

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend, on an temporary basis, Title 47 of the District of Columbia Official Code to provide that the owner of a property that is receiving erroneously the homestead deduction and senior/disabled real property tax relief has a duty to inform the Chief Financial Officer, that the benefits shall be rescinded prospectively on the sale of real property to a non-qualifying purchaser, and that a former owner that received the benefits shall be personally liable for the amount of benefits improperly received.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Real Property Tax Benefits Revision Temporary Act of 2006”.

Sec. 2. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-850.02 is amended as follows:

Note,
§ 47-850.02

(1) Subsection (b) is amended as follows:

(A) Paragraph (1) is amended by striking the word “applicant” wherever it appears and inserting the phrase “applicant (or current owner if there is no applicant)” in its place.

(B) Paragraphs (4) and (5) are amended by striking the phrase “(for which notification is required under this subsection)”.

(C) A new paragraph (6) is added to read as follows:

“(6) Notwithstanding the rescission of the deduction pursuant to paragraphs (4) and (5) of this subsection, if all of the applicant’s ownership interest in the real property is transferred to a new owner, shareholder, or member who does not apply or qualify for the deduction, the real property shall be entitled to the apportioned amount of the deduction applicable to the installment payable during the half tax year during which the ownership interest was transferred. At the end of such half tax year, the deduction shall cease. If the applicant purchases another real property or interest in a housing cooperative for which he or she shall make application for the deduction, and the application and purchase occurs during the same half tax year when the transfer occurred, §§ 47-850(d), 47-850.01(b), and 47-850.04 shall not apply to the extent that both real properties may benefit from the deduction during that half

tax year and, thereafter, only the newly purchased real property or housing cooperative in which the applicant acquired newly an interest shall benefit from the applicant's deduction. Notwithstanding the foregoing, a real property shall not benefit from more than one deduction in any half tax year; provided, that in the case of a housing cooperative, the real property shall not benefit from more than one deduction related to a dwelling unit in any half tax year."

(2) Subsection (c)(1) is amended by striking the word "applicant" wherever it appears and inserting the phrase "applicant (or former owner if there is no applicant)" in its place.

(b) Section 47-863 is amended as follows:

Note,
§ 47-863

(1) Subsection (f) is amended as follows:

(A) Paragraph (1) is amended by striking the word "applicant" wherever it appears and inserting the phrase "applicant (or former owner if there is no applicant)" in its place.

(B) Paragraphs (4) and (5) are amended by striking the phrase "(for which notification is required under this subsection)".

(C) A new paragraph (6) is added to read as follows:

"(6) Notwithstanding the rescissions of the deduction pursuant to paragraphs (4) and (5) of this subsection, if the applicant's required ownership interest in the real property is transferred to a new owner, shareholder, or member who does not apply or qualify for the deduction, the real property shall nevertheless be entitled to the apportioned amount of the deduction applicable to the installment payable during the half tax year during which such ownership interest was transferred. At the end of the half tax year, the deduction shall cease. If the applicant purchases another real property or interest in a housing cooperative for which he or she shall make application for the deduction, and the application and purchase occurs during the same half tax year when the transfer occurred, subsections (i) and (j) of this section shall not apply to the extent that both real properties may benefit from the deduction during that half tax year and, thereafter, only the newly purchased real property or housing cooperative in which the applicant acquired newly an interest shall benefit from the applicant's deduction. Notwithstanding the foregoing, a real property shall not benefit from more than one deduction in any half tax year; provided, that in the case of a housing cooperative, the real property shall not benefit from more than one deduction related to an eligible household in any half tax year."

(2) Subsection (g)(1) is amended by striking the word "applicant" wherever it appears and inserting the phrase "applicant(or former owner if there is no applicant)" in its place.

(3) Subsection (l) is amended by striking the word "decrease" and inserting the word "deduction" in its place.

Sec. 3. Applicability.

(a) Section 2(a)(1)(A) and (B), 2(a)(2), 2(b)(1)(A) and (B), and 2(b)(2) shall apply for

tax years beginning after September 30, 2001.

(b) Section 2(a)(1)(C) and 2(b)(1)(C) shall apply as of January 2, 2007.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director dated December 4, 2006 as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia