

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend Chapter 8 of Title 47 of the District of Columbia Official Code to provide that the owner of a property that is receiving erroneously the homestead deduction and senior/disabled real property tax relief has a duty to inform the Chief Financial Officer that the benefits and those available to low-income property owners shall be rescinded prospectively on the sale of real property to a non-qualifying purchaser, and that a former owner that received the benefits shall be personally liable for the amount of benefits improperly received.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Real Property Tax Benefits Revision Act of 2008".

Sec. 2. Chapter 8 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-845.02(m) is amended by adding 2 new sentences at the end to read as follows:

Amend
§ 47-845.02

"Any tax certificate shall indicate whether the real property is receiving the deferral under this section and the amount of deferred real property tax, interest thereon, and penalties. If a tax certificate does not contain the foregoing information, the eligible owner, and not the real property, shall be personally liable for the amount of deferred real property tax, interest thereon, and penalties."

(b) Section 47-845.03(o) is amended by adding 2 new sentences at the end to read as follows:

Amend
§ 47-845.03

"Any tax certificate shall indicate whether the real property is receiving the deferral under this section and the amount of deferred real property tax, interest thereon, and penalties. If a tax certificate does not contain the foregoing information, the eligible owner, and not the real property, shall be personally liable for the amount of deferred real property tax, interest thereon, and penalties."

(c) Section 47-850.02 is amended as follows:

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

Amend
§ 47-8450.02

(A) Paragraph (1) is amended by striking the word “applicant” wherever it appears and inserting the phrase “applicant (or current owner if there is no applicant)” in its place.

(B) Paragraphs (4) and (5) are amended by striking the phrase “(for which notification is required under this subsection)”.

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

“(6)(A) Notwithstanding the rescission of the deduction pursuant to paragraphs (4) and (5) of this subsection, if all of the applicant’s ownership interest in the real property is transferred to a new owner, shareholder, or member who does not apply or qualify for the deduction, the real property shall be entitled to the apportioned amount of the deduction applicable to the installment payable during the half tax year during which the ownership interest was transferred. At the end of such half tax year, the deduction shall cease.

“(B) If the applicant purchases another real property or interest in a housing cooperative for which he or she shall make application for the deduction, and the application and purchase occurs during the same half tax year when the transfer occurred, §§ 47-850(d), 47-850.01(b), and 47-850.04 shall not apply to the extent that both real properties may benefit from the deduction during that half tax year and, thereafter, only the newly purchased real property or housing cooperative in which the applicant acquired newly an interest shall benefit from the applicant’s deduction.

“(C) Notwithstanding the foregoing, a real property shall not benefit from more than one deduction in any half tax year; provided, that in the case of a housing cooperative, the real property shall not benefit from more than one deduction related to a dwelling unit in any half tax year.”.

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

(A) Strike the word “applicant” the first time it appears and insert the phrase “applicant or former owner, and not the real property” in its place.

(B) Strike the word “applicant” the second time it appears and insert the phrase “applicant or former owner” in its place.

(d) Section 47-850.03 is amended by striking the phrase “47-850.01” and inserting the phrase “47-850.01 and for the credit provided in § 47-864.01” in its place.

Amend § 47-850.03

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

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

Amend § 47-863

(A) Paragraph (1) is amended by striking the word “applicant” wherever it appears and inserting the phrase “applicant (or former owner if there is no applicant)” in its place.

(B) Paragraphs (4) and (5) are amended by striking the phrase “(for which notification is required under this subsection)”.

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

“(6)(A) Notwithstanding the rescissions of the deduction pursuant to paragraphs (4) and (5) of this subsection, if the applicant’s required ownership interest in the real property is transferred to a new owner, shareholder, or member who does not apply or qualify for the

deduction, the real property shall nevertheless be entitled to the apportioned amount of the deduction applicable to the installment payable during the half tax year during which such ownership interest was transferred. At the end of the half tax year, the deduction shall cease.

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

“(C) Notwithstanding the foregoing, a real property shall not benefit from more than one deduction in any half tax year; provided, that in the case of a housing cooperative, the real property shall not benefit from more than one deduction related to an eligible household in any half tax year.”

(2) Subsection (g)(1) is amended as follows:

(A) Strike the word “applicant” the first time it appears and insert the phrase “applicant or former owner, and not the real property” in its place.

(B) Strike the word “applicant” the second time it appears and insert the phrase “applicant or former owner” in its place.

(3) Subsection (l) is amended by striking the word “decrease” and inserting the word “deduction” in its place.

(f) Section 47-864.01 is amended as follows:

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

“(c-1) Notwithstanding any other provision of this section, if the entire interest in the real property is transferred to a new owner and the real property no longer qualifies as a homestead pursuant to § 47-850 or § 47-851, the real property shall be entitled to the credit applicable to the installment payable during the half tax year during which the ownership interest was transferred. At the end of the half tax year, the credit shall cease.”

(2) Subsection (d)(3) is amended striking the word “back” and inserting the phrase “back, except as set forth in subsection (c-1) of this section” in its place.

Amend
§ 47-864.01

Sec. 3. Applicability.

(a) Section 2(c)(1)(A) and (B), (c)(2), (e)(1)(A) and (B), and (e)(2) shall apply for tax years beginning after September 30, 2001.

(b) Section 2(c)(1)(C) and (e)(1)(C) shall apply as of January 2, 2007.

Note,
§§ 47-850.02,
47-863

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer, dated December 8, 2008, 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)).

ENROLLED ORIGINAL

Sec. 5. 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