

PUBLIC HEARING

ON

**Bill 20-182, “Bryant Mews Homeowner’s Association
Equitable Real Property Tax Relief Act of 2013”**

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

The Honorable Jack Evans, Chairman

**April 10, 2013, 10:00 a.m.
Room 120, John A. Wilson Building**



**Testimony of
John P. Ross**

**Senior Advisor and Director of Economic Development Finance
Office of the Chief Financial Officer**

**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. My name is John Ross, Senior Advisor and Director of Economic Development Finance for the Office of the Chief Financial Officer (OCFO). I am pleased to testify for the Office of the Chief Financial Officer on the Bryant Mews Homeowner's Association Equitable Real Property Tax Relief Act of 2013.

The proposed legislation would forgive all real property taxes, interest, penalties, fees, and other related charges assessed against two parking lots¹ owned by the Bryant Mews Homeowners Association, for tax years 1989 through 2007. The bill also orders the cancellation of all tax sales of the property, and requires the District to pay to the tax lien purchaser the amount which the purchaser would have received if the property was redeemed, including legal fees.

The Office of Tax and Revenue has assessed taxes on the property but has never received payment. The Homeowners Association has stated it never received a bill and was unaware of the tax liability until 2011. When the Homeowners Association contacted OTR in 2011, OTR discovered the properties had been misclassified as commercial properties. OTR reduced the assessed value of the properties and corrected the classification. However, due to a statute of limitations, OTR was only able to correct tax bills and cancel tax sales back to Tax Year 2008.

¹ Located in Square 4112, Lots 858 and 859

The OCFO analyzed the necessity of the proposed tax exemption in a Tax Abatement Financial Analysis and concluded that the proposed tax abatement is necessary regardless of the financial condition of the Association or its members. The legislation provides a means of addressing assessment errors that the Office of Tax and Revenue can no longer correct.

The total estimated cost of the legislation is approximately \$67,000, which will occur in FY 2013. The amount includes property tax forgiveness of approximately \$18,000 and about \$49,000 expected to be owed to tax lien purchasers (of which, approximately \$14,000 is estimated for attorney fees). The fiscal impact statement for the legislation indicates the cost of the legislation has not been included in the District's budget.

I have attached to this testimony edits to the legislation that have been requested by OTR attorneys to assist in the administration of the proposed abatement.

Thank you for the opportunity to testify. This concludes my testimony and I am happy to answer any questions you have at this time.

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To provide for equitable real property tax relief for Square 4112, Lots 0858 and 0859, assessed to the Bryant Mews Homeowners Association.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Bryant Mews Homeowner's Association Equitable Real Property Tax Relief Act of 2013".

Sec. 2. The Council orders that all real property taxes, interest, penalties fees, and other related charges assessed against lots 0858 and 0859 in Square 4112, currently owned by the Bryant Mews Homeowners Association, for tax years 1989 through 2007, inclusive, shall be forgiven. The Council further orders that all tax sales of lots 0858 and 0859 in Square 4112 conducted under Chapter 13A of Title 47 of the D.C. Official Code shall be cancelled pursuant to D.C. Official Code § 47-1366.

Sec.3. Fiscal Impact Statement.

The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact statement required by section 602(c) (3) of the District of Columbia Home Rule Act, approved December 24, 1973 (84 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. 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), 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. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

