

A RESOLUTION

**Proposed Resolution
19-1166**

**See Emergency Act
D.C. Act 19-595
20 DCSTAT 307**

To declare the existence of an emergency with respect to the need to amend Chapter 10 of Title 47 of the District of Columbia Official Code to exempt from taxation certain property owned or ground leased by Washington Latin Public Charter School or Latin Rudolph QALICB, LLC, nonprofit corporations.

**Washington Latin
Public Charter
School Campus
Property Tax
Exemption
Emergency
Declaration
Resolution of 2012**

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Washington Latin Public Charter School Campus Property Tax Exemption Emergency Declaration Resolution of 2012”.

Sec. 2. (a) Washington Latin Public Charter School ("Washington Latin"), a tax-exempt, 501(c)(3) organization, will be the tenant under a long-term ground lease with the District of Columbia Public Schools for property located in Ward 4 at 5200 2nd Street, N.W., which formerly housed the Rudolph School. Washington Latin will move into the building after completing a multi-million dollar renovation.

(b) Washington Latin is currently pursuing a financing solution for its renovation project through the New Market Tax Credit (“NMTC”) program, which is administered by the United States Treasury Department. The NMTC financing will allow Washington Latin to obtain financing terms that are far more favorable than what is available in a conventional financing program. In order to qualify for the NMTC financing, and as required by the Internal Revenue Service, Washington Latin will form a subsidiary corporation known as a Qualified Active Low-Income Community Business (“QALICB”) that will act as the borrower. At execution of the lease agreement, Washington Latin will assign its leasehold interest to the QALICB, triggering transfer and recordation taxes.

(c) Without this emergency legislation, Washington Latin would be exempt from District real estate, recordation, and transfer taxes with respect to the Rudolph Campus Property, but the subsidiary QALICB would not be exempt from these taxes. It is a quirk of the federal legislation that to qualify for the financing, Washington Latin must create a company that is not tax exempt under District law. Nevertheless, the NMTC financing transaction, for the purposes of utilizing federal credits, is wholly consistent with the intent of the statute otherwise exempting all charter schools from taxation. Washington Latin will not profit from the NMTC structure described in subsection (b) of this section. The only reason for the structure is to facilitate compliance with the NMTC program. Washington Latin cannot close on the NMTC financing without tax exemptions for the subsidiary QALICB.

(d) Other educational institutions, and most recently Meridian Charter School, have been exempted from real property taxes caused by the NMTC requirements.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Washington Latin Public Charter School Campus Property Tax Exemption Emergency Act of 2012 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.