

AN ACT

*Codification
District of
Columbia
Official Code*

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 8 of Title 47 of the District of Columbia Official Code to establish the Southeast Water and Sewer Improvement Benefit District, to authorize a special assessment on properties located within the improvement area that are specially benefited by the improvements and upgrades to the water and sewer and storm drainage systems, to authorize the District government to collect the special assessments in the same manner as real property taxes, and to authorize revenues collected to be used to pay the principal of, interest on, and other repayment amounts related to bonds, notes, obligations, expenditures, or other outlays which are used to pay costs of the Southeast Water and Sewer Improvement Project.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Southeast Water and Sewer Improvement Special Assessment Authorization Act of 2007”.

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

(a) The table of contents is amended by adding a new Subchapter VI to read as follows: “Subchapter VI. Southeast Water and Sewer Improvement Benefit District.

“Sec.

“47-891. Definitions.

“47-892. Establishment of special assessment district.

“47-893. Levy of special assessment; protest; termination of levy.

“47-894. Application of assessment.”.

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

“Subchapter VI. Southeast Water and Sewer Improvement Benefit District.

“§ 47-891. Definitions.

“For the purposes of this subchapter, the term:

“(1) “Chief Financial Officer” means the Chief Financial Officer of the District of Columbia established by § 1-204.24a.

New
§§ 47-891-
47-894

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“(2) “Gross building area” means, with respect to a real property, the product of the land area of the real property multiplied by the maximum floor area ratio allowable under its zoning category as of January 1, 2007 without including transfer development rights or bonus development rights; provided, that in the case of real property formerly owned by the United States of America after January 1, 2007, the term “gross building area” shall mean the foregoing as of the date the real property was first legally zoned under District law.

“(3) “Land area” means, with respect to a real property, the ground square footage of the real property .

“(4) “Southeast Water and Sewer Improvement Benefit District” means the special assessment district established by § 47-892.

“(5) (A) “Southeast Water and Sewer Improvement Project” means the improvements and upgrades to the storm drainage and water and sewer systems scheduled to be performed starting on or about May 1, 2007, and scheduled to be completed on or about February 15, 2008, on the following streets: Potomac Avenue, S.E., from South Capitol Street to First Street, S.E.; First Street, S.E., from Potomac Avenue, S.E., to I Street, S.E.; N Street, S.E., from South Capitol Street to First Street, S.E.; I Street, S.E., from South Capitol Street to First Street, S.E.; and South Capitol Street from N Street to O Street, S.E.

“(B) The scheduled starting and completion dates set forth in subparagraph (A) of this paragraph are set forth for descriptive purposes only and shall not limit the costs that may be included in the special assessment total collection amount determined under § 47-893(c) based solely on the fact that the costs were incurred before the scheduled starting date or after the scheduled completion date.

“§ 47-892. Establishment of special assessment district.

“There is established as a special assessment district the Southeast Water and Sewer Improvement Benefit District, which shall be comprised of those real properties served by or otherwise specially benefitting from the Southeast Water and Sewer Improvement Project, more particularly described as all real properties included in the following squares or portions of squares: 0695, 0695W, 0695NW, 0696, 0697N, 0699, 0699N, 0700, 0701, 0707, the portions of 0708 and 0708E east of South Capitol Street (as South Capitol Street existed on June 1, 2007), 0738, 0740, 0743N, 0744S, and 0744SS, and any future subdivisions of these squares and lots.

“§ 47-893. Levy of special assessment; protest; termination of levy.

“(a) Beginning in tax year 2008, there is levied a special assessment upon each real property located within the Southeast Water and Sewer Improvement Benefit District, except the following:

“(1) Real properties owned by the District of Columbia, except an independent instrumentality or authority of the District of Columbia, the United States, or the Washington Metropolitan Area Transit Authority; provided, that if an interest in or use of the land of such real property is subject to taxation under § 47-1005.01 because of a ground lease and the improvement is privately owned, the interest in or use of the land and the improvement shall be subject to the special assessment imposed by this subchapter based on the land area of the

interest and the actual gross building area of the improvement (if not subject to District zoning) or the gross building area of the improvement (if subject to District zoning); provided further, that if the real property becomes owned by an entity other than the District of Columbia, the United States, or the Washington Metropolitan Area Transit Authority, the provisions of this paragraph shall not exempt the real property from the special assessment imposed by this subchapter;

“(2) Real properties on which, on June 1, 2007, occupied residential were located; provided, that after June 1, 2007, if the real property is redeveloped for nonresidential uses, or if the real property becomes part of a development project that may include a condominium regime, that consists of 5 or more dwelling units, the provisions of this paragraph shall not exempt the real property or subdivisions thereof from the special assessment imposed by this subchapter;

“(3) Real properties on which, on June 1, 2007, an active house of worship with a tax-exempt status was located; provided, that after June 1, 2007, if the real property is later used for a purpose other than as a house of worship, the provisions of this paragraph shall not exempt the real property from the special assessment imposed by this subchapter; or

“(4) Real properties that received a certificate of occupancy for a building of over 10,000 square feet between January 1, 2003, and June 1, 2007, or which had a utility plan related to a building permit approved by the District of Columbia Water and Sewer Authority between January 1, 2006, and October 31, 2006.

“(b) The special assessment applicable to a real property shall be equal to the sum of:

“(1) The storm drainage assessment factor of 0.118 multiplied by the land area of the real property or interest therein; and

“(2) The water and sewer assessment factor of 0.0346 multiplied by the gross building area of the real property .

“(c)(1) Within 180 days after the effective date of this subchapter, for tax year 2008, the Chief Financial Officer shall determine each real property that is subject to the special assessment under this subchapter and give notice of the special assessment to the owner, as shown on the real property tax records of the District. The notice shall state the amount of the proposed special assessment and the procedure for appeal set forth in subsection (e) of this section. The Chief Financial Officer shall not recalculate either factor because an additional real property has become subject to the special assessment after the first determination under this paragraph. No further notice shall be required for future tax years.

“(2) If a real property becomes subject to the special assessment imposed by this subchapter after the effective date of this subchapter, the Chief Financial Officer shall give notice of the special assessment to the owner, as shown on the real property tax records of the District, of such real property within 90 days after the Chief Financial Officer determines the real property has become subject to the special assessment. The notice shall state the amount of the proposed special assessment and the procedure for appeal set forth in subsection (e) of this section. The real property shall become liable for the special assessment as of the beginning of

the next succeeding tax year from the date on which such real property became subject to the special assessment. No further notice shall be required for future tax years.

“(3) The owner of a real property may elect at least once annually and upon the sale of a real property, under procedures established by the Chief Financial Officer, to pay in a lump sum payment equal to the present value, calculated as of the next succeeding June 30th at an annual discount rate of 4.5%, of the total amount of all future annual special assessments to which the Chief Financial Officer determines the real property is subject under this subchapter. If the owner makes such a lump sum payment within 30 days from the date of the special assessment bill from the Chief Financial Officer, the real property shall not be subject to future annual special assessments under this subchapter.

“(d) If the Chief Financial Officer learns that a real property subject to the special assessment has been omitted from the special assessment for any previous tax year, the Chief Financial Officer shall provide notice under subsection (e) of this section to the owner for the succeeding, current, and prior tax years, and shall collect the special assessment amount in arrears, including penalty and interest from the date the special assessment should have been paid; provided, that no real property that has escaped the special assessment shall be liable under this section for a period of more than 3 prior tax years. No further notice shall be required for future tax years.

“(e) The owner of a real property subject to special assessment under this subchapter, when first provided notice of a special assessment under this subchapter, may petition for administrative review, and appeal from a final determination made upon administrative review, of the amount of a special assessment, or the imposition of the special assessment, on the real property or interest therein in the same manner and to the same extent as set forth in § 47-825.01(f-1) as if the owner were a new property owner; provided, that for purposes of the new owner appeal, the date of transfer shall be deemed to be the date of the notice and the tax year shall be deemed to be the last tax year included in the notice; provided further, that notwithstanding the foregoing, the notice under subsection (c)(1) of this section shall be mailed on or before March 1, 2008 and the owner may petition for an administrative review on or before April 1, 2008 and appeal therefrom to the same extent and under the same conditions as a real property owner may appeal his tax year 2009 real property tax assessment.

“(f) Beginning in tax year 2008, special assessments under this subchapter shall be levied annually and shall be due on June 30 of the tax year. The owner shall have 30 days to pay the special assessment bill before the bill is due.

“(g)(1) Except as provided in paragraph (2) of this subsection, an unpaid special assessment shall be subject to the same penalty and interest provisions as a delinquent real property tax under this chapter. A lien for an unpaid special assessment, including penalty and interest, shall attach to the real property in the same manner as, and with a priority immediately junior to, a lien for delinquent real property tax under Chapter 13A. The unpaid special assessment shall be collected in the same manner and under the same conditions and subject to the same penalty as for unpaid real property taxes.

“(2) If an interest in, or use of the land of, a real property is subject to the special assessment because it is subject to taxation under § 47-1005.01, an unpaid special assessment on such interest or use shall be subject to the same penalty and interest provisions as a delinquent tax imposed under § 47-1005.01, and the unpaid special assessment shall be collected in the same manner and under the same conditions and subject to the same penalty as for an unpaid tax imposed under § 47-1005.01.

“(h) The levy of special assessments under this subchapter shall terminate on the date on which the special assessment total collection amount has been received by the District, as certified by the Chief Financial Officer.

“(i) A special assessment imposed under this subchapter shall not be required to be certified for the purposes of Chapter 13A of this title.

“(j) Each special assessment shall be made part of the public record.

“(k) The total collection amount from the Southeast Water and Sewer Improvement Benefit District shall not exceed the amount required to pay the debt service on a total amount of \$12.45 million of borrowing authority, which shall represent the special assessment total collection amount of the properties subject to the assessment under this subchapter.

“§ 47-894. Application of assessment.

“The Chief Financial Officer shall establish the Southeast Water and Sewer Improvement Benefit District Account within the General Fund of the District of Columbia for the deposit and application of special assessment revenues collected under this subchapter. Subject to lien priority, funds in the Southeast Water and Sewer Improvement Benefit District Account shall be used to pay the principal of, interest on, or other repayment amounts related to the general obligation bonds, notes, other obligations, expenditures, or outlays used to finance or pay for the Southwest Water and Sewer Improvement Project or any other then outstanding District of Columbia general obligation bonds, notes, or other obligations. After the termination of the special assessment under § 47-893(h), any unexpended funds in the Southeast Water and Sewer Improvement Benefit District Account shall be transferred to the Economic Development Special Account or its successor or, if the Economic Development Special Account or a successor to the Economic Development Special Account no longer exists, to the General Fund of the District of Columbia.”.

Sec. 3. Applicability.

Section 2 shall apply as of October 1, 2007.

**Note,
§ 47-891**

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director 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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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