

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend section 47-1002 of the District of Columbia Official Code to provide a real property tax exemption for real property belonging to Qualified Low Income Community Businesses that participate in transactions qualifying for the New Markets Tax Credit provided under the Internal Revenue Code.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “New Markets Tax Credit Real Property Tax Exemption Amendment Act of 2022”.

Sec. 2. Section 47-1002 of the District of Columbia Official Code is amended as follows:

(a) Paragraph (30) is amended by striking the word “and” at the end.

(b) Paragraph (31)(C) is amended by striking the period and inserting the phrase “, including a nonprofit entity owning real estate titled through an LLC with a single member being the nonprofit applicant;” in its place.

(c) Paragraph (32) is amended as follows:

(1) Strike the phrase “defined in in” and insert the phrase “defined in” in its place.

(2) Strike the period at the end and insert the phrase “; and” in its place

(d) A new paragraph (33) is added to read as follows:

“(33)(A) Buildings belonging to a qualified active low-income community business (“QALICB”) participating in a transaction qualifying for the New Markets Tax Credit in which all of the ownership or membership interest of the QALICB is vested in one or more organizations, each of which is entitled to an exemption under paragraphs (5) through (20) of this section and that are used by one or more organizations, each of which is entitled to an exemption under paragraphs (5) through (20) of this section for the activities and purposes entitling each such organization to the exemption.

“(B) For purposes of this paragraph, the terms “qualified active low-income community business” and “New Markets Tax Credit” have the same meaning as provided in § 45D of the Internal Revenue Code of 1986 (26 U.S.C. § 1 *et seq.*).

“(C)(i) The Chief Financial Officer shall render a decision on an exemption under this paragraph within 60 days of receiving a properly completed property tax

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exemption application (“application”) and conduct an inspection of the property within a 3-year period to verify that the property is being used for the purposes stated in subparagraph (A) of this paragraph.

“(ii) The Chief Financial Officer may grant an exemption pursuant to an application prior to actual use of the property provided that the property is used for the purposes stated in subparagraph (A) of this paragraph within 3 years after the exemption is granted; except, that the Chief Financial Officer may extend the period for a reasonable period of time upon the request of the recipient of the exemption and the presentation of evidence showing, to the satisfaction of the Chief Financial Officer, as to why additional time is needed.

“(iii) Notwithstanding any other provision of law, if the property is not used as required by subparagraph (A) of this paragraph within the permitted period of time, the exemption shall be rescinded retroactive to the initial grant of the exemption, subject to the appeal provisions of § 47-1009.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

This act shall take effect after 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.

Chairman
Council of the District of Columbia

Mayor

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