

COUNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D. C. LAW 3-37

"Real Property Tax Classification Act for
Tax Year 1980"

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. 3-141 on first and second readings, July 31, 1979 and September 11, 1979 respectively. Following the signature of the Mayor on September 28, 1979, this legislation was assigned Act No. 3-104, published in the October 5, 1979, edition of the D.C. Register, (Vol. 26 page 1564) and transmitted to Congress on October 5, 1979 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 3-37 effective November 20, 1979.


ARRINGTON DIXON
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

October	5, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, 30, 31
November	1, 2, 5, 6, 7, 8, 9, 13, 14, 15, 16, 19

AN ACT

3-104

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To establish the real property tax classifications for Tax Year 1980 and tax years thereafter, and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "Real Property Tax Classifications Act for Tax Year 1980".

Sec. 2. The District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1051; D.C. Code, sec. 47-621 et seq.), is amended as follows:

(a) section 412 (D.C. Code, sec. 47-632) is amended by:

(1) striking the words "section 47-632a of the D.C. Code which, except as provided in section 431" in the first sentence and inserting in lieu thereof the words "section 412a(b), which";

(2) inserting the word "tax" immediately before the word "year" in the third sentence;

(3) striking the word "setting" each place it appears and inserting in lieu thereof the word "establishing"; and

(4) striking the words "413 shall be the rates of taxation of real property" in the fourth sentence and inserting in lieu thereof the words "413(b)(3) shall be the rates of taxation to be applied during the tax year";

(b) by adding immediately after section 412 (D.C. Code, sec. 47-632) the following new section:

"SEC. 412a. (a) For the purpose of levying taxes on real property in the District of Columbia, the Council may establish different classes of real property.

"(b) For the property tax year beginning July 1, 1979, and ending June 30, 1980, the following classes of real property are established:

"(1) Class One Property - Class One Property shall be comprised of improved residential real property which (i) is occupied by the owner thereof, (ii) contains not more than five (5) dwelling units, whether as a row, detached, or semi-detached structure, or is a single dwelling unit owned as a condominium, and (iii) is used exclusively for non-transient residential dwelling purposes. Improved residential real property

which is owned by a cooperative housing association shall also be classified as Class One Property:

PROVIDED, That at least fifty (50) percent of the dwelling units contained therein are occupied by the shareholders or members of such cooperative housing association.

"(2) Class Two Property - Class Two Property

shall be comprised of improved residential real property, which (i) is not occupied by the owner thereof, (ii) contains not more than five (5) dwelling units, whether as a row, detached, or semi-detached structure, or is a single dwelling unit owned as a condominium, and (iii) is used exclusively for non-transient residential dwelling purposes. Improved residential real property which is owned by a cooperative housing association shall also be classified as Class Two Property: PROVIDED, That less than fifty (50) percent of the dwelling units contained therein are occupied by the shareholders or members of such cooperative housing association. Nothing in this subsection shall be construed to include hotels in the Class Two Property classification.

"(3) Class Three Property - Class Three Property shall be comprised of all real property which is not Class One Property or Class Two Property.

"(c) For the property tax year beginning July 1, 1980, and ending June 30, 1981, and for each tax year thereafter, the following classes of real property are established:

"(1) Class One Property - Class One Property shall be comprised of improved residential real property which (i) is occupied by the owner thereof, (ii) contains not more than five (5) dwelling units, whether as a row, detached, or semi-detached structure, or is a single dwelling unit owned as a condominium, and (iii) is used exclusively for non-transient residential dwelling purposes. Improved residential real property which is owned by a cooperative housing association shall also be classified as Class One Property: PROVIDED, That at least fifty (50) percent of the dwelling units contained therein are occupied by the shareholders or members of such cooperative housing association.

"Vacant real property which abuts improved residential real property qualified as Class One Property shall be classified as Class One Property if

said vacant property and the improved residential real property which it abuts have common ownership.

"(2) Class Two Property - Class Two Property shall be comprised of improved residential real property, including apartment buildings, which (i) is not occupied by the owner thereof, (ii) contains not more than five (5) dwelling units, whether as a row, detached, or semi-detached structure, or is a single dwelling unit owned as a condominium, and (iii) is used exclusively for non-transient residential dwelling purposes. Improved residential real property which is owned by a cooperative housing association shall also be classified as Class Two Property: PROVIDED, That less than fifty (50) percent of the dwelling units contained therein are occupied by the shareholders or members of such cooperative housing association.

"Improved multi-family residential property which contains more than five (5) dwelling units and is used exclusively for non-transient dwelling purposes shall also be classified as Class Two Property.

"Vacant real property which abuts improved residential real property qualified as Class Two Property shall be classified as Class Two Property if

said vacant property and the improved residential real property which it abuts have common ownership.

"The Mayor may require an owner of real property to submit such information relating to the ownership of vacant real property as in the Mayor's judgment will assist in the determination of ownership of such property as required under this section for purposes of real property classification.

"(3) Class Three Property - Class Three Property shall be comprised of all real property which is not Class One Property or Class Two Property. Vacant real property which abuts and has common ownership with real property subject to the apportionment provision of subsection (f) of this section shall also be classified as Class Three Property.

"(d) For the purposes of subsections (b) and (c):

"(1) the term 'condominium' means the ownership of a single dwelling unit in a horizontal property regime as that term is used in section 3 of the Horizontal Property Act of the District of Columbia, approved December 21, 1963 (77 Stat. 451; D.C. Code, sec. 5-903);

"(2) the term 'cooperative housing association' means an association, whether incorporated

or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a single dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement;

"(3) the term 'dwelling unit' means any room or group of rooms forming a single unit which is used for living, sleeping, and the preparation and eating of meals; and

"(4) the term 'non-transient' means occupancy of a dwelling unit or units by any person(s) for a period of more than five (5) consecutive days during any one stay in such unit(s).

"(e) An application properly completed and timely filed in accordance with subsections (c) and (d)(3) of section 3 of the Residential Property Tax Relief Act of 1977, effective February 28, 1978 (D.C. Law 2-45; D.C. Code, sec. 47-659), shall be required for purposes of classifying real property as Class One Property and imposing the applicable rate of taxation thereon. The Mayor may require an owner of real property to submit such additional information as in the Mayor's judgment

will assist in determining the classification of real property under subsections (b) and (c) of this section, such information to be submitted at the time and in the manner prescribed by the Mayor.

"(f) Commencing with the property tax year beginning July 1, 1980, and ending June 30, 1981, and for each tax year thereafter, when the uses of real property fall within more than one of the classes enumerated in subsection (c) of this section, the total assessed value of the property shall be apportioned into the appropriate classes of real property as defined in subsection (c) of this section, and each of the areas resulting from the apportionment shall be taxed at the appropriate real property tax rate.

"For purposes of this subsection, the Mayor shall devise a method for apportioning, by class, real property whose uses fall within more than one class. The Mayor may require an owner of real property to submit, at a time and in a form prescribed, such information relating to the uses of property as in the Mayor's judgment will assist in the apportionment of property by class for real property classification purposes as required by this section."; and

(c) section 413 (D.C. Code, sec. 47-633) is amended by:

(1) striking the words "for the tax year:

PROVIDED, That for the tax year beginning July 1, 1978, and for each tax year thereafter, the Mayor shall calculate and submit to the Council proposed real property tax rates to be applied to the classes of real property set forth in section 47-632a(b)" in the first sentence of subsection (a) and inserting in lieu thereof the words "to be applied, during the tax year, to the classes of real property set forth in section 412a(b)";

(2) striking "47-646(g)" in the second sentence of subsection (a) and inserting in lieu thereof "426(g)";

(3) striking the words ", for tax years beginning on or after July 1, 1978." in paragraphs (1) and (2) of subsection (b);

(4) striking "section 47-632a" in paragraphs (1) and (2) of subsection (b) and inserting in lieu thereof "section 412a(b)";

(5) inserting the word "and" at the end of paragraph (2) of subsection (b);

(6) striking the words "For real property tax years beginning July 1, 1978 and succeeding tax years, the" in the first sentence of paragraph (3) of subsection (b) and inserting in lieu thereof the word "The";

(7) striking everything after the the words "Council acts to" in subsection (c) and inserting in lieu thereof the words "establish different rates pursuant to section 412."; and

(8) redesignating subsection (d) as subsection (e) and adding immediately after subsection (c) the following new subsection:

"(d) As soon as possible after the Mayor submits to the Council the proposed real property tax rates under subsection (a) of this section, he or she shall also publish such proposed real property tax rates and the information submitted pursuant to subsection (b) in the District of Columbia Register and in at least one daily newspaper of general circulation published in the District of Columbia."

Sec. 3. Sections 303 and 304 of the Revenue Act of 1976, effective June 15, 1976 (D.C. Law 1-70; D.C. Code, secs. 47-632a and 47-632b) are hereby repealed.

Sec. 4. Section 301(c) of the Rental Housing Act of 1977, effective March 16, 1978 (D.C. Law 2-54; D.C. Code, sec. 45-1681), is amended by inserting the words "of Article I of Title VI" immediately after the words "section 8".

Sec. 5. Section 8 of Title VI of the District of Columbia Income and Franchise Tax Act of 1947, approved July

16, 1947 (88 Stat. 1060; D.C. Code, sec. 47-1567g), is amended by:

(a) striking the words "subsection (a)(2) of this section" each place they appear in paragraph (1) of subsection (a) and inserting in lieu thereof the words "paragraph (2) of this subsection";

(b) striking "(a)" immediately preceding paragraphs (2), (3), and (4) of subsection (a);

(c) adding at the end of paragraph (1) of subsection (a) the following new sentence: "The credit shall not exceed a total of seven hundred fifty dollars (\$750).";

(d) striking the words "household income" each place they appear in paragraph (2) of subsection (a) and inserting in lieu thereof the words "household gross income";

(e) striking the words "or any rental supplement provided under authority of title III of the Rental Housing Act of 1977" in subsection (b)(1)(A); and

(f) striking "47-655 or 47-656" in subsection (e) and inserting in lieu thereof "435 or 436 of the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1058 and 1059; D.C. Code, secs. 47-655 or 47-656)".

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Sec. 6. Section 3 of the Residential Property Tax Relief Act of 1977, effective February 28, 1978 (D.C. Law 2-45; D.C. Code, sec. 47-659), is amended as follows:

(a) subsection (b) is amended by striking the words "and for each tax year thereafter";

(b) subsections (c) through (e) are redesignated as subsections (d) through (f), respectively;

(c) the following new subsection (c) is added immediately after subsection (b):

"(c)(1) For the purpose of computing taxes on real property in the District of Columbia for the tax year beginning July 1, 1979, and for each tax year thereafter, notwithstanding the provisions of section 421 of the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1053; D.C. Code, sec. 47-641), the amount of nine thousand dollars (\$9,000) shall be deducted from the estimated market value of improved residential real property which (i) is occupied by the owner thereof, (ii) contains not more than five (5) dwelling units, whether as a row, detached, or semi-detached structure, or is a single dwelling unit owned as a condominium, and (iii) is used exclusively for non-transient residential

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dwelling purposes: PROVIDED, That such deduction shall not exceed the estimated market value of the property.

"(2) In order to obtain the deduction provided for under this subsection, owners of eligible real property shall complete and file with the Mayor, on or before June 1 preceding the tax year, an application form devised by the Mayor: EXCEPT, That for the tax year beginning July 1, 1979, and ending June 30, 1980, said application form shall be completed and filed with the Mayor on or before July 1, 1979. The Mayor may verify the contents of such applications. The Mayor may, upon written application thereof, grant a reasonable extension of time, not to exceed thirty (30) days, for filing the application whenever in his or her judgment good cause exists therefor.

"(3) Where there is a change in ownership of residential real property after June 1, but before the beginning of the new tax year on July 1, the new owner shall immediately notify the Mayor of such change of ownership and, in order to obtain the deduction provided for under this subsection, shall file, on or before July 15, an application as provided for in this subsection.

"(4) To implement this subsection, the Mayor shall devise an application form and mail it to the

owners of real property potentially eligible for the deduction under clause (ii) of paragraph (1) of this subsection on or before April 1 of each year. Failure of the Mayor to mail an application form to an owner of residential real property eligible for the deduction provided for under this subsection shall in no manner diminish the obligation of the owner to secure and file in a timely manner an application in order to receive the deduction.";

(d) subsection (d)(2), as redesignated, is amended by:

(1) inserting the words "shareholders or" before the word "members" each place they appear; and

(2) striking the words "the principal place of residence of" and inserting in lieu thereof the words "occupancy by the";

(e) subsection (d)(3), as redesignated, is amended to read as follows:

"(3) In order to obtain the deduction provided under paragraph (2) of this subsection and to determine the occupancy of shareholders or members of cooperative housing associations, each shareholder or member shall, at such times and in such manner as the Mayor shall prescribe, complete and return the application form provided for under subsection (c) of this section. The

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Mayor may require the officers or managers of each cooperative housing association to distribute the application forms to its shareholders or members and to collect the completed application forms from such shareholders or members for return to the Mayor. Such officers or managers shall supply such other information as the Mayor may require.";

(f) striking "(c)(1)" each place it appears in subsection (d)(3), as redesignated, and inserting in lieu thereof "(d)(1)";

(g) striking "(d)(1)" in subsection (e), as redesignated, and inserting in lieu thereof "(e)(1)"; and

(h) striking "(d)" and "(e)" each place they appear in subsection (f), as redesignated, and inserting in lieu thereof "(e)" and "(f)", respectively.

Sec. 7. The Mayor of the District of Columbia is authorized to promulgate such rules and regulations as may be necessary to carry out the provisions of this act.

Sec. 8. Section 8 of the District of Columbia Renters and Homeowners Tax Reduction Act of 1978, effective March 3, 1979 (D.C. Law 2-130), is hereby repealed.

Sec. 9. This act shall take effect as provided for acts of the Council of the District of Columbia in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act.

Chairman
Council of the District of Columbia

Mayor
District of Columbia