

**PUBLIC ROUNDTABLE ON
BILL 16-409, “NATIONAL COMMUNITY
REINVESTMENT COALITION REAL PROPERTY TAX
EXEMPTION ACT OF 2005”**

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

The Honorable Jack Evans, Chairman

**September 28, 2005, 12:00 p.m.
Room 120, John A. Wilson Building**



**Testimony of
Martin Skolnik
Director, Real Property Tax Administration
Office of Tax and Revenue**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good afternoon, Chairman Evans and members of the Committee on Finance and Revenue. I am Martin Skolnik, Director of the Real Property Tax Administration for the Office of Tax and Revenue in the Office of the Chief Financial Officer. I am pleased to present testimony today on Bill 16-409, the “National Community Reinvestment Coalition Real Property Tax Exemption Act of 2005.”

The purpose of this bill is to exempt from real property taxation lot 20 in square 222 as of February 24, 2004, as well as the buildings on the subject real property, and to refund real property taxes that have been paid by the owner since that date. The real property is owned by National Community Reinvestment Coalition (NCRC), Inc., a District of Columbia nonprofit corporation. The proposed exemption is provided as long as the subject property is occupied and used by NCRC or its tenants, and is not used for commercial purposes.

We have three recommendations to this proposal. First, we recommend, in addition to D.C. Official Code §§ 47-1007 and 47-1009, that the exemption also be subject to D.C. Official Code § 47-1005(a) and that the phrase “or its nonprofit tenants to the extent that the property continues to be so owned and occupied, and not used for commercial purposes,” be stricken. Making a special exemption subject to Code §§ 47-1005(a), 47-1007 and 47-1009 has become the Council’s customary practice and is also consistent with the treatment of administratively exempted real estate. Code § 47-1005(a) requires that if any building or grounds on the exempted land is used to secure rent or income for any activity other than NCRC’s exempt purpose, the building or grounds shall be assessed and taxable.

Second, we recommend that section 3 of the bill be amended to provide for the section's effective date being the last day of the month before the exemption in section 2 becomes effective. By so doing, taxes owing through the end of the month preceding the effective date of the exemption will be forgiven. Such a goal would appear to be the intent of Council.

We understand that our colleagues in the Office of Revenue Analysis within the Office of the Chief Financial Officer will provide you with a detailed analysis of the fiscal impact of this bill at a later time.

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.

#