PUBLIC HEARING ON

BILL 20-203

DC BUSINESS IMPROVEMENT DISTRICT

AMENDMENT ACT OF 2013

Before the

Committee on Business, Consumer, and Regulatory Affairs
Council of the District of Columbia

The Honorable Vincent Orange, Chairman

July 12, 2013, 10:00 a.m.
Room 412, John A. Wilson Building

Testimony of Robert Farr
Director, Real Property Tax Administration
Office of Tax and Revenue
Office of the Chief Financial Officer

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

Mr. Chairman and members of the Committee, my name is Robert Farr, and I am the Director of the Real Property Tax Administration within the Office of Tax and Revenue (OTR). I am pleased to present testimony today on Bill 20-203, the "DC Business Improvement District Amendment Act of 2013."

Bill 20-203 would permit OTR to consolidate billing of business improvement taxes and vault rents for condominium associations. Consolidated billing will improve efficiency in OTR's billing process and conserve administrative resources.

Currently for business improvement taxes (BID), OTR bills each condominium unit individually, collects each condominium unit's payment individually, and turns over each individual payment to the respective BID. Often, condominium owners do not differentiate between a BID tax payment and a real property tax payment, and OTR must reconcile the property's accounts by redistributing the payments between real property tax and BID tax. These processes require OTR to devote scarce administrative resources. Given the number of new condominiums that could be subject to BID taxes, it is important to OTR that there be a single unified bill to each condominium association and that individual units no longer be billed separately.

OTR remains committed to working with this Committee and the BIDs to further define the means by which BID and vault taxes would be billed to and collected from the condominium associations.

Thank you, Chairman Orange, for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.