

# ENROLLMENT(S)

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# COUNCIL OF THE DISTRICT OF COLUMBIA

## NOTICE

### D.C. LAW 12-142

#### **"Washington Convention Center Authority Financing Amendment Act of 1998".**

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 12-379 on first and second readings, June 2, 1998 and June 16, 1998 respectively. Following the signature of the Mayor on June 23, 1998, pursuant to Section 404(e) of "the Act", and was assigned Act 12-402 and published in the July 24, 1998, edition of the D.C. Register (Vol. 45 page 4826) and transmitted to Congress on July 21, 1998, 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 this legislation became effective on August 12, 1998, the date that the President of the United States signed P.L. 105-227,\* therefore, cites this enactment as D.C. Law 12-142, effective August 12, 1998.



LINDA W. CROPP  
Chairman of the Council

**\* Public Law 105-227 waived the 30-day Congressional Review Period for this Law.**

AN ACT

D.C. ACT 12-402

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUNE 23, 1998

*Codification  
District of  
Columbia  
Code  
1999 Supp.*

To amend the Washington Convention Center Authority Act of 1994 to eliminate the surtaxes imposed by D.C. Code §§ 47-1807.2(a)(4) and 47-1808.3(a)(4) and the hotel occupancy tax imposed by D.C. Code § 47-3206 from the definition of "dedicated taxes"; to authorize the Authority to enter into various interest rate agreements; to reconstitute the Board of Directors of the Authority to consist of 7 public members, the Chief Financial Officer of the District of Columbia and one other ex-officio voting member; to require the Authority to submit revised financial requirements if an adjustment in the guaranteed maximum price is needed; to provide that dedicated taxes collected by the Mayor as agent for the Authority shall be transferred upon receipt to the Authority's Fund; to authorize the Authority to apply dedicated taxes to the payments of Costs; to establish the Washington Convention Center Marketing Fund; to require the Authority to enter into marketing services contracts for the purpose of promoting conventions and tourism in the District of Columbia; to clarify that the Council has the authority to delegate its bond issuing powers to the Authority; to increase the permitted maturity of revenue bonds issued by the Authority from 30 to 34 years; to allow the Authority to use revenues for redemption or purchase of outstanding indebtedness of the Authority prior to delivering excess revenues to the District; to permit the Authority to create additional reserves if it determines that such additional reserves are required; to repeal the transition provisions; and to amend the provisions specifying the procedures employed by the District of Columbia Auditor in certifying as to the sufficiency of certain taxes to meet expenses and reserves of the Authority; to amend Title 47 of the District of Columbia Code to eliminate the transfer of certain business surtaxes to the Washington Convention Center Authority Fund; to decrease the sales and compensating use tax rate on public accommodations from 10.5% to 10.05%; to increase the percentage of the tax to be collected on behalf of the Authority from 2.5% to 4.45%; and repeal the Hotel and Occupancy tax.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Washington Convention Center Authority Financing Amendment Act of

1998”.

Sec. 2. The Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Code § 9-801 *et seq.*), is amended as follows:

(a) Section 201(4) (D.C. Code § 9-802(4)) is amended to read as follows:

Section  
9-802

“(4) “Dedicated taxes” means those taxes imposed pursuant to D.C. Code §§ 47-2002.2 and 47-2202.1, plus interest and penalties related thereto.”.

(b) Section 203 (D.C. Code § 9-804) is amended as follows:

Section  
9-804

(1) Paragraph (12) is amended by striking the word “and” at the end.

(2) Paragraph (13) is amended by striking the period at the end and inserting the phrase “; and” in its place.

(3) A new paragraph (14) is added to read as follows:

“(14) Subject to Council approval by resolution, to enter into agreements or arrangements to limit interest rate risk, to facilitate the issuance of variable rate obligations or obligations with an effective variable rate and to better manage assets; the agreements or arrangements shall only be entered into in conjunction with the issuance of bonds, notes or other obligations by the Authority; and the Authority shall retain the right to discontinue or terminate any such agreement when in the reasonable opinion of the Chief Financial Officer of the Authority it is in the best interest of the Authority.”.

(c) Section 205 (D.C. Code § 9-806) is amended as follows:

Section  
9-806

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

“(1) The Authority shall be governed by a Board of Directors (“Board”) which shall be comprised of 9 members, one of whom shall be the Chief Financial Officer of the District of Columbia and one of whom shall be designated by the Mayor, both of whom shall serve as ex-officio voting members of the Board.”.

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

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

“(1) All Board terms shall be 4-year terms. No Board member shall serve more than 2 consecutive terms ”.

(B) Paragraph (2) is repealed.

(3) Subsection (c) is repealed.

(d) Section 206 (D.C. Code § 9-807) is amended as follows:

Section  
9-807

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

“(1) For the purposes of this subsection, the term “operating budget” shall include only funds for personnel, show operations, travel, development, marketing service contracts entered into pursuant to section 208a, and Board expenses.”.

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

“(h-1)(1) If the guaranteed maximum price required by section 204 requires an adjustment in the final financial requirements and feasibility analysis required by subsection (h) of

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this section, the Board shall submit revised financial requirements for the construction of the New Convention Center to the Council and the Mayor.

"(2) This subsection shall apply as of February 27, 1997."

(e) Section 208 (D.C. Code § 9-809) is amended as follows:

**Section  
9-809**

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

"(b) Dedicated taxes collected by the Mayor, as an agent for the Authority, and the monies in the Fund shall not be a part of, nor lapse into, the General Fund of the District, except as provided in section 213."

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

"(c)(1) Any and all dedicated taxes collected by the Mayor as an agent for the Authority shall be transferred upon receipt to the Fund for the payment of the costs of the New Convention Center, expenses necessary for debt service, reserve funds, repair, maintenance, marketing service contracts and all other expenses of operating and managing the Authority.

"(2) The Board shall submit for Council review the detailed guidelines established by the Authority stating the types of expenditures permissible under Authority policy."

(f) A new section 208a is added to read as follows:

**New Section  
9-809.1**

"Sec. 208a. Establishment of the Washington Convention Center Marketing Fund; marketing service contracts.

"(a) There is established the Washington Convention Center Marketing Fund ("Marketing Fund") to be maintained by the Authority for the payment of marketing service contracts to promote conventions, tourism, and leisure travel in the District.

"(b) Monies in the Marketing Fund shall not be a part of, nor lapse into, the General Fund of the District, except as provided in section 213.

"(c) The total dollar amount of the marketing service contracts shall be based on, as nearly as practical, an amount equal to not less than 17.4% of the amount collected each year from the tax imposed by D.C. Code §§ 47-2002.2(1) and 47-2202.1(1). The Authority shall deposit monthly an amount equal to not less than 17.4% of the amount as collected from the tax imposed by D.C. Code §§ 47-2002.2(1) and 47-2202.1(1) into the Marketing Fund.

"(d) Where applicable, the marketing service contracts shall include information on general and specific responsibilities, performance standards, pricing, financial reports and data, associated services, cooperative efforts with the Authority and the District, duration and termination of agreements, proprietary work product, notices, and remedies. The Authority shall have the right at any time to terminate any marketing service contract for cause. In the event of termination for cause by the Authority, the services to be performed under the terms of the terminated marketing service contract shall be procured by request for proposals made pursuant to rules for the procurement of goods and services adopted by the Board.

"(e) The marketing service contracts shall include contracts with the following entities:

"(1) The Washington Convention and Visitors Association pursuant to which the

**ENROLLED ORIGINAL**

Washington Convention and Visitors Association shall be designated as the primary contractor to promote conventions and group tourism in the District;

"(2) The D.C. Committee to Promote Washington pursuant to which the D.C. Committee to Promote Washington shall be designated as the primary contractor to conduct leisure travel advertising, marketing, and promotions in the District;

"(3) The D.C. Chamber of Commerce pursuant to which the D.C. Chamber of Commerce shall be designated as the primary contractor to promote neighborhood and cultural tourism in the District and promote participation by local, small, and minority businesses in the hospitality industry; and

"(4) The Greater Washington Ibero American Chamber of Commerce for the purpose of pursuit of special projects, as designated by the Authority.

"(f) The obligation of the Authority to make any payment pursuant to any marketing service contract and the amount thereof shall be subject, and subordinate, in all respects, to the obligation of the Authority to apply any amount deposited or required to be deposited in any fund or account established or maintained pursuant to any resolution, indenture, or trust agreement adopted by the Authority relating to any bonds, notes, or other obligations issued by the Authority pursuant to section 210 in accordance with the provisions of such resolution, indenture, or trust agreement."

(g) Section 209 (D.C. Code §9-810) is amended to read as follows:

Section  
9-810

"The Council delegates to the Authority the power of the Council under section 490 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 809; D.C. Code §47-334), as amended by section 11508 of the National Capital Revitalization and Self-Government Improvement Act of 1997, approved August 5, 1997 (P. L. 105-33; 111 Stat. 773), to issue revenue bonds, notes, and other obligations to finance, refinance, or assist in the financing or refinancing of any undertakings of the New Convention Center pursuant to this act."

(h) Section 211(a)(2) (D.C. Code § 9-812(a)(2)) is amended by striking the phrase "30 years" and inserting the phrase "34 years" in its place.

Section  
9-812

(i) Section 213 (D.C. Code § 9-814) is amended as follows:

Section  
9-814

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

"(a) If, at the end of a fiscal year, the balance of cash and investments of the Authority exceeds the balance of current liabilities, reserves, and any amounts that the Authority expects to apply to purchase or redeem its outstanding indebtedness during the upcoming fiscal year, the excess shall be transferred, in cash, to the General Fund of the District."

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

"(c) Subject to Council approval by resolution, the Authority may increase the level of the reserves described in subsection (b) of this section or establish, fund, and maintain any other reserve or reserves if the Authority determines that such action is necessary to satisfy the bond-rating agencies or otherwise maintain the financial condition of the Authority."

**ENROLLED ORIGINAL**

(j) Section 217 (D.C. Code § 9-818) is repealed.

(k) Section 305 (41 DCR 5352) is amended to read as follows:

"Sec. 305. (a) On or before July 1 of each year, the District of Columbia Auditor, pursuant to the Auditor's duties under section 455(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Code § 47-117(b)), shall audit the accounts and operations of the Authority.

"(b) On or before July 15 of each year in which there is outstanding any indebtedness issued by the Authority pursuant to this act, the District of Columbia Auditor shall prepare and deliver to the Mayor, the Council, the Chief Financial Officer of the District of Columbia, and the Chairman of the Authority a certification relating to the upcoming fiscal year of the District as to the sufficiency of the sum of the projected revenues from the following:

"(1) The taxes imposed pursuant to D.C. Code §§ 47-2002.2 and 47-2202.1, and transferred to the Authority by the Mayor pursuant to D.C. Code §§ 47-2002.3 and 47-2202.2, as such tax revenues are estimated by the Office of Tax and Revenue for such upcoming fiscal year, which estimates shall be delivered by the Office of Tax and Revenue to the Authority on or prior to July 1 of such year, excluding from such estimate any amounts relating to any surtax imposed pursuant to subsection (c) of this section;

"(2) The projected operating revenues of the Authority for such upcoming fiscal year contained in the most recent multiyear financial plan of the Board submitted pursuant to section 206(g); and

"(3) Any amounts on deposit in any reserve fund or account (other than any debt service reserve fund or account for indebtedness of the Authority), which are in excess of the required minimum balance for such fund or account, as certified by the Authority, to meet the sum of (i) projected operating and debt service expenditures and reserve requirements (other than amounts included in clause (ii) below) of the Authority for the upcoming fiscal year contained in the most recent multiyear financial plan of the Board submitted pursuant to section 206(g), and (ii) any amounts required, as certified by the Authority, to restore any reserves relating to indebtedness of the Authority to their required minimum balance.

"(c) If the certification delivered pursuant to subsection (b) of this section indicates that such projected revenues for the upcoming fiscal year are insufficient to meet such projected expenditures and reserve requirements (other than amounts included in clause (ii) of subsection (b)(3) of this section) and payments required to restore reserves relating to indebtedness of the Authority to their minimum required balance for the upcoming fiscal year, the Mayor shall impose a surtax, to become effective on or before the first day of the upcoming fiscal year, on the tax imposed pursuant to D.C. Code §§ 47-2002.2(1) and 47-2202.1(1) in an amount equal to the difference between (i) the sum of the projected operating and debt service expenditures and reserve requirements (other than amounts included in clause (ii) of subsection (b)(3) of this section) and payments required to restore any reserves relating to indebtedness of the Authority to their minimum required balance, and (ii) the projected revenues described in subsection (b) of

Section  
9-818

Recodifica-  
tion  
New Section  
9-809a

**ENROLLED ORIGINAL**

this section. Such surtax shall be effective only for such upcoming fiscal year.”

(1)(1) Section 306(a) (41 DCR 5353) is repealed.

(2) This subsection shall apply as of February 27, 1997.

Note, Sections  
47-1807.2,  
47-1808.3,  
47-2002,  
47-2002.2,  
47-2002.3,  
47-2202,  
47-2202.1,  
47-2202.2

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

(a) Section 47-1807.2a is repealed.

(b) Section 47-1808.3a is repealed.

(c) Section 47-2002(2) is amended by striking the phrase “10.5%” and inserting the phrase “10.05%” in its place.

(d) Section 47-2002.2(1) is amended by striking the phrase “2.5%” and inserting the phrase “4.45%” in its place.

(e) Section 47-2002.3 is amended to read as follows:

“(a) The Mayor shall collect and deposit in a lockbox maintained by the Chief Financial Officer of the District of Columbia the tax imposed pursuant to § 47-2002.2 as agent on behalf of the Washington Convention Center Authority and shall transfer the revenue from the tax upon receipt to the Washington Convention Center Authority Fund established pursuant to § 9-809.

“(b) The Mayor shall develop and apply a fixed formula to the taxes imposed pursuant to §§ 47-2002 and 47-2002.2 to determine the amount that shall be transferred to the Authority.”

(f) Section 47-2202(2) is amended by striking the phrase “10.5%” and inserting the phrase “10.05%” in its place.

(g) Section 47-2202.1(1) is amended by striking the phrase “2.5%” and inserting the phrase “4.45%” in its place.

(h) Section 47-2202.2(a) is amended to read as follows:

“(a) The Mayor shall collect and deposit in a lockbox maintained by the Chief Financial Officer of the District of Columbia the tax imposed pursuant to § 47-2202.1 as agent on behalf of the Washington Convention Center Authority and shall transfer the revenue from the tax upon receipt to the Washington Convention Center Authority Fund established pursuant to § 9-809.”

(i) Chapter 32 is repealed.

Section  
47-1807.2a  
Section  
47-1808.3a  
Section  
47-2002  
Section  
47-2002.2  
  
Section  
47-2002.3

Section  
47-2202

Section  
47-2202.1

Section  
47-2202.2

Sections  
47-3201 -  
47-3221

Sec. 4. Applicability.

Sections 2(a), (d)(1), (f), and (k) and 3 of this act shall apply as of October 1, 1998.

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), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia

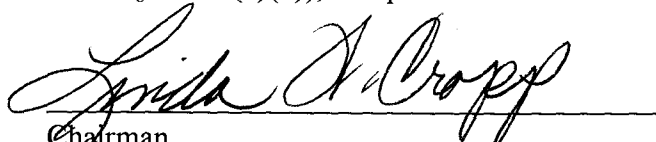
Note, Sections  
9-802,  
9-807,  
9-809.1,  
9-809a,  
47-1807.2,  
47-1807.2a,  
47-1808.3,  
47-1808.3a,  
47-2002,  
47-2002.2,  
47-2002.3,



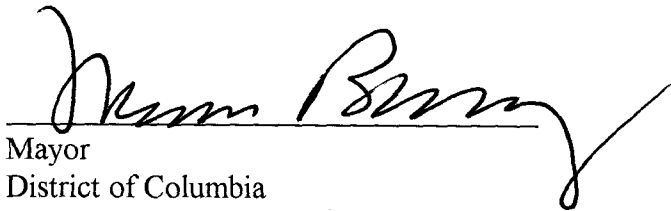
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Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

47-2202,  
47-2202.1,  
47-2202.2



Chairman  
Council of the District of Columbia



Mayor  
District of Columbia

APPROVED: June 23, 1998



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD TWELVE

RECORD OF OFFICIAL COUNCIL VOTE

B12-379

Docket No. \_\_\_\_\_

ITEM ON CONSENT CALENDAR

ACTION & DATE

ADOPTED FIRST READING, 6-2-98

VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT \_\_\_\_\_

ROLL CALL VOTE - Result

PASSED

8 5 0 0

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp	X				Chavous		X			Schwartz	X			
Allen	X				Evans	X				Smith, Jr.	X			
Ambrose		X			Jarvis	X				Thomas, Sr.	X			
Brazil	X				Mason		X							
Catania		X			Patterson		X							

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

*Quelli*  
Secretary to the Council

June 18, 1998  
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

ADOPTED FINAL READING, 6-16-98

VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT \_\_\_\_\_

ROLL CALL VOTE - Result

PASSED

8 5 0 0

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp	X				Chavous		X			Schwartz	X			
Allen	X				Evans	X				Smith, Jr.	X			
Ambrose		X			Jarvis	X				Thomas, Sr.	X			
Brazil	X				Mason		X							
Catania		X			Patterson		X							

X - Indicates Vote

AB - Absent

NV - Present not voting

CERTIFICATION RECORD

*Quelli*  
Secretary to the Council

June 18, 1998  
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT \_\_\_\_\_

ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp					Chavous					Schwartz				
Allen					Evans					Smith, Jr.				
Ambrose					Jarvis					Thomas, Sr.				
Brazil					Mason									
Catania					Patterson									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date