other-Type fund;

"(F) The previous 2 fiscal years' budgets and spending patterns for the Other-Type fund (3 years if there has been a transfer of all or part of the fund balance to the General Fund of the District of Columbia);

"(G) The collection in the Other-Type Fund for the previous 2 fiscal years (3 years if there has been a transfer of all or part of the fund balance to the General Fund of the District of Columbia); and

"(H) The effect that the approval of the transfer of the Other-Type Funds to the General Fund of the District of Columbia will have on service delivery.

"(2) The proposed resolution shall be submitted to the Council for a 60-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed resolution, in whole or in part, within the 60-day period, the proposed resolution shall be deemed disapproved.

"§ 47-368.02. Increase in funds and fees and charges.

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

"(1) "Fees and Charges" means District revenues, as defined in § 1-201.03(10), generated from the collection of user fees and charges, licensing fees, and permit fees.

"(2) "Other-Type Funds" shall have the same meaning as in § 47-368.01(a), except that the term shall not include reimbursements.

"(b) Notwithstanding any other provision of law, including any laws prescribing requirements for a resolution, rulemaking, or publication, Other-Type Funds, and Fees and Charges not otherwise adjusted by any title in the Fiscal Year 2003 Budget Support Amendment Act of 2002, passed on 2<sup>nd</sup> reading on November 7, 2002 (Enrolled version of Bill 14-892), shall be increased by an average of up to 30% as determined by the Mayor for fiscal year 2003. The



increases shall be effective on or before January 1, 2003.

“(c) The Mayor may take any additional action as may be necessary to ensure that all adjustments to Other-Type Funds and to Fees and Charges are effective January 1, 2003.

“(d) A report of the Mayor’s actions shall be delivered to the Council on or before November 22, 2002 and shall at the same time be transmitted for publication in the District of Columbia Register.

“(e) On or before November 22, 2002, the Chief Financial Officer of the District of Columbia shall transmit to the Council a report containing the following information:

“(1) A list of each fee, fine, and charge, including permit and license fees, imposed by the District of Columbia:

“(2) The legislative or regulatory authority for the imposition of each fee, fine, or charge;

“(3) The amount levied by the District of Columbia for each individual instance of the fee, fine, or charge;

“(4) The cumulative amount collected annually by the District of Columbia for each fee, fine, or charge;

“(5) The level to which each fee, fine, or charge would be adjusted to account for inflation; and

“(6) The additional amount the District of Columbia would collect each year for each individual fee, fine, or charge, if the fee, fine, or charge were adjusted for inflation.”.

Amend  
§ 42-3131.11

Sec. 1203. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

TITLE XIII. REAL PROPERTY TAX REVISION

Sec. 1301. This title may be cited as the “Real Property Tax Revision Act of 2002”.

Amend  
§ 47-812

Sec. 1302. Section 11(a) 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, effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.11(a)), is amended as follows:

(a) Paragraph (1) is amended by striking the phrase “building addresses” and inserting the phrase “real properties, as identified on the cadastral maps of the Office of Tax and Revenue according to square, parcel, or reservation, and lot,” in its place.

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

“(3) Copies of the list prescribed by this section and updates shall be transmitted to the Chief Financial Officer in the form and medium prescribed by the Chief Financial Officer.”.

Amend  
§ 47-813

Sec. 1303. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-812 is amended as follows:

(1) Subsection (b-5)(2) is repealed.

(2) A new subsection (b-6) is added to read as follows:

“(b-6) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and the special real property tax rates for taxable real property in the District of Columbia for the tax year beginning October 1, 2002, shall be:

- “(1) \$0.96 for each \$100 of assessed value for Class 1 Property;
- “(2) \$1.85 for each \$100 of assessed value for Class 2 Property; and
- “(3) \$5.00 for each \$100 of assessed value for Class 3 Property.”.

(b) Section 47-813 is amended as follows:

(1) Subsection (c-4) is amended by striking the phrase “Except as provided by subsection (c-5) of this section, for the property tax year beginning October 1, 2001, and ending September 1, 2002, and for each subsequent tax year” and inserting the phrase “For the real property tax year beginning October 1, 2001, and ending September 30, 2002” in its place.

(2) Subsection (c-5) is repealed.

(3) A new subsection (c-6) is added to read as follows:

“(c-6)(1) For the real property tax year beginning October 1, 2002, and ending September 30, 2003, and for each subsequent tax year, the following classes of taxable real property are established:

“(A) Class 1 Property;

“(B) Class 2 Property; and

“(C) Class 3 Property.

“(2)(A) Class 1 Property shall be comprised of residential real property that:

“(i) Is improved;

“(ii) Is occupied; and

“(iii) Is used exclusively for nontransient residential dwelling

purposes.

“(B) Unimproved real property which abuts Class 1 Property shall be classified as Class 1 Property if the unimproved real property and the Class 1 Property have common ownership.

“(C) Unimproved real property which is separated from Class 1 Property by a public alley less than 30 feet wide shall be classified as Class 1 Property if the following conditions are met:

“(i) The unimproved real property is less than 1,000 square feet in size;

“(ii) The zoning regulations adopted by the Zoning Commission for the District of Columbia do not allow the building of any structure on the unimproved real property as a matter of right; and

“(iii) The owner of the unimproved real property also owns the Class 1 Property separated by the alley from the unimproved real property.

“(3) Class 2 Property shall be comprised of commercial real property that is improved and occupied.

“(4) Class 3 Property shall be comprised of all real property which is not Class 1 Property or Class 2 Property.”.

(4) Subsection (d) is amended as follows:

(A) Strike the phrase “purposes of subsections (b), (c), (c-1), (c-2), (c-3), and (c-4)” and insert the word “purposes” in its place.

(B) A new paragraph (5) is added to read as follows:

“(5)(A) The term “occupied” shall not include improved real property that:

“(i) Is required to be registered under § 42-3131.06; or

“(ii) Could be registered under § 42-3131.06 but for the failure to meet the conditions under § 42-3131.07(a).

“(B) All other improved real property shall be deemed occupied.”.

(5) Subsection (d-1) is amended as follows:

(A) The lead-in text is amended by striking the phrase “purposes of (c-3) and (c-4) of this section” and inserting the phrase “purposes of this section” in its place.

(B) Paragraph (1) is repealed.

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

“(3)(A) A rebuttable presumption that a real property is not occupied shall arise when a real property appears on the list compiled under § 42-3131.11. The Chief Financial Officer may require the owner, any person with legal or equitable title, and any person in the household of the owner to submit information that the Chief Financial Officer considers relevant to determine whether the real property remains occupied and entitled to the Class 1 Property or Class 2 Property classification.

“(B) Relevant information may include any of the following items:

“(i) A certificate of occupancy;

Administrator;

“(ii) Registration or claim of exemption filed with the Rent

claimed on the form;

“(iii) Water and sewer bills paid for the period of occupancy

form;

“(iv) Gas bills paid for the period of occupancy claimed on the

the form;

“(v) Electricity bills paid for the period of occupancy claimed on

the form;

“(vi) A lease agreement for the period of occupancy claimed on

tax imposed under § 47-2002(1); or

“(vii) A sales tax return required by § 47-2015, for payment of the

considers relevant to the determination of the proper classification of the property.

“(C) To determine whether a real property is occupied, the Office of Tax and Revenue may request the Department of Consumer and Regulatory Affairs to inspect the real property to determine whether the real property is correctly included on the list compiled under § 42-3131.11. When so requested, the Department of Consumer and Regulatory Affairs shall report its findings to the Office of Tax and Revenue within 30 days of the request.”

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

“(3A)(A) Except as provided in subparagraph (B) of this paragraph, the owner may petition or appeal any reclassification under this section in the same manner and to the same extent as a new owner under § 47-825.01(f-1)(1), regardless of the tax year involved or whether a prior petition or appeal had been filed for the tax year; provided, that the date notice of the reclassification is sent to the owner shall be deemed the date of transfer for purposes of the petition or appeal. The notice of reclassification sent under this subsection shall be in the form prescribed by the Chief Financial Officer, and may consist of a single bill and incorporate other deduction reversals, and shall not be deemed a proposed notice of assessment. The notice of reclassification shall include a general indication of the reason for the change in the classification and a statement explaining the right to appeal the reclassification. The petition or appeal filed under authority of this subparagraph shall be deemed to have been filed under § 47-825.01(f-1)(1). A notice of final determination issued in furtherance of this subparagraph shall not include the assessor’s worksheets.

“(B)(i) The notice of reclassification shall be in the form prescribed by the

Chief Financial Officer, and may consist of a single bill and incorporate other deduction reversals, and shall not be deemed a proposed notice of assessment. The notice of reclassification shall include a general indication of the reason for the change in the classification and a statement explaining the right to appeal the reclassification.

“(ii) The owner may petition for an administrative review of the reclassification under this section within 30 days from the notice of reclassification. This 30-day period may be extended by the Chief Financial Officer for an additional 30 days for reasonable cause as determined by the Chief Financial Officer. A notice of final determination issued under this subparagraph shall not include the assessor’s worksheets. Within 30 days from a notice of final determination of the petition, the owner may appeal to the Board of Real Property Assessments and Appeals. A decision of the Board may be appealed under § 47-825.01(j-1).

Amend  
§ 47-825.01

“(iii) Notwithstanding subsection (d-1)(6) of this section, a reclassification under this section shall remain in effect for the entire tax year. When a real property is reclassified as Class 3 Property under this section, any deduction under §§ 47-850, 47-850.01 and 47-863 or credit under § 47-864 shall be rescinded for the entire tax year, notwithstanding any other provision of law.

“(iv) This subparagraph shall apply to a notice of reclassification before January 1, 2003 that determines real property to be Class 3 Property.”.

(E) Paragraph (4) is repealed.

(F) Paragraph (5)(A) is amended by striking the last sentence.

(6) Subsection (f)(1) is amended by striking the phrase “subsections (c), (c-1), (c-2), (c-3), and (c-4) of” both times it appears.

(c) Section 47-825.01 is amended as follows:

(1) Subsection (d)(5) is amended by striking the phrase “Class 5 property” wherever it appears and inserting the phrase “Class 3 Property” in its place.

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

(A) Strike the phrase “Class 2 Property, or Class 3 Property,”.

(B) Strike the phrase “that property” and insert the phrase “Class 2 Property or Class 3 Property” in its place.

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

(A) Sub-subparagraph (ii) is amended by striking the word “or”.

(B) Sub-subparagraph (iii) is amended by striking the period and inserting the phrase “; or” in its place.

Amend  
§ 47-830

(C) A new sub-subparagraph (iv) is added to read as follows:

“(iv) October 16 of the next succeeding 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 tax year and no petition for an administrative review was filed by such July 1.”.

Amend  
§ 47-850.02

(4) Subsection (h-1)(1) is amended by striking the phrase “or correct a real property classification”.

Amend  
§ 47-863

(5) Subsection (j-1) is amended by striking the phrase “for an administrative review under subsection (f-1)(1)(C)(iii) of this section and a good faith appeal to the Board” and inserting the phrase “or appeal under subsection (f-1)(1)(C)(iii) or (iv) of this section, respectively” in its place.

(d) Section 47-830(c-1)(2)(A) is amended by striking the phrase “any determination” and inserting the phrase “rationale for determination, if the assessment is raised or lowered” in its place.

(e) Section 47-850.02 is amended by adding a new subsection (b-1) to read as follows:

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“(b-1) A denial of the deduction shall be subject to the provisions of § 47-813(d-1)(3A) to the same extent as a reclassification.”.

(f) Section 47-863 is amended as follows:

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

(A) Paragraph (1)(B) is amended to read as follows:

“(B) If a deduction under § 47-850 is allowed, the deduction under this paragraph shall be computed by multiplying the tax rate by 50% of an amount equal to:

Amend  
§ 47-872

“(i) The estimated market value of the senior's household, less the deduction under § 47-850; or

“(ii) If a credit is received under § 47-864, 125% of the prior year's taxable assessment, less the deduction under § 47-850.”.

(B) Paragraph (2)(A) is amended by striking the phrase “§ 47-850.01.” and inserting the phrase “§ 47-850.01; provided, that if a credit is received under § 47-864, 125% of the prior year's taxable assessment shall be deemed the estimated market value for purposes of this paragraph.” in its place.

Amend  
§ 47-873

(2) Subsection (f)(1) is amended by striking the phrase “decrease or”.

(3) A new subsection (f-1) is added to read as follows:

“(f-1) A denial of the deduction shall be subject to the provisions of § 47-813(d-1)(3A) to the same extent as a reclassification.”.

(g) Section 47-872 is amended as follows:

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

“(a) For purposes of computing taxes on real property in the District of Columbia, Class 1 Property shall be allowed a credit against the tax imposed under § 47-811.”.

(2) Subsection (b) is amended by striking the phrase “or a single dwelling unit that is owned by a member of a homeowners association if the condominium or”.

Note,  
§§ 42-3131.11  
47-812,  
47-813,  
47-825.01,  
47-830,  
47-850.02,  
47-863,  
47-872,  
47-873

(h) Section 47-873 is amended as follows:

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

“(a) For purposes of computing taxes on real property in the District of Columbia, Class 1 Property owned by a cooperative housing association shall be allowed a credit against the tax imposed under § 47-811.”.

(2) Subsection (b) is amended by striking the phrase “improved residential real property” both times it appears and inserting the phrase “Class 1 Property” in its place.

Sec. 1304. Sections 1302 and 1303 shall apply as of October 1, 2002.

Sec. 1305. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

Amend  
§ 47-3701

TITLE XIV. INHERITANCE AND ESTATE TAX

Sec. 1401. This title may be cited as the “Inheritance and Estate Tax Act of 2002”.

Sec. 1402. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-3701(4), (5), and (6) is amended to read as follows:

“(4) “Federal credit” means:

“(A) For a decedent whose death occurs on or after April 1, 1987, but prior to January 1, 2002, the maximum amount of credit for state death taxes allowable by section 2011 of the United States Internal Revenue Code of 1954, approved August 6, 1954 (68A Stat. 3; 26 U.S.C. § 1 *et seq.*), as it existed on January 1, 1986.

“(B) For a decedent whose death occurs on or after January 1, 2002:

“(i) The maximum amount of credit for state death taxes allowed by section 2011 of the Internal Revenue Code;

Amend  
§ 47-3705

“(ii) Any scheduled increase in the unified credit provided in section 2010 of the Internal Revenue Code or thereafter shall not apply and the amount of the unified credit shall be \$675,000; and

“(iii) An estate tax return shall not be required to be filed if the decedent’s gross estate does not exceed \$675,000.

“(5) “Gross estate” means gross estate as defined in the Internal Revenue Code.

“(6) “Internal Revenue Code” means the Internal Revenue Code of 1986, approved October 22, 1986 (100 Stat. 2085; 26 U.S.C. § 1 *et seq.*), in effect for federal estate tax purposes on January 1, 2001, unless a different meaning is clearly required by the provisions of this chapter.”.

(b) Section 47-3705(a) is amended to read as follows:

“(a)(1) The personal representative of every estate subject to the tax imposed by this chapter shall file with the Mayor, within 10 months after the death of the decedent:

“(A) A return for the tax due under this chapter; and

“(B) A copy of the federal estate tax return, if any.

“(2) A return shall not be required to be filed if the gross estate does not exceed \$675,000.”.

Sec. 1403. Fiscal impact statement.

Amend  
§ 1-604.02

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

## TITLE XV. CLASSIFICATION AND COMPENSATION STUDIES FOR POLICE AND FIRE AMENDMENT

Sec. 1501. Short title.

This title may be cited as the “Classification and Compensation Studies for Police and Fire Second Amendment Act of 2002”.

Sec. 1502. Section 402(e) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-604.02(e)), is amended by striking the phrase “The Director of Personnel” and inserting the phrase “Subject to the availability of appropriations, the Director of Personnel” in its place.

Amend  
§ 10-501.02

Sec. 1503. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

TITLE XVI. DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
FEES AND CHARGES AMENDMENT

Sec. 1601. Short title.

This title may be cited as the “Department of Consumer and Regulatory Affairs Fees and Charges Amendment Act of 2002”.

Amend  
§ 29-101.12  
Amend  
§ 29-101.121

Sec. 1602. Section 2 of An Act Relative to the control of wharf property and certain public spaces in the District of Columbia, approved March 3, 1899 (30 Stat. 1378; D.C. Official Code § 10-501.02), is amended as follows:

- (a) The existing text is designated as subsection (a).
- (b) A new subsection (b) is added to read as follows:  
“(b) The wharfage fee is \$25 per day.”.

Sec. 1603. The District of Columbia Business Corporation Act, approved June 8, 1954 (68 Stat. 228; D.C. Official Code § 29-101.01 *et seq.*), is amended as follows:

(a) Section 12(b) (D.C. Official Code § 29-101.12(b)) is amended by striking the phrase “and a fee of \$10.” and inserting the phrase “and a fee of \$15.” in its place.

(b) Section 121 (D.C. Official Code § 29-101.121) is amended as follows:

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

“(b) The Mayor shall charge and collect the following fees:

- “(1) Filing articles of incorporation, \$150;
- “(2) Amendment to articles of incorporation or restated articles of incorporation, \$150;
- “(3) Filing articles of merger or consolidation, \$150;
- “(4) Filing articles of domestication, \$150;
- “(5) Filing a statement of intent to dissolve, \$35;
- “(6) Filing articles of reincorporation, \$150;
- “(7) Filing articles of dissolution, \$75;
- “(8) Filing a statement of change of address of registered office or change of registered agent, or both, \$35;
- “(9) Filing a statement of the establishment of a series of shares, \$35;
- “(10) Filing an application of a foreign corporation a certificate of authority to transact business in the District and issuing a certificate of authority, \$200;
- “(11) Filing an application for reservation of a corporate name or for a renewal of reservation, \$35;
- “(12) Filing a notice of transfer of a reserved corporate name, \$35;
- “(13) Filing an application of a foreign corporation for an amended certificate of authority to transact business in the District and issuing an amended certificate of authority, \$150;
- “(14) Filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in the District, \$150;

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“(15) Filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, \$35;

“(16) Filing an application for reinstatement of a domestic or foreign corporation and issuing a certificate of reinstatement, \$250;

“(17) Furnishing a certified copy of any document, instrument, report, or paper relating to a corporation, \$35;

“(18) Filing by a registered agent of a corporation of a statement of change of address of the registered agent, \$35, plus \$15 for each corporation, domestic or foreign, listed in the statement; and

“(19) Furnishing a certificate as to the status of a corporation, domestic or foreign, \$15, or as to the existence or nonexistence of facts or filings relating to corporations, domestic or foreign, \$30.”

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

“(c) An initial license fee is hereby imposed as follows:

“(1) Every domestic corporation upon the filing of its articles of incorporation shall pay, in addition to any other fees and charges imposed by this Act, the sum of \$.03 for each authorized share of its capital stock up to and including 10,000 shares and the sum of \$.02 for each additional authorized share up to and including 50,000 shares, and the sum of \$.01 for each additional authorized share in excess of 50,000 shares; provided, that if the articles of incorporation of a domestic corporation, authorizes par value shares having a par value per share other than \$100 per share, then, in respect to such shares only, the aggregate par value of all such shares shall be divided by the figure 100 and the quotient so obtained shall be the number of shares for the purpose of the initial license tax as to such shares; provided further, that the initial license fee shall not be less than \$35.”

Amend  
§ 29-101.128

(3) Subsection (d) is amended to read as follows:

“(d) Each foreign and domestic corporation authorized to do business in the District of Columbia or organized, incorporated, or reincorporated under the provisions of this Act shall pay a 2-year report fee of \$750, which shall be paid at the time that the 2-year report, which is required of corporations under the provisions of this Act, is filed.”

Amend  
§ 29-301.11  
Amend  
§ 29-301.91

(c) Section 128 (D.C. Official Code § 29-101.128) is amended to read as follows:

“A corporation organized under this Act which fails or refuses to file the 2-year report required by this Act to be filed on April 15<sup>th</sup> of each year shall pay a penalty of \$35. A foreign corporation having a certificate of authority under this Act which fails or refuses to file the 2-year report required by this Act to be filed on April 15<sup>th</sup> of each year shall pay a penalty of \$75.”

Amend  
§ 29-301.92

Sec. 1604. The District of Columbia Nonprofit Corporation Act, approved August 6, 1962 (76 Stat. 265; D.C. Official Code § 29-301.01 *et seq.*), is amended as follows:

(a) Section 11(b) (D.C. Official Code § 29-301.11(b)) is amended by striking the phrase “and a fee of \$10.” and inserting the phrase “and a fee of \$15.” in its place.

(b) Section 91 (D.C. Official Code § 29-301.91) is amended by striking the phrase “subject to a penalty of \$30” and inserting the phrase “subject to a penalty of \$40” in its place.

(c) Section 92(a) (D.C. Official Code § 29-301.92(a)) is amended to read as follows:

“(a) The Mayor shall charge and collect the following fees:

“(1) Filing articles of incorporation and issuing a certificate of incorporation, \$40;

“(2) Filing articles of amendment and issuing a certificate of amendment, \$35;



- “(3) Filing articles of merger or consolidation and issuing a certificate of merger or consolidation, \$35;
- “(4) Filing a statement of change of address or registered officer or change of registered agent, or both, \$30;
- “(5) Filing articles of dissolution, \$40;
- “(6) Filing an application for reservation of a corporate name or for a renewal of reservation, \$35;
- “(7) Filing a notice of transfer of a reserved corporate name; \$35;
- “(8) Filing a statement of election to accept this Act and issuing a certificate of acceptance, \$40;
- “(9) Filing an application of a foreign corporation for a certificate of authority to conduct affairs in the District and issuing a certificate of authority, \$40;
- “(10) Filing an application of a foreign corporation for an amended certificate of authority to conduct affairs in the District and issuing an amended certificate of authority, \$35;
- “(11) Filing a copy of an amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to conduct affairs in the District, \$35;
- “(12) Filing a copy of articles of merger of a foreign corporation holding a certificate of authority to conduct affairs in the District, \$35;
- “(13) Filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, \$30;
- “(14) Filing an application for reinstatement of a domestic or foreign corporation and issuing a certificate of reinstatement, \$40; Amend § 29-1012
- “(15) Filing any other statement or report, excluding a 2-year report, \$30; Amend § 29-1063
- “(16) Indexing each document filed, except a 2-year report, \$30;
- “(17) Furnishing a certified copy of any document, instrument, or paper relating to a corporation, \$35;
- “(18) Furnishing a certificate as to the existence or nonexistence of a fact relating to a corporation, except a certificate of good standing, \$30;
- “(19) Filing a 2-year report of domestic or foreign corporation, \$75;
- “(20) Furnishing a certificate of good standing, \$30; and
- “(21) Filing an amended report, \$75.”.

Sec. 1605. The Limited Liability Company Act of 1994, effective July 23, 1994 (D.C. Law 10-138; D.C. Official Code § 29-1001 *et seq.*), is amended as follows:

(a) Section 13 (D.C. Official Code § 29-1012) is amended by striking the phrase “and a fee of \$10.” and inserting the phrase “and a fee of \$15.” in its place.

(b) Section 64(a) (D.C. Official Code § 29-1063(a)) is amended to read as follows:

“(a) The Mayor shall charge and collect the following fees:

- “(1) For filing an application for registration as a foreign limited liability company, the fee shall be \$200;
- “(2) For filing any one of the following, the fee shall be \$150;
  - “(A) Articles of organization or articles or merger;
  - “(B) Articles of amendment;
  - “(C) Articles of correction;
  - “(D) Articles of dissolution;
  - “(E) Articles of cancellation;
  - “(F) A certificate of correction referred to in section 57;

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and “(G) A copy of the document effecting a merger referred to in section 63; Amend § 29-1065

“(H) Petition for reinstatement. Amend § 29-1072

“(3) For filing any one of the following, the fee shall be \$35:

“(A) A statement of change of registered agent or change of the address of the registered office, or both; Amend § 42-3402.04

“(B) An application to reserve or to renew the reservation of a name for use by a domestic or foreign limited liability company;

“(C) A notice of transfer of a name reserved for use by a domestic or foreign limited liability company; or Amend § 47-2851.08

“(D) A statement of fictitious name by a foreign limited liability company.

“(4) For furnishing a certified copy of any document filed under this act with the Mayor, the fee shall be \$35.

(c) Section 66 (D.C. Official Code § 29-1065) is amended by striking the phrase “2-year registration fee of \$100,” and inserting the phrase “2-year registration fee of \$150,” in its place.

(d) Section 73 (D.C. Official Code § 29-1072) is amended by striking the phrase “shall pay a penalty of \$25.” and inserting the phrase “shall pay a penalty of \$75.” in its place.

Sec. 1606. Section 204(a) of the Rental Housing Conversion and Sale Act of 1980, effective September 28, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3402.04), is amended by striking the phrase “fee of 4%” and inserting the phrase “fee of 5%” in its place.

Sec. 1607. Section 47-2851.08(a)(1) of the District of Columbia Official Code is amended to read as follows:

“(1) The Center shall collect a fee of \$35 for each master business license it issues, plus \$10 for each endorsement added to the master business license.”. Amend § 47-2842

Sec. 1608. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)). Amend § 50-1212

**TITLE XVII. DEPARTMENT OF MOTOR VEHICLES FEES ADJUSTMENT AMENDMENT**

Sec. 1701. Short title.

This title may be cited as the “Motor Vehicle Fee Adjustment Amendment Act of 2002”. Amend § 50-1301.03

Sec. 1702. Section 47-2842 of the District of Columbia Official Code is amended by striking the figure “\$50” and inserting the figure “\$78” in its place. Amend § 50-1301.05

Sec. 1703. Section 12 of An Act To provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes, approved July 2, 1940 (54 Stat. 739; D.C. Official Code § 50-1212), is amended by striking the figure “\$15” and inserting the figure “\$20” in its place. Amend § 50-1501.02

**ENROLLED ORIGINAL**

Sec. 1704. The Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954 (68 Stat. 120; D.C. Official Code § 50-1301.01 *et seq.*), is amended as follows:

(a) Section 3(a) (D.C. Official Code § 50-1301.03(a)) is amended by striking the figure "\$30" and inserting the figure "\$98" in its place.

(b) Section 5(a) (D.C. Official Code § 50-1301.05(a)) is amended by striking the figure "\$5" and inserting the figure "\$7" in its place.

Amend  
§ 50-1501.03

Sec. 1705. An Act To provide additional revenue for the District of Columbia, and for other purposes, approved August 17, 1937 (50 Stat. 681; D.C. Official Code § 50-1501 *et seq.*), is amended as follows:

(a) Section 2(d) (D.C. Official Code § 50-1501.02(d)) is amended as follows:

(1) Paragraph (4)(c) is amended to read as follows:

“(c) A fee of \$7 shall be paid for each duplicate registration certificate issued, a fee of \$10 shall be paid for each replacement tag issued, and a fee of \$15 shall be for each dealer’s proof of ownership certificate issued;”.

Amend  
§ 50-2201.03

(2) Paragraph (5) is amended as follows:

(A) Subparagraph (A) is amended by striking the figure “10” and inserting the figure “13” in its place.

(B) Subparagraph (B) is amended by striking the figure “10” and inserting the figure “13” in its place.

(b) Section 3(b) (D.C. Official Code § 50-1501.03(b)) is amended as follows:

Amend  
§ 50-1401.02

(1) Paragraph (1)(A) is amended as follows:

(A) Strike the figure “\$55” and insert the figure “\$72” in its place,

(B) Strike the figure “\$88” and insert the figure “\$115” in its place;

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(2) Paragraph (4) is amended by striking the figure “\$30” and inserting the figure “\$52” in its place.

Sec. 1706. The District of Columbia Traffic Act, 1925, approved March 3, 1925 (43 Stat. 1119; D.C. Official Code § 50-2201.01 *et seq.*), is amended as follows:

(a) Section 6 (D.C. Official Code § 50-2201.03) is amended as follows:

(1) Subsection (a)(4) is amended by striking the figure "\$75" and inserting the figure "\$98" in its place.

(2) Subsection (d) is amended by striking the phrase "\$20 fee for each titling and retitling," and inserting the phrase "\$26 fee for each titling, duplicate titling, and retitling," in its place.

(b) Section 8(e)(2) (D.C. Official Code § 50-1401.02(e)(2)) is amended by striking the figure "\$250" wherever it appears and inserting the figure "\$338" in its place.

Sec. 1707. Title 18 of the District of Columbia Municipal Regulations is amended as follows:

(a) Section 801 is amended as follows:

(1) Subsection 801.3 is amended by striking the phrase “five dollars (\$5.00)” and inserting the phrase “seven dollars (\$7.00)” in its place.

(2) Subsection 801.5 is amended by striking the phrase “five dollars (\$5.00)” and inserting the phrase “seven dollars (\$7.00)” in its place.

(b) Section 901.2 is amended by striking the phrase “fifty (\$50.00) dollars” and inserting the phrase “seventy-eight dollars (\$78.00)” in its place.

(c) Section 2415.3 is amended by striking the phrase “ten dollars (\$10)” and inserting the phrase “fifteen dollars (\$15)” in its place.

New  
§ 47-368.03

Sec. 1708. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

TITLE XVIII. TAX RATE REDUCTION MECHANISM

Sec. 1801. Short title.

This title may be cited as the “Tax Rate Reduction Mechanism Act of 2002”.

Sec. 1802. Chapter 3 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for Subchapter IV-A is amended by adding a new section designation “47-368.03. Reduction on rate of certain excise taxes.” at the end.

(b) A new section 47-368.03 is added to read as follows:

“§ 47-368.03. Reduction in rates for certain excise taxes.

“(a) For the purposes of this section, the amount identified in a revenue estimate shall exclude one-time revenue as certified by the Chief Financial Officer of the District of Columbia (“CFO”).

“(b)(1) The rate of tax imposed under §§ 42-1103(a)(1), 42-1103(a)(3), and 47-903(a)(1) shall be reduced from 1.5% to 1.3% as provided under subsection (f) of this section, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for the fiscal year by at least \$75 million.

“(2) If the rate of tax is reduced in accordance with paragraph (1) of this subsection, in any subsequent fiscal year, the rate of tax shall be further reduced from 1.3% to 1.1% as provided in subsection (f) of this section, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for that fiscal year by at least \$75 million.

“(3) If the rate of tax is not reduced in accordance with paragraph (1) of this subsection, in any subsequent fiscal year, the rate of tax imposed under §§ 42-1103(a)(1), 42-1103(a)(3), and 47-903(a)(1) shall be reduced from 1.5% to 1.1%, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for that fiscal year by at least \$87 million.

“(4) If the annual revenue estimate made in the 4<sup>th</sup> quarter of any fiscal year exceeds the annual revenue estimate in the approved financial plan and budget for that fiscal year by at least \$92.3 million, § 47-368.01(b) shall not apply.

“(c)(1) The rate of tax imposed under § 42-1103(a)(2) shall be reduced from 3.0% to 2.6% as provided in subsection (f) of this section, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for that fiscal year by at least \$75 million.

“(2) If the rate of tax is reduced in accordance with paragraph (1) of this subsection, in any subsequent fiscal year, the rate of tax shall be further reduced from 2.6% to 2.2% as provided in subsection (f) of this section, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for that fiscal year by at least \$75 million.

“(3) If the rate of tax is not reduced in accordance with paragraph (1) of this subsection, in any subsequent fiscal year, the rate of tax imposed under § 42-1103(a)(2) shall be reduced from 3.0% to 2.2% as provided in subsection (f) of this section, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for that fiscal year by at least \$87 million.

“(d)(1) The rate of tax imposed under §§ 47-2501 and 47-3902 shall be reduced from 11% to 10%, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial and budget plan for that fiscal year by at least \$105 million.

“(2) The rate of tax imposed under § 47-2501(d-1) shall be reduced from \$0.0077 to \$0.007, if the annual revenue estimate made in the 4th quarter of a fiscal year exceeds the annual revenue estimate incorporated in the approved financial plan and budget for that fiscal year by at least \$105 million.

“(e)(1) The CFO shall, within 30 days of determination of the annual revenue estimate made in the 4th quarter of a fiscal year, certify the variance from the annual revenue estimate in the approved financial plan and budget for that fiscal year and submit the certification to the Council and the Mayor.

“(2) If the variance results in a rate reduction in accordance with subsections (b), (c), or (d) of this section, the Mayor shall publish in the District of Columbia Register the new rate that shall apply.

“(f) A rate reduction in accordance with subsections (b), (c), or (d) of this section shall apply as of January 1 of the next fiscal year.”.

Note,  
§ 4-204.11

Sec. 1803. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

TITLE XIX. MEDICAID STATE PLAN AMENDMENT APPROVAL

Sec. 1901. Short title.

This title may be cited as the “Medicaid State Plan Amendment Approval Act of 2002”.

Sec. 1902. Pursuant to section 1(a)(2) of An Act To enable the District of Columbia to receive Federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-307.02(a)(2)), the Council of the District of Columbia approves the proposed amendments to the District of Columbia State Plan for Medical Assistance to authorize the Medicaid Program to remove the requirement that requires that rates paid to hospitals, nursing facilities, and intermediate care facilities for persons with mental retardation be adjusted annually for inflation; to add provisions that require that payments made to hospitals, nursing facilities,

and intermediate care facilities for persons with mental retardation for inflation adjustments in subsequent fiscal years be contingent upon the availability of funds; to increase the pharmacy dispensing fee effective April 1, 2003; and to remove provisions authorizing payment exceptions to the cost ceilings applicable to nursing facilities; and to approve a waiver to the District of Columbia State Plan for Medical Assistance to expand coverage of its Medicaid Program to childless adults 50 to 64 years of age.

Amend  
§ 44-401

Sec. 1903. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

Amend  
§ 44-402

TITLE XX. HEALTH SERVICES PLANNING AND DEVELOPMENT  
AMENDMENT

Sec. 2001. Short title.

This title may be cited as the "Health Services Planning and Development Amendment Act of 2002".

Sec. 2002. The Health Services Planning Program Re-Establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-401 *et seq.*), is amended as follows:

(a) Section 2 (D.C. Official Code § 44-401) is amended as follows:

(1) Paragraphs (4) and (6) are repealed.

(2) A new paragraph (6A) is added to read as follows:

"(6A) "Department" means the Department of Health."

(b) Section 3 (D.C. Official Code § 44-402) is amended as follows:

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

(A) Designate the existing language as paragraph (1).

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

"(2) Local revenues, not to exceed fees collected pursuant to section 21, shall be utilized to fund a maximum of 3 staff positions for SHPDA (Division Chief–Certificate of Need; Division Chief–Planning; and Secretary) in Fiscal Year 2003 for a period not to exceed March 1, 2003."

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

"(b-1)(1) The Director of the Department of Health shall convene a working group to develop recommendations to re-engineer the data collection, analysis, and certificate of need functions performed by SHPDA. The working group shall consist of the following:

"(A) Two representatives from the Department;

"(B) The Chairman of the Council, or his or her designee;

"(C) The Chairman of the Council's Committee on Human Services, or

his or her designee;

"(D) One representative from the Department of Mental Health;

"(E) The Chairman of the Statewide Health Coordinating Council;

"(F) The Chairman of the Mayor's Health Policy Council;

"(G) One representative from the DC Hospital Association;

"(H) One representative from the Nursing Home Association;

Amend  
§ 44-403

Amend  
§ 44-420

New  
§ 44-422

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“( I ) One representative from the DC Primary Care Association;  
“( J ) Two public representatives to be appointed by the Director of the Department of Health; and  
“(K) The Deputy Mayor for Children, Youth, Families and Elders, or his or her designee.

“(2) The recommendations of the working group shall be submitted to the Council by no later than February 1, 2003.”.

(c) Section 4(c) (D.C. Official Code § 44-403(c)) is amended as follows:

(1) Paragraph (6) is amended by adding the word “and” at the end.

(2) Paragraphs (7) and (8) are repealed.

(d) Section 21 (D.C. Official Code § 44-420) is amended by striking the phrase “1% of the proposed capital expenditure or \$2,000, with a maximum of \$25,000” and inserting the phrase “3% of the proposed capital expenditure or \$5,000, with a maximum of \$300,000” in its place.

Amend  
§ 23-1321

(e) A new subsection 22a is added to read as follows:

“Sec. 22a. Applicability.

“This act is subject to the availability of appropriations.”.

Sec. 2003. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

**TITLE XXI. BAIL REFORM AMENDMENT**

Sec. 2101. Short title.

This title may be cited as the “Bail Reform Act of 2002”.

Sec. 2102. Section 23-1321(c)(1)(B)(xi) of the District of Columbia Official Code is amended to read as follows:

“(xi) Return to custody for specified hours following release for employment, schooling, or other limited purposes, except that no person may be released directly from the District of Columbia Jail or the Correctional Treatment Facility for these purposes;”.

Amend  
§ 2-301.05a

Sec. 2103. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

**TITLE XXII. EXTENSION OF EXPEDITED COUNCIL CONTRACT REVIEW AMENDMENT**

Sec. 2201. This title may be cited as the "Extension of Expedited Council Contract Review Period Amendment Act of 2002".

Sec. 2202. Section 105a of the District of Columbia Procurement Practices Act of 1985, effective March 8, 1991 (D.C. Law 8-257; D.C. Official Code § 2-301.05a), is amended as follows:

(a) Subsection (a) is amended by striking the phrase "(or executive independent agency)" and inserting the phrase "or executive independent agency or instrumentality " in its place.

(b) Subsection (j)(1) is amended by striking the phrase "(or executive independent agency)" and inserting the phrase "or executive independent agency or instrumentality " in its place.

(c) Section (j)(5) is amended by striking the phrase "2002" and inserting the phrase "2004" in its place.

Amend  
§ 22-3312.03a

Sec. 2203. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

#### TITLE XXIII. ANTI -GRAFFITI AMENDMENT

Sec. 2301. Short title.

This title may be cited as the "Anti-Graffiti Amendment Act of 2002".

Sec. 2302. Section 4a of the Anti-Intimidation and Defacing of Public or Private Property Criminal Penalty Act of 1982, effective June 12, 2001 (D.C. Law 13-309; D.C. Official Code § 22-3312.03a), is amended as follows:

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

"(b) Subject to the availability of annual appropriations, the Mayor shall provide graffiti removal services to abate graffiti on public property. Subject to the availability of annual appropriations, the Mayor shall provide graffiti removal services for the abatement of graffiti on private property that is visible from the public right-of-way for a fee of \$125 per hour, if the property owner first executes a waiver of liability in the form prescribed by the Mayor."

(b) Subsection (c) is amended by striking the phrase "removal services" and inserting the phrase "removal services for a fee of \$125 per hour" in its place.

(c) Subsection (d) is amended as follows:

(1) Paragraph (1)(C) is amended by striking the phrase "receive, without charge, the Mayor's graffiti removal services" and inserting the phrase "receive the Mayor's graffiti removal services for a fee of \$125 per hour" in its place.

(2) Paragraph (3) is amended by striking the phrase "receive, without charge, the Mayor's graffiti removal services," and inserting the phrase "receive the Mayor's graffiti removal services for a fee of \$125 per hour," in its place.

(3) Paragraph (6) is amended by striking the phrase "including all administrative, personnel, and material expenses," and inserting the phrase "including the graffiti removal fee of \$125 per hour, and all administrative, personnel, and material expenses," in its place.

(d) Subsection (e) is amended as follows:



(1) Strike the phrase “receive, without charge, graffiti removal services from the Mayor,” and insert the phrase “receive graffiti removal services from the Mayor for a fee of \$125 per hour,” in its place.

(2) Strike the phrase “receive, without charge, graffiti removal services from the Mayor.” and insert the phrase “receive graffiti removal services from the Mayor for a fee of \$125 per hour.” in its place.

(e) Subsection (g) is amended by adding a new paragraph (1A) to read as follows:

“(1A) Fees collected as the removal service fees under this section shall be deposited into the General Fund of the District of Columbia.”.

Sec. 2303. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. Official Code § 1-206.02(c)(3)).

#### TITLE XXIV. COLLEGE SAVINGS PROGRAM

Amend  
§ 47-4501

Sec. 2401. Short title.

This title may be cited as the “College Savings Program Act of 2002”.

Sec. 2402. Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for Chapter 45 is amended as follows:

(1) Strike the section designation “§ 47-4505. Administration of the Program.” and insert the section designation “§ 47-4505. Administration and initial implementation of the Program.” in its place.

(2) Strike the section designation “47-4508. Residency requirement.” and insert the section designation “47-4508. Repealed.” in its place.

(b) Section 47-4501 is amended as follows:

(1) Paragraph (2) is amended by striking the word “individual” and inserting the phrase “individual or organization” in its place.

(2) Paragraph (4) is amended to read as follows:

“(4) “Designated beneficiary” shall have the same meaning as in section 529(e)(1) of the Internal Revenue Code.”.

(3) Paragraph (5) is amended to read as follows:

“(5) “Eligible institution” shall have the same meaning as “eligible educational institution” in section 529(e)(5) of the Internal Revenue Code.”.

(4) Paragraph (7) is amended to read as follows:

“(7) “Member of the family” shall have the same meaning as in section 529(e)(2) of the Internal Revenue Code.”.

Amend  
§ 47-4502

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

“(8) “Program” means the District of Columbia College Savings Program established under § 47-4502, including the Trust established therewith.”.

(6) Paragraph (9) is amended to read as follows:

“(9) “Qualified higher education expenses” shall have the same meaning as in section 529(e)(3) of the Internal Revenue Code.

(7) New paragraphs (11) and (12) are added to read as follows:

“(11) “Trust” means the District of Columbia College Savings Program Trust established under § 47-4502.

“(12) “Trustee” means the trustee of the District of Columbia College Savings Program Trust.”.

(c) Section 47-4502 is amended to read as follows:

"There is established the District of Columbia College Savings Program, which authorizes the creation of college savings accounts to enable residents of the District of Columbia to benefit from the tax incentives provided for qualified tuition programs under the Internal Revenue Code. The Program shall be established as a trust and designated as the District of Columbia College Savings Program Trust. The District of Columbia College Savings Program Trust shall constitute an instrumentality of the District of Columbia. The Chief Financial Officer, or his or her designee, upon lawful delegation, shall serve as the Trustee of the District of Columbia College Savings Program Trust. The Trust shall continue in existence as long as it holds any deposits, payments, contributions, or other funds or has any obligations and until its existence is terminated by law. The Trust shall receive and hold all payments, deposits, and contributions intended for the Trust, gifts, bequests, endowments, federal and local grants, and any other funds from any public or private source, and all earnings thereon, until disbursed in accordance with this chapter. All amounts or funds deposited and held in the Trust shall constitute assets of the Trust and shall not be commingled with or revert to the general, special, emergency, or temporary funds of the District of Columbia at the end of any fiscal year or at any other time."

Amend  
§ 47-4503

(d) Section 47-4503 is amended as follows:

(1) Subsection (a) is amended by adding a new sentence to read as follows: "An account shall not be held jointly."

(2) Subsection (f) is amended by adding a new sentence to read as follows:

"A change in the designated beneficiary of an account shall not be treated as a withdrawal, if the new beneficiary is a member of the family of the former beneficiary."

Amend  
§ 47-4504

(3) Subsection (g) is amended to read as follows:

"(g) An account owner may transfer all or a portion of the balance of an account to another account under the Program or into another qualified tuition program for the benefit of the designated beneficiary or a member of the family of the designated beneficiary in accordance with procedures established by the Chief Financial Officer. A transfer to another qualified tuition program to the credit of the same designated beneficiary shall be treated as a withdrawal, if the transfer occurs within 12 months from the date of a previous transfer."

Amend  
§ 47-4505

(4) Subsections (h) through (k) are repealed.

(5) Subsection (m) is amended by adding a new sentence to read as follows:

"This restriction shall be interpreted in accordance with applicable guidance issued by the Internal Revenue Service under section 529 of the Internal Revenue Code."

(e) Section 47-4504(a) is amended by adding a new sentence to read as follows:

"After the Program begins accepting contributions by Account Owners, the Advisory Board, upon notification from the Chief Financial Officer, shall meet at least annually to advise the Chief Financial Officer on the administration of the Program."

(f) Section 47-4505 is amended as follows:

(1) The section designation is amended to read as follows:

"§ 47-4505. Administration and initial implementation of the Program."

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

"(a) The Chief Financial Officer shall take such action as may be necessary to effectuate the Trust, issue regulations with respect to the Program, and in connection therewith, the Trust,

Amend

and otherwise initiate the implementation and administration of the Program consistent with this chapter. The Chief Financial Officer shall continue to administer and maintain the Program in a manner to ensure that the Program continues to qualify as a qualified tuition program under section 529 of the Internal Revenue Code of 1986."

§ 47-4506  
Repeal  
§ 47-4508  
Amend  
§ 47-4509

(3) Subsection (c) is amended as follows:

(A) Paragraph (12) is amended by striking the period and inserting a semi-colon in its place.

(B) A new paragraph (13) is added to read as follows:

"(13) Delegate any and all duties, obligations, responsibilities, rights, and powers assigned and granted to the Chief Financial Officer under this chapter to the Trustee to be carried out and exercised in his or her capacity as Trustee."

(g) Section 47-4506(c) is repealed.

(h) Section 47-4508 is repealed.

(i) Section 47-4509 is amended to read as follows:

"(a) An account owner who files an income tax return in the District of Columbia may claim a deduction in an annual amount not to exceed \$3,000 for contributions made to all accounts under the Program. With respect to married individuals filing a joint return, each married individual may claim a deduction in an annual amount not to exceed \$3,000 for contributions made to all accounts under the Program for which the married individual is the account owner.

"(b) If an amount greater than \$3,000 is contributed to one or more accounts in a tax year, the excess may be carried forward as a deduction, subject to the annual limit, for 5 years.

"(c) Any deduction taken under this section shall be subject to recapture with respect to a withdrawal or rollover taken within 2 years of the establishment of the account for any reason other than provided in subsection (d) of this section. In addition, notwithstanding the statute of limitations on assessments in § 47-912, any deduction taken under this section shall be subject to recapture in the taxable year in which the withdrawal or rollover is made after 2 years of the establishment of the account for any reason other than provided in subsection (d) of this section or to transfer to another qualified tuition program.

"(d) Deductions taken under this section shall not be subject to recapture as provided in subsection (c) of this section if:

Amend  
§ 47-4512

(1) The funds are used to pay for qualified higher education expenses;

(2) The beneficiary dies, becomes disabled, or receives a scholarship;

(3) The beneficiary receives a scholarship; provided, that the exemption shall be limited to the amount of the scholarship; or

(4) The funds are transferred to another account maintained under the Program.

"(e) Subject to subsection (f) of this section, earnings on accounts shall be exempt from District of Columbia income taxation.

"(f) Qualified withdrawals shall be exempt from District of Columbia income taxation. The portion of any other withdrawal that is attributable to account earnings shall be subject to District of Columbia income taxation in the year in which the withdrawal is made."

(j) Section 47-4512(b)(1) is amended by striking the word "Council" and inserting the phrase "Council and the Advisory Board" in its place.

## TITLE XXV. EFFECTIVE DATE

**ENROLLED ORIGINAL**

Sec. 2501. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 60-day period of Congressional review as provided in section 602(c)(2) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(2)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia