PUBLIC HEARING ON

"Tax Sale Equity Amendment Act of 2026"
Bill 26-771

Before the
The Honorable Phil Mendelson, Chairman
Committee of the Whole

Council of the District of Columbia

September 23, 2026 at 10:00 a.m.
Room 412
John A. Wilson Building
1350 Pennsylvania Avenue, NW

Testimony of Robert McKeon
Deputy Associate General Counsel
Office of the Chief Financial Officer

Glen Lee
Chief Financial Officer
Government of the District of Columbia

Good morning, Chairman Mendelson and Members of the Committee of the Whole. My name is Robert McKeon. I am the Deputy Associate General Counsel in the Office of the Chief Financial Officer ("OCFO"), serving the Office of Tax and Revenue. I am pleased to testify for the OCFO on Bill 26-771, the "Tax Sale Equity Amendment Act of 2026" ("Bill").

The tax sale is a highly effective tool for the collection of real property taxes and has been utilized by the District for over 150 years. The tax sale's strength is not only in securing tax revenue owed to the District, but also in the abatement of vacant and blighted properties. In part due to the tax sale, real property tax collection receipts are 94% of total billing (before accounting for tax sale revenues). From the annual tax sale, approximately 98.5% of properties have their liabilities satisfied, and as a result transfer of title is extremely rare. After the annual tax sale, the District typically holds a discount tax sale to sell properties that were not sold to third party purchasers at the annual tax sale. These properties generally include vacant and blighted properties that are sold to the highest bidder where the total tax owed is discounted to the bid amount. Properties sold at the discount tax sale typically have no equity. Purchasers at the discount sale are typically interested in rehabbing properties so that they may be sold and occupied.

Recent United States Supreme Court jurisprudence has caused jurisdictions throughout the country to re-examine their tax sale processes. The District is no exception, and months of collaboration, research and analysis have culminated in this Bill.

The Bill's aim is largely to return equity in tax sale properties to the former owner after a trustee's sale. Currently, the trustee's sale to recoup equity to the former owner is reserved for properties occupied by the record owner or the heir of the record owner. Under the Bill, the presumption of a right to a trustee's sale will be enlarged to encompass all occupied homes, commercial and apartment buildings (where the taxes owed are less than 50% of the assessed value) and vacant land valued at $100,000 or more. Properties sold at the discount tax sale are not presumed to fall within the trustee's sale, as they generally do not have equity.

Under the Bill, for properties where the presumption of a trustee's sale does not exist, the owner may request a trustee's sale within 90 days (30 days for discount sale properties) from being served with the foreclosure lawsuit. The request for a trustee's sale may be rebutted by a finding that there is not sufficient equity to warrant the costs of such a sale.

Finally, the Bill resets capped legal fees, which are only paid if the property is redeemed or sold at a trustee's sale. These capped legal fees have been stagnant for 12 years, so the Bill will provide for cost-of-living adjustments to such fees to ensure legal representation for tax sale purchasers.

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