

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

2001 Edition

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To amend the Office of Administrative Hearings Establishment Act of 2001 to authorize the Board of Real Property Assessment and Appeals to hear appeals from a notice of final determination on vacancy and to exempt appeals from a notice of final determination on vacancy from the purview of the Office of Administrative Hearings; to amend An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, to consolidate the overlapping responsibilities for the designation, registration, and assessment of vacant properties, to provide for the consolidation of exemptions under the Department of Consumer and Regulatory Affairs and a reduction in the overall number of exemptions from the registration of vacant buildings, to provide for the establishment of regulations governing vacant property, to provide penalties for the filing of false or misleading vacant property registration information by an owner, to provide for the petition for reconsideration of a vacancy determination, to provide for the periodic noticing of the Office of Tax and Revenue of properties designated as vacant and the assessment of taxes on properties designated as vacant, and to provide for the appeal of a notice of final determination to the Board of Real Property Assessment and Appeals; and to amend Title 47 of the District of Columbia Official Code to revise the real property tax rate for Class 3 Properties, to restate the classes of property subject to taxation, to vest fully with the Department of Consumer and Regulatory Affairs the determination of the vacant status of buildings for Class 3 real property tax purposes, and to create a specific appeals process for Class 3 Properties.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Nuisance Properties Abatement Reform and Real Property Classification Amendment Act of 2008”.

Sec. 2. Section 6(b)(2) of the Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03(b)(2)), is amended by striking the phrase “Rent Administrator” and inserting the phrase “Rent

**Amend
§ 2-1831.03**

Administrator and those cases under the jurisdiction of the Board of Real Property Assessment and Appeals” in its place.

Sec. 3. An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat. 115; D.C. Official Code § 42-3131.01 *et seq.*), is amended as follows:

(a) Section 5 (D.C. Official Code § 42-3131.05) is amended as follows:

Amend
§ 42-3131.05

(1) The lead-in text is amended by striking the phrase “sections 5 through 15” and inserting the phrase “sections 5 through 16” in its place.

(2) Paragraph (2) is amended by striking the phrase “District of Columbia” and inserting the phrase “District of Columbia, actively operating as a hotel or motel” in its place.

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

“(2A) “Fit for occupancy” means ready for immediate occupancy by a tenant without more than minor cosmetic changes.”.

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

“(4) “Owner” means one or more persons or entities with an interest in real property in the District of Columbia that appears in the real property tax records of the Office of Tax and Revenue.”.

(5) New paragraphs (4A) and (4B) are added to read as follows:

“(4A) “Real property” means real property as defined under D.C. Official Code § 47-802(1).

“(4B) “Related owners” or “related ownership” exists when a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.”.

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

(A) Strike the word “means” and insert the phrase “means real property improved by” in its place.

(B) Strike the phrase “for more than 180 days” and insert the phrase “; provided, that in the case of residential buildings, a building shall only be a vacant building if the Mayor determines that there is no resident. Ordinarily, in determining whether there is a resident, the Mayor shall consider the following:

“(A) Electrical, gas, or water meter not running;

“(B) Accumulated mail;

“(C) Neighbor complaint;

“(D) No window covering;

“(E) No furniture observable;

“(F) Open accessibility;

“(G) Deferred maintenance, including loose or falling gutters, severe

paint chipping, or overgrown grass; and

“(H) The dwelling is boarded up” in its place.

(b) A new section 5a is added to read as follows:

“Sec. 5a. Notice by mail.

“Notice shall be deemed to be served properly on the date when mailed by first class mail to the owner of record of the vacant building at the owner’s mailing address as updated in the real property tax records of the Office of Tax and Revenue. Notice shall also be posted on the vacant building.”.

(c) Section 6 (D.C. Official Code § 42-3131.06) is amended as follows:

Amend
§ 42-3131.06

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

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

“(3) Under active construction or undergoing active rehabilitation, renovation, or repair, and there is a building permit to make the building fit for occupancy that was issued, renewed, or extended within 12 months of the required registration date;”.

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

“(3A)(A) A newly constructed building; provided, that a newly constructed building shall include a building whose initial certificate of occupancy was issued within the 24 months before the effective date of the Nuisance Properties Abatement Reform and Real Property Classification Amendment Act of 2008, passed on 2nd reading on June 3, 2008 (Enrolled version of Bill 17-86).

“(B) The exemption under this paragraph shall expire 4 years from the date of the initial certificate of occupancy.”.

(C) Paragraph (4) is amended by striking the phrase “provided, that the time period for sale or rent shall not exceed one year from the initial listing, offer, or advertisement of sale, or 90 days from the initial listing, offer, or advertisement to rent; or” and inserting the phrase “provided, that:

“(A) The time period for sale or rent shall not exceed:

“(i) One year from the initial listing, offer, or advertisement of sale in the case of residential buildings;

“(ii) Two years from the initial listing, offer, or advertisement of sale in the case of commercial buildings; or

“(iii) 90 days from the initial listing, offer, or advertisement to rent; and

“(B) Any leased property exempt under this paragraph shall have a valid certificate of occupancy;”.

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

“(5)(A) Exempted by the Mayor in extraordinary circumstances and upon a showing of substantial undue economic hardship.

“(B) The exemption may be granted for a period of up to 24 months, subject to renewal on the basis of continuing extraordinary circumstances and substantial undue

economic hardship. The Mayor shall notify the Council and affected Advisory Neighborhood Commissions (“ANC”) of all requests for exemptions under this paragraph. Within 30 days of the grant of an exemption under this paragraph, the Mayor shall notify the Council and affected ANC of the action taken. Any exemption shall be published in the District of Columbia Register. The Mayor may withdraw the exemption at any time and shall provide notice to the Council and ANC within 30 days of the withdrawal of the exemption.”

(E) New paragraphs (6), (7), and (8) are added to read as follows:

“(6) Occupied at the time of a fire, flood, or other casualty which occurred within the preceding 12 months and which was not intentionally caused by the owner;

“(7) For a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation (not including a foreclosure of the right of redemption action brought under Chapter 13A of Title 47 of the District of Columbia Official Code); or

“(8) For a period not to exceed 12 months, the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor’s Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission.”

(2) Subsection (e) is amended by striking the phrase “30 days” and inserting the phrase “30 days in the manner provided in section 499d(b-1) of An Act To establish a code of law for the District of Columbia, effective October 23, 1997 (D.C. Law 12-34; D.C. Official Code § 42-405(b-1))” in its place.

(3) New subsections (f), (g), and (h) are added to read as follows:

“(f)(1) The cumulative time period for exemption from registration and fee requirements for a vacant building under the same, substantially similar, or related ownership shall not exceed 3 real property tax years.

“(2) Notwithstanding paragraph (1) of this subsection, any exemption shall be terminated at the end of the 2007 real property tax year if the building under the same, substantially similar, or related ownership benefited from an exemption under this section or under D.C. Official Code § 47-813(c-6) during 3 or more real property tax years.

“(3) The limitations set forth in paragraphs (1) and (2) of this subsection shall not apply to vacant buildings that benefit from the exemption under subsection (b)(1) or (b)(2) of this section.

“(4) A vacant building benefiting from an exemption under this section or D.C. Official Code § 47-813(c-6)(2)(C) or (c-6)(3)(C), on December 27, 2006, shall continue to benefit from the exemption and shall not be required to register or pay fees for the duration permitted under those provisions; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the vacant building may qualify for an exemption in effect after December 28, 2006 and subject to the time restriction and exclusion set forth in paragraphs (2) and (3) of this subsection.

ENROLLED ORIGINAL

“(g) The total cumulative time for any exemption granted to any property shall not exceed 5 years in any 12-year period, excluding exemptions granted under subsections (b)(1) and (b)(2) of this section.

“(h) The Mayor shall issue proposed rules to implement the provisions of this act on or before June 30, 2008. The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution within this 45-day review period, the proposed rules shall be deemed disapproved.”

(d) Section 8 (D.C. Official Code § 42-3131.08) is amended to read as follows:

“Sec. 8. Notice of denial or revocation of registration.

Amend
§ 42-3131.08

“The owner shall be notified in writing of the denial or revocation of registration of a vacant building and the right to appeal. Upon notice of the denial or revocation, the owner shall not proceed with any operation to which the registration related. If the registration is denied or revoked, no registration fees or parts thereof shall be returned.”

(e) Section 9(d) (D.C. Official Code § 42-3131.09(d)) is amended by striking the phrase “section 11” wherever it appears and inserting the phrase “section 8” in its place.

Amend
§ 42-3131.09

(f) Section 10 (D.C. Official Code § 42-3131.10(a)) is amended by striking the phrase “receipt of a mailing of a delinquency and determination notice under section 11 or” and inserting the phrase “notice of the designation of the owner’s building as vacant, the determination of delinquency of registration or fee payment, the denial or revocation of registration, the filing by an owner of any false or misleading registration-related information, or” in its place.

Amend
§ 42-3131.10

(g) Section 11 (D.C. Official Code § 42-3131.11) is amended to read as follows:

Amend
§ 42-3131.11

“Sec. 11. Notice of vacancy designation and right to appeal.

“The Mayor shall identify nonregistered vacant buildings in the District, excluding vacant buildings identified in section 8. The owner shall be notified that the owner’s building has been designated as vacant and of the owner’s right to appeal.”

(h) Section 15 (D.C. Official Code § 42-3131.15) is amended to read as follows:

Amend
§ 42-3131.15

“Sec. 15. Administrative review and appeal.

“(a) Within 15 days after the designation of an owner’s building as vacant, the determination of delinquency of registration or fee payment, or the denial or revocation of registration, the owner may petition the Mayor for reconsideration by filing the form prescribed by the Mayor. Within 30 days after receiving the petition, the Mayor shall issue a notice of final determination.

“(b) Within 45 days after the date of the notice of final determination under subsection (a) of this section, an owner may file an appeal with the Board of Real Property Assessments and Appeals on the form prescribed by the Mayor; provided, that the notice of final determination under subsection (a) of this section shall be a prerequisite to filing an appeal with the Board of Real Property Assessments and Appeals.”

(i) A new section 16 is added to read as follows:

“Sec. 16. Transmission of list by Mayor.

“(a) Semiannually, the Mayor shall transmit to the Office of Tax and Revenue a list of buildings:

“(1) Registered as vacant; provided, that for the purposes of this section and D.C. Official Code § 47-813(d-1)(5)(A-i)(i)(I)(aa), buildings for which the registration has been revoked shall also be deemed registered; and

“(2) For which a notice of final determination has been issued under this title and administrative appeals have been exhausted or expired.

“(b) The list shall be in the form and medium prescribed by the Office of Tax and Revenue.”.

Sec. 4. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-812 is amended by adding a new subsection (b-10) to read as follows:

Amend
§ 47-812

“(b-10) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and special real property tax rates for taxable Class 3 Properties in the District of Columbia for the tax year beginning October 1, 2008, and each tax year thereafter, shall be \$10 for each \$100 of assessed value.”.

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

Amend
§ 47-813

(1) Subsection (c-6)(1) is amended by striking the phrase “the real property tax year beginning October 1, 2002, and ending September 30, 2003, and for each subsequent tax year” and inserting the phrase “tax years 2003 through 2006” in its place.

(2) A new subsection (c-7) is added to read as follows:

“(c-7)(1) For tax year 2007 and thereafter, the following classes of taxable real property are established:

“(A) Class 1 Property;

“(B) Class 2 Property; and

“(C) Class 3 Property.

“(2)(A) Except as otherwise provided in this paragraph, Class 1 Property shall be comprised of residential real property that is improved and used exclusively for nontransient residential dwelling purposes; provided, that the improved and nontransient real property shall not be classified as Class 1 Property if it appears on the list compiled under § 42-3131.16.

“(B) Unimproved real property benefiting from an exemption under subsection (c-6)(2)(C) of this section on December 27, 2006 shall continue to benefit from the exemption and be classified as Class 1 Property for the duration permitted under that subsection; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the unimproved real property may qualify for an exemption in effect after December 28, 2006 and subject to the time restriction and exclusion set forth in subparagraph (E)(ii)(II) of this paragraph.

“(C) Real property used as a parking lot shall be classified as Class 1 Property if it appertains to improved Class 1 Property and if each approval required from the

District government for use as a parking lot has been obtained.

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

“(E)(i) Unimproved, residential real property shall be classified as Class 1 Property if:

“(I) The real property is actively offered for sale or rental at a reasonable market price as of September 30 of the preceding tax year or as of March 31 of the current tax year; provided, that a real property which has been offered for sale for more than 8 months shall be presumed not to be offered for sale at a reasonable market price, and a rental offered for rental for more than 90 days shall be presumed not to be offered for rental at a reasonable market price;

“(II) A building permit to construct at least one nontransient dwelling unit has been issued and construction is actively pursued as of September 30 of the preceding tax year or as of March 31 of the current tax year;

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

“(IV) The unimproved air rights lot appertains to improved Class 1 Property;

“(V) For a period not to exceed 12 months, the real property is the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor’s Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission; or

“(VI) For a period not to exceed 12 months, the real property is encumbered by a deed of trust that was recorded during the 12 months preceding the current tax year.

“(ii)(I) Classification of unimproved real property as Class 1 Property pursuant to sub-subparagraph (i)(I), (II), (III), or (IV) of this subparagraph shall not exceed 3 tax years under the same, substantially similar, or related ownership.

“(II) Notwithstanding sub-sub-subparagraph (I) of this sub-subparagraph, unimproved real property under the same, substantially similar, or related ownership that qualified for and benefited from an exemption under sub-subparagraph (i) of this subparagraph or under subsection (c-6)(2)(C) or (c-6)(2)(E) of this section, other than under sub-subparagraph (i)(V) or (VI) of this subparagraph or a similar provision of subsection (c-6)(2)(C), for 3 or more tax years shall no longer be classified as Class 1 Property beginning in tax year 2008.

“(III) For purposes of this sub-subparagraph, ownership

shall be related if a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.

“(F) 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:

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

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

“(iii) The real property and the Class 1 Property separated by the alley from the real property have common ownership.

“(3)(A) Except as otherwise provided in this paragraph, Class 2 Property shall be comprised of improved commercial real property; provided, that such improved real property shall not be classified as Class 2 Property if it appears on the list compiled under § 42-3131.16.

“(B) Unimproved real property benefiting from an exemption under subsection (c-6)(3)(C) of this section on December 27, 2006 shall continue to benefit from the exemption and be classified as Class 2 Property for the duration permitted under subsection (c-6)(3)(c) of this section; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the unimproved real property may qualify for an exemption in effect after December 28, 2006 and subject to the time restriction and exclusion set forth in subparagraph (E)(i)(II) of this paragraph.

“(C) Real property used as a parking lot shall be classified as Class 2 Property if each approval required from the District government for use as a parking lot has been obtained.

“(D) Unimproved real property which abuts Class 2 Property shall be classified as Class 2 Property if the real property and the Class 2 Property have common ownership.

“(E)(i) Unimproved, commercial real property shall be classified as Class 2 Property if:

“(I) The real property is actively offered for sale or rental at a reasonable market price as of September 30 of the preceding tax year or as of March 31 of the current tax year; provided, that a real property which has been offered for sale for more than 8 months shall be presumed not to be offered for sale at a reasonable market price, and a rental offered for rental for more than 90 days shall be presumed not to be offered for rental at a reasonable market price;

“(II) A building permit to construct an improvement or a parking lot has been issued and construction is actively pursued as of September 30 of the preceding tax year or as of March 31 of the current tax year;

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

“(IV) The unimproved air rights lot appertains to improved Class 2 Property; or

“(V) For a period not to exceed 12 months, the real property is the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor’s Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission; or

“(VI) For a period not to exceed 12 months, the real property is encumbered by a deed of trust that was recorded during the 12 months preceding the current tax year.”.

“(ii)(I) Classification of unimproved real property as Class 2 Property pursuant to sub-subparagraph (i)(I), (II), or (III) of this subparagraph shall not exceed 3 tax years under the same, substantially similar, or related ownership.

“(II) Notwithstanding sub-sub-subparagraph (I) of this sub-subparagraph, unimproved real property under the same, substantially similar, or related ownership that qualified for and benefited from an exemption under sub-subparagraph (i) of this subparagraph or under subsection (c-6)(3)(C) of this section, other than under sub-subparagraph (i)(IV) or (V) of this subparagraph or under a similar provision of subsection (c-6)(3)(C) of this section, for 3 or more tax years shall no longer be classified as Class 2 Property beginning in tax year 2008.

“(III) For purposes of this sub-subparagraph, ownership shall be related if a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.

“(F) Unimproved real property which is separated from Class 2 Property by a public alley less than 30 feet wide shall be classified as Class 2 Property if:

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

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

“(iii) The real property and the Class 2 Property separated by the alley from the real property have common ownership.

“(G) Class 2 Property shall include, as of September 30 of the preceding tax year, the unimproved real property that is within the Northeast No. 1/Eckington

Yards Special Treatment Area and the Buzzard Point/Near Southeast Development Opportunity Area, as designated on the current District of Columbia Generalized Land Use Map that is part of the Comprehensive Plan; provided, that the real property is zoned for commercial development and the real property owner is engaged in predevelopment activities as supported by written documentation. For the purpose of this subparagraph, the term “predevelopment activities” means completion of one of the following:

- “(i) Preparation of subdivision or large tract review applications;
- “(ii) Preparation or application for District of Columbia permits or authorizations to proceed with development;
- “(iii) Participation in special planning or transportation studies prepared in conjunction with the District of Columbia; or
- “(iv) Completion of environmental assessment or mitigation studies prepared in conjunction with the District of Columbia.

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

(3) Subsection (d)(5) is repealed.

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

(A) Paragraph (3) is repealed.

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

(i) Strike the phrase “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” and insert the phrase “appeal any classification of Class 3 Property under this section of unimproved real property or real property that is used as a parking lot to the same extent as a new owner under § 47-825.01(f-1)(1)(C)(iii) or (iv)” in its place.

(ii) A new sentence is added at the end to read as follows:

“The Class 3 Property classification shall only be appealed under the provisions of this paragraph and regardless of whether a petition or appeal is filed under § 47-825.01(f-1)(1A), notwithstanding any other provision of law.”.

(iii) Strike the word “reclassification” wherever it appears and insert the word “classification” in its place.

(C) New paragraphs (4A) and (4B) are added to read as follows:

“(4A) For improved real property that is not used as a parking lot, the determination that the real property belongs on the list compiled under § 42-3131.16 (and, indirectly, its Class 3 Property classification) shall only be appealed as prescribed under § 42-3131.15 and § 47-825.01(f-1)(2A), notwithstanding any other provision of law. A notice of final determination by the Mayor shall be a prerequisite before an appeal to the Board of Real Property Assessments and Appeals may be taken.

“(4B) The classification of Class 3 Property in the notice of proposed assessment under § 47-824 and § 47-829 shall not be appealed under the provisions applicable to the appeal of such notice and any statement in such notice that the real property shall be classified as other than Class 3 Property shall not be effective, notwithstanding any other provision of law.”.

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

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

“(A) Whenever the classification of real property subject to the new owner petition or appeal process under paragraph (3A) of this subsection shall:

“(i)(I) Change to Class 3 Property, the owner shall file a notification to change the classification with the Office of Tax and Revenue within 30 days after the change in the manner as may be prescribed by the Mayor.

“(II) The change in classification shall be retroactive to the half tax year when the Office of Tax and Revenue was so notified. If the owner fails to notify timely, the real property shall be reclassified for each tax year beginning with the half tax year when the classification should have changed; provided, that the periods subject to reclassification shall be limited to the current and 3 preceding tax years. Penalty and interest as prescribed under § 47-811(c) shall be assessed beginning 30 days after the date of the real property tax bill that issues after any administrative appeals have been exhausted; or

“(ii)(I) Cease to be Class 3 Property, the owner shall file a notification to change the classification with the Office of Tax and Revenue within 30 days after the change in the manner as may be prescribed by the Mayor.

“(II) If the notification is approved, the change in classification of the real property from Class 3 Property shall be retroactive to the half tax year when the Office of Tax and Revenue was so notified. If the notification is disapproved, the notice of classification under paragraph (3A) of this subsection shall be given to the owner.”.

(ii) A new subparagraph (A-i) is added to read as follows:

“(A-i)(i) Whenever the classification of improved real property that is not used as a parking lot and appears on the list compiled under § 42-3131.16 shall change to Class 3 Property:

“(I) The owner shall notify the Department of Consumer and Regulatory Affairs within 30 days of the change by making application to register the property as vacant under §§ 42-3131.06 and 42-3131.07, which the change in classification of the real property to Class 3 Property shall be retroactive to the half tax year during which one of the following first occurred:

“(aa) The owner of the real property registered the real property as vacant under § 42-3131.06; or

“(bb) The owner of real property received a notice of final determination under § 42-3131.15;

“(II) The Office of Tax and Revenue shall re-classify the real property without limitation for each tax year or half tax year after receipt of the list under § 42-3131.16; and

“(III) Penalty and interest as prescribed under § 47-811(c) shall be assessed beginning 30 days after the date of the real property tax bill that issues after any administrative appeals have been exhausted.

“(ii) Whenever improved real property that is not used as a parking lot and appears on the list compiled under § 42-3131.16 shall cease to be Class 3 Property, the owner shall notify the Department of Consumer and Regulatory Affairs within 30 days after the change in the manner as may be prescribed by the Mayor. If the request for a change in classification is approved, the change in classification of the real property from Class 3 Property shall be retroactive to the half tax year when the Department of Consumer and Regulatory Affairs was so notified. If the request is denied, the owner shall have a right to administrative review of the determination as provided under § 42-3131.16 and § 47-825.01(f-1)(2A).”.

(iii) Subparagraph (B) is amended as follows:

(I) Strike the phrase “subparagraph (A)” and insert the phrase “subparagraphs (A) and (A-i)” in its place.

(II) Strike the word “Mayor” and insert the phrase “applicable agency” in its place.

(E) Paragraph (6) is amended by striking the phrase “real property” and inserting the phrase “Class 3 Property” in its place.

(5) Subsection (d-2) is amended by striking the phrase “an erroneous or improper classification” and inserting the phrase “a change in classification to Class 3 Property” in its place.

(c) Section 47-825.01(f-1) is amended as follows:

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

“(2A) If an owner is aggrieved by a notice of final determination issued pursuant to § 42-3131.15 or a notice of final determination issued under § 47-813(d-1)(3A), the owner may file an appeal on the determination of vacancy with the Board within 45 days from the date of such notice. The Board shall render a decision on the appeal within 120 days of filing.”.

(2) Paragraph (3) is amended by striking the word “Board” and inserting the phrase “Board and a petition to the Mayor for reconsideration of the designation of their building as vacant shall be a prerequisite for filing an appeal with the Board pursuant to § 42.3131.15” in its place.

(3) Paragraph (8) is amended by striking the phrase “value or classification” and inserting the phrase “value, classification, or determination of vacancy” in its place.

(d) Section 47-850.02(b-1) is amended by striking the phrase “a reclassification” and inserting the phrase “an appeal of a Class 3 classification” in its place.

Amend
§ 47-825.01

Amend
§ 47-850.02

(e) Section 47-863(f-1) is amended by striking the phrase “a reclassification” and inserting the phrase “an appeal of a Class 3 classification” in its place.

Amend
§ 47-863

Sec. 5. Applicability.

(a) Sections 2, 3, and 4(b) and (c) shall apply to real property tax years beginning after September 30, 2006.

(b) Section 4(a) shall apply to real property tax years beginning after September 30, 2008.

Sec. 6. 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)).

Sec. 7. Effective date.

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 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia