

# **PUBLIC HEARING**

**ON**

## **BILL 19- 31 “Real Property Tax Lien Assignment and Sale Act of 2011”**

**Before the  
Committee on Finance and Revenue**

**The Honorable Jack Evans, Chairman**

**April 13, 2010, 10:00 AM  
John A. Wilson Building, Room 120**



**Testimony of  
Robert McKeon  
Deputy Chief Counsel  
Office of Tax and Revenue**

**Natwar M. Gandhi  
Chief Financial Officer  
Government of the District of Columbia**

Good morning Chairman Evans and members of the Committee on Finance and Revenue. I am Robert McKeon, Deputy Chief Counsel for the Office of Tax and Revenue (OTR). I am pleased to present testimony on Bill 19-31, “Real Property Tax Lien Assignment and Sale Act of 2011.”

The Bill would add a new tool for the collection of delinquent real property taxes and Water and Sewer Authority (WASA) certificates of delinquency through the enactment of a provision permitting the assignment of delinquent taxes and charges to a third party for collection purposes. The provisions of this Bill, adapted for use within the new tax sale Chapter 13A of Title 47 of the D.C. Code, are very similar to the now obsolete D.C. Code § 47-1303.04 which was used in 1996 for the considerable, securitized lien assignment to the District TLC Trust 1996.

The Bill would permit the Chief Financial Officer (CFO) to assign any outstanding tax liens through a public auction, sealed bid or negotiated contract. If by negotiated contract, the purchase price could possibly be a discount of the total taxes owed without having first gone through a tax sale. The tax lien buyer would then step into the shoes of the District and be able to accept tax payments or make certifications for tax sale. Additionally, the tax lien buyer would have the unique ability to begin foreclosure lawsuits to enforce the collection of a tax lien any time

after six months from the date of assignment so long as an advisory notice is first sent to the property owner.

As a technical note, OTR would point out that the proposed definition of certificate of sale in a new § 47-1330(1A) may be overly broad and should not include WASA certificates of delinquency unless it is the intention that any WASA delinquency should be foreclosed upon at any time without first having gone to tax sale and regardless of whether it was assigned under proposed § 47-1366.

Additionally, the jurisdictions of the CFO and WASA should be specifically delineated because as presently written it may be possible for two different foreclosures to occur at the same time on a particular property. OTR is available to assist the Committee with the foregoing.

Thank you, Chairman Evans, for the opportunity to comment on this bill. I would be happy to answer any questions at this time.