

**PUBLIC HEARING ON
BILL 15-585, “BREAD FOR THE CITY COMMUNITY
GARDEN EQUITABLE REAL PROPERTY TAX RELIEF
ACT OF 2003”**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**March 3, 2004, 10:00 a.m.
Room 120, John A. Wilson Building**



**Testimony of
Thomas Branham
Chief Assessor
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 Thomas Branham, chief assessor for the District in the Office of Tax and Revenue (OTR). I am pleased to testify on Bill 15-585, the “Bread for the City Community Garden Equitable Real Property Tax Relief Act of 2003.”

The bill before you would grant forgiveness of all real property taxes, interest, penalties, fees, and related charges from tax year 2003 against vacant land located at square 0445, lots 0198, 0199 and 0200, provided the property is owned, occupied and used by Bread for the City as a community garden and not used for commercial purposes. In addition, Bill 15-585 would exempt the property from future real property taxes, as long it is owned, occupied and used by Bread for the City as a park.

The owner has paid all property taxes for tax year 2003. Thus, the District would be required to refund the owner \$3,788.61 and would forgo collecting tax revenue for this property in 2004 and thereafter.

Neither a garden nor vacant land is a qualifying use for tax exemption under DC Official Code § 47-1002. The issue raised by this bill is whether a special exception should be made for these particular lots. The OCFO consistently advises that it is best not to provide special exceptions, in order to preserve administrative efficiencies and taxpayers' sense of fairness. In view of these conditions and the fact that the property cannot qualify for exemption under the statute, OTR suggests it might be in the best interest of the District to retain this parcel on the tax rolls.

However, should the Council wish to adopt Bill 15-585, there are several technical and clarifying amendments that must be incorporated to make the measure administerable. OTR recommends that language be added to sections (a) and (b) that makes the provisions subject to DC Official Code, title 47, sections 47-1005 and 47-1009, as if the exemptions were granted administratively. Section 47-1005 provides that if any portion of the exempt property is used to gain income, the portion will immediately become taxable. Section 47-1009 sets forth the standard effective dates and procedures for commencing and terminating real property tax exemptions.

The bill might also be amended to provide forgiveness of “all real property taxes owing since October 1, 2002, through the first day of the month following the effective date of this act.” Adding such language would prevent any lapse in the period of exemption and the need for additional legislation. Finally, we suggest the word “occupied” be stricken from the bill, as there is no building on the subject property to occupy.

Thank you, Mr. Chairman, for the opportunity to comment on this bill. We are available for any questions you might have.

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