

COUNCIL OF THE DISTRICT OF COLUMBIA

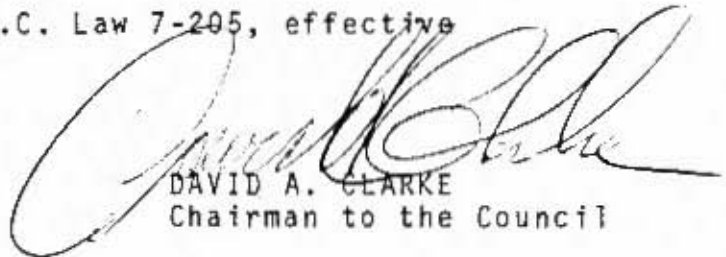
NOTICE

D.C. LAW 7-205

"Cooperative Housing Assessment Procedure and Lower Income Homeownership Tax Abatement and Incentives Act of 1983 Amendment Act of 1988".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 7-548 on first and second readings, November 29, 1988, and December 13, 1988, respectively. Following the signature of the Mayor on January 6, 1989, this legislation was assigned Act No. 7-276, published in the January 20, 1989, edition of the D.C. Register, (Vol. 36 page 457) and transmitted to Congress on January 23, 1989 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 7-205, effective March 16, 1989.

  
DAVID A. CLARKE  
Chairman to the Council

Dates Counted During the 30-day Congressional Review Period:

January 24,25,26,27,30,31  
February 1,2,3,6,7,8,9,21,22,23,24,27,28  
March 1,2,3,6,7,8,9,10,13,14,15

EFFECTIVE DATE MAR 16 1989

Codification,  
District of Columbia Code  
(1989 Supp.)

AN ACT

D.C. ACT 7 - 276

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JAN 06 1989

To amend the District of Columbia Real Property Tax Revision Act of 1974 to provide a procedure for the assessment of improved residential real property owned by a cooperative housing association and to amend the Lower Income Homeownership Tax Abatement and Incentives Act of 1983, the District of Columbia Real Estate Deed Recordation Tax Act, and the District of Columbia Revenue Act of 1980 to provide exemptions to the deed recordation tax and the transfer tax.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Cooperative Housing Assessment Procedure and Lower Income Homeownership Tax Abatement and Incentives Act of 1983 Amendment Act of 1988".

Sec. 2. The District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1052; D.C. Code, sec. 47-801 et seq.), is amended as follows:

(a) By adding a new section 421a to read as follows:

New, Section  
47-820.1

"Sec. 421a. (a) Except as otherwise provided by subsection (b) of this section, the assessed value of improved residential real property owned by a cooperative housing association, for the tax year beginning July 1, 1990, and for each subsequent tax year, shall be:

"(1)(A) The aggregate estimated market value of the proprietary leases, stock, or other interests in the cooperative housing association as of January 1 preceding the date of assessment; or

"(B) If the Mayor lacks sufficient information upon which to arrive at the aggregate estimated market value of the proprietary leases, stock, or other cooperative interests in the real property, then an amount equal to the estimated market value of the real property assessed as if it were a condominium determined by use of the comparable sales approach, multiplied by 70%;

"(2) Minus the value of all non-real property assets owned by the cooperative housing association;

"(3) Multiplied by 65%.

"(b) The assessed value of any improved residential real property owned by a cooperative housing association determined pursuant to subsection (a) of this section may be adjusted to take into account any or all of the following factors, as appropriate and to the extent the factors were not taken into account in determining the assessed value of the real property pursuant to subsection (a) of this section:

"(1) Substantive defects in the property, especially as they affect the common elements, which have not been repaired or which may not be economically correctable;

"(2) The existence of bona fide lifetime or long-term leases to elderly or low income tenants;

"(3) Any other unusual factor including, but not limited to, facts showing that the assumed one-year sell-out period is an unreasonably low estimate; and

"(4) Special factors related to limited equity cooperatives.

"(c) The adjustment required by subsection (a)(3) is based on the following factors common to all sales of improved residential real property owned by cooperative housing associations and uses 1 year as the period of time necessary for the purchaser of the real property to sell out the proprietary leases, stock, or other cooperative interests in the real property:

"(1) A discount of the ultimate receipts to present value;

"(2) Interest expenses during the 1 year sell-out period;

"(3) Taxes during the 1 year sell-out period;

"(4) Other operating expenses during the 1 year sell-out period including carrying charges, maintenance, and utilities;

"(5) Marketing expenses;

"(6) Other costs incurred in connection with acquisition of the real property and the reselling of the proprietary leases, stock, or other cooperative interests in the real property including financing points, project appraisal fees, surveys, and legal costs;

"(7) Profit; and

"(8) No further adjustment for any of these factors shall be allowed except as provided in subsection (b)(3) of this section.

"(d)(1) The Mayor may require a cooperative housing association to make a one-time submission of, and to provide an annual update to report any changes to, the following

information in regard to real property owned by the cooperative housing association:

- "(A) The type of cooperative;
- "(B) The unit mix in the cooperative;
- "(C) The number of balconies or terraces;
- "(D) The total number of parking spaces,

including whether they are interior or exterior;

- "(E) For each unit in the cooperative:

"(i) The number of shares or percentage interest attributable to the unit;

"(ii) The floor location;

"(iii) The unit exposure;

"(iv) The square footage, if known;

"(v) The number of rooms, excluding

kitchens and bathrooms;

"(vi) The number of bathrooms;

"(vii) Any parking space, whether

interior or exterior, and whether it is included in the purchase price;

"(viii) The most recent date on which the shares attributable to the unit transferred.

"(F) The square footage of the common areas, if known;

"(G) In regard to any existing cooperative blanket mortgage:

"(i) The original amount of the blanket mortgage;

"(ii) The interest rate;

"(iii) The maturity date;

"(H) The total number of shares or percentage interest purchased and held by the cooperative housing association.

"(2) If the cooperative housing association fails to submit the information within the time and in the form prescribed, there shall be added to the real property tax levied upon the property in question, for the next ensuing tax year, the amount of 10% of the tax, except that when the information is provided after the time prescribed and it is shown that the failure to provide it was due to reasonable cause, no addition shall be made to the tax.

"(3) All information submitted by a cooperative housing association owner to the Mayor pursuant to this subsection shall be accorded the same confidentiality as that applied to District of Columbia income tax returns under section 4 of title V of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 342; D.C. Code, sec. 47-1805.4), and any violation of confidentiality shall be punishable as provided in subsection (e) of title V of the District of Columbia Income

and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 342; D.C. Code, sec. 47-1805.4(e)).".

"(e) The Mayor shall, pursuant to title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Code, sec. 1-1501 et seq.), issue proposed rules to implement the provisions of this section. The proposed rules shall be submitted to the Council for approval, in whole or in part, by resolution.".

Sec. 3. The Lower Income Homeownership Tax Abatement and Incentives Act of 1983, effective October 8, 1983 (D.C. Law 5-31; D.C. Code, sec. 47-3501 et seq.), is amended as follows:

(a) Section 4 (D.C. Code, sec. 47-3503) is amended as follows:

Section  
47-3503

(1) The title of section 4 is amended to read as follows:

Sec. 4. Exemptions for Qualifying Lower Income Homeownership Households and Cooperative Housing Associations."

(2) Subsection (a) is amended by designating the existing text as paragraph (1) and adding new paragraphs (2) and (3) to read as follows:

"(2) Deeds to property transferred to a cooperative housing association, as that term is defined in section 2(b) of the District of Columbia Renters and Homeowners Tax Reduction Act of 1978, effective March 3, 1979 (D.C. Law 2-130; D.C. Code, sec. 47-803(2)), shall be exempt from the deed recordation tax pursuant to section 302 of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 27, 1962 (76 Stat. 11; D.C. Code, sec. 45-922), if the cooperative housing association qualifies for the real property tax exemption pursuant to subsection (c) of this section or if a return under oath, certifying the association's intent to qualify for the real property tax exemption pursuant to subsection (c) of this section within 1 year, accompanies the deed at the time of its offer for recordation.

"(3) Recordation of a construction loan deed of trust or mortgage, as that term is defined in section 301(i) of the District of Columbia Real Estate Deed Recordation Tax Act, effective March 10, 1982 (D.C. Law 4-72; D.C. Code, sec. 921(9)), or a permanent loan deed of trust or mortgage, as that term is defined in section 301(j) of the District of Columbia Real Estate Deed Recordation Tax Act, effective March 10, 1982 (D.C. Law 4-72; D.C. Code, sec. 921(10)), shall be exempt from the deed recordation tax pursuant to section 302 of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 27, 1962 (76 Stat. 11;



D.C. Code, sec. 45-922), if the property securing the deed of trust or mortgage is owned by or is being simultaneously transferred to a qualifying lower income homeownership household or a cooperative housing association qualified for the real property tax exemption pursuant to subsection (c) of this section or if a return under oath, certifying the association's intent to qualify for the real property tax exemption pursuant to subsection (c) of this section, within 1 year, accompanies the deed at the time of its offer for recordation."

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

(A) Subsection (b)(2) is amended by striking the phrase "the sales contract for the property provides that";

(B) Subsection (b) is amended by designating the existing text as paragraph (1) and adding a new paragraph (2) to read as follows:

"(2) Transfers of property to a cooperative housing association, as that term is defined in section 2(b) of the District of Columbia Renters and Homeowners Tax Reduction Act of 1978, effective March 3, 1979 (D.C. Law 2-130; D.C. Code, sec. 47-803(2)), shall be exempt from the transfer tax pursuant to section 402 of the District of Columbia Revenue Act of 1980, effective September 13, 1980 (D.C. Law 3-92; D.C. Code, sec. 47-902), if:

"(A) The cooperative housing association qualifies for the real property tax exemption pursuant to subsection (c) of this section or if a return under oath, certifying the association's intent to qualify for the real property tax exemption pursuant to subsection (c) of this section, within 1 year, accompanies the deed at the time of its offer for recordation; and

"(B) The purchaser receives a credit against the purchase price of the property in an amount equal to the total tax that would have been due without regard to this paragraph."

(b) Section 6 (D.C. Code, sec. 47-3505) is amended as follows:

Section  
47-3505

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

"(b) Transfers of property to a qualifying nonprofit housing organization shall be exempt from the transfer tax pursuant to section 402 of the District of Columbia Revenue Act of 1980, effective September 13, 1980 (D.C. Law 3-92; D.C. Code, sec. 47-902), if:

"(1) A return under oath, certifying the organization's intent to transfer the property, within 1 year, to a household (or to households in at least 35% of the units in a multifamily property) subject to the income limitations and conditions of transfer described in section 3 or to a cooperative housing association exempt from the

deed recordation tax pursuant to section 4(a)(2), accompanies the deed at the time of its offer for recordation; and

"(2) The purchaser receives a credit against the purchase price of the property in an amount equal to the total tax that would have been due without regard to this subsection."

(2) Subsections (c) and (d) are amended by inserting the phrase "or to a cooperative housing association exempt from the deed recordation tax pursuant to section 4(a)(2)" after the phrase "described in section 3".

(3) Subsection (c) is amended by designating the existing text as paragraph (1) and adding a new paragraph (2) to read as follows:

"(2) Recordation of a construction loan deed of trust or mortgage, as that term is defined in section 301(i) of the District of Columbia Real Estate Deed Recordation Tax Act, effective March 10, 1982 (D.C. Law 4-72; D.C. Code, sec. 921(9)), or a permanent loan deed of trust or mortgage, as that term is defined in section 301(j) of the District of Columbia Real Estate Deed Recordation Tax Act, effective March 10, 1982 (D.C. Law 4-72; D.C. Code, sec. 921(10)), shall be exempt from the deed recordation tax pursuant to section 302 of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 27, 1962 (62 Stat. 11; D.C. Code, sec. 45-922), if the property securing the deed of trust or mortgage is owned by or is being simultaneously transferred to a qualifying nonprofit housing organization."

(c) Section 7 (D.C. Code, sec. 47-3506) is amended to read as follows:

Section  
47-3506

"Sec. 7. Administration and Enforcement -- Qualifying Nonprofit Housing Organizations and Cooperative Housing Associations.

"(a)(1) If a qualifying nonprofit housing organization fails to transfer the property within 1 year as required by section 6, the Mayor shall disallow the exemption(s) provided by section 6 and the organization shall pay to the Mayor:

"(A) The total tax which would have been due without the exemption;

"(B) Interest at the rate of 1 and 1/4 percent per month, or fraction of a month, from the date prescribed for the payment of the tax without regard to the exemption(s) until the date paid; and

"(C) A penalty equal to 10% of the tax. The Mayor may, for good cause shown, extend the time for transfer of the property for an additional period not to exceed 90 days, if the cooperative housing association files

a request for extension, in writing, with the Mayor within 30 days after the expiration of the 1 year period.

"(3) If a cooperative housing association fails to qualify for the real property tax exemption within 1 year as required by section 4, the Mayor shall disallow the exemption provided by section 4 and the association shall pay to the Mayor:

"(A) The total tax which would have been due without the exemption(s);

"(B) Interest at the rate of 1 and 1/4 percent per month, or fraction of a month, from the date prescribed for the payment of the tax without regard to the exemption(s) until the date paid; and

"(C) A penalty equal to 10% of the tax. The Mayor may, for good cause shown, extend the time for transfer of the property for an additional period not to exceed 90 days, if the cooperative housing association files a request for extension, in writing, with the Mayor within 30 days after the expiration of the 1 year period.

"(b) If an association or organization shall willfully make a false statement concerning any information required to be supplied on the certification under sections 4 or 6, the association or organization shall be deemed guilty of the offense of making false statements and, upon conviction, shall be subject to the penalty for that offense provided on section 404(b) of the District of Columbia Theft and White Collar Crimes Act of 1982, effective December 1, 1982 (D.C. Law 4-164; D.C. Code, sec. 22-2514(b)).".

Sec. 4. Section 402 of the District of Columbia Revenue Act of 1980, effective September 13, 1980 (D.C. Law 3-92; D.C. Code, sec. 47-902), is amended by adding a new subsection (k) to read as follows:

Section  
47-902

"(k) Transfers of property to a cooperative housing association in accordance with section 4(b)(2) of the Lower Income Homeownership Tax Abatement and Incentives Act of 1983, effective October 8, 1983 (D.C. Law 5-31; D.C. Code, sec. 47-3503(b)(2)).".

Sec. 5. Section 302 of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 27, 1962 (76 Stat. 11; D.C. Code, sec. 45-922), is amended by adding new paragraphs 14 and 15 to read as follows:

Section  
45-922

"(14) Deeds to property transferred to a cooperative housing association in accordance with section 4(a)(2) of the Lower Income Homeownership Tax Abatement and Incentives Act of 1983, effective October 8, 1983 (D.C. Law 5-31; D.C. Code, sec. 47-3503(a)(2)).

"(15) Construction loan deeds of trust or mortgages or permanent loan deeds of trust or mortgages in



accordance with section 4(a)(3) of the Lower Income Homeownership Tax Abatement and Incentives Act of 1983, effective October 8, 1983 (D.C. Law 5-31; D.C. Code, sec. 47-3503(a)(3)).".

Sec. 6. The Council of the District of Columbia orders that all deed recordation and transfer taxes, interest, penalties, fees, and other related charges assessed against the following persons or organizations be forgiven:

Note, Section 47-1001.

(1) Manna, Inc., on the construction loan deed of trust to the District of Columbia Department of Housing and Community Development dated September 15, 1987, involving real property located at 3541 and 3543 10th Street, N.W., Washington, D.C., Lot 51 and Lot 52 in Square 2831;

(2) Thaddeus T. Jones and Donnie Mae Jones or 2023 4th Street Cooperative, Inc., on the deed to and transfer of real property located at 2023 4th Street, N.E., Washington, D.C., Lot 804 in Square 3616, to 2023 4th Street Cooperative, Inc.;

(3) 14 S Street Cooperative, Inc., on the construction loan deed of trust to the District of Columbia Department of Housing and Community Development dated April 1988, involving real property located at 14 S Street, N.E., Washington, D.C., Lot 803 in Square 3511;

(4) James D. Wilner or Hilltop Cooperative Association, Inc., on the deed to and transfer of real property located at 2422 and 2424 17th Street, N.W., Washington, D.C., Lot 816 and Lot 817 in Square 2566, to Hilltop Cooperative Association, Inc.;

(5) Thomas K. Nash or Champlain Court Cooperative, Inc., on the deed to and transfer of real property located at 2201-2207 Champlain Street, N.W., Washington, D.C., Lot 825 in Square 2562, to Champlain Court Cooperative, Inc.;

(6) Champlain Court Cooperative, Inc., on the construction loan deed of trust to American Security Bank dated August 9, 1988, involving real property located at 2201 - 2207 Champlain Street, N.W., Washington, D.C., Lot 825 in Square 2562, to Champlain Court Cooperative, Inc.;

(7) Howard Bernstein, Maxine Bernstein, Alan M. Bernstein, Craig J. Bernstein, or The Pasadena Cooperative, Inc., on the deed to and transfer of real property located 2633 Adams Mill Road, N.W., Washington, D.C., Lot 372 in Square 2583, to The Pasadena Cooperative, Inc.;

(8) Manna, Inc. or 14 S Street Cooperative Inc., on the deed to and transfer of real property located at 14 S Street, N.E., Washington, D.C., Lot 803 in Square 3511, to 14 S Street Cooperative, Inc.;

(9) The 14 S Street Cooperative Inc., on the construction loan deed of trust to National Bank of

Washington dated November 4, 1987, involving real property located at 14 S Street, N.E., Washington, D.C., Lot 803 in Square 3511;

(10) Chapin Ciara Cooperative, on the construction loan deed of trust to Savings Associations Financial Enterprises dated October 28, 1987, involving real property located at 1447 Chapin Street, N.W., Washington, D.C., Lot 862 in Square 2662;

(11) Chapin Ciara Cooperative, on the construction loan deed of trust to the District of Columbia Department of Housing and Community Development dated October 28, 1987, involving real property located at 14 Chapin Street, N.W., Washington, D.C., Lot 862 in Square 2662; and

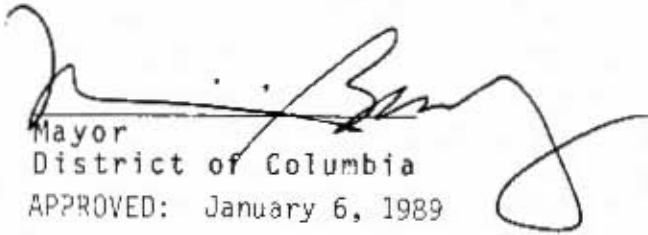
(12) The Pasadena Cooperative, Inc., on the construction loan deed of trust to Washington Area Community Investment Fund et al. dated August 3, 1988, involving real property located at 2633 Adams Mill Road, N.W., Washington, D.C., Lot 372 in Square 2583, to The Pasadena Cooperative, Inc.

Sec. 7. This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia

Statutes-at-Large, or the District of Columbia Municipal  
Regulations.



Chairman  
Council of the District of Columbia



Mayor  
District of Columbia  
APPROVED: January 6, 1989



**COUNCIL OF THE DISTRICT OF COLUMBIA**  
Council Period Seven

**RECORD OF OFFICIAL COUNCIL VOTE**

DOCKET NO: B7-548

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 11-29-88

VOICE VOTE: Approved

Recorded vote on request

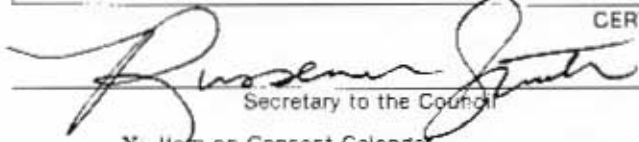
Absent: Rolark

ROLL CALL VOTE: — RESULT \_\_\_\_\_ ( / / )

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

CERTIFICATION RECORD

  
Secretary to the Council

12-23-88  
Date

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 12-13-88

VOICE VOTE: Approved

Recorded vote on request

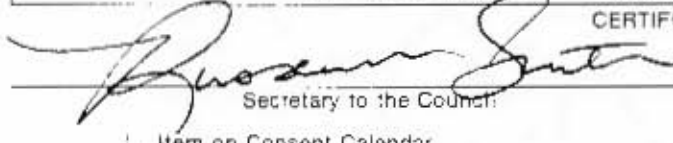
Absent: Wilson and Smith

ROLL CALL VOTE: — RESULT \_\_\_\_\_ ( / / )

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS, SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

CERTIFICATION RECORD

  
Secretary to the Council

12-23-88  
Date

Item on Consent Calendar

ACTION & DATE: \_\_\_\_\_

VOICE VOTE: \_\_\_\_\_

Recorded vote on request

Absent: \_\_\_\_\_

ROLL CALL VOTE: — RESULT \_\_\_\_\_ ( / / )

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS, SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

CERTIFICATION RECORD

\_\_\_\_\_  
Secretary to the Council

\_\_\_\_\_  
Date