

PUBLIC HEARING ON

**Golden Triangle Business Improvement District
Amendment Act of 2023, Bill 25-136**

**Before the
Committee on Business and Economic Development
The Honorable Kenyan McDuffie, Chairman**

Council of the District of Columbia

Thursday, June 8, 2023, at 10:00 a.m.



Testimony of

**Bazil Facchina
Assistant General Counsel
Office of the Chief Financial Officer**

**Glen Lee
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairman McDuffie and Members of the Committee on Business and Economic Development. I am Bazil Facchina, Assistant General Counsel in the Office of the General Counsel for the Office of the Chief Financial Officer (OCFO). I am pleased to testify for the OCFO on Bill 25-136, the “Golden Triangle Business Improvement District Amendment Act of 2023” (the Bill).

In general, the Bill provides new rates for assessment of commercial, vacant, and residential properties located within the Golden Triangle Business Improvement District (BID) beginning with Tax Year 2024. For improved commercial (Class 2) and vacant (Class 3) property (excluding hotels), the rate is set at 19 cents per net rentable square foot. No mention is made of a BID tax on Class 4 property.

For hotels, the rate is set at 16 cents per each equivalent net rentable square foot of improvements. For residential units that are not exempt from this levy, the rate is \$163 per unit, although for affordable housing units, the rate is determined by multiplying this figure by the Area Median Income percentage that the household must meet to qualify for the unit.

The Bill also adds a new subparagraph (F) to the Golden Triangle BID law providing a 3 percent annual increase in the BID tax rates beginning with

Tax Year 2024. However, the existing Golden Triangle BID law (D.C. Official Code § 2-1215.52(c)(2)(D)) already provides for a 3 percent annual rate increase, so the Committee and the BID may wish to consider whether this additional escalator provision should be harmonized with the existing escalator provision. If this provision is retained, then the phrase “subsection (c) of” should be stricken as superfluous.

The Bill also provides reduced amounts of BID tax for residential units that are income-restricted under Federal and District housing programs. The Bill should provide a method for easily identifying these units, such as by a certification by the BID or a District agency, so that the BID’s roll of properties can be reliably certified and the need to issue corrective bills can be minimized.

As a general matter, the BID prepares the roll of properties liable for the BID tax and the amounts of BID taxes that each property must pay. This roll is provided to the Office of Tax and Revenue, which then certifies the roll, issues the BID bills to the BID taxpayers, and collects the remittances from these taxpayers, which are then paid to the BID. As a result, the BID handles most of the administrative work of preparing the BID roll and computing the BID tax imposed on each property subject to the BID. Aside from the issue of properly identifying income-restricted residential units entitled to the

reduced level of BID tax, the Bill does not appear to present any administrative issues for the Office of Tax and Revenue.

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