

**PUBLIC ROUNDTABLE ON
BILL 16-142, “CATHOLIC UNIVERSITY OF AMERICA
REAL PROPERTY TAX EXEMPTION AND EQUITABLE
REAL PROPERTY TAX RELIEF ACT OF 2005”**

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

The Honorable Jack Evans, Chairman

**March 16, 2005, 10:00 a.m.
Council Chambers, John A. Wilson Building**



**Testimony of
Daniel L. Black, Jr.
Deputy Chief Financial Officer
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 Daniel L. Black, Jr., Deputy Chief Financial Officer for the Office of Tax and Revenue (OTR). I am pleased to present testimony today on Bill 16-142, the “Catholic University of America Real Property Tax Exemption and Equitable Real Property Tax Relief Act of 2005.”

The purpose of this bill is to exempt from real property taxation approximately 49 acres owned by Catholic University, located in the Northeast quadrant of the District, and contiguous with the university’s campus. Bill 16-142 specifically exempts this parcel from real property taxation as long as it is used by the university consistent with its exempt organization and activities.

Exemption from tax is a decision we believe should be very carefully considered in light of the impact on District revenues and tax policy precedent. The exemption embodied in Bill 16-142 is for land that is owned and managed by a tax-exempt institution, and it appears that Bill 16-142 will ensure that use of the land will conform to the university’s original exempt purpose. We find it noteworthy that the land was previously owned by the federal government and sold to Catholic University. It is our view that the parcel in question would most likely qualify for an administrative exemption from real property tax but for the fact that the land, as federal property, was not zoned. Furthermore, the Council previously approved this parcel for exemption through emergency and temporary legislative measures.

We would recommend that the exemption take effect on the first day of the month following the month in which the property title was transferred to the university, to

conform this exemption with those of all other real property exemptions granted under OTR's standard administrative exemption process. We would also request that the committee review the attached technical correction that would provide this exemption with the same standing as those granted under OTR's administrative procedures.

Fiscal Impact of Bill 16-142

The Office of the Chief Financial Officer estimates the fiscal impact of Bill 16-142 to be approximately \$1 million, as the transfer of the parcel from the federal government to Catholic University gave rise to real property taxes from which an exemption is necessary under the District's tax code.

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

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Appendix

Proposed Technical Correction to Bill 16-142

The Office of Tax and Revenue has reviewed Bill 16-142 and recommends the following technical correction:

In Section 2 of the bill:

1. In subsection (b), at the end of the paragraph ending with “47-1009,” add the following clause: “as if the exemption were granted administratively.”