

PUBLIC HEARING ON
BILL 20-24
MAJOR REAL PROPERTY ASSESSMENTS AND
APPEALS SCHEDULE REVISION ACT OF 2013

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

The Honorable Jack Evans, Chairman

March 11, 2013, 10:00 a.m.
John A. Wilson Building



Testimony of Stephen M. Cordi
Deputy Chief Financial Officer
Office of Tax and Revenue
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer
District of Columbia

Mr. Chairman and members of the Committee, my name is Stephen Cordi, Deputy Chief Financial Officer for the Office of Tax and Revenue. I am pleased to present testimony today on Bill 20-24 “Major Real Property Assessments and Appeals Schedule Revision Act of 2013.”

This legislation is offered in response to a suggestion put forth by this Committee at its hearing on the real property assessment process last October and in response to Recommendation 8 of the Almy, Glaudemans, Jacobs & Denne report of November 16, 2012, entitled “Evaluation of the District’s Management and Valuation of Commercial Real Property Assessments,” produced for the Inspector General at the direction of the Council.

Bill 20-24 would, if enacted, alter the schedule for the making of assessments of major income –producing property in the District of Columbia in order to make income and expense statement information available to OTR’s commercial appraisers before assessments are made and not, as is presently the case, after the assessments are made. The legislation accomplishes this goal by advancing the date income and expense

statements are due from April 15 to April 1, specifying that they be filed electronically, and delaying the date of the mailing of assessments for income-producing commercial properties from March 1 to June 15.

Under the proposal, the appeal deadline would become July 15, and OTR would be required to decide the appeals by August 31. As written, the legislation would provide that the existing deadline for appeals to the Real Property Tax Appeals Commission continue at September 30. Practitioners with whom we have spoken about the proposal have requested that the appeal deadline be extended to October 15 so as to continue to provide 45 days within which to file appeals. We have no objection to this change in the legislation and believe that it will have no practical impact on the Real Property Tax Appeals Commission, since under existing practice, it does not begin to hear commercial appeals until well into November. We will provide committee staff with appropriate language to accomplish this change.

The legislation does shorten the time which our staff will have to make decisions on appeals. We are confident, however, that it can handle this and that the quality of our determinations will not suffer. We will

benefit from the fact that we will have analyzed income and expense statements before assessment notices are mailed and thus will not have to do so during the appeal period and because we will not longer have to handle appeals which are occasioned solely because our estimates of income turned out to be in error.

It is our expectation that this legislation will improve the accuracy of our commercial property assessments, reduce the number of both 1st and 2nd level appeals, reduce the number of adjustments and settlements, raise additional revenue from those properties whose income is higher than our estimates and that, of course, are not appealed, and provide our Office of Revenue Analysis with a more accurate basis upon which to estimate future real property tax receipts. For all of these reasons, we urge favorable action on Bill 20-24.