


COUNCIL OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

MEMORANDUM

To: Members of the Council

From: Nyasha Smith, Secretary to the Council
Date: April 7, 2014
Subject: Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Thursday, April 3, 2014. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Fiscal Year 2015 Budget Support Act of 2014", B20-750

INTRODUCED BY: Chairman Mendelson at the request of the Mayor

The Chairman is referring this legislation to the Committee of the Whole with comments from standing committees on the specific subtitle indicated below:

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E EDUCATION
ED ECONOMIC DEVELOPMENT
FR FINANCE AND REVENUE
GO GOVERNMENT OPERATIONS
H HEALTH
HS HUMAN SERVICES
JPS JUDICIARY AND PUBLIC SAFETY
TE TRANSPORTATION AND THE ENVIROMENT

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Attachment

cc: General Counsel
Budget Director
Legislative Services



2014 APR -3 PM 4:58
OFFICE OF THE
SECRETARY

VINCENT C. GRAY
MAYOR

APR - 3 2014

The Honorable Phil Mendelson
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Chairman Mendelson:

On behalf of the residents of the District of Columbia, I submit to you the District of Columbia Fiscal Year 2015 Budget and Financial Plan, entitled "Keeping the Promises." Enclosed you will find the "Fiscal Year 2015 Budget Support Act of 2014."

This proposal is the District of Columbia's nineteenth consecutive balanced budget. As you know, the District's economy is experiencing a continuing economic recovery, with more than 34,000 private sector jobs created over the past three years and an unemployment rate that has decreased by three-and-a-half-points -- the lowest unemployment rate we've seen in more than five years. These results have been achieved while still maintaining fiscal responsibility. During the last three years we have insisted on structurally balanced budgets, in which we spent only what we brought in, even when it meant making tough political choices. As a result, we've posted three straight years of budget surpluses and have rebuilt the District's Fund Balance to the highest level in its history -- \$1.75 billion.

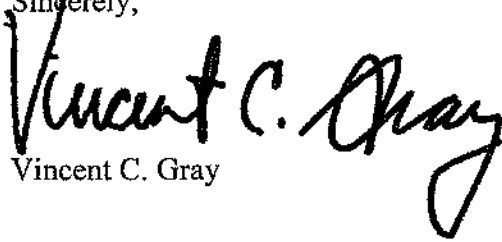
To support our growing population and continue building a more prosperous, equitable, safe, sustainable city for all, my proposed budget continues to provide investment to build on our economic successes while at the same time harnessing our increasing prosperity to build a stronger, more inclusive city for everyone. The document also includes hard choices that were required to build a fiscally sound budget and financial plan. Our intention was to strike a balance to maintain government services while meeting our economic goals. In this spirit, we are proposing enhancements that include:

- \$100 million in new funding for affordable housing initiatives between Fiscal Years 2014 and 2015;


- \$116 million in additional funding for public education to tackle the unacceptable achievement gap that persists despite the fact that District students are improving faster than those from any other state in the nation;
- \$300 million for a new East End Medical Center hospital;
- \$409 million for public schools modernization in Fiscal Year 2015; and
- \$475 million for streetcars.

This budget proposal is balanced, structurally sound, and was formulated in a spirit of fiscal discipline. I look forward to the Council's review of this proposal, and to working together to finalize and execute our budget for Fiscal Year 2015.

Sincerely,

A handwritten signature in black ink that reads "Vincent C. Gray". The signature is written in a cursive style with a large, sweeping initial "V".

Vincent C. Gray


Chairman Phil Mendelson
at the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Phil Mendelson, at the request of the Mayor, introduced the following bill, which was referred to the Committee on _____.

To limit payment from the categories of bonus and special pay; to amend the District of Columbia Comprehensive Merit Personnel Act to provide that the transfer of attorneys, staff employees, personal property, full-time equivalent positions authority, assets, records, and unexpended balances of appropriations, allocations, and other funds from the Office of the Attorney General to subordinate agencies, pursuant to the Elected Attorney General Implementation and Legal Service Establishment Amendment Act of 2013, shall not take place until 2018; to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to clarify the right of the District of Columbia Government to: demand a report of earnings from a claimant; clarify the right to a schedule award in the event of a permanent disability; and to eliminate and/or clarify the right to receive spousal death benefits after remarrying or entering a domestic partnership after the age of sixty; to enhance support for certain technology services of the District of Columbia government and facilitate economic development and technology access in the District of Columbia by increasing flexibility in current law that provides for a dedicated account to collect technology service fees; to amend section 47-392.02(j-2) of the District of Columbia Official Code to amend the uses of the Cash Flow Reserve account; to provide for maternity and paternity leave; to amend, the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to establish a Family Bonding Program for District government employees; to establish as a lapsing fund the District of Columbia Surplus Property Sales Revolving Fund; to amend Chapter 1 of Title 25 of the District of Columbia Official Code to allow for the on-site sale and consumption of beer brewed by a brewery; to amend Chapter 3 of Title 25 of the District of Columbia Official Code to attract new full-service grocery stores to Ward 4; to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to increase the cap on compensation of members of the Alcoholic Beverage Control Board from \$15,000 to \$18,000; to amend the Consumer Procedures and Protections Act of to allow the Department of Consumer and Regulatory Affairs to issue civil infractions for violations and to prohibit consumer protection violations using electronic or social media; to establish a simplified fee structure specific to solar permitting; to amend Section 34-912(b) of the District of Columbia Official Code; to amend the Unemployment Insurance

1 Benefits Modernization and Federal Conformity Amendments Act of 2014 amend the
2 District of Columbia Unemployment Compensation Act to comply with the federal
3 conformity requirements, by expanding the mandated electronic filing requirement to
4 employers with 5 or more employees; by making prisoners ineligible for benefits without
5 regard to the place of incarceration; by assigning the appropriate penalty rate to delinquent
6 accounts; by properly assigning rates based on transfer and actual experience; by
7 forbidding the removal of charges associated with overpaid claims; by denying
8 unemployment benefits to claimants that are physically located outside of the United
9 States; by extending the period of disqualification for unemployment insurance benefits
10 after a finding of fraud as a part of the federal Improper Payments Elimination and
11 Recovery Act; by properly defining normal weekly hours of work; by properly expanding
12 the eligibility requirements for a shared work plan; and by properly charging employer
13 accounts for shared work benefits in a manner proscribed by the Department of Labor; to
14 amend the H Street Retail Priority Area Incentive Act of 2010 to include it as part of the
15 Great Streets program; to amend the local rent supplement program; to establish a
16 segregated, non-lapsing fund the Film DC Economic Incentive Grant Fund and program;
17 to authorize the Chief of Police to receive reimbursement of fees for providing police
18 escorts and other law enforcement services that are necessary to protect public health and
19 safety; to authorize the State Safety Oversight office, as required by federal law, within
20 the Fire and Emergency Medical Services Department to conduct oversight and
21 investigations, take enforcement action, provide reports, and take other related action to
22 ensure the safe operation of the D.C. Streetcar; to approve changes to the uniform per
23 student funding formula; to amend D.C. Official Code §38-1804.01 to addresses Public
24 School's responsibilities related to local special education expenditures; to amend D.C.
25 Official Code §38-2901 to strike the current statutory definition of alternative program
26 and establish new eligibility criteria for receiving funding as an alternative education
27 school or program; to amend the Balanced Budget Downpayment Act II to increase the
28 percentage of funds paid by charter schools to the DC Public Charter School Board; to
29 amend the District of Columbia School Reform Act of 1995 to provide for three new
30 preferences in admission as follows: a child of a full-time employee of a public charter
31 school, a child with an individualized education program, and child who has been
32 committed to the custody of the District of Columbia within twelve months prior to
33 applying to a public charter school; to amend the District of Columbia Nonresident
34 Tuition Act of 1960 to provide for a residency exemption for up to three years for a
35 student who was formerly a ward of the state and who resides with a person in another
36 jurisdiction who provides care, custody and substantial support of the child; to establish a
37 Common Lottery Board to advise the Deputy Mayor for Education on the development,
38 implementation and continued improvement of the common lottery system for public
39 schools within the District of Columbia; to amend the Department on Developmental
40 Disabilities Establishment Act of 2006; to amend the Department of Health Functions
41 Clarification Act of 2001 by authorizing the Department of Health to award grants for
42 HIV/AIDS, prevention services and programs, to award grants for clinical nutritional
43 home delivery services for individuals living with cancer and other life threatening
44 diseases, ambulatory health services, poison control hotline and prevention education
45 services, operations and primary care services for school-based health clinics, and a teen
46 pregnancy prevention program in Fiscal Year 2015, to establish a fund to receive fees for
47 the prevention and treatment of communicable and chronic diseases, and to authorize the
48 Director of the Department of Health to establish fees for the prevention and treatment of
49 communicable and chronic diseases and seek reimbursement from third-party payors; to

1 amend D.C. Official Code § 1-307.02(a); to transfer the operation and administration of
2 the Tobacco Control Program within the Department of Behavioral Health to the
3 Department of Health; to amend the Department of Mental Health Enterprise Fund
4 Establishment Amendment Act of 2012; to amend the Fiscal Year 2010 Budget Support
5 Act of 2009 to increase the minimum annual benefit for Low Income Home Energy
6 Assistance Program Heat and Eat program participants from \$1 to \$20.01 to comply with
7 the revised eligibility requirements contained in section 4006 of the federal Agricultural
8 Act of 2014; to amend the definition of health service in Section 2 of the Health Services
9 Planning Program Re-establishment Act of 1996 to remove outpatient alcohol and drug
10 abuse treatment providers that are now regulated by the Department of Behavioral Health;
11 to amend District of Columbia Public Assistance Act of 1982 to reestablish the automatic
12 cost-of-living adjustments to the Temporary Assistance for Needy Families payments; to
13 amend the District of Columbia Public Space Rental Act to clarify that the Chief Financial
14 Officer is responsible for the collection of rent associated with vaults and the issuance of
15 refunds, to shift the date the vault bill is due to September 15 each year, and to designate
16 the condominium association as the recipient of vault bills related to condominiums;
17 amend the District of Columbia Public Space Rental Act to set the sidewalk café rental
18 period at a year, adjust the fees for enclosed and unenclosed sidewalk cafes and authorize
19 future adjustments of such fees, to increase the maximum fine for violating a section of
20 the District of Columbia Public Space Rental Act, and to authorize the Mayor to set public
21 space fees, including the sidewalk café fee and the vault fee; to amend the Department of
22 Transportation Establishment Act of 2002 to allow DDOT to enter into agreements for the
23 private sponsorship of District Department of Transportation facilities and equipment and
24 to more clearly designate the fund into which proceeds related to advertisements on
25 bicycle sharing facilities or bicycle sharing bicycles shall be deposited; to amend the
26 Department of Transportation Establishment Act of 2002 to allow DDOT to enter lands
27 where proposed highways, streetcar line, or other transportation project or facility may run
28 for the purpose of preparing surveys and other documents required by the District Rights
29 of Way Policy and Procedure Manual; to amend the Department of Transportation
30 Establishment Act of 2002 to authorize the District Department of Transportation to create
31 a managed lane system; to amend the Department of Transportation Establishment Act of
32 2002, the District Department of Transportation DC Streetcar Amendment Act of 2012,
33 the Procurement Practices Reform Act of 2010, and section 47-392.02 of the District of
34 Columbia Official Code to enable the District Department of Transportation to contract
35 for the design, build, operation, and maintenance of an integrated premium transit system;
36 to amend the uses of the Pesticide Product Registration Fund; to repeal the subject to
37 appropriations clauses of legislation funded in the fiscal year 2015 budget; to amend,
38 Chapter 10 of Title 47 of the District of Columbia Official Code to repeal the ten year
39 (2010-2020) \$15 million real property tax abatement afforded to The Urban Institute with
40 respect to Lot 840 in Square 673, and to provide a real property tax rebate to the Urban
41 Institute; to amend the District of Columbia Deed Recordation Tax Act to provide an
42 exemption from deed recordation taxes for security interest instruments issued in
43 connection with the District of Columbia Industrial Revenue Bond Program; to amend
44 section 47-863 of the District of Columbia Official Code to provide an exemption of real
45 property taxes for District domiciled residents who have owned a residence in the District
46 for at least 20 consecutive years immediately preceding the effective tax year, provided
47 the resident is 70 years of age or older, has an annual household adjusted gross income of
48 less than \$60,000 and less than \$12,500 of household interest and dividend income, and
49 owns the residence receiving the exemption; to provide a tax abatement to Whitman

1 Walker; to amend Chapter 18 of Title 47 to provide tax credits to individuals,
2 corporations, and unincorporated businesses for the conversion of petroleum diesel or
3 petroleum derived gasoline into alternative fuel vehicles; to amend Chapter 18 of Title 47
4 to provide tax credits to individuals, corporations, and unincorporated businesses for the
5 construction of alternative fuel infrastructure installation accessible to the public; to
6 amend the calculated rate for clarity; to amend Title 47 of the District Columbia Official
7 Code to extend tax exemptions and waive any related fees, for the Carver 2000 Low-
8 Income and Senior Housing Project located in various lots within squares 5140, 5190, and
9 5348; to amend Title 47 of the District of Columbia Official Code to establish the Office
10 of the Real Property Tax Ombudsman, exclude from real property tax sales improved
11 Class 1 properties on which the tax owed is less than \$2,500, modify property tax
12 delinquency and sale procedures, expand pre-sale notice requirements, require that copies
13 of delinquency notices be provided to the Real Property Tax Ombudsman, permit
14 homeowners to apply for a forbearance authorization from the Mayor to avoid tax sales,
15 expand post-sale notice to homeowners to minimize costs associated with redemption,
16 provide equitable limitations on tax sale purchaser expenses that a homeowner must pay
17 to redeem a home, and to provide that homeowners be allowed to retain the equity in the
18 property in the event of a failure to redeem; to amend the District of Columbia
19 Government Comprehensive Merit Personnel Act of 1978 to make a conforming
20 amendment; to amend the Business Improvement Districts Act of 1996 to clarify that the
21 only simple interest is imposed; to amend Act To establish a code of law for the District
22 of Columbia to require an owner of real property to notify the Office of Tax and Revenue
23 of a name or address change within 30 days and to record a name change with the
24 Recorder of Deeds; to amend the District of Columbia Deed Recordation Tax Act to
25 exempt from recordation tax a deed on property transferred to a named beneficiary of a
26 revocable transfer on death deed under the Uniform Real Property Transfer of Death Act
27 of 2012 upon the death of the grantor; and to amend An Act To provide for the abatement
28 of nuisances in the District of Columbia by the Commissioners of said District, and for
29 other purposes to broaden the definition of owner; to amend the Department of
30 Transportation Establishment Act of 2002 to allow DDOT to re-allocate funds from any
31 Related Project to the applicable capital project funded from the District of Columbia
32 Highway Trust Fund; to re-allocate capital funding; to provide a contingent revenue
33 priority list; and to repeal or make lapsing segregated local, dedicated, and o-type
34 accounts held outside the General Fund.

35
36 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
37 act may be cited as the "Fiscal Year 2015 Budget Support Act of 2014".

38 **TITLE I. GOVERNMENT DIRECTION AND SUPPORT**

39 **SUBTITLE A. BONUS AND SPECIAL PAY LIMITATION**

40 Sec. 101. Short title.

41 This subtitle may be cited as the "Bonus and Special Pay Limitation Act of 2014".

42 Sec. 102. Bonus and special pay limitations.

1 (a) For fiscal year 2015, no funds shall be used to support the categories of special awards
2 pay or bonus pay; provided, that funds may be used to pay:

- 3 (1) Retirement awards;
- 4 (2) Hiring bonuses for difficult-to-fill positions;
- 5 (3) Additional income allowances for difficult-to-fill positions;
- 6 (4) Agency awards or bonuses funded by private grants or donations;
- 7 (5) Employee awards pursuant to D.C. Code § 1-619.01;
- 8 (6) Safe driving awards;
- 9 (7) Gainsharing incentives in the Department of Public Works;
- 10 (8) Suggestion/invention awards;
- 11 (9) Quality Steps;
- 12 (10) Salary incentives negotiated through collective bargaining; or
- 13 (11) Any other award/bonus required by an existing contract or collective
14 bargaining agreement that was entered into prior to the effective date of this subtitle.

15 (b) No special awards pay or bonus pay shall be paid to a subordinate agency head or an
16 assistant or deputy agency head unless required by an existing contract that was entered into prior
17 to the effective date of this subtitle.

18 (c) Notwithstanding any other provision of law, no restrictions on the use of funds to
19 support the categories of special awards pay (comptroller subcategory 0137) or bonus pay
20 (Comptroller subcategory 0138) shall apply in fiscal year 2015 to employees of the District of
21 Columbia Public Schools who are based at a local school or who provide direct services to
22 individual students.

23 (d) Notwithstanding this subtitle or any other provision of law, the Office of the Attorney
24 General shall pay employees of the Office of the Attorney General all performance allowance

1 payments to which they are entitled or may become entitled under any approved compensation
2 agreement negotiated between and executed by the Mayor and Compensation Unit 33 of the
3 American Federation of Government Employees, Local 1403, AFL-CIO for the period from
4 October 1, 2013 through September 30, 2017. These payments are necessary to satisfy the
5 requirements of section 857 of the District of Columbia Comprehensive Merit Personnel Act of
6 1978, effective April 20, 1999 (D.C. Law 12-260; D.C. Official Code § 1-608.57), which requires
7 the Attorney General’s performance management system to link pay to performance.

8 **SUBTITLE B. ELECTED ATTORNEY GENERAL IMPLEMENTATION AND**
9 **LEGAL SERVICE ESTABLISHMENT TECHNICAL AMENDMENT**

10 Sec. 111. Short title.

11 This subtitle may be cited as the “Elected Attorney General Implementation and Legal
12 Service Establishment Technical Amendment Act of 2014”.

13 Sec. 112. The District of Columbia Government Comprehensive Merit Personnel Act of
14 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*), is
15 amended as follows:

16 (a) Section 862(5) (D.C. Official Code § 1-608.62(5)) is amended by striking the word
17 “2014” and inserting the word “2018” in its place.

18 (b) Section 863 (D.C. Official Code § 1-608.63) is amended by striking the word “2014”
19 and inserting the word “2018” in its place.

20 (c) Section 864 (D.C. Official Code § 1-608.64) is amended by striking the word “2014”
21 wherever it appears in section 864 and inserting the word “2018” in its place.

22 Sec. 113. Section 401(a) of the Elected Attorney General Implementation and Legal
23 Service Establishment Amendment Act of 2013, passed on 2nd reading on October 1, 2013
24 (Engrossed version of Bill 20-134) is amended by striking the word “2014” and inserting the

1 word “2018” in its place.

2 Sec. 114. Applicability.

3 (a) Section 112 of this act shall apply as of October 1, 2018.

4 (b) Section 113 of this act shall apply as of the effective date of the Elected Attorney
5 General Implementation and Legal Service Amendment Act of 2013, passed on 2nd reading on
6 October 1, 2013 (Engrossed version of Bill 20-134).

7 **SUBTITLE C. PUBLIC SECTOR WORKERS’ COMPENSATION BUDGET**

8 **SAVINGS**

9 Sec. 121. Short title.

10 This subtitle may be cited as the “Public Sector Workers’ Compensation Budget Savings
11 Act of 2014”.

12 Sec. 122. The District of Columbia Government Comprehensive Merit Personnel Act of
13 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01, *et. seq.*) is
14 amended as follows:

15 (a) The table of contents is amended by adding a new section designation after “Sec.
16 2306a. PERIOD OF DISABILITY PAYMENTS” to read as follows:

17 “Sec. 2306b. REPORT OF EARNINGS.”

18 (b) Title XXIII is amended as follows:

19 (1) Section 2306(b) (D.C. Official Code § 1-623.06(b)) is repealed.

20 (2) A new Section 2306b (D.C. Official Code § 1-623.06b) is added to read as
21 follows:

22 “Sec. 2306b. Report of Earnings.

23 “(a) The Mayor shall require each employee receiving benefits under this
24 subchapter to report his or her earnings from employment or self-employment by affidavit,

1 including by providing copies of tax documents and authorizing the Mayor to obtain copies of tax
2 documents, within 30 days of a written request for a report of earnings.

3 “(b) An employee shall forfeit his or her right to workers' compensation with
4 respect to any period for which the report of earnings was required if the employee:

5 “(1) Fails to file a complete report of earnings within 30 days of a written
6 request for a report of earnings; or

7 “(2) Knowingly omits or understates any part of his or her earnings.

8 “(c) Workers' compensation forfeited under this section, if already paid, may be
9 recovered by a deduction from future workers' compensation payments owed to the employee or
10 otherwise recovered under § 1-623.29.

11 “(d) The Mayor shall notify any employee receiving workers' compensation
12 benefits, on forms prescribed by the Mayor, of that employee's affirmative duty to report earnings
13 and shall specifically notify the employee that a failure to report earnings may subject him or her
14 to termination from the program and civil or criminal liability. The notice by the Mayor may be
15 satisfied by printing the notice on the employee payee statement portion of the indemnity check
16 sent to the employee.

17 “(e) For the purposes of this subsection, the term "earnings" includes any cash,
18 wages, or salary received from self-employment or from any other employment aside from the
19 employment in which the worker was injured. The term "earnings" also includes commissions,
20 bonuses, and the cash value of all payments and benefits received in any form other than cash.
21 Commissions and bonuses earned before disability but received during the time the employee is
22 receiving workers' compensation benefits do not constitute earnings that must be reported.”.

23 (3) Section 2307 (D.C. Official Code § 1-623.07) is amended as follows:

24 (A) Subsection (a)(3) is amended to read as follows:

1 “(3) In addition to compensation for temporary total or temporary partial
2 disability, provided that:

3 “(A) A claimant who has received compensation for
4 temporary total or temporary partial disability under this subchapter shall be eligible for
5 compensation payable under this section only after compensation for the temporary total or
6 temporary partial disability has ceased;

7 “(B) A claimant shall not receive any further compensation
8 for temporary total or temporary partial disability after receiving compensation under this section;
9 and

10 “(C) A claimant shall not be entitled to receive multiple
11 awards of compensation under this section for the same permanent disability, but shall only be
12 entitled to receive one award of compensation payable under this section per permanent
13 disability.”.

14 (B) Subsection (b) is repealed.

15 (3) Section 2333(b)(1)(A) (D.C. Official Code § 1-623.33(b)(1)(A)) is
16 amended by striking the phrase “before reaching age 60”.

17 **SUBTITLE D. FLEXIBILITY IN PROVISION OF TECHNOLOGY SERVICES**

18 Sec. 131. Short title.

19 This subtitle may be cited as the “Technology Services Support Amendment Act of
20 2014”.

21 Sec. 132. Section 1003(a) of the Technology Services Support Act of 2007, effective
22 September 18, 2007 (D.C. Law 17-20; D.C. Official Code § 1-1432(a)) is amended as follows:

23 (a) Strike the phrase “health care or education”.

24 (b) Strike the phrase “and any open-access” and insert the phrase “any open-access” in its

1 place.

2 (c) Strike the phrase “neighborhoods in the District of Columbia” and insert the phrase
3 “neighborhoods in the District, and entities designated by the Mayor as necessary to support
4 economic development initiatives of the District Government” in its place.

5 **SUBTITLE E. PAY-AS-YOU-GO AND RESERVE ACCOUNT TECHNICAL**
6 **AMENDMENTS**

7 Sec. 141. Short title

8 This subtitle may be cited as the “Pay-as-you-go and Reserve Accounts Amendment Act
9 of 2014”.

10 Sec. 142. Section 47-392.02 of the District of Columbia Official Code is amended as
11 follows:

12 (a) Subsection (f)(2) is amended to read as follows:

13 “(2) Beginning with the fiscal year 2016 budget and each subsequent year, the annual
14 proposed budget and financial plan submitted to the Council and the approved budget and
15 financial plan submitted to the Congress of the United States shall include a Pay-as-you-go
16 Capital Account.”.

17 (b) Subsection (j-1)(2) is amended to read as follows:

18 “(2) The Fiscal Stabilization Reserve Account may be used by the Mayor for:

19 “(A) Those purposes permitted for use of the Contingency Reserve Fund, specified
20 in § 1-204.50a(b)(4), as certified by the Chief Financial Officer, with approval of the Council by
21 act; and

22 “(B) Providing budget authority and funding for locally approved expenditures
23 during a federal government shutdown; provided that any amounts used must be replenished
24 immediately at the conclusion of the federal government shutdown.”.

1 (c) Subsection (j-2) is amended as follows:

2 (1) Paragraph (2) is amended to read as follows:

3 “(2) The Cash Flow Reserve Account may be used by the Chief Financial
4 Officer to cover:

5 “(A) Cash-flow needs; provided, that any amounts used must be
6 replenished to the Cash Flow Reserve Account in the same fiscal year; and

7 “(B) Providing budget authority and funding for locally approved
8 expenditures during a federal government shutdown; provided that any amounts used must be
9 replenished immediately at the conclusion of the federal government shutdown.”.

10 (2) A new paragraph (4) is added to read as follows:

11 “(4) If at the close of any fiscal year, the District has fully funded the
12 Emergency, Contingency, Fiscal Stabilization, and Cash Flow Reserves, all additional
13 uncommitted amounts in the unrestricted balance of the General Fund of the District of Columbia
14 as certified by the Comprehensive Annual Financial Report (CAFR) shall be used for the
15 following purposes:

16 “(A) Fifty percent shall be deposited in the Housing Production
17 Trust Fund;

18 “(B) Twenty five percent shall be deposited in the District of
19 Columbia Retiree Health Benefits Fund, up to an actuarially certified funding ratio of 100% ; and

20 “(C) Twenty five percent, plus any funds from subparagraph (B) of
21 this paragraph that are not needed to maintain the 100% funding ratio, shall be reserved for Pay-
22 as-you-go capital projects.”.

23 **SUBTITLE F. FAMILY BONDING AMENDMENT**

24 Sec. 151. Short title

1 This subtitle may be cited as the “Family Bonding Leave Program Amendment Act of
2 2014”.

3 Sec. 152. The District of Columbia Government Comprehensive Merit Personnel Act of
4 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*), is
5 amended by adding a new section 1203c to read as follows:

6 “Sec. 1203c. Family bonding leave.

7 “(a) An eligible employee shall receive leave with pay of not more than 6 work weeks
8 within a 12-month period. Employees shall be eligible for this leave based on the following
9 qualifying events:

10 “(1) The birth of a child of the employee;

11 “(2) The legal placement of a child with the employee (such as through adoption,
12 guardianship, or foster care); or

13 “(3) The placement of a child with the employee for whom the employee
14 permanently assumes and discharges parental responsibilities.

15 “(b) Leave authorized by this section:

16 “(1) Must be exercised by an eligible employee within a 12-month period
17 following the qualifying event;

18 “(2) May be used in no less than one work week increments, either consecutively
19 or intermittently; and

20 “(3) If 2 eligible employees share a single qualifying event, the employees shall
21 receive no more than a total of 8 work weeks of leave collectively, with no one employee using
22 more than 6 work weeks within a 12-month period.

23 “(c) No employee shall receive more than 30 work weeks of leave provided under this
24 section.

1 “(d) If an employee using leave under this section is serving in a probationary capacity,
2 the employee’s probationary period shall be extended by the duration of the leave used.

3 “(e) An eligible employee using leave under this section shall enjoy the same job
4 protections afforded to an employee using leave under the District of Columbia Family and
5 Medical Leave Act, effective October 3, 1990 (D.C. Law 8-181; D.C. Official Code § 32-501 *et*
6 *seq.*).

7 “(f) An agency may require that a request for leave under this section be supported by
8 appropriate certification or other supporting documentation. An agency shall keep any
9 information regarding the family relationship confidential.

10 “(g) Each agency shall maintain an accounting of leave used under this section and any
11 records related to its use.

12 “(h) For the purposes of this section, the term:

13 (1) “Child” means an individual under 19 years of age.

14 (2) “Eligible employee” means any District government employee, except those in
15 temporary or intermittent appointments.

16 “(i) The Mayor shall issue rules to implement this section to promote bonding between the
17 eligible employee and the child, including rules to ensure the privacy of participating employees,
18 to establish eligibility criteria and verification, and to set appropriate limits to the family leave
19 benefit.

20 **SUBTITLE G. OFFICE OF CONTRACTING AND PROCUREMENT SURPLUS**
21 **PROPERTY FUND ESTABLISHMENT**

22 Sec. 161. Short title.

23 This subtitle may be cited as the “Office of Contracting and Procurement Surplus Personal
24 Property Sales Fund Establishment Act of 2014”.

1 Sec. 162. District of Columbia Surplus Personal Property Sales Revolving Fund.

2 (a) There is established as a lapsing fund the District of Columbia Surplus Personal
3 Property Sales Revolving Fund (“Surplus Personal Property Fund”), which shall be used to pay
4 the cost of the surplus personal property sales contract.

5 (b) The Chief Procurement Officer (“CPO”) may collect and deposit in the Surplus
6 Personal Property Fund such amounts necessary to pay for the cost of the surplus personal
7 property sales contract from the proceeds of the sale of surplus goods (“funds”).

8 (c) Proceeds from the sale of surplus personal property after the funds have been
9 collected by the CPO shall be deposited into the unrestricted fund balance of the General Fund of
10 the District of Columbia.

11 (d) All funds received but not expended in a fiscal year shall revert to the unrestricted
12 fund balance of the General Fund of the District of Columbia.

13 **SUBTITLE H. DISTRICT OF COLUMBIA FOOD PROVISION AMENDMENT**

14 Sec. 171. Short title.

15 This subtitle may be cited as the “District of Columbia Food Provision Amendment Act of
16 2014”.

17 Sec. 172. Purchase and Distribution of Food By the Department of Parks and Recreation.

18 (a) The Recreation Act of 1994, effective March 23, 1995 (D.C. Law 10-246; D.C.
19 Official Code § 10-301 *et seq.*), is amended by adding a new section 6a to read as follows:

20 “Sec. 6a. Food and refreshments.

21 “Notwithstanding any other provision of law or other requirement, the Department may
22 use appropriated funding, including funds in the Recreation Enterprise Fund, to provide food,
23 snacks, meals, refreshments, non-alcoholic beverages, and entertainment to the general public,
24 program participants, and District government employees in connection with sporting,

1 educational, or other recreational programs or events the Department sponsors.”.

2 (b) Section 4(b)(2) is repealed.

3 Sec. 173. Provision of Food to Members of Boards and Commissions.

4 (a) Section 1108 of the District of Columbia Government Comprehensive Merit
5 Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code §
6 1-611.08) is amended by adding a new subsection (d-1) to read as follows:

7 “(d-1) Notwithstanding any other law, the District may use appropriated funds to provide
8 meals and refreshments to members of boards and commissions. Meals and refreshments may be
9 provided during meetings in which members are actively engaged in public business for
10 significant periods of time, and where the provision of food would contribute to the effective
11 conduct of the meeting and the accomplishment of the meeting’s objectives. The Mayor shall
12 issue rules to specify the types of boards and commissions to which food may be provided, the
13 nature of the meetings to which this subsection shall apply, any advance approvals that may be
14 required, the maximum amounts that may be spent, and any other applicable restrictions.”.

15 **TITLE II. ECONOMIC DEVELOPMENT AND REGULATION**

16 **SUBTITLE A. MANUFACTURER TASTING PERMIT AMENDMENT**

17 Sec 201. Short Title

18 This subtitle may be cited as the "Manufacturer Tasting Permit Amendment Act of 2014".

19 Sec. 202. Chapter 1 of Title 25 of the District of Columbia Official Code is amended as
20 follows:

21 (a) Section 25-110(a)(2)(B) is amended to read as follows:

22 “(B) The license shall authorize the licensee to sell the beer manufactured under
23 the license to (i) another licensee under this title for resale; (ii) to a dealer licensed under the laws
24 of any state or territory of the United States for resale; and (iii) to a consumer. Except as provided

1 in subparagraph (C), the licensee may sell beer to the consumer only in barrels, kegs, cans, and
2 sealed bottles, which shall not be opened after sale, or the contents consumed, on the premises
3 where sold.”.

4 (b) Section 25-110(a)(2) is amended to add new subparagraphs (C) and (D) to read as
5 follows:

6 "(C) The holder of a manufacturer's license, class B, may apply for an on-site sales
7 and consumption permit in order to use a portion of the licensed premises for the on-premises
8 sale, service, and consumption of beer brewed by the brewery and purchased by the customer.
9 The holder of an on-site sales and consumption permit shall only sell, serve, and permit the
10 consumption of beer brewed by the brewery and purchased by the customer between the hours of
11 1 p.m. and 9 p.m., 7 days a week. The minimum annual fee for an on-site sales and consumption
12 permit shall be \$1,000. The on-premises sales and consumption permit shall not obviate the
13 requirement of the holder of a manufacturer's license, class B, to obtain a tasting permit pursuant
14 to section 25-118, to be authorized to provide samples of beer to a customer at no cost.”

15 "(D) A violation of subparagraph (C) shall constitute a primary tier violation.”.

16 **SUBTITLE B. WARD 4 FULL SERVICE GROCERY STORE AMENDMENT**

17 Sec 211. Short Title

18 This subtitle may be cited as the "Ward 4 Full Service Grocery Store Amendment Act of
19 2014"

20 Sec. 212. Chapter 3 of Title 25 of the District of Columbia Official Code is amended as
21 follows:

22 (a) Section 25-340.01(d) is amended to read as follows:

23 "(d) An exception to the moratorium imposed by subsection (b) of this section
24 shall exist for an application for a Class B retailer's license for a full service grocery store or

1 substantially renovated full service grocery store with a certificate of occupancy issued after the
2 effective date of this Act.”.

3 **SUBTITLE C. ALCOHOLIC BEVERAGE CONTROL BOARD STIPEND**

4 **AMENDMENT**

5 Sec 221. Short Title

6 This subtitle may be cited as the "Alcoholic Beverage Control Board Stipend Amendment
7 Act of 2014".

8 Sec. 222. Section 1108(c)(2)(I) of the District of Columbia Government Comprehensive
9 Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-
10 611.08(c)(2)(I) is amended by striking the figure “\$15,000” and inserting the figure “\$18,000” in
11 its place.

12 **SUBTITLE D. CONSUMER PROCEDURES AND PROTECTIONS**

13 **ENFORCEMENT AMENDMENT**

14 Sec 231. Short Title

15 This subtitle may be cited as the “Consumer Procedures and Protections Enforcement
16 Amendment Act of 2014.”

17 Sec. 232. The Consumer Procedures and Protections Act (D.C. Law 1-76; D.C. Official
18 Code § 28-3901 *et seq.*) is amended as follows:

19 (a) Section 4(a) (D.C. Official Code § 28-3903(a)) is amended by adding a new paragraph
20 (17) to read as follows:

21 “(17) Impose civil fines, pursuant to the procedures established in the Department of
22 Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective July 16, 1985 (D.C.
23 Law 6-42; D.C. Official Code § 28-3901 *et seq.*), as alternative sanctions for any violation of the
24 provisions of this chapter or of any rules issued under the authority of this chapter. Any violation

1 of this chapter, or of any rule issued under the authority of this chapter, shall be a Class II
2 infraction pursuant to Title 16, Chapter 32 of the District of Columbia Municipal Regulations,
3 unless the violation is classified otherwise pursuant to rules issued by the Department.”.

4 (b) Section 5(m) (D.C. Official Code § 28-3904(m)) is amended to read as follows:

5 “(m) Harass or threaten a consumer with any act other than legal process, either by
6 telephone, cards, letters, or any form of electronic or social media;”.

7 (c) Section 6(i)(3)(A) (D.C. Official Code § 28-3905(i)(3)(A)) is amended to read as
8 follows:

9 “(3)(A) Any person found to have executed a trade practice in violation of a law of the
10 District within the jurisdiction of the Department may be assessed and made liable for a civil
11 penalty of not exceeding \$1,000.00 for each failure to adhere to a provision of an order described
12 in subsection (f), (g), or (j) of this section, or a consent decree described in subsection (h) of this
13 section.”.

14 **SUBTITLE E. SOLAR PERMITTING FEES AMENDMENT**

15 Sec. 241. Short Title.

16 This subtitle may be cited as the “Solar Permitting Fees Amendment Act of 2014.”

17 Sec. 242. Chapter 101.1(a) of Title 12(K) of the District of Columbia Municipal
18 Regulations is amended by inserting a phrase between the fees for “sign” and “swimming pool”
19 to read as follows:

20	“Solar Photovoltaic	Less than 15 kilowatts	\$250 Residential; \$300 Commercial
21			_____
22		15 - 99 kilowatts	\$300 for first 15 kilowatts and \$11.25 per additional
23			_____
24			kilowatt
25		100 - 200 kilowatts	\$1,250 for the first 100 kilowatts and \$2.5 per
26			

		<u>additional kilowatt</u>
	200 kilowatts or more	\$1,250 for the first 200 kilowatts and \$1 per additional kilowatt
5	“Solar Thermal	
	Fewer than 10 panels	\$250 Residential; \$300 Commercial
	10 - 24 panels	\$300 for first 10 panels and \$25 per additional panel
	25 - 49 panels	\$650 for the first 25 panels and \$15 per additional panel
	50 panels or more	\$1,010 for the first 50 panels and \$10 per additional panel”

SUBTITLE F. PUBLIC UTILITIES REIMBURSEMENT FEE AMENDMENT

Sec. 251. Short title.

This subtitle may be cited as the “Public Utilities Reimbursement Fee Amendment Act of 2014”.

Sec. 252. Section 8 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 974; D.C. Official Code § 34-912) is amended as follows:

(a) Paragraph 42(b)(1),(2), and (3) (D.C. Official Code § 34-912(b)(1),(2), and (3)) are amended to read as follows:

“(1) All amounts appropriated for the Public Service Commission and the Office of People’s Counsel for each fiscal year shall be repaid during such fiscal year by the public utilities, natural gas suppliers, electricity suppliers and telecommunications service providers as a reimbursement fee.

“(2) The amount of the reimbursement fee to be paid by each natural gas supplier,

1 electricity supplier, and telecommunications service provider but not the incumbent local
2 exchange carrier as defined in this title, that is authorized to provide service in the District, and
3 the formula through which such an amount shall be annually established, shall be determined by
4 the Public Service Commission.

5 “(3) The amount of the reimbursement fee to be paid by each public utility other
6 than the natural gas supplier, electricity supplier and telecommunications service provider,
7 subject to paragraph (2) of this subsection, shall be equal to the amounts appropriated, less the
8 amount to be reimbursed by the providers subject to paragraph (2) of this subsection, multiplied
9 by the fraction, as determined by the Mayor, represented by the revenues of the public utility
10 derived from utility operations in the District of Columbia that are regulated by the Public Service
11 Commission during the immediately preceding fiscal year (or other 12-month period as the
12 Mayor may designate), divided by the gross revenues of all public utilities from utility operations
13 in the District of Columbia during such period. The fee shall be paid by the public utilities during
14 such fiscal year to the Treasurer of the District of Columbia, at such time or times and in such
15 manner as the Mayor by regulation may require. If the total amount paid or obligated by the
16 Public Service Commission and the People's Counsel during such fiscal year pursuant to
17 appropriations for such fiscal year is less than the amounts appropriated by more than 5%, the
18 Mayor shall refund to or credit each public utility, natural gas supplier, electricity supplier and
19 telecommunications service provider, with a portion of the difference, rounded to the nearest
20 dollar, as equals the difference multiplied by the fraction, representing the gross revenues of the
21 public utility, natural gas supplier, electricity supplier or telecommunications service provider,
22 divided by the gross revenues of all public utilities, natural gas suppliers, electricity suppliers,
23 and telecommunications service providers.”.

24 (b) The refund or credit provisions of D.C. Code § 34-912 (b)(3) shall apply as of Fiscal

1 Year 2012, effective October 1, 2012.

2 **SUBTITLE G. UNEMPLOYMENT INSURANCE BENEFITS MODERNIZATION**
3 **AND FEDERAL CONFORMITY**

4 Sec. 261. Short title.

5 This subtitle may be cited as the “Unemployment Insurance Benefits Modernization and
6 Federal Conformity Amendments Act of 2014”.

7 Sec. 262. Section 4(b)(2) of the Unemployment Compensation Act, effective August 28,
8 1935 (49 Stat. 948; D.C. Official Code § 51-104(b)(2)) is amended by striking the current
9 paragraph (2) and replacing it with a new paragraph as follows:

10 “(2) Employers who employ 5 employees or more in a calendar quarter shall file
11 contribution and wage reports electronically in a method approved by the Director. Employers
12 who employ 5 employees or more in a calendar quarter shall register with DCNetworks and/or
13 the State Information Data Exchange Service (SIDES) to timely file contribution and wage
14 reports and timely respond to separation and wage requests electronically. Employers subject to
15 this provision who submit information in an untimely manner, including employers who fail to
16 utilize the electronic interfaces designed to expedite the processing of benefits claims and tax
17 information, shall be subject to the penalty and interest provisions of subsection (c) of this section
18 until such time as the report or other requested information is filed electronically or in a manner
19 approved by the Department.”

20 Sec. 263. Section 4 of the Unemployment Compensation Act, effective August 28, 1935
21 (49 Stat. 948; D.C. Official Code § 51-104) is amended by adding a new paragraph (q) as
22 follows:

23 “(1) If, on the computation date upon which an employer’s base rate is to be computed as
24 provided in §51-103(c)(4)(B), there is a delinquent report, the highest tax rate assigned to the

1 following year's tax schedule must be assigned for the period to which the computation applies.

2 (2) No employer is permitted to pay his unemployment compensation tax at a reduced
3 rate for any quarter during which a tax execution issued in accordance with §51-104(e) with
4 respect to delinquent unemployment compensation tax for a previous quarter is unpaid and
5 outstanding against the employer.

6 (3) An employer will be assigned the computed rate based on the experience of the
7 account subsequent to the quarter in which the tax liens have been satisfied and the liens have
8 been released by the appropriate governing body.”

9 Sec. 264. Section 9 (6) of the Unemployment Compensation Act, effective August 28,
10 1935 (49 Stat. 950; D.C. Official Code § 51-109(6)) is amended by striking the phrase “District
11 of Columbia” wherever it appears in paragraph (6).

12 Sec. 265. Section 9 of the Unemployment Compensation Act, effective August 28, 1935
13 (59 Stat. 947; D.C. Official Code § 51-109) is amended by adding a new paragraph (10) as
14 follows:

15 “(10) That for each week of unemployment benefits claimant requests, claimant is
16 attached to the local labor market of, and certifies the weekly claim in, either the state in which
17 the claim for unemployment compensation was filed or the state in which claimant is seeking
18 employment, and such state is in the continental United States.”

19 Sec. 266. Section 19 (e)(1) of the Unemployment Compensation Act, effective August 28,
20 1935 (49 Stat. 956; D.C. Official Code § 51-119 (e)(1)) is amended by striking “1 year” and
21 replacing it with “2 years”.

22 Sec. 267. Section 3(c)(2) of the Unemployment Compensation Act, effective August 28,
23 1935 (59 Stat. 947; D.C. Official Code § 51-103(c)(2)) is amended by adding new subparagraphs
24 (G) through (R) as follows:

1 “(G) As used in this section, unless the context requires a different meaning:

2 (1) "Employer," with regard to the timeliness and adequacy of responses, includes an agent of
3 the employer used by the employer to respond to the Department on the employer's
4 behalf; however, an employer's agent's failure to respond timely or adequately to requests
5 for information with regard to claims involving the agent's other clients shall not be used
6 in determining whether the employer has established a pattern of failing to respond timely
7 or adequately to written requests for information.

8 (2) "Erroneous payment" means a payment of benefits made under this title, prior to the
9 receipt of all information required to make a determination by the Department based on
10 the applicable UI statutes governing eligibility.

11 (3) "Information relating to a claim" means information material to a determination or
12 decision by the Department relating to the payment of benefits under this title, including
13 separation information and information required by the Department for the establishment
14 of a claim for compensation, and information about wages and days and hours worked,
15 including wage reports.

16 (4) "Review period" means the 36 consecutive calendar month period ending on the June 30
17 that precedes the Department's annual calculation of the employer's tax rate pursuant to §
18 51-103.

19 (5) "Written request" includes a request sent electronically.

20 (H) An employer's account shall not be relieved of charges relating to an erroneous
21 payment if the Department determines that:

22 (1) The erroneous payment was made because the employer failed to respond timely or
23 adequately to a written request by the Department for information relating to the claim; and

24 (2) The employer has established a pattern of failing to respond timely or adequately to

1 written requests by the Department for information relating to claims.

2 (I) For purposes of this section, an employer's response to a written request by the
3 Department for information relating to a claim shall be deemed not to be:

4 (1) "Adequate" if it fails to provide sufficient material facts to enable the Department to
5 make a correct determination regarding a claim for benefits; however, (i) a response shall not be
6 deemed inadequate if the Department failed to request the necessary information or if information
7 is provided in a format other than as requested, provided that the information is capable of being
8 easily read and utilized by the recipient, and (ii) there shall be a rebuttable presumption that an
9 employer who participates in a fact-finding interview or responds fully to the questions set out on
10 the written request for information has provided an adequate response; and

11 (2) "Timely" if it is not made within 7 calendar days after the electronic delivery or
12 mailing date of the Department's request for information.

13 (J) An employer shall be deemed to have established a pattern of failing to respond timely
14 or adequately to written requests for information relating to claims if the Department determines
15 that the employer has failed to respond timely or adequately to a written request for information
16 relating to a claim, or failed to timely file wage reports, on four or more occasions within the
17 applicable review period. The Department shall not find that an employer has established a
18 pattern of failing to respond timely or adequately to written requests for information relating to
19 claims or wage reports unless the Department has provided the employer with the notices
20 required pursuant to Subsection K.

21 (K) The Department shall provide the employer with a written notice following the
22 employer's first, second, third and fourth determinations that the employer failed to respond
23 timely or adequately to a written request for information relating to a claim, or failed to timely
24 file wage reports within the applicable review period. Each such notice shall be delivered

1 electronically or mailed to the employer's last known address of record, and shall advise the
2 employer of the potential implications of the employer's failure to respond timely or adequately to
3 written requests for such information or failure to timely file wage reports.

4 (L) Upon the Department's fourth determination within the applicable review period that
5 an employer failed to respond timely or adequately to a written request for information relating to
6 a claim, or failed to timely file wage reports, the Department shall inform the employer that the
7 threshold for ineligibility for relief of charges related to erroneous payments has been established
8 and the employer's account will not be eligible for relief of such charges until the next June 30th.
9 A copy of the notice of ineligibility for relief of charges related to erroneous payments shall be
10 electronically delivered or mailed to the employer with the notice of the employer's fourth such
11 failure as required pursuant to subsection K.

12 (M) An employer shall not be found to have failed to respond timely or adequately to a
13 written request by the Department for information relating to a claim, or failed to have timely
14 filed a wage report, if the Department finds good cause for such failure. The Department may not
15 find good cause for an employer's failure to respond timely or adequately to such a written
16 request unless the failure is due to compelling circumstances beyond the employer's control.

17 (N) If the Department has determined that an employer has established a pattern of failing
18 to respond timely or adequately to written requests for information relating to claims, or failing to
19 timely file wage reports, such determination shall remain in effect until the end of the applicable
20 review period. Any charges for an erroneous payment that the Department determines are not to
21 be relieved from the employer's account pursuant to subsection L shall remain chargeable to the
22 employer's account through the period ending on the third June 30 following the Department's
23 determination.

24 (O) The issue of whether an employer's account shall be relieved of charges relating to an

1 erroneous payment, including whether an erroneous payment was made because the employer
2 failed to respond timely or adequately to a written request by the Department for information
3 relating to the claim, or failed to timely file a wage report, shall be decided in every Department
4 proceeding arising from an employer's appeal of an award of benefits. Any such decision shall be
5 subject to appeal pursuant to § 51-111. Final decisions shall be used in determining whether the
6 employer has established a pattern of failing to respond timely or adequately to written requests
7 for information relating to claims or failing to timely file wage reports, whether the employer is
8 subject to a civil penalty pursuant to subsection L, and whether the Department has given the
9 notices required pursuant to subsection K.

10 (P) The costs of benefits charged to any governmental entity, Indian tribe, or nonprofit
11 entity that is a reimbursable employing unit under this title shall not include any credits of benefit
12 overpayments actually collected by the Department if the Department finds that the overpayment
13 was made because the entity or its agent was at fault for failing to respond timely or adequately to
14 a written request for information relating to a claim or failing to timely file a wage report, and the
15 entity or agent has established a pattern of failing to respond timely or adequately to such requests
16 or failing to timely file wage reports.

17 (Q) If the erroneous payment results from a combined-wage claim, the determination of
18 eligibility for relief of charges related to erroneous payment shall be made by the paying state. If
19 the response from the employer does not meet the criteria established by the paying state for an
20 adequate or timely response, the paying state shall promptly notify the transferring state of its
21 determination, and the employer's account shall be appropriately charged.

22 (R) This section applies to erroneous payments established on or after October 21, 2013.

23 Sec. 268. Section 3(c)(7) of the Unemployment Compensation Act, effective August 28,
24 1935 (49 Stat. 947; D.C. Official Code § 51-103(c)(7)) is amended by adding new subparagraphs

1 (H) through (L), as follows:

2 “(H) Notwithstanding any other provision of law, the following shall apply regarding
3 assignment of rates and transfers of experience:

4 (1) If an employer transfers its trade, business or workforce, or a portion thereof, to
5 another employer and, at the time of the transfer, there is substantially common ownership,
6 management or control by the two employers, then the unemployment experience attributable to
7 the transferred portion of the trade, business or workforce shall be transferred to the employer to
8 whom such trade, business or workforce is so transferred. The rates of both employers shall be
9 recalculated and made effective immediately upon the date of the transfer.

10 (2) Whenever a person who is not an employer under this chapter at the time the trade,
11 business or workforce of an employer is executed, the unemployment experience of the acquired
12 trade, business or workforce shall not be transferred to such person if the Department finds that
13 such person acquired the trade, business or workforce solely or primarily for the purpose of
14 obtaining a lower rate of contributions. Instead, such person shall be assigned the applicable new
15 employer rate under § 51-103. In determining whether the trade, business or workforce was
16 acquired solely or primarily for the purpose of obtaining a lower rate of contributions, the
17 Department shall use objective factors which may include the cost of acquiring the trade, business
18 or workforce, whether the person continued the business enterprise of the acquired business, how
19 long such business enterprise was continued, and whether a substantial number of new employees
20 were hired for performance of duties unrelated to the business enterprise conducted prior to
21 acquisition.

22 (3) With the exception of group accounts as defined in § 51-103, two or more employers
23 who are liable or are subject to becoming liable to the provisions of the District of Columbia
24 Unemployment Compensation Act, § 51-101 et seq., shall not be deemed to have combined their

1 experience. Each employer shall be assigned an independent employer's contribution rate
2 pursuant to § 51-103, based on that employer's unique experience. A professional employer
3 organization or third party administrator who contracts with employers to provide or report
4 nontemporary workforce labor must maintain separate accounts for each of its clients and is
5 required to report each client's payroll, contributions, and tax liability as a separate and unique
6 legal entity to the Department.

7 (a) "Professional employer organization" means any person or entity that is currently
8 registered as a professional employer organization with the District of Columbia, Department of
9 Consumer and Regulatory Affairs, which contracts to provide the nontemporary, ongoing
10 employee workforce of its clients under a written leasing contract, the majority of whom are not
11 under the same ownership, management, or control as the professional employer organization
12 other than through the terms of the contract, and which meets any of the following conditions:

- 13 i. Has the right to hire and terminate the employees who perform services for
14 the client and to reassign the employees to other clients;
- 15 ii. Sets the rate of pay of the employees, whether negotiations and the
16 responsibility to set the rate of pay is shared with the client;
- 17 iii. Has the obligation to and pays the employees from its own accounts;
- 18 iv. Has the general right of direction and control over the employees,
19 including corporate officers, which right may be shared with the client to
20 the degree necessary to allow the client to conduct its business, meet any
21 fiduciary responsibility, or comply with any applicable regulatory or
22 statutory requirements;
- 23 v. Assumes responsibility for the unemployment insurance coverage of the
24 employees, files all required reports, pays all required contributions or

1 reimbursements due on the wages of the employees, and otherwise
2 complies with all of the provisions of this chapter that are applicable to
3 employers on behalf of the client;

- 4 vi. Has the obligation to establish, fund and administer employee benefit plans
5 for the employees; and
- 6 vii. Provides notice of the employee leasing arrangement to the employees.

7 (4) Third party administrator means any person who collects charges or premiums from,
8 or who, for consideration, represents employers in the administration of, unemployment insurance
9 claim filings, registering employers subject to unemployment liability statutes, the filing of
10 contribution and wage reports, and updating information related to the status of an employer's
11 account in connection with unemployment insurance coverage.

12 (1) If a person knowingly violates or attempts to violate subsections (a) and (b) or any
13 other provision of this chapter related to determining the assignment of a contribution rate, or if a
14 person knowingly advises another person in a way that results in a violation of such provision, the
15 person shall be subject to the following penalties:

16 (1) If the person is an employer, then such employer shall be assigned the highest rate
17 assignable under this chapter for the rate year during which the violation or attempted violation
18 occurred and the three rate years immediately following that rate year. However, if the employer
19 is already contributing at the highest rate for any year, or if the increased contribution rate would
20 impose a penalty amounting to less than 2% of the employer's total taxable wages for any year,
21 then a penalty rate of 2% of taxable wages shall be imposed for that year.

22 (2) If the person is not an employer, such person shall be subject to a civil money penalty
23 of not more than \$5,000. Any such fine shall be deposited in the penalty and interest account
24 established under § 51-114.

1 (J) In addition to the penalty imposed by paragraph (I) of this subsection, any violation of
2 this section may be prosecuted as a felony under § 22-3222.

3 (K) The Commissioner shall establish procedures to identify the transfer or acquisition of
4 a business for purposes of this section.

5 (L) For purposes of this section—

6 (1) “Person” has the meaning given such term by § 7701(a)(1) of the Internal Revenue
7 Code of 1986, 21 U.S.C. § 1 et seq.

8 (2) "Knowingly" means having actual knowledge of or acting with deliberate ignorance or
9 reckless disregard for the prohibition involved.

10 (3) “Violates or attempts to violate” includes instances when an employer or an
11 employer’s agent evades or attempts to evade providing accurate information, or misrepresents or
12 attempts to misrepresent information that impedes the Department’s ability to assign contribution
13 rates based on accurate information.

14 Sec. 269. Section 1(5) of the Keep D.C. Working Act of 2010, effective October 15, 2010
15 (Law 18-238; D.C. Official Code § 51-171(5)) is amended by striking “the lesser of:” and
16 replacing it with the language as follows:

17 (5) "the usual hours of work of full-time and regular part-time workers in the affected unit.
18 Overtime hours are not included as part of normal weekly hours of work. The normal weekly
19 hours of an affected unit is the lesser of:"

20 Sec. 270. Section 4(c) of the Keep D.C. Working Act of 2010, effective October 15, 2010
21 (Law 18-238; D.C. Official Code § 51-174(c)) is amended by striking subparagraph (c) and
22 replacing it with subparagraph (c) as follows:

23 (c) A shared work plan shall not be implemented:

24 (1) To subsidize seasonal employers during the off-season or to subsidize employers who

1 have traditionally use part-time employees;

2 (2) If the employer's unemployment insurance account has a negative unemployment
3 experience reserve;

4 (3) If the employer's unemployment insurance account is taxed at the maximum tax rate
5 in effect for the calendar year;

6 (4) For employers who have not qualified to have a tax rate assigned based on actual
7 experience; therefore, employers subject to a "new employer" tax rate are not eligible to
8 participate in a shared work program;

9 (5) For employees who are receiving or who will receive supplemental unemployment
10 benefits during any period a shared work plan is in effect;

11 Sec. 271. Section 8 of the Keep D.C. Working Act of 2010, effective October 15, 2010
12 (Law 18-238; D.C. Official Code § 51-178) is amended by adding subparagraphs (c) and (d) as
13 follows:

14 "(c) Shared Work compensation shall be charged to employers' experience rating
15 accounts in the same manner as unemployment compensation is charged under D.C. Code § 51-
16 103. Employers liable for payments in lieu of contributions shall have shared work compensation
17 benefits charges attributed in the same manner as unemployment compensation is attributed.

18 (d) Shared work payments made to individuals who are in an approved training program
19 are subject to a relief of charges."

20 **SUBTITLE H. H STREET RETAIL PRIORITY AREA INCENTIVE**

21 **AMENDMENT**

22 Sec. 281. Short title

23 This subtitle may be cited as the "H Street Retail Priority Area Incentive Amendment Act
24 of 2014".

1 Sec. 282. The H Street Retail Priority Area Incentive Act of 2010, effective April 8, 2011
2 (D.C. Law 18-354; D.C. Official Code § 1-325.171 *et. seq.*) is amended as follows:

3 (a) Section 3(c) is amended by adding a new subsection (3) to read as follows:

4 “(3) Beginning October 1, 2014, all grants made in accordance with the H Street Retail
5 Priority Area Grant Fund shall be used to support corridor revitalization programs in accordance
6 with the “Great Streets Neighborhood Retail Priority Area Amendment Act of 2013.”.

7 **SUBTITLE I. LOCAL RENT SUPPLEMENT SUSTAINMENT**

8 Sec. 291. Short title.

9 This subtitle may be cited as the "Local Rent Supplement Sustainment Amendment Act of
10 2014".

11 Sec. 292. Section 4-753.05 of the Homeless Services Reform Act of 2005, effective
12 October 22, 2005 (D.C. Law 16-35; D.C. Official Code § 4-751.01 *et seq.*), is amended to read as
13 follows:

14 "Section 4-753.05. Placement of homeless families and individuals.

15 "The Mayor and the District of Columbia Housing Authority shall fill all new and vacated
16 Local Rent Supplement Program vouchers (established by D.C. Official Code § 6-228 and § 6-
17 229) through referrals by the Department of Human Services based on assessments.

18 **SUBTITLE J. FILM DC ECONOMIC INCENTIVE AMENDMENT**

19 Sec 2101. Short title.

20 This subtitle may be cited as the “Film DC Economic Incentive Amendment Act of
21 2014”.

22 Sec. 2102. Chapter 5 of Title 39 of the District of Columbia Official Code is amended to
23 read as follows:

24 “Sec. 2103. Film DC Economic Incentive Grant Fund.

1 (“a) There is hereby established a segregated, non-lapsing fund to be known as the Film
2 DC Economic Incentive Grant Fund (“Fund”). The Fund shall appear as a separate program line
3 within the budget of the Office of Motion Picture and Television Development. The Fund shall be
4 funded by annual appropriations. All funds deposited into the Fund shall not revert to the General
5 Fund of the District of Columbia at the end of any fiscal year or at any other time, but shall be
6 continually available for the uses and purposes set forth in this act, subject to authorization by
7 Congress in an appropriations act.

8 “(b)(1) The funds in the Fund shall be used:

9 “(A) To provide incentives through discretionary grants for film and
10 television projects that expend at least \$500,000 in qualified expenses in a period of 5 or more
11 days for production activities located in the District of Columbia, in an amount not to exceed
12 100% of the taxes paid to the District on the qualified expenses; and

13 “(B) For administrative costs and monitoring of the Fund.

14 “(2) For the purposes of this subsection, the term “qualified expenses” means the
15 costs incurred in the District for the production of the film or television project (including all
16 expenses incurred in the District of Columbia from vehicle rentals, camera equipment, lighting,
17 stage equipment, recording equipment, costumes, wardrobe, construction materials, props,
18 scenery materials, film and tape, design materials, special effects materials, fabrication, printing
19 or production of scripts, storyboards, costumes, salaries paid to District residents, hotel expenses,
20 food and alcohol purchases, restaurant expenses, and related supplies and equipment).

21 “(c) The Mayor shall submit an annual report to the Council, on or before December 31 of
22 each year, for the fiscal year concluding September 30 that includes:

23 “(1) For each grant, the amount of the grant, the rationale for the grant, and the
24 revenue generated for the District by each project for which a grant was awarded;

1 “(2) The criteria used in evaluating the grant proposals; and
2 “(3) The number of grant applications received and a description of each project
3 for which a grant application was made.

4 “(d) For all funds in the Fund, the Office of Motion Picture and Television Development
5 shall have grant making authority.

6 “Sec. 2104. Rulemaking.

7 “The Mayor may promulgate rules necessary to implement this act.”.

8 **TITLE III. PUBLIC SAFETY AND JUSTICE**

9 **SUBTITLE A. MPD ESCORT AND REIMBURSEMENT**

10 Sec. 301. Short title.

11 This subtitle may be cited as the “Metropolitan Police Department Escort and
12 Reimbursement Act of 2014”.

13 Sec. 302. Escorts and other law enforcement services.

14 “(a) The Chief of Police is authorized to obtain reimbursement of fees for providing
15 police escorts and other law enforcement services that are necessary to protect public health and
16 safety.

17 “(b) The Chief of Police shall promulgate rules establishing a process for reimbursement
18 and a fee for service schedule.”.

19 **SUBTITLE B. STATE SAFETY OVERSIGHT AGENCY ESTABLISHMENT**

20 Sec. 311. Short title.

21 This subtitle may be cited as the “State Safety Oversight Agency Establishment
22 Amendment Act of 2014”.

23 Sec. 312. Section 1a of An Act To classify the officers and members of the fire
24 department of the District of Columbia, and for other purposes, approved June 20, 1906 (34 Stat.

1 314; D.C. Official Code § 5-401.01), is amended to read as follows:

2 “(a) The Fire and Emergency Medical Services Department is designated as the state
3 safety oversight agency, as required by Title 49, Part 53, of the United States Code, and
4 implementing regulations, as they may be amended from time to time (referred to in this section
5 as “applicable federal law”).

6 “(b) There is established, within the Fire and Emergency Medical Services Department, a
7 state safety office. The office shall be headed by a Program Manager, who shall not be
8 supervised by, or in any way under the direction or control of, any District officer or employee
9 (or anyone acting on their behalf) responsible for any aspect of the operation of the DC Streetcar.
10 Consistent with applicable federal law, the Program Manager of the state safety office, or his or
11 her designee, shall:

12 “(1) Oversee the operations of the DC Streetcar insofar as those operations affect,
13 or could affect, the safe operation of the DC Streetcar;

14 “(2) Conduct, or cause to be conducted, investigations, independently or in
15 cooperation with federal agencies or District offices or agencies into the operations of the D.C.
16 Streetcar, including any accident or incident involving the operation or assets of the D.C.
17 Streetcar, insofar as those operations affect, or could affect, the safe operation of the D.C.
18 Streetcar;

19 “(3) Perform audits of the DC Streetcar system, as required by federal or District
20 law, to evaluate compliance with any required safety-related plans, or for any other purpose the
21 Program Manager concludes would promote the safe operation of the DC Streetcar;

22 “(4) Issue reports and findings regarding all aspects of the safety and security of
23 the DC Streetcar, including operations and accidents, as required by federal or District law or
24 when, the Program Manager determines that such action would promote the safe operation of the

1 DC Streetcar;

2 “(5) Require the development of any safety-related plans required by federal or
3 local law for the DC Streetcar and, after review, approve or disapprove such plans as appropriate;

4 “(6) Enforce statutes, regulations, executive orders, and rules relating to the safe
5 operation of a rail fixed guideway public transportation system generally, or the DC Streetcar
6 specifically;

7 “(7) Order the partial or complete cessation of any activity undertaken by the
8 District government or any entity acting on behalf of the District government, in connection with
9 the operation of the DC Streetcar, whenever the Program Manager of the state safety office
10 concludes that this cessation is required in order to protect or promote public safety;

11 “(8) Conduct any other activity and take any other action necessary to implement
12 federal or District laws or regulations related to the functions and responsibilities of a rail fixed
13 guideway public transportation system state safety oversight agency;

14 “(9) Execute and file an application for Federal assistance on behalf of the
15 District with the Federal Transit Administration for Federal assistance authorized by 49 U.S.C.
16 chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project
17 administered by the Federal Transit Administration;

18 “(10) Execute and file with its application the annual certifications, assurances,
19 and other documents the Federal Transportation Administration requires before awarding a
20 Federal assistance grant or cooperative agreement; and

21 “(11) Execute grant and cooperative agreements with the Federal Transit
22 Administration on behalf of the District.”.

23 “(b) The Program Manager of the state safety oversight office may issue rules to
24 implement this section.”.

1 **TITLE IV. PUBLIC EDUCATION**

2 **SUBTITLE A. UNIFORM PER STUDENT FUNDING FORMULA FOR PUBLIC**
3 **SCHOOLS AND PUBLIC CHARTER SCHOOLS AMENDMENT**

4 Sec. 401. Short title.

5 This subtitle may be cited as the "Funding for Public Schools and Public Charter Schools
6 Amendment Act of 2014".

7 Sec. 402. The Uniform Per Student Funding Formula for Public Schools and Public
8 Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26,
9 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*), is amended as follows:

10 (a) Section 104 (D.C. Official Code § 38-2903) is amended by striking the phrase "\$9,306
11 per student for fiscal year 2014" and inserting the phrase "\$9,492 per student for fiscal year 2015"
12 in its place.

13 (b) Section 105 (D.C. Official Code § 38-2904) is amended by striking the tabular array
14 and inserting the following chart in its place:

Grade Level	Weighting	Per Pupil Allocation in FY 2015
Pre-Kindergarten 3	1.34	\$12,719
Pre-Kindergarten 4	1.30	\$12,340
Kindergarten	1.30	\$12,340
Grades 1-5	1.00	\$9,492
Grades 6-8	1.08	\$10,251
Grades 9-12	1.22	\$11,580
Alternative program	1.44	\$13,668
Special education school	1.17	\$11,106
Adult	0.89	\$8,448

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18 "(c) The supplemental allocations shall be calculated by applying weightings to the
19 foundation level as follows:

20 "Special Education Add-ons:

Level/ Program	Definition	Weighting	Per Pupil Supplemental FY 2015
"Level 1: Special Education	Eight hours or less per week of specialized services	0.97	\$9,207
"Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services	1.20	\$11,390
"Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services	1.97	\$18,699
"Level 4: Special Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement	3.49	\$33,127
"Blackman Jones Compliance	Weighting provided in addition to special education level add-on weightings on a per student basis for Blackman Jones compliance.	0.069	\$655
"Attorney's Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per student basis for attorney's fees.	0.089	\$845

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"Residential	D.C. Public School or public charter school that provides students with room and board in a residential setting, in addition to their instructional program	1.67	\$15,852
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"General Education Add-ons:

"Level/ Program	Definition	Weighting	Per Pupil Supplemental FY 2015
"ELL	Additional funding for English Language Lerner's.	0.49	\$4,651
"At-risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,079

"Level/ Program	Definition	Weighting	Per Pupil Supplemental FY 2015
"Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	0.368	\$3,493
"Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	1.337	\$12,691

"Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	2.891	\$27,438
"Level 4: Special Education - Residential	Additional funding to support the after-hours level 4 special education needs of limited and non- English proficient students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	2.874	\$27,280
"LEP/NEP - Residential	Additional funding to support the after-hours Limited and non-English proficiency needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	0.668	\$6,341

"Residential Add-ons:

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2 "Special Education Add-ons for Students with Extended School Year ("ESY") Indicated
3 in Their Individualized Education Programs ("IEPs"):

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"Level/ Program	Definition	Weighting	Per Pupil Supplemental FY 2015
"Special Education Level 1 ESY	Additional funding to support the summer school/program need for students who require extended school year (ESY) services in their IEPs.	0.063	\$598
"Special Education Level 2 ESY	Additional funding to support the summer school/program need for students who require extended school year (ESY) services in their IEPs	0.227	\$2,155
"Special Education Level 3 ESY	Additional funding to support the summer school/program need for students who require extended school year (ESY) services in their IEPs	0.491	\$4,661
"Special Education Level 4 ESY	Additional funding to support the summer school/program need for students who require extended school year (ESY) services in their IEPs	0.489	\$4,642".

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22 **SUBTITLE B. ALTERNATIVE SCHOOL ESTABLISHMENT**

23 Sec. 411. This subtitle may be cited as the "Alternative School Establishment Act of

24 2014".

1 Sec. 412. The Uniform Per Student Funding Formula for Public Schools and Public
2 Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26,
3 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*), is amended as follows:

4 (a) Paragraph (1B) of Section 102 (D.C. Official Code § 38-2901) is repealed.

5 Sec 413. Designation of Alternative Schools

6 “(a) The Office of the State Superintendent of Education (OSSE) shall have the exclusive
7 authority to designate an educational institution as an alternative school, or a program within a
8 school an alternative program, for the purposes of funding eligible students under the Uniform
9 Per Student Funding Formula.

10 (b) An educational institution shall be eligible for funding as an alternative education
11 school or program within a school, upon approval by OSSE that an application demonstrates the
12 following eligibility criteria:

13 (1) The school or program mission focuses on students in need of alternative
14 education;

15 (2) The student population of the school or program, in the previous academic year,
16 was comprised of at least 70% of students who meet the eligibility criteria for students in need of
17 alternative education. OSSE may waive these eligibility criteria for a school or program in its
18 first year of operation.

19 (3) For purposes of this chapter a student shall be considered in need of alternative
20 education if the student is:

21 (A) A District of Columbia resident;

22 (B) 18 years of age or younger; and may in the discretion of the school
23 include students up through the age of 24.

1 (C) Without a high school diploma or its equivalent, and at least one of the
2 following criteria is met:

3 (i) Under court supervision;

4 (ii) Has a history of being on long-term suspension, as defined by
5 OSSE through rulemaking;

6 (iii) Has a history of receiving multiple short-term suspensions
7 within one school year, as defined by OSSE through rulemaking;

8 (iv) Has been expelled;

9 (v) Is seeking admission to a District public school or public
10 charter school after withdrawing for a period of 9 weeks or greater, during which the student
11 received no public or private instruction, as defined by OSSE through rulemaking;

12 (vi) Has a history of severe absenteeism or severe truancy, as
13 defined by OSSE through rulemaking;

14 (vii) Is committed to the Department of Youth Rehabilitation
15 Services;

16 (viii) Has been incarcerated in an adult correctional facility;

17 (ix) Is pregnant or parenting;

18 (x) Is receiving treatment for drug abuse;

19 (xi) Has a history of violence, as defined by OSSE through
20 rulemaking;

21 (xii) Is severely over-aged and/or under-credited, as defined by
22 OSSE through rulemaking, or;

1 (xiii) Meets other criteria for alternative education status, as
2 defined by OSSE through rulemaking.

3 (4) The school or program specializes in instruction that meets the unique needs
4 of students in need of alternative education and the following academic and programmatic
5 characteristics:

6 (A) Provides full-time instruction as defined by OSSE through
7 rulemaking;

8 (B) Culminates in the granting of a high school diploma or its equivalent;
9 and

10 (C) Provides individualized educational plans aimed at eliminating
11 barriers to academic success and meeting the specific needs of students in need of alternative
12 education.

13 (c) An alternative school or program may provide services and supports either directly
14 or through a partnership with a community-based organization.(d) OSSE shall accept
15 applications for alternative school or program status on an annual basis and shall establish a
16 periodic reapplication process through rulemaking.

17 (e) OSSE shall have the authority to audit alternative schools and programs at any
18 time to verify their continued eligibility and may revoke the alternative school or program
19 designation based upon a finding that the school does not meet the eligibility criteria.

20 (f) All schools, or programs within schools, seeking alternative school designation or
21 those schools or programs already designated as alternative schools shall report attendance data
22 for all students being funded under the alternative education uniform per student funding formula
23 as required by OSSE through rulemaking.

1 (g) All schools or programs within schools seeking alternative school designation or
2 those schools or programs already designated as alternative schools shall comply with all OSSE
3 data and records requests related to verifying their alternative school status.”

4 Sec. 414. Chapter 23 of Title 16 of the District of Columbia Official Code is amended as
5 follows:

6 (a) Section 16-2333(b)(4) is amended to add a new subsection (F) to read as follows:

7 “(F) The Office of the State Superintendent of Education for the purposes of
8 administering alternative education funding under the Uniform Per Student Funding Formula and
9 fulfilling State education agency functions; and”.

10 **SUBTITLE C. DC PUBLIC CHARTER SCHOOL BOARD FUNDING**

11 **AMENDMENT**

12 Sec. 421. Short title.

13 This subtitle may be cited as the “District of Columbia Public Charter School Board
14 Funding Amendment Act of 2014”.

15 Sec. 422. Section 2211 of the Balanced Budget Downpayment Act II, approved April 26,
16 1996 (110 Stat. 1321; D.C. Official Code § 38-1802.11(b)(2)), is amended by striking the phrase
17 “one-half of one percent” and inserting the phrase “one percent” in its place.

18 **SUBTITLE D. PREFERENCES IN ADMISSION FOR PUBLIC CHARTER** 19 **SCHOOL APPLICANTS.**

20 Sec. 431. Short title.

21 This subtitle may be cited as the “Preferences in Admission for Public Charter Schools
22 Act of 2014.”

1 Sec. 432. The District of Columbia School Reform Act of 1995, approved April 26, 1996
2 (110 Stat. 1321; D.C. Code, § 38-1800.01 *et seq.*), is amended as follows:

3 (a) Section 2206(c) (D.C. Official Code §38-1802.06(c)) is amended to read as follows:

4 “(c)(1) If there are more applications to enroll in a public charter school from
5 students who are residents of the District of Columbia than there are spaces available, students
6 shall be admitted using a random selection process, except that a preference in admission may be
7 given to an applicant who is:

8 “(A) A sibling of a student already attending or selected for admission to
9 the public charter school in which the applicant is seeking enrollment;

10 “(B) A child of a member of the public charter school’s founding board, so
11 long as enrollment of such children is limited to no more than 10% of the school’s total
12 enrollment or to 20 students, whichever is less;

13 “(C) A child of a full time employee of the public charter school, so long
14 as enrollment of such children is limited to no more than 10% of the school’s total enrollment;

15 “(D) A student with an individualized education program (IEP), provided
16 such preference is consistent with Part B of the Individuals with Disabilities Education Act of
17 1975 (20 U.S.C. 1411 *et seq.*) and Part B of Title V of the Elementary and Secondary Education
18 Act of 1965, as amended (20 U.S.C. §§ 7221-7225g); and provided further that nothing in this
19 subparagraph shall be construed as allowing a public charter school to limit enrollment based on
20 a student’s special education status, or to require disclosure of a student’s IEP as a condition for
21 application or enrollment; or

22 “(E) A child who has been committed to the custody of the District of
23 Columbia within the twelve months prior to applying to a public charter school.

1 “(2) A public charter school seeking to establish a preference pursuant to
2 paragraph (1)(D) or (1)(E) of this subsection shall apply to its eligible chartering authority for
3 permission to establish a preference in admission. In approving a public charter school’s
4 application to establish such a preference, an eligible chartering authority shall specify the scope
5 of the preference for which permission has been granted, and the reasons for granting the
6 preference, in a document that shall be made publicly available.”.

7 (b) Section 2211 (b)(2) (D.C. Official Code §38-1802.11(b)(2)) is amended by replacing
8 the phrase “one-half of one” with the word “one”.

9 **SUBTITLE E. RESIDENCY EXEMPTION FOR WARDS OF THE STATE**

10 Sec. 441. Short Title.

11 This subtitle may be cited as the “Educational Continuity Act of 2014.”

12 Sec. 442. The District of Columbia Nonresident Tuition Act, approved September 8,
13 1960 (74 Stat. 853, Pub. L. 86-725, D.C. Code §38-302) is amended by inserting a new
14 paragraph (e) to read as follows:

15 “(e) In the event that care, custody, and substantial support of a child, formerly a
16 ward of the District of Columbia, and enrolled in a District of Columbia public school, are
17 supplied by the person or persons with whom such child is residing in another jurisdiction, such
18 child shall be considered a resident of the District of Columbia for the purpose of attendance at
19 that school and exempt from the requirement to pay tuition for a period of up to 3 years from the
20 time the child ceased being a ward of the District.”.

21 **SUBTITLE F. ESTABLISHMENT OF THE COMMON LOTTERY BOARD**

22 Sec. 451. Short Title.

1 This subtitle may be cited as the “Common Lottery Advisory Board Establishment
2 Amendment Act of 2014.”

3 Sec. 452. Section 202 of the Public Education Reform Amendment Act, effective June
4 12, 2007, (D.C. Law 17-9; D.C. Code § 38-191), is amended by adding a new subsection (f) to
5 read as follows:

6 “(f) There is established within the Department of Education the District of Columbia
7 Common Lottery Advisory Board (“CLB”).

8 “(2) The purpose of the CLB is to advise the Deputy Mayor for Education on the
9 development, implementation and continued improvement of the common lottery system for
10 public schools within the District of Columbia.

11 “(3) “(A) The CLB shall consist of the following 10 members:

12 “(i) The Deputy Mayor for Education, or his or her designee;

13 “(ii) The Chancellor of the District of Columbia Public School
14 (“DCPS”), or his or her designee;

15 “(iii) Two representatives of the District of Columbia Public
16 Schools, as appointed by the Chancellor of DCPS;

17 “(iv) Three representatives from public charter schools within the
18 District of Columbia, to be selected by a vote organized by the District of Columbia Public
19 Charter School Board;

20 “(v) The Executive Director of the Public Charter School Board, or
21 his or her designee; and

22 “(vi) The State Superintendent of Education, or his or her
23 designee;

1 “(vii) Approval of policies and procedures that govern the common
2 lottery system.

3 “(6) Members of the CLB, with the exception of the Executive Director, shall
4 serve without compensation, except that a member may be reimbursed for expenses incurred in
5 the authorized execution of official CLB duties, if approved in advance by the Deputy Mayor for
6 Education, or his or her designee, and subject to the availability of an appropriation.

7 “(7) “(A) The Office of the Deputy Mayor for Education shall provide
8 administrative and technical support for the CLB.

9 “(B) The CLB shall approve the selection and termination of the
10 Executive Director, whose compensation shall be subject to the availability of appropriations.
11 The Executive Director shall exercise personnel authority over any additional staff.

12 “(C) The CLB may utilize District public space for its official duties.

13 “(8) The CLB shall be funded through local appropriations and any private
14 donations that the Department of Education receives that are intended for the purposes of
15 establishing, maintaining, and continuously improving the common lottery system.”.

16 **SUBTITLE G. EDUCATION FUNDING FORMULA EQUITY**

17 Sec. 461 Short title.

18 This subtitle may be cited as the "Education Funding Formula Equity Amendment Act of
19 2014".

20 Sec. 462. Section 115 of the Uniform Per Student Funding Formula for Public Schools
21 and Public Charter Schools Act of 1998, effective September 24, 2010 (D.C. Law 18-223; D.C.
22 Official Code § 38-2913), is amended by striking the phrase "fiscal year 2015" and inserting the
23 phrase "fiscal year 2016" in its place.

1 **TITLE V. HEALTH AND HUMAN SERVICES**

2 **SUBTITLE A. DEVELOPMENTAL DISABILITY SERVICE MANAGEMENT**

3 **REFORM**

4 Sec. 501. Short title.

5 This subtitle may be cited as the “Department on Disability Services Amendment Act of
6 2014.”

7 Sec. 502. The Department on Developmental Disabilities Establishment Act of 2006,
8 effective March 14, 2007 (D.C. Law 16-264; D.C. Official Code § 7-761.01 *et seq.*), is amended
9 as follows:

10 (a) Section 102 (8) is amended by striking the current language in its entirety and
11 replacing it with the following language: ““DHCF” means the Department of Health Care
12 Finance as established in the Department of Health Care Finance Establishment Act of 2007,
13 effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 *et seq.*).”

14 (b) Section 102 (9) is amended by striking the phrase “Medical Assistance
15 Administration” and inserting “DHCF” in its place.

16 (c) Section 105 (4) is amended by striking the phrase “MAA” and inserting “DHCF” in
17 its place.

18 (d) Section 106 is amended by adding a new subsection (g) as follows: “(g) The Director
19 shall have authority to issue grants and stipends consistent with appropriations.”.

20 (e) Section 107 (a) is amended by striking the current language in its entirety and
21 replacing it with the following language: “(a) The Department and the DHCF shall enter into an
22 agreement for the Department to direct: policy development and design of services, rate-setting,
23 and support provided under the Home and Community-Based Services Waiver for Individuals

1 with Intellectual and Developmental Disabilities or any other waiver targeted for people with
2 intellectual and developmental disabilities and their families that is approved under section
3 1915(c) of the Social Security Act, approved August 13, 1981 (95 Stat. 809; 42 U.S.C. § 1369n);
4 and policies, services, and supports related to the operation of intermediate care facilities for
5 individuals with intellectual disabilities.”.

6 (f) Section 107 (b) is amended by striking the phrase “Medical Assistance
7 Administration” and inserting “DHCF” in its place.

8 (g) By adding a new section 112 to read as follows:

9 “Sec. 112. Family Support Council.

10 (a) The Director shall establish a Family Support Council to, within available
11 appropriations, assist the Department and other agencies to develop systems of support for
12 families throughout the lifespan of their family members with intellectual and developmental
13 disabilities.

14 (b) The Family Support Council shall be composed of eleven (11) members, of whom the
15 majority are people with developmental disabilities and their family members.

16 (c) Within one year of implementation of this Act, the Department shall publish operating
17 procedures for the Family Support Council, and the Director shall appoint the initial Family
18 Support Council members.”.

19 **SUBTITLE B. DEPARTMENT OF HEALTH FUNCTIONS CLARIFICATION**
20 **AMENDMENTS**

21 Sec. 511. Short Title.

22 This subtitle may be cited as the “Department of Health Functions Clarification
23 Amendment Act of 2014”.

1 Sec. 512. The Department of Health Functions Clarification Act of 2001, effective
2 October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-731 *et seq.*), is amended as follows:

3 (a) Section 4907a (D.C. Official Code § 7-736.01) is amended by adding new
4 subsections (c) and (d) to read as follows:

5 “(c)(1) Through fiscal year 2015, the Director of the Department of Health may issue
6 grants totaling \$ 1,550,000 to District of Columbia HIV prevention programs for a combination
7 of HIV prevention interventions. These interventions shall include HIV screening in clinical and
8 non-clinical settings and effective behavioral programs.

9 “(2) Through fiscal year 2015, the Director of the Department of Health may issue
10 HIV prevention grants for a combination of HIV prevention interventions that include:

- 11 “(A) HIV screening;
- 12 “(B) Harm reduction;
- 13 “(C) Social network HIV screening;
- 14 “(D) Partner services;
- 15 “(E) Faith-based initiatives;
- 16 “(F) Youth peer education; and
- 17 “(G) Other health-education services for adolescents and older adults.

18 “(3) For the purposes of this subsection, the term “Faith-based initiative” means a
19 program to encourage and support places of worship in delivering HIV prevention messages that
20 promote safe-sex practices, educate people about HIV, and promote HIV screening.

21 “(d) During fiscal year 2015, the Director of the Department of Health may issue grants
22 to qualified community organizations to provide:

1 “(1) Clinical nutritional home delivery services for individuals living with cancer
2 and other life-threatening diseases;

3 “(2) Ambulatory health services;

4 “(3) Poison control hotline and prevention education services;

5 “(4) Operations and primary care services for school-based health clinics; and

6 “(5) A teen pregnancy prevention program.”.

7 (b). New sections 4907b and 4907c are added to read as follows:

8 “Sec. 4907b. Communicable and Chronic Disease Prevention and Treatment Fund.

9 “(a) There is established, as a nonlapsing fund in the Department of Health, the
10 Communicable and Chronic Disease Prevention and Treatment Fund (“Fund”), to be
11 administered by the Mayor as an agency fund, as defined in § 47-373(2)(I). All funds from
12 third-party payors, sliding fee scale collections, and other collections related to the prevention
13 and treatment of communicable and chronic diseases by the Department of Health, and the
14 interest earned thereon, shall be deposited into this Fund and used for operations necessary to
15 provide communicable and chronic disease prevention and treatment services.

16 “(b) The funds deposited into the Fund shall not revert to the unrestricted fund balance of
17 the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but
18 shall be continually available to the Department of Health for the uses and purposes set forth in
19 subsection (a) of this section, subject to authorization by Congress.”

20 “Sec. 4907c. Communicable Disease Fees.

21 “(a) The Director of the Department of Health may establish a schedule of fees for the
22 prevention and treatment of communicable diseases, including HIV/AIDS, hepatitis, sexually
23 transmitted diseases, and tuberculosis to be provided to any individual who presents for

1 prevention or treatment services, regardless of health insurance coverage or ability to pay. The
2 Director may periodically revise the schedule of fees and may establish a sliding fee scale, based
3 on income, for uninsured individuals. The fees, including any sliding fee scale, shall be
4 published in the District of Columbia Register.

5 “(b) The Director may seek reimbursement from any third-party payor for services
6 provided relating to the prevention and treatment of communicable diseases.”.

7 **SUBTITLE C. MEDICAL ASSISTANCE PROGRAM AMENDMENTS**

8 Sec. 521. Short title.

9 This subtitle may be cited as the “Medical Assistance Program Amendment Act of 2014”.

10 Sec. 522. Section 1(a) of An Act to enable the District of Columbia to receive Federal
11 financial assistance under title XIX of the Social Security Act for a medical assistance program,
12 and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-
13 307.02(a)), is amended by adding a new paragraph (8) to read as follows:

14 “(8) Review and approval by the Council of the Fiscal Year 2015 Budget and
15 Financial Plan shall constitute the Council review and approval required by paragraph (2) of this
16 subsection of any amendment, modification or waiver of the state plan required to:

17 “(A) Implement needed amendments to the Elderly and Individuals with
18 Physical Disabilities (EPD) waiver to ensure compliance with federal law and promote best
19 practices.

20 “(B) Establish new payment rates for Federally-Qualified Health
21 Centers.”.

22 “(C) Establish new payment method and make other improvements to the
23 payment methodology for hospital inpatient treatment.”.

1 “(D) Establish new payment method and make other improvements to the
2 payment methodology for hospital outpatient services.

3 “(E) Implement needed amendments to the Intellectual
4 Disabilities/Developmental Disabilities (IDDD) waiver to ensure compliance with federal law
5 and promote best practices.

6 “(F) Align specialty hospital payments with the complexity of their
7 patient mixes and national best practices and to describe payment standards for sub-acute
8 services for children who are inpatients in private psychiatric specialty hospitals.

9 “(G) Update transplantation coverage standards and provide coverage for
10 lung transplantation and autologous bone marrow transplantation.”.

11 **SUBTITLE D. DEPARTMENT OF BEHAVIORAL HEALTH ESTABLISHMENT**
12 **AMENDMENT**

13 Sec. 531. Short title.

14 This subtitle may be cited as the “Department of Behavioral Health Establishment
15 Amendment Act of 2014.”

16 Sec. 532. The Department of Behavioral Health Establishment Act of 2013, effective
17 December 24, 2013 (D.C. Law 20-61, 60 DCR 12472), is amended by adding a new section
18 5118a to read as follows:

19 “5118a. Transfer of authority, functions, property, and personnel.

20 “All property, Career and Excepted Service, Management Supervisory Service, and
21 trainee positions, personnel, assets, records, obligations, unexpended balances of appropriations,
22 allocations, and other funds available or to be made available to the Tobacco Control Program

1 within the Department of Behavioral Health are hereby transferred to the Department of
2 Health.”.

3 Sec. 533. Transfers

4 The Mayor shall coordinate, as necessary, the transfer from the Department of Behavioral
5 Health to the Department of Health of any property, positions, personnel, assets, records,
6 obligations, unexpended balances of appropriations, allocations, and other funds required for the
7 management and operation of the Tobacco Control Program.

8 **SUBTITLE E. DBH ENTERPRISE FUND ESTABLISHMENT**

9 Sec. 541. Short title

10 This subtitle may be cited as the “Department of Behavioral Health Enterprise Fund
11 Amendment Act of 2014.”

12 Sec. 542. (a) There is established within the General Fund of the District of Columbia a
13 segregated, lapsing account, to be designated the “Department of Behavioral Health Enterprise
14 Fund”, into which shall be deposited all fees, proceeds and revenues collected from the following
15 activities and operations:

16 (1) Food cafeteria managed and operated by the Department of Behavioral Health
17 (“Department”) on the St. Elizabeths Hospital Campus to serve staff, patients and visitors;

18 (2) Collection of fees charged for trainings and Continuing Education Units
19 (CEUs) by the Department of Behavioral Health (“Department”) Organizational Development-
20 DMH Training Institute;

21 (3) Recoupment and collection of housing bridge subsidy payments from
22 individual consumers, representative payees, and landlords by the Department of Behavioral
23 Health (“Department”) Adult Services Supported Housing program; and

1 (4) All monies from the Fund shall only be used for the management and
2 operation of the food cafeteria, DMH Training Institute, and Supported Housing programs
3 managed and operated by the Department.

4 (b) All funds received but not expended in a fiscal year shall revert to the unrestricted
5 fund balance of the General Fund of the District of Columbia.

6 **SUBTITLE F. LIHEAP HEAT AND EAT ELIGIBILITY AMENDMENT**

7 Sec. 551. Short title.

8 This subtitle may be cited as the “LIHEAP Heat and Eat Eligibility Preservation
9 Amendment Act of 2014”.

10 Sec. 552. Section 5083(c) of the Fiscal Year 2010 Budget Support Act of 2009, effective
11 March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 4-261.03(c) (2013 Repl.)), is amended
12 by striking the phrase “minimum annual benefit of \$1” and inserting the phrase “minimum
13 annual benefit of \$20.01.” in its place.

14 **SUBTITLE G. HEALTH SERVICES PLANNING AND DEVELOPMENT**

15 Sec. 561. Short title.

16 This subtitle may be cited as the “Health Services Planning and Development
17 Amendment Act of 2014.”

18 Sec. 562. Section 2 of the Health Services Planning Program Re-establishment Act of
19 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-401 *et seq.*), is
20 amended as follows:

21 “(12) “Health service” means any medical or clinical related service, including services
22 that are diagnostic, curative or rehabilitative, as well as those related to inpatient mental health
23 services, home health care, hospice care, medically supervised day care, and renal dialysis.

1 “Health service” shall not include those outpatient behavioral health services subject to the
2 exclusive regulatory authority of the Department of Behavioral Health and services provided by
3 physicians, dentists, HMOs, and other individual providers in individual or group practice.

4 **SUBTITLE H. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES TIME**

5 **LIMIT**

6 Sec. 571. Short title.

7 This subtitle may be cited as the "Temporary Assistance for Needy Families Amendment
8 and Cost of Living Adjustment Act of 2014".

9 Sec. 572. The District of Columbia Public Assistance Act of 1982, effective April 6, 1982
10 (D.C. Law 4-101; D.C. Official Code § 4-201.01 et seq.) is amended as follows:

11 (a) Section 511 (b) (D.C. Official Code 4-205.11(b)) is amended by striking “in the
12 District”.

13 (b) Section 552 (d) (D.C. Official Code 4-205.52(d) is amended by adding a new section
14 (d-1), which shall read as follows:

15 “(d-1)(1) Effective October 1, 2015, the payment levels issued pursuant to section
16 (c) of this subsection shall be adjusted annually for the rate of inflation, pursuant to the consumer
17 price index (CPI), except for Fiscal Year 2017, for which the payment level shall be adjusted by
18 46%.

19 “(2) The payment levels set forth in subsection (c) of this section shall be
20 increased by multiplying the payment level set forth in subsection (c) of this section by the CPI
21 percentage increase from the preceding calendar year, as determined by the United States
22 Department of Labor Bureau of Labor Statistics in the Consumer Price Index for Urban
23 Consumers (CPI-U) for all items.

1 (c) Section 572a (b) (D.C. Official Code §572a(b)) is amended to read as follows: “An
2 assistance unit’s eligibility for POWER, pursuant to subsection (a) of this section, shall be
3 subject to periodic review and redetermination as determined by the Mayor or the Mayor’s
4 designee”.

5 (d) Section 575 (D.C. Official Code § 205-75) is amended by adding a new section (c) to
6 read as follows:

7 “(c) A POWER recipient who is determined eligible for continuation of POWER
8 benefits due to incapacity under section 572(b)(2) shall submit an application for Social Security
9 Disability Insurance (SSDI) and/or Supplemental Social Insurance (SSI) benefits as part of their
10 self-sufficiency plan. The Mayor or the Mayor’s designee shall offer application and advocacy
11 assistance.

12 **TITLE VI. TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT**

13 **SUBTITLE A. VAULT RENT AMENDMENT**

14 Sec. 601. Short title.

15 This subtitle may be cited as the “Vault Rent Amendment Act of 2014”.

16 Sec. 602. The District of Columbia Public Space Rental Act, approved October 17, 1968
17 (82 Stat. 1156; D.C. Official Code § 10-1101.01 et seq.), is amended as follows:

18 (a) Section 103 (DC Official Code § 10-1101.01) is amended as follows:

19 (1) A new subsection (1B) is added to read as follows:

20 “(1B) “Chief Financial Officer” means the Chief Financial Officer of the District of
21 Columbia.”.

22 (2) A new subsection (1C) is added to read as follows:

1 “(1C) “Condominium unit owners’ association” shall have the same meaning as the unit
2 owner’s association described in section 301 of the Condominium Act of 1976, effective March
3 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42-1903.01) or a master association as defined in
4 subsection 19A of section 102 of the Condominium Act of 1976, effective March 29, 1977 (D.C.
5 Law 1-89; D.C. Official Code § 42-1901.02(19A), as the context may require.”.

6 (3) A new subsection (1D) is added to read as follows:

7 “(1D) “Declarant” shall have the same meaning as set forth in section 103 of the
8 Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official code § 42-
9 1901.02(11).”.

10 (4) A new subsection (6A) is added to read as follows:

11 “(6A) “Responsible condominium unit owners’ association” means a condominium unit
12 owners’ association if vault rent was an obligation of the condominium as a whole before there
13 was a unit owner other than the declarant, or the condominium unit owners’ association or its
14 predecessor entered into an agreement with the Mayor relating to the occupation of vault
15 space.”.

16 (5) A new subsection (9) is added to read as follows:

17 “(9) “Vault rent year” means the period beginning July 1st each year and ending June 30th
18 each succeeding year.”.

19 (b) Section 303 (DC Official Code § 10-1103.02) is amended to read as follows:

20 “(a) The Chief Financial Officer shall assess and collect rent and charges from the owner
21 or owners of abutting property for any vault located in the public space abutting such property,
22 unless such vault shall have been removed, filled, sealed, or otherwise rendered unusable in a
23 manner satisfactory to the Mayor. Bills and notices shall be deemed to be properly served when

1 mailed via first class mail to the abutting property owner's mailing address of record as
2 maintained by the Chief Assessor of the Office of Tax and Revenue.

3 “(b) Notwithstanding section 104 of the Condominium Act of 1976, effective March 29,
4 1977 (D.C. Law 1-89; D.C. Official Code §42-1901.04) or any provision that imposes liability
5 for vault rent that is contrary to this subsection, vault rent shall be assessed against a responsible
6 condominium unit owners' association.

7 “(1) The responsible condominium unit owners' association
8 shall be billed for vault rent as a separate and distinct taxable entity with its own vault rent
9 account, as designated by the Chief Financial Officer, and shall, unless the context requires
10 otherwise, for purposes of this subchapter be deemed to be the owner of the property abutting
11 public space in which any vault is located.

12 “(2) A notice of proposed land assessment relating to the vault rent account shall
13 be given to the responsible condominium unit owners' association by March 1st before the
14 beginning of the applicable vault rent year.

15 “(3) The assessed value of the land derived for purposes of billing the vault rent
16 may be appealed as provided under D.C. Official Code § 47-825.01a(d) – (e) and (g),
17 except that any references in that section to an owner shall, for the purposes of this section, be
18 deemed to be references to a responsible condominium unit owners' association.

19 “(4) The Chief Financial Officer may correct or change any land assessment
20 relating to the vault rent account for which a responsible condominium unit owners' association
21 is responsible as under the circumstances, and subject to the conditions, set out in D.C. Official
22 Code § 47-825.01a(f), except that the reference to tax years shall be deemed to be a reference to
23 vault rent years, the reference to owner shall be deemed to be a reference to a responsible

1 condominium unit owners' association, and the reference to the owner's address of record shall
2 be deemed to be a reference to the responsible condominium unit owners' mailing address of
3 record as maintained by the Chief Assessor of the Office of Tax and Revenue of the Chief
4 Financial Officer.

5 “(c) Where vault rent is assessed against any owner other than a responsible
6 condominium owners' association, the Mayor may adjust any utilization factor or area of the
7 vault level under the circumstances, and subject to the conditions, set out in D.C. Official Code §
8 47-825.01a(f) except that the reference to tax years shall be deemed to be a reference to vault
9 rent years .”.

10 (c) Section 305 (DC Official Code § 10-1103.04) is amended as follows:

11 (1) Strike the phrase “shall pay the rent established in accordance with this part
12 for such vault. Such rent shall be payable annually for the year commencing July 1st and ending
13 on the following June 30th, and shall be payable in full prior to the beginning of such year” and
14 inserting the phrase “shall pay the rent established in accordance with this part for such vault and
15 any charges levied under § 308(a) of the Public Space Rental Act, approved October 17, 1968
16 (82 Stat. 1160; D.C. Official Code § 10-1103.07(a)). Such rent and charges shall be payable
17 annually for the vault rent year, and shall be payable in full on or before the later of 30 days after
18 the date the vault rent bill was mailed or September 15 of such vault rent year” in its place.

19 (2) In subsection (c), strike the sentence “Fuel oil tanks shall be considered as
20 single level vaults.”

21 (3) Add a new subsection (c-1) to read as follows:

22 “(c-1) Notwithstanding subsection (c) of this section, rent per fuel oil tank shall be

1 \$100; provided, the Council may adjust the amount of rent per fuel oil tank pursuant to section
2 401.”.

3 (d) Section 305a (DC Official Code § 10-1103.04a) is amended by striking the word
4 “Mayor” and inserting the phrase “Chief Financial Officer” in its place wherever it occurs.

5 (e) Section 308 (DC Official Code § 10-1103.07) is amended as follows:

6 (1) A new subsection (a-1) is added to read as follows:

7 “(a-1) For vault years beginning after June 30, 2015, the Mayor shall take such action as
8 he in his discretion considers necessary or desirable to seal off, remove in whole or in part, fill,
9 reconstruct, repair or close a vault or vault opening, or perform any other service in connection
10 therewith. The Chief Financial Officer shall levy a charge against the abutting property for the
11 reasonable cost of such action by the Mayor.”.

12 (2) A new subsection (b-1) is added to read as follows:

13 “(b-1) For periods beginning after June 30, 2015, interest on unpaid vault rent and the
14 charges authorized under subsection (a) of this section shall accrue at the rate set forth in D.C.
15 Official § 47-811(c) per month or part thereof after the due date prescribed in § 305. Except as
16 provided in subsection (d) of this section, the abutting property for any vault located in the public
17 space shall be sold by the Chief Financial Officer at the tax sale held under Chapter 13A of Title
18 47 of the DC Code for vault rent, charges and interest that are delinquent as of the October 1st
19 before the tax sale. Notwithstanding any other provision of law, delinquent vault rent, charges
20 and interest shall not be required to be certified for purposes of the tax sale and the lien priority
21 of vault rents, charges and interest shall be immediately junior to real property taxes.”.

22 (3) A new subsection (c) is added to read as follows:

1 “(c) Payments shall be applied to the oldest vault year owed, and within such year first to
2 interest and then to charges and rent.”.

3 (4) A new subsection (d) is added to read as follows:

4 “(d) Where a responsible condominium unit owners’ association is billed for vault rent,
5 charges and interest, and the rent, charges and interest are not timely paid, the rent, charges and
6 interest shall constitute a delinquent tax to be collected against the condominium association in
7 accordance with Chapter 44 of Title 47 of the DC Code, notwithstanding section 104 of the
8 Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42-
9 1901.04) or any other provision to the contrary. The liability shall follow to any subsequent or
10 successor condominium association or the resulting owners of any termination of the
11 condominium, as the case may be, notwithstanding any other law to the contrary.”.

12 (5) A new subsection (e) is added to read as follows:

13 “(e) The Chief Financial Officer may, in his or her discretion:

14 “(1) Waive in whole or in part interest assessed pursuant to the District of
15 Columbia Public Space Rental Act, approved October 17, 1968 (82 Stat. 1156; D.C. Official
16 Code § 10-1101 et seq.), when in his or her judgment, it would be equitable, just, or in the public
17 interest; and

18 “(2) Compromise any charge or vault rent assessed pursuant to the District of
19 Columbia Public Space Rental Act, approved October 17, 1968 (82 Stat. 1156; D.C. Official
20 Code § 10-1101 et seq.), when, in his or her judgment there is reasonable doubt as to the liability
21 of the owner against whom the vault rent was assessed or the collectability of the tax.”.

22 (f) A new subsection 311 (DC Official Code § 10-1103.10) is added to read as follows:

1 “Notwithstanding section 401, the Chief Financial Officer may, pursuant to the District of
2 Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat 1204; D.C. Code §
3 2-501 et seq.), promulgate rules related to the assessment and collection of rent and charges.”.

4 Sec. 603. Applicability.

5 (a) Section 602(a) – (e)(4) shall apply to vault years beginning after June 30, 2015.

6 (b) Section 602(e)(5) and (f) shall apply upon the effective date of this act.

7 **SUBTITLE B. PUBLIC SPACE RENTAL AMENDMENT**

8 Sec. 611. Short title.

9 This subtitle may be cited as the “Public Space Rental Amendment Act of 2014”.

10 Sec. 612. The District of Columbia Public Space Rental Act, approved October 17, 1968
11 (82 Stat. 1156; D.C. Official Code § 10-1101.01 *et seq.*), is amended as follows:

12 (a) Section 201 (D.C. Official Code § 10-1102.01) is amended as follows:

13 (1) Strike the phrase “The District of Columbia Council” in the first sentence and
14 insert the phrase “The Mayor” in its place.

15 (2) Strike the phrase “requiring the Council” in the first sentence and insert the
16 phrase “requiring the Mayor” in its place.

17 (3) Strike the phrase “the Council of the District of Columbia” in the second
18 sentence and insert the phrase “the Mayor” in its place.

19 (b) Section 202 (D.C. Official Code § 10-1102.02) is amended to read as follows:

20 “Sec. 202. Payments; refunds.

21 “(a) The Mayor shall adopt rules requiring the payment of rent and establishing the rate of
22 such rent for the use of public space authorized by this title. The rental rate may be a flat rate, a rate
23 based on square footage of public space rented, a rate based on the assessed value of the privately

1 owned property abutting such space, a combination thereof, or any other fair and equitable rate
2 established by the Mayor, and may vary by category of use, geographic area of the District, or other
3 factor established by the Mayor by rule.

4 “(b) Notwithstanding subsection (a) of this section, prior to July 1, 2015 the annual rent for
5 public space used as an unenclosed sidewalk cafe shall be \$5 per square foot and the annual rent for
6 public space used as an enclosed sidewalk cafe shall be \$10 per square foot; provided, that
7 beginning July 1, 2015, the annual rent for public space used as an unenclosed sidewalk cafe shall
8 be \$8.30 per square foot and the annual rent for public space used as an enclosed sidewalk cafe shall
9 be \$16.60 per square foot; provided further, that in fiscal year 2016 and beyond, the Mayor may
10 adjust the rent for both unenclosed and enclosed sidewalk cafes pursuant to subsection (a) of this
11 section.

12 “(c) If the Mayor requires a person using public space under the authority of this title to
13 vacate all or part of the space for which rent has been paid, the Mayor may refund so much of such
14 prepaid rent as may be represented by the amount of space so vacated and by the length of time
15 remaining in the period for which rent was paid.”.

16 (c) Section 304 (D.C. Official Code § 10-1103.03) is amended as follows:

17 (1) Amend the section title by striking the word “Council” and inserting the word
18 “Mayor” in its place.

19 (2) Strike the phrase “Council of the District of Columbia ” and insert the word
20 “Mayor” in its place.

21 (d) Section 401 (D.C. Official Code § 10-1104.01) is amended to read as follows:

22 “Sec. 401. Regulations.

1 “The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act,
2 approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules to
3 implement the provisions of this act.”.

4 (e) Section 404 (D.C. Official Code § 10-1104.04) is amended to read as follows:

5 “Sec. 404. Penalties.

6 “Any person who violates a provision of this act may be punished by a fine not exceeding
7 \$1,000 or imprisonment for not more than 10 days for each day of such violation. In addition, such
8 rules as may be adopted by the Mayor under the authority of this act may provide for the imposition
9 of civil fines in such amounts as the Mayor may determine, which may be imposed for each and
10 every day public space is used or occupied in a manner prohibited by this act or the rules
11 promulgated pursuant to this act.”.

12 **SUBTITLE C. CAPITAL BIKESHARE CORPORATE SPONSORSHIP**
13 **ESTABLISHMENT**

14 Sec. 621. Short title

15 This subtitle may be cited as the “Private Sponsorship of Capital Bikeshare and Other
16 Transportation Facility and Equipment Amendment Act of 2014”.

17 Sec. 622. The Department of Transportation Establishment Act of 2002, effective May
18 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.04(4)), is amended as follows:

19 (a) Subparagraph (G)(iv) is amended by inserting the phrase “; provided, that proceeds
20 related to advertisements on bicycle sharing facilities or bicycle sharing bicycles shall be
21 deposited into the Bicycle Sharing Fund established by section 9f [9h]” before the period at the
22 end.

1 “(H) Enter into agreements to allow the private sponsorship of transportation facilities
2 and equipment under the control of DDOT, including bicycle sharing facilities and bicycle
3 sharing bicycles, , including placement of a corporate logo, slogan, or other indicia on the
4 facilities or equipment, on related websites, and on social media. All proceeds collected from a
5 private sponsorship agreement shall be deposited into the DDOT Enterprise Fund for
6 Transportation Initiatives, established by section 9e; provided, that proceeds related to corporate
7 sponsorship on bicycle sharing facilities or bicycle sharing bicycles shall be deposited into the
8 Bicycle Sharing Fund established by section 9f [9h].”.

9 **SUBTITLE D. DDOT MANAGED LANE AUTHORIZATION**

10 Sec. 631. Short title

11 This subtitle may be cited as the “District Department of Transportation Managed Lane
12 Authorization Act of 2014”.

13 Sec. 632. Section 5(2) of the Department of Transportation Establishment Act of 2002,
14 effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.04(2)), is amended as
15 follows:

16 (a) Subparagraph (M) is amended by striking the word “and” at the end.

17 (b) Subparagraph (N) is amended by striking the period at the end and inserting the
18 phrase “; and” in its place.

19 (c) A new subparagraph (O) is added to read as follows:

20 “(O) Implement managed lane policies, including lane pricing, vehicle
21 eligibility, and access control; provided, that at least one lane of traffic on a street with managed
22 lanes shall be free of charge.”.

23 **SUBTITLE E. INTEGRATED PREMIUM TRANSIT SYSTEM AMENDMENT**

1 Sec. 641. Short title.

2 This subtitle may be cited as the “Integrated Premium Transit System Amendment Act of
3 2014”.

4 Sec. 642. The Department of Transportation Establishment Act of 2002, effective May
5 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.01 *et seq.*) (“Act”), is amended as
6 follows:

7 (a) A new section 1a is added to read as follows:

8 “Sec. 1a. Definitions.

9 “For the purposes of this act, the term:

10 “(1) “DC Streetcar system” means a fixed guideway transit network offering rail
11 passenger service operated by, or on behalf of, the District government.

12 “(2) “Integrated Premium Transit System” means an integrated transit system comprised
13 of any or all of the DC Streetcar system, bus service operated or managed by, or on behalf of, the
14 District government consistent with the Washington Metropolitan Area Transit Regulation
15 Compact (D.C. Official Code §§ 9-1103.01, 9-1103.02, and 9-1107.01), and facilities
16 appurtenant to the DC Streetcar system and such bus service, including buildings, other
17 structures, and parking areas.”.

18 (b) Section 5 (DC Code § 50-921.04) is amended as follows:

19 (1) Paragraph (1) is amended as follows:

20 (A) Subparagraph (C) is amended by striking the word “and” at the end.

21 (B) Subparagraph (D) is amended by striking the period and inserting the phrase
22 “; and” in its place.

23 (C) A new subparagraph (E) is added to read as follows:

1 “(E) Plan, manage, and contract for all, or any part of, the design, engineering,
2 construction, operation and maintenance of any element of the Integrated Premium Transit
3 System.”.

4 (2) Paragraph (2) is amended as follows:

5 (A) Subparagraph (L) is amended by striking the phrase “Operate, develop, and
6 finance” and inserting the phrase “Operate, maintain, and regulate” in its place.

7 (B) Subparagraph (N) is amended by striking the phrase “Operate, develop,
8 regulate, and finance” and inserting the phrase “Operate, maintain, and regulate” in its place.

9 (c) Section 11b (DC Code § 50-921.32) is amended by striking the phrase “Plan,
10 develop, finance, operate, control, and regulate” and inserting the phrase “Plan, develop, operate,
11 control, and regulate” in its place.

12 (d) Section 11n (DC Code § 50-921.72) is amended as follows:

13 (A) Paragraph (1) is amended by striking the word “and” at the end.

14 (B) Paragraph (2) is amended by striking the period and inserting the phrase “;
15 and” in its place;

16 (C) A new paragraph (3) is added to read as follows:

17 “(3) Enter into contracts with third parties for the design, construction, operation
18 and maintenance of the DC Streetcar system.”.

19 Sec. 643. Section 5 of the District Department of Transportation DC Streetcar
20 Amendment Act of 2012, effective April 20, 2013 (D.C. Law 19-268; 60 DCR 1709), is
21 repealed.

22 Sec. 644. Section 47-392.02(f) of the District of Columbia Official Code is amended as
23 follows:

1 (a) Paragraph (5)(A) is amended to read as follows:

2 “(5)(A) Beginning in the fiscal year following the completion of the capital construction
3 of the Integrated Premium Transit System, all funds in the Pay-as-you-go Capital Account shall
4 be used for the purpose of reducing future District borrowing for capital purposes by using the
5 funds in the Pay-as-you-go Capital Account in lieu of proposed borrowing. Any use of these
6 funds must be accompanied by the certification of the Chief Financial Officer that the funds are
7 available in the Pay-as-you-go Capital Account and will be used to replace proposed District
8 Bonds (as defined in § 47-443(2)(C)) that otherwise would have been issued for those purposes
9 and that the District will not otherwise borrow such amounts for other purposes. Use of funds in
10 the Pay-as-you-go Capital Account will reduce an identical amount in the existing Capital
11 Improvements Program.”.

12 (b) A new Paragraph (6) is added to read as follows:

13 “(6) All funds in the Pay-as-you-go Capital Account shall be budgeted for the
14 Integrated Premium Transit System until the construction of the Integrated Premium Transit
15 System is complete.”.

16 (c) A new paragraph (7) is added to read as follows:

17 “(7) For the purposes of this subsection, the term:

18 “(A) “DC Streetcar” shall have the meaning set forth in section 1a(1) of the
19 Department of Transportation Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-
20 137; to be codified);

21 “(B) “Integrated Premium Transit System” shall have the meaning set forth in section 1a
22 (2) of the Department of Transportation Establishment Act of 2002, effective May 21, 2002
23 (D.C. Law 14-137; to be codified).”.

1 Sec. 645. The Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C.
2 Law 18-371; D.C. Official Code § 2-351.01 *et seq.*), is amended as follows:

3 (a) Section 104 (D.C. Official Code § 2-351.04) is amended as follows:

4 (1) A new paragraph (2A) is added to read as follows:

5 “(2A) “Alternative technical concept” means a proposed change to an agency-
6 supplied base design configuration, project scope, design criterion, or construction criterion that
7 the agency determines is equal to or better than a requirement in a request for proposals.”.

8 (2) Paragraph (13) is amended to read as follows:

9 “(13) “Construction” means the process of building, altering, repairing,
10 improving, or demolishing any public infrastructure facility. The term “construction” shall not
11 include the routine operation, routine repair, or routine maintenance of an existing public
12 infrastructure facility.”.

13 (3) A new paragraph (37A) is added to read as follows:

14 “(37A) “Infrastructure facility” includes any public structure, public building, any
15 element of the Integrated Premium Transit System, as that term is defined in section 1a (2) of the
16 Department of Transportation Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-
17 137; to be codified), and other public improvements of any kind to real property.”.

18 (b) Section 201(d) (D.C. Official Code § 2-352.01(d)) is amended by striking the phrase
19 “roads and bridges” and inserting the phrase “roads, bridges, other transportation systems, and
20 facilities and structures appurtenant to roads, bridges, and other transportation systems” in its
21 place.

22 (c) Section 403 (D.C. Official Code § 2-354.03) is amended by adding a new
23 subsection (d-1) to read as follows:

1 “(d-1) An RFP for the construction of a road, bridge, other transportation system,
2 or a facility or structure appurtenant to a road, bridge, or other transportation system, may allow
3 prospective offerors or contractors to submit alternative technical concepts as a part of their
4 proposals. The agency’s determination on the alternative technical concepts shall be considered
5 by the contracting officer as part of his or her evaluation and ranking of proposals.”.

6 **SUBTITLE F. PESTICIDE REGISTRATION FUND AMENDMENT**

7 Sec. 651. Short title

8 This subtitle may be cited as the “Pesticide Registration Fund Amendment Act of 2014”.

9 Sec. 652. Section 9a(c) of the Pesticide Education and Control Amendment Act of 2012,
10 effective December 24, 2013 (D.C. Law 20-61; 60 DCR 12540) is amended by striking the word
11 “pesticide” and inserting the phrase “pesticide, chemical, tank, and land remediation programs”
12 in its place.

13 **TITLE VII. FINANCE AND REVENUE**

14 **SUBTITLE A. SUBJECT TO APPROPRIATIONS AMENDMENTS**

15 Sec. 701. Short title.

16 This subtitle may be cited as the “Subject to Appropriations Amendment Act of 2014”.

17 Sec. 702. The Tax Clarity Equity Act of 2013, effective February 22, 2014 (D.C. Law 20-
18 85; 61 DCR 184), is amended by adding a new section 3 to read as follows:

19 “Sec. 3. Applicability.

20 This act shall apply upon the inclusion of its fiscal effect in an approved budget and
21 financial plan, as certified by the Chief Financial Officer to the Budget Director of the Council in
22 a certification published by the Council in the District of Columbia Register.”.

1 Sec. 703. Section 3 of the Earned Sick and Safe Leave Amendment Act of 2013, effective
2 February 22, 2014 (D.C. Law 20-89; 61 DCR 317), is repealed.

3 Sec. 704. Section 3 of the Minimum Wage Amendment Act of 2013, effective March 11,
4 2014 (D.C. Law 20-91; 61 DCR __), is repealed.

5 Sec. 705. Section 501 of the Electric Company Infrastructure Improvement Financing
6 Act of 2014, enacted March 3, 2014 (D.C. Act 20-290; 61 DCR __), is repealed.

7 Sec. 706. Section 4(c) of the Small and Certified Business Enterprise Development and
8 Assistance Amendment Act of 2014, introduced on March 7, 2013 (D.C. Bill 20-181; 61 DCR
9 __), is repealed.

10 Sec. 707. Section 3 of the Senior Citizen Real Property Tax Relief Act of 2014, effective
11 March 25, 2014 (D.C. Bill 20-318; 61 DCR __), is repealed.

12 **SUBTITLE B. TAX REVISION COMMISSION RECOMMENDATIONS**

13 **IMPLEMENTATION**

14 Sec. 711. Short title.

15 This subtitle may be cited as the “Tax Revision Commission Policy Recommendations
16 Implementation Act of 2014”.

17 Sec. 712. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as
18 follows:

19 (a) Section 47-1801.04(43) of the District of Columbia Official Code is amended as
20 follows:

21 (1) Strike the phrase “all gross” and insert the word “gross” in its place.

1 (2) Strike the phrase "section." and insert the phrase "section; provided, however, that
2 the term "sales" does not include receipts of a taxpayer from hedging transactions and from the
3 maturity, redemption, sale, exchange, loan or other disposition of cash or securities." in its place.

4 (b) Section 47-1806.03 is amended by adding a new paragraph (9) to read as
5 follows:

6 "(9) In the case of a taxable year beginning after December 31, 2014, there is
7 imposed on the taxable income of every resident a tax determined in accordance with the
8 following table:

9 If the taxable income is:	The tax is:
10 "Not over \$10,000	4% of the taxable income
11 "Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over
	12 \$10,000.
13 "Over \$40,000 but not over \$60,000	\$2,200, plus 7.5% of the excess over
	14 \$40,000
15 "Over \$60,000 but not over \$350,000.....	\$3,700, plus 8.5% of the excess over
	16 \$60,000
17 "Over \$350,000	\$28,350, plus 8.95% of the excess above
	18 \$350,000."

19 (c) Section 47-1807.02(a) is amended by adding a new paragraph (5) to read as
20 follows:

21 "(5) For taxable years beginning after December 31, 2014, a tax at the rate of
22 9.4% upon the taxable income of every corporation, whether domestic or foreign."

23 (d) Section 47-1808.01 is amended as follows:

1 (1) Paragraph (4) is amended by striking the word “or” at the end.

2 (2) Paragraph (5) is amended by striking the period and inserting the phrase “; or” in
3 its place.

4 (3) By adding a new paragraph (6) to read as follows:

5 “(6) A trade or business which arises solely by reason of the purchase, holding, sale
6 of, or the entering, maintaining, or terminating positions in, stocks, securities, or commodities for
7 the taxpayer's own account. This clause shall not apply to:

8 “(A) A taxpayer that holds property, or maintains positions, as stock in trade,
9 inventory, or for sale to customers in the ordinary course of the taxpayer's trade or business; or

10 “(B) A taxpayer that acquires debt instruments in the ordinary course of the
11 taxpayer's trade or business for funds loaned, or services rendered; or

12 “(C) A taxpayer that holds any of the following that is not traded on an
13 established securities market:

14 “(i) Stock in a real estate investment trust; or

15 “(ii) A partnership interest.”.

16
17 (e) Section 47-1808.03(a) is amended by adding a new subsection (5) to read as
18 follows:

19 “(5) For taxable years beginning after December 31, 2014 a tax at the rate of
20 9.4% upon the taxable income of every unincorporated business, whether domestic or
21 foreign.”.

22 (f) Section 47-1810.02 of the District of Columbia Official Code is amended
23 as follows:

1 (1) Subsection (d) is amended by striking the phrase “(d-1), all” and inserting
2 “(d-1) and (d-2), all” in its place.

3 (2) A new subsection (d-2) is added to read as follows:

4 “(d-2)(1) Apportionment of business income.--All business income shall be
5 apportioned to the District by multiplying the income by the sales factor.

6 “(2) This subsection shall be applicable for the taxable years beginning after
7 December 31, 2014.”.

8 (3) Subsection (g)(3) is amended to read as follows:

9 “(g)(3)(A) Sales, other than sales of tangible personal property pursuant to paragraph (2)
10 of this subsection, are in the District if the taxpayer’s market for the sales is in the District. The
11 taxpayer’s market for sales is in the District:

12 “(i) In the case of sale, rental, lease, or license of real property, if
13 and to the extent the property is located in the District;

14 “(ii) In the case of rental, lease, or license of tangible personal
15 property, if and to the extent the property is located in the District;

16 “(iii) In the case of sale of a service, if and to the extent the service
17 is delivered to a location in the District; and

18 “(iv) In the case of intangible property:

19 “(I) That is rented, leased, or licensed, if and to the extent
20 the property is used in the District; provided, that intangible property utilized in marketing a
21 good or service to a consumer is “used in the District” if that good or service is purchased by a
22 consumer who is in the District; and

23 “(II) That is sold, if and to the extent the property is used in

1 the District; provided, that:

2 “(a-i) A contract right, government license, or
3 similar intangible property that authorizes the holder to conduct a business activity in a specific
4 geographic area is “used in the District” if the geographic area includes all or part of the District;

5 “(b-i) Receipts from intangible property sales that
6 are contingent on the productivity, use, or disposition of the intangible property shall be treated
7 as receipts from the rental, lease, or licensing of such intangible property under subparagraph
8 (A)(iv)(I) of this subsection; and

9 “(c-i) All other receipts from a sale of intangible
10 property shall be excluded from the numerator and denominator of the sales factor.

11 “(B) If the state or states of assignment under subparagraph (A) cannot be
12 determined, the state or states of assignment shall be reasonably approximated.

13 “(C) If the taxpayer is not taxable in a state which a sale is assigned under
14 subparagraphs (A) or (B), or if the state of assignment cannot be determined under subparagraph
15 (A) or reasonably approximated under subparagraph (B), such sale shall be excluded from the
16 sales factor.

17 “(D) The Chief Financial Officer may prescribe regulations as necessary
18 or appropriate to carry out the purposes of this section.”

19 (g) Section 47-1810.04(c) is amended by adding a new paragraph (2A) to read as follows:

20 “(2A) For taxable years beginning after December 31, 2014, the apportionment provisions
21 of § 47-1810.02(d-2) shall apply.”

22 Sec. 713. Section 47-2001 of the District of Columbia Official Code is amended as
23 follows:

1 (a) Subsection (h-3) is repealed.

2 (b) Subsection (n)(2) is amended as follows:

3 (1) Subparagraph (I) is amended by striking the word “or” at the end .

4 (2) Subparagraph (J) is amended by striking the period at the end and inserting the phrase “or”
5 in its place.

6 (3) A new subparagraph is added to read as follows:

7 “(K) Sales of other tobacco products as defined in § 47-2401(5A) for sales made after
8 September 30, 2014.”

9 Sec. 714. Chapter 24 of Title 47 of the District of Columbia Official Code is amended as
10 follows:

11 (a) The title of Chapter 24 is amended to read “Tobacco Tax”.

12 (b) Section 47-2401 is amended as follows:

13 (1) The title is amended to read “Tobacco Tax”.

14 (2) Paragraph (2) is amended by inserting the phrase “or other tobacco products”
15 after the word “cigarettes”.

16 (3) Paragraph (5) is amended by striking the phrase “cigars,”.

17 (4) Paragraph (5A) is amended to read as follows:

18 “(5A) The term “other tobacco product” means any product containing, made or
19 derived from tobacco that is intended or expected to be consumed, except cigarettes and
20 premium cigars, as defined in this section. “Other tobacco product” does not include any
21 product that has been approved by the United States Food and Drug Administration for sale as a
22 tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and
23 is being marketed and sold solely for such an approved purpose.”.

1 (5) Paragraph (8) is amended by inserting the phrase “or other tobacco products”
2 after the word “cigarettes”.

3 (6) Paragraph (8A) is repealed.

4 (7) Paragraph (10) is amended by inserting the phrase “or other tobacco
5 products” after the word “cigarette”.

6 (8) Add a new Paragraph (11) to read as follows:

7 “(11) The term “wholesale price” means the price for which a licensed wholesaler
8 sells other tobacco products. The wholesale price includes the applicable federal excise tax,
9 freight charges, or packaging costs, regardless of whether they were included in the purchase
10 price, but excludes any discount, trade allowance, rebate, or other reduction.”.

11 (c) Section 47-2402 is amended by inserting “of cigarette tax” at the end of the title.

12 (d) Section 47-2402.01 is amended as follows:

13 (1) The title is amended to read “Tax on other tobacco products”.

14 (2) Subsection (a) is amended to read as follows:

15 “(a)(1)(A) A tax is levied and imposed on the sale or possession of other tobacco
16 products in the District.

17 “(B) Other tobacco products on which the taxes levied and imposed by
18 this section have been paid shall not be subject to additional taxation under this section;
19 provided, that the burden of proof that the taxes levied and imposed by this section have been
20 paid shall be upon the person who sells or possesses other tobacco products in the District,
21 against whom a tax assessment has been made, who has submitted an application for a refund,
22 or whose other tobacco products have been seized. For the purposes of this section, the term

1 "person" includes any officer or employee of a corporation responsible for payment of the tax,
2 or any member of a partnership or association responsible for the payment of the tax.

3 “(C) The tax rate for other tobacco products shall be equal to the cigarette
4 tax and surtax under DC Code §47- 2402(a)(1) & (2) on a pack of 20 cigarettes, expressed as a
5 percentage of the average wholesale price of a package of 20 cigarettes, for the March 31
6 preceding the September 1st announcement of the change in rates, or in the case of retailers
7 upon whom this tax is imposed, at a rate prescribed in regulations promulgated by the Mayor.
8 The first calculation shall be made and applicable for calendar quarters beginning after
9 September 30, 2014.

10 “(D) This rate shall be applied against gross receipts from sales of or
11 charges for such other tobacco products subject to the tax under this section.

12 “(2)(A) Beginning as of March 31, 2015, and on March 31st of each year
13 thereafter, the Mayor shall reevaluate the percentage calculation in paragraph (1) above on the
14 basis of the section 47-2402 cigarette tax and surtax to be effective on the following October 1st
15 on a pack of 20 cigarettes and shall recompute the tax rate on other tobacco products as defined
16 in this chapter.

17 “(B) The Mayor shall provide notice of any change in the tax rate for the
18 other tobacco products on or before September 1st of that year, and the change shall be effective
19 as of the following October 1st.”.

20 (e) Section 47-2403 is amended as follows:

21 (1) Subsection (a) is amended as follows:

22 (A) Paragraph (1) is amended by inserting the phrase “or other tobacco
23 products” after the word “cigarettes” where it appears.

1 (B) Paragraph (5) is amended by inserting the phrase “or other tobacco
2 products” after the word “cigarettes”.

3 (C) Add a new paragraph (6) to read as follows:

4 “(6) Possession of other tobacco products by licensed wholesalers for sale outside of
5 the limits of the District or for sale to other licensed wholesalers as provided for in § 47-
6 2402.01(g); sales of other tobacco products by licensed wholesalers to other licensed
7 wholesalers as provided for in § 47-2402.01(g); and possession by authorized licensed retailers
8 and vending machine operators of other tobacco products on which the tax rate for any other
9 state or jurisdiction has been paid, for sale in such other state or jurisdiction; provided, that such
10 authorized licensed retailers and vending machine operators are licensed under the laws of such
11 other state or jurisdiction to engage in the business of selling other tobacco products therein.”.

12 (2) Subsection (b) is amended by inserting “or other tobacco products” after
13 the word “cigarettes” wherever it appears.

14 (f) Section 47-2404(3)(B) is amended by inserting the phrase “or other
15 tobacco product” after the word “cigarette” wherever it appears.

16 (g) Section 47-2405 is amended as follows:

17 (1) The Section title is amended by inserting “and other tobacco products” at the
18 end.

19 (2) Subsection (a) is amended to read as follows:

20 “(a) Any person, other than a consumer, who transports cigarettes not bearing District
21 cigarette tax stamps or other tobacco products over the public highways, roads, streets,
22 waterways, or other public space of the District, shall have in his actual possession invoices or
23 delivery tickets for such cigarettes or other tobacco products, which show the true name and

1 address of the consignor or seller, the true name and address of the consignee or purchaser, and
2 the quantity and brands of the cigarettes or other tobacco products so transported.”.

3 (3) Subsection (b) is amended to read as follows:

4 “(b) If the cigarettes or other tobacco products are consigned to or purchased by any
5 person in the District, such purchaser or consignee must be a person authorized by this chapter
6 to possess unstamped cigarettes or untaxed other tobacco products in the District. If the invoice
7 or delivery ticket specifies that the cigarettes or other tobacco products are to be delivered to
8 any person in any state or jurisdiction other than the District, such person must be licensed
9 under the laws of such other state or jurisdiction to engage in the business of selling cigarettes
10 or other tobacco products therein. Any cigarettes or other tobacco products transported in
11 violation of any of the provisions of this section shall be deemed contraband cigarettes and
12 other tobacco products and such cigarettes or other tobacco products, the conveyance in which
13 such cigarettes or other tobacco products are being transported, and any equipment or devices
14 used in connection with, or to facilitate, the transportation of such cigarettes or other tobacco
15 products shall be subject to seizure and forfeiture as provided for in § 47-2409.”.

16 (h) Section 47-2408 is amended as follows:

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

18 (A) Paragraph (3)(B) is amended by inserting the phrase “or other tobacco
19 products” after the word “cigarettes”.

20 (B) Paragraph (4) is amended to read as follows:

21 “(4) Stop any conveyance that the Mayor has knowledge or reasonable cause to
22 believe is carrying more than 200 cigarettes or other tobacco products with a value exceeding
23 the wholesale price of 200 cigarettes and, upon presenting appropriate credentials to the

1 operator thereof, examine the invoices or delivery tickets for such cigarettes or other tobacco
2 products and inspect the conveyance for contraband cigarettes or other tobacco products.”.

3 (2)Subsection (c) is amended by inserting the phrase “or other tobacco
4 products” after the word “cigarettes” where it appears.

5 (3)Subsection (g) is amended by inserting the phrase “or other tobacco
6 products” after the word “cigarettes”.

7 (i) Section 47-2422(a) is amended by inserting the phrase “or other tobacco products”
8 after the word “cigarette”.

9 (j) Section 47-2425(b) is amended by inserting the phrase “or other tobacco products”
10 after the word “cigarettes” where it appears.

11 **SUBTITLE C. URBAN INSTITUTE REAL PROPERTY TAX ABATEMENT**
12 **REPEAL AND REAL PROPERTY TAX REBATE**

13 Sec. 721. Short title.

14 This subtitle may be cited as the "The Urban Institute Real Property Tax Abatement
15 Repeal and Real Property Tax Rebate Act of 2014".

16 Sec. 722. Repeal of Real Property Tax Abatement.

17 Section 47-4624 of the District of Columbia Official Code is repealed.

18 Sec.723. Real Property Tax Rebate.

19 (a) If The Urban Institute leases and occupies a building or portion thereof located in the
20 District of Columbia which is subject to real property taxation under Chapter 8 of Title 47, The
21 Urban Institute shall receive a rebate of its proportionate share of the real property tax incurred
22 by the lessor of the building, if:

1 (1) The Urban Institute is liable under the lease for its proportionate share of the
2 real property tax;

3 (2) It applies for the rebate of real property tax by September 15 of the calendar
4 year in which such tax was incurred by the lessor of the building; and

5 (3) The lessor paid the real property tax.

6 (b) The rebate shall be the amount of the portion of the real property tax passed through
7 to The Urban Institute under its lease with the lessor and paid to the lessor.

8 (c) The application for the rebate shall include:

9 (1) A copy of the lease with the lessor; and

10 (2) Documentation that the tax has been paid.

11 (d) If a proper application has been made, the Mayor shall rebate the tax on or before
12 December 31 of the same calendar year.

13 (e) The real property tax rebate established by this section shall begin no earlier than
14 January 1, 2015, and shall be effective for a 10-year period. The first year of the 10-year period
15 shall be the year that The Urban Institute occupies a building or portion thereof in the District
16 pursuant to a signed lease with the lessor of that building or portion. The amount of the rebate
17 shall not exceed one million dollars per tax year.

18 **SUBTITLE D. INDUSTRIAL REVENUE BOND SECURITY INTEREST**

19 **INSTRUMENT RECORDATION TAX EXEMPTION AMENDMENT**

20 Sec. 731. Short title.

21 This subtitle may be cited as the “Industrial Revenue Bond Security Interest Instrument
22 Recordation Tax Exemption Amendment Act of 2014”.

1 Sec. 732. Section 302 of the District of Columbia Deed Recordation Tax Act, approved
2 March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1102), is amended as follows:

3 (a) Strike the word “and” at the end of paragraph (31).

4 (b) Strike the period at the end of paragraph (32) and insert the word “; and” in its place.

5 (c) Add a new paragraph (33) to read as follows:

6 “(33) A security interest instrument executed by a borrower in connection with a loan
7 under the Industrial Revenue Bond Forward Commitment Program authorized by D.C. Official
8 Code Subchapter II-B of Chapter 3 of Title 47; provided that, unless waived by regulation, a
9 certification by the Mayor that the instrument is entitled to this exemption accompanies the
10 instrument at the time it is presented for recordation.”.

11 **SUBTITLE E. FISCAL YEAR 2014 BUDGET SUPPORT ACT AMENDMENTS**

12 Sec. 741. Short title

13 This subtitle may be cited as the “Fiscal Year 2014 Budget Support Act Amendment Act
14 of 2014”.

15 Sec. 742. The Fiscal Year 2014 Budget Support Act of 2013, effective December 24,
16 2013 (D.C. Law 20-61; 60 DCR 12472), is amended as follows:

17 (a) Title I, Subtitle B is amended by striking “Innovation Fund” everywhere it appears
18 and inserting “City Fund” in its place.

19 (b) Section 3022 is repealed.

20 (c) Section 4092 is repealed.

21 (d) Section 4122 is repealed.

22 (e) Section 5153(c)(4)(6) is repealed.

23 (f) Section 7242 is repealed.

1 (g) Section 7243 is repealed.

2 (h) Section 7332 is repealed.

3 **SUBTITLE F. SENIOR CITIZEN REAL PROPERTY TAX RELIEF**

4 **AMENDMENT**

5 Sec. 751. Short title.

6 This subtitle may be cited as the “Senior Citizen Real Property Tax Relief Amendment
7 Act of 2014”.

8 Sec. 752. D.C. Official Code § 47-863(a) is amended by adding a new paragraph (6) to
9 read as follows:

10 “(6) “20 consecutive tax years” shall include no more than 2 nonconsecutive gaps of
11 ownership where each gap shall not exceed 120 days.”.

12 **SUBTITLE G. WHITMAN WALKER TAX ABATEMENT**

13 Sec. 761. Short title.

14 This subtitle may be cited as the “Whitman Walker Tax Abatement Act of 2014”.

15 Sec. 762. Chapter 46 of title 47 of the District of Columbia Official Code is amended as
16 follows:

17 (a) The table of contents is amended by adding a new section designation to read as
18 follows:

19 "47-4662. Whitman-Walker Clinic, Inc; Lot 129, Square 241."

20 (b) A new section 47-4662 is added to read as follows:

21 "§47-4662. Whitman-Walker Clinic, Inc; Lot 129, Square 241.

22 "(a) Real property taxes assessed against Lot 129, Square 241 in excess of the amount
23 of real property taxes levied for tax year 2015 shall be abated to the extent that the excess is

1 allocable to the portion of the property leased to Whitman-Walker Clinic, Inc. ("Whitman-
2 Walker") under the terms of its lease, so long as such portion is leased to Whitman-Walker and is
3 used for the purposes stated above; provided that the benefit of this abatement shall be passed on
4 to Whitman-Walker in the form of reduced rent equal to the amount of the abatement.

5 "(b) Both Whitman-Walker and its landlord shall provide to the District of Columbia
6 Office of Tax and Revenue ("OTR"), at the time and in the manner directed by OTR, such
7 information as OTR may consider necessary to determine the amount of the abatement allowable
8 for a taxable year and to verify continued eligibility for the abatement.

9 "(c) The abatement provided under this section shall apply beginning with tax year
10 2015. If the property becomes ineligible for abatement, the abatement shall expire at the
11 beginning of the month following the month that the property becomes ineligible.

12 "(d) The foregoing tax rebate shall be in addition to, and not in lieu of, any other tax,
13 financial or development incentive, tax rebate or tax abatement, tax credit or any other incentive
14 of any type provided to Whitman-Walker under any District of Columbia or federal program."

15 **SUBTITLE H. ENCOURAGING ALTERNATIVE FUEL VEHICLES THROUGH**
16 **TAX INCENTIVES.**

17 Sec. 771. Short title.

18 This subtitle may be cited as the "Alternative Fuel Vehicle Conversion Act of 2014".

19 Sec. 772. Title IV of the District of Columbia Revenue Act of 1937, approved August 17,
20 1937 (50 Stat. 679; D.C. Official Code § 50-1501.01 *et seq.*), is amended by adding a new
21 subsection (l) to section 2 (D.C. Official Code § 50-1501.2) read as follows:

1 “(l) Beginning January 1, 2018, the Mayor, or his designee, shall not register any motor
2 vehicle for operation within the District that was not previously registered within the District,
3 which operates exclusively on the combustion of petroleum diesel fuel.”.

4 Sec. 773. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as
5 follows:

6 (a) The table of contents is amended by adding new section designations to read as
7 follows:

8 (1) “47-1806.12. Tax on residents and non-residents – Credits – Alternative
9 fuel vehicle conversion credit.”.

10 (2) “47-1807.10. Tax on corporations – Credits – Alternative fuel vehicle
11 conversion credit.”.

12 (3) “47-1808.10. Tax on unincorporated businesses – Credits – Alternative fuel
13 vehicle conversion credit.”.

14 (b) A new section 47-1806.12 is added to read as follows:

15 “§47-1806.12. Tax on residents and non-residents – Credits – Alternative fuel vehicle
16 conversion credit.

17 “(a) For the purposes of this section, the term “alternative fuel” means a fuel produced to
18 power a motor vehicle, which consists of one or more of the following:

19 “(1) At least 85% ethanol;

20 “(2) Natural gas;

21 “(3) Compressed natural gas;

22 “(4) Liquefied natural gas;

23 “(5) Liquefied petroleum gas;

1 “(6) 100% biodiesel, excluding kerosene;

2 “(7) Electricity provided by a vehicle charging station; or

3 “(8) Hydrogen.

4 “(b) For taxable years commencing with the taxable year beginning after December 31,
5 2013 through the taxable year ending on or before December 31, 2026, there shall be allowed
6 against the tax imposed by § 47-1806.03 a credit in the amount of 50% of the equipment and
7 labor costs directly attributable to the cost to convert a petroleum diesel or petroleum derived
8 gasoline fueled motor vehicle licensed in the District to a operate on an alternative fuel source.

9 “(c) The credit claimed under this section in any one tax year may not exceed the
10 taxpayer’s tax liability under § 47-1806.03 for that year and shall not be refundable.”.

11 (c) A new section 47-1807.10 is added to read as follows:

12 “§47-1807.10. Tax on corporations – Credits – Alternative fuel vehicle conversion credit.

13 “(a) For the purposes of this act, the term “alternative fuels” shall have the same meaning
14 set forth in section 47-1806.12 (a).

15 “(b) For taxable years commencing with the taxable year beginning after December 31,
16 2013 through the taxable year ending on or before December 31, 2026, there shall be allowed
17 against the tax imposed by §47-1807.02 a credit in the amount of 50% of the equipment and
18 labor costs directly attributable to the cost to convert a petroleum diesel or petroleum derived
19 gasoline fueled motor vehicle licensed in the District to a operate on an alternative fuel source.

20 “(c) The credit claimed under this section in any one tax year may not exceed the
21 taxpayer’s tax liability under §47-1807.02 for that year and shall not be refundable.”.

22 (d) A new section 47-1808.10 is added to read as follows:

1 “§47-1808.10. Tax on unincorporated businesses – Credits – Alternative fuel vehicle
2 conversion credit.”.

3 “(a) For the purposes of this act, the term “alternative fuels” shall have the same meaning
4 set forth in section 47-1806.12(a).

5 “(b) For taxable years commencing with the taxable year beginning after December 31,
6 2013 through the taxable year ending on or before December 31, 2026, there shall be allowed
7 against the tax imposed by §47-1808.03 a credit in the amount of 50% of the equipment and
8 labor costs directly attributable to the cost to convert a petroleum diesel or petroleum derived
9 gasoline fueled motor vehicle licensed in the District to a operate on an alternative fuel source.

10 “(c) The credit claimed under this section in any one tax year may not exceed the
11 taxpayer’s tax liability under §47-1808.03 for that year and shall not be refundable.”.

12 **SUBTITLE I. ENCOURAGING ALTERNATIVE FUEL INFRASTRUCTURE**
13 **INSTALLATION THROUGH TAX INCENTIVES.**

14 Sec. 781. Short title.

15 This subtitle may be cited as the “Alternative Fuel Infrastructure Incentive Act of 2014”.

16 Sec. 782. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as
17 follows:

18 (a) The table of contents is amended by adding new section designations to read as
19 follows:

20 (1) “47-1806.12. Tax on residents and non-residents — Credits — Alternative
21 fuel infrastructure credit.”.

22 (2) “47-1807.10. Tax on corporations — Credits — Alternative fuel
23 infrastructure credit.”.

1 (3) “47-1808.10. Tax on unincorporated businesses — Credits — Alternative
2 fuel infrastructure credit.”.

3 (b) A new section 47-1806.12 is added to read as follows:

4 “§ 47-1806.12. Tax on residents and non-residents — Credits — Alternative fuel
5 infrastructure credit.

6 “(a) For the purposes of this section, the term:

7 “(1) “Alternative fuel” means a fuel produced to power a motor vehicle, which
8 consists of one or more of the following:

9 “(A) At least 85% ethanol;

10 “(B) Natural gas;

11 “(C) Compressed natural gas;

12 “(D) Liquefied natural gas;

13 “(E) Liquefied petroleum gas;

14 “(F) 100% biodiesel, excluding kerosene;

15 “(G) Electricity provided by a vehicle charging station; or

16 “(H) Hydrogen.

17 “(2) “Eligible applicant” means a resident that is the owner or lessee of a qualified
18 alternative fuel vehicle refueling property.

19 “(3) “Qualified alternative fuel vehicle refueling property” means a property
20 within the District that is owned or leased by an eligible applicant and that contains equipment
21 used for storing and dispensing alternative fuels to power motor vehicles that is available for use
22 by the public.

1 “(b) For taxable years commencing with the taxable year beginning after December 31,
2 2013 through the taxable year ending on or before December 31, 2026, there shall be allowed
3 against the tax imposed on eligible applicant by §47-1806.03 a credit in the amount of 50% of
4 the equipment and labor costs directly attributable to the purchase and installation of alternative
5 fuel storage and dispensing or charging equipment on a qualified alternative fuel vehicle
6 refueling property.

7 “(c) The equipment and labor costs for which a tax credit may be claimed under this
8 section shall not include:

9 “(1) Costs associated with the purchase of land, or access to land, to be used as a
10 qualified alternative fuel vehicle refueling property;

11 “(2) Costs associated with the purchase of an existing qualified alternative fuel
12 vehicle refueling property; or

13 “(3) Costs for the construction or purchase of any structure.

14 “(d) The credit claimed under this section in any one tax year may not exceed the
15 taxpayer’s tax liability under §47-1806.03 for that year.

16 “(e) If the amount of the tax credit permitted under this section exceeds the tax otherwise
17 due under §47-1806.03, the amount of the credit not used may be carried forward for up to 2 tax
18 years. The credit shall not be refundable.

19 “(f) If the alternative fuel storage and dispensing equipment on a qualified alternative fuel
20 vehicle refueling property is no longer used to dispense or sell alternative fuel to the public, any
21 unused tax credit shall be forfeited and the taxpayer may not claim a tax credit under this
22 subsection for the portion of the tax year after the date on which the alternative fuel storage and
23 dispensing equipment is no longer used to dispense or sell alternative fuel to the public .”.

1 (c) A new section 47-1807.10 is added to read as follows:

2 “§47-1807.10. Tax on corporations — Credits — Alternative fuel infrastructure credit.

3 “(a) For the purposes of this section, the term:

4 “(1) “Alternative fuel” shall have the same meaning set forth in § 47-
5 1806.12(a)(1).

6 “(2) “Eligible applicant” means a corporation that is the owner or lessee of a
7 qualified alternative fuel vehicle refueling property.

8 “(3) “Qualified alternative fuel vehicle refueling property” shall have the same
9 meaning set forth in § 47-1806.12(a)(3).

10 “(b) For taxable years commencing with the taxable year beginning after December 31,
11 2013 through the taxable year ending on or before December 31, 2026, there shall be allowed
12 against the tax imposed on an eligible applicant by §47-1807.02 a credit in the amount of 50% of
13 the equipment and labor costs directly attributable to the purchase and installation of alternative
14 fuel storage and dispensing or charging equipment on a qualified alternative fuel vehicle
15 refueling property.

16 “(c) The equipment and labor costs for which a tax credit may be claimed under this
17 section shall not include:

18 “(1) Costs associated with the purchase of land, or access to land, to be used as a
19 qualified alternative fuel vehicle refueling property;

20 “(2) Costs associated with the purchase of an existing qualified alternative fuel
21 vehicle refueling property; or

22 “(3) Costs for the construction or purchase of any structure.

1 “(d) The credit claimed under this section in any one tax year may not exceed the
2 taxpayer’s tax liability under §47-1807.02 for that year.

3 “(e) If the amount of the tax credit permitted under this section exceeds the tax otherwise
4 due under § 47-1807.02, the amount of the credit not used may be carried forward for up to 2 tax
5 years. The credit shall not be refundable.

6 “(f) If the alternative fuel storage and dispensing equipment on a qualified alternative fuel
7 vehicle refueling property is no longer used to dispense or sell alternative fuel to the public, any
8 unused tax credit shall be forfeited and the taxpayer may not claim a tax credit under this
9 subsection for the portion of the tax year after the date on which the alternative fuel storage and
10 dispensing equipment is no longer used to dispense or sell alternative fuel to the public .”.

11 (d) A new section 47-1808.10 is added to read as follows:

12 “§47-1808.10. Tax on unincorporated business — Credits — Alternative fuel
13 infrastructure credit.

14 “(a) For the purposes of this section, the term:

15 “(1) “Alternative fuel” shall have the same meaning set forth in § 47-
16 1806.12(a)(1).

17 “(2) “Eligible applicant” means an unincorporated business that is the owner or
18 lessee of a qualified alternative fuel vehicle refueling property.

19 “(3) “Qualified alternative fuel vehicle refueling property” shall have the same
20 meaning set forth in § 47-1806.12(a)(3).

21 “(b) For taxable years commencing with the taxable year beginning after December 31,
22 2013 through the taxable year ending on or before December 31, 2026, there shall be allowed
23 against the tax imposed on an eligible applicant by §47-1808.03 a credit in the amount of 50% of

1 the equipment and labor costs directly attributable to the purchase and installation of alternative
2 fuel storage and dispensing or charging equipment on a qualified alternative fuel vehicle
3 refueling property.

4 “(c) The equipment and labor costs for which a tax credit may be claimed under this
5 section shall not include:

6 “(1) Costs associated with the purchase of land, or access to land, to be used as a
7 qualified alternative fuel vehicle refueling property;

8 “(2) Costs associated with the purchase of an existing qualified alternative fuel
9 vehicle refueling property; or

10 “(3) Costs for the construction or purchase of any structure.

11 “(d) The credit claimed under this section in any one tax year may not exceed the
12 taxpayer’s tax liability under §47-1808.03 for that year.

13 “(e) If the amount of the tax credit permitted under this section exceeds the tax otherwise
14 due under § 47-1808.03, the amount of the credit not used may be carried forward for up to 2 tax
15 years, consistent with subsection of this section. The credit shall not be refundable.

16 “(f) If the alternative fuel storage and dispensing equipment on a qualified alternative fuel
17 vehicle refueling property is no longer used to dispense or sell alternative fuel to the public, any
18 unused tax credit shall be forfeited and the taxpayer may not claim a tax credit under this
19 subsection for the portion of the tax year after the date on which the alternative fuel storage and
20 dispensing equipment is no longer used to dispense or sell alternative fuel to the public .”.

21 **SUBTITLE J. REAL PROPERTY TAX CALCULATED RATE CLARITY**

22 Sec. 791. Short title.

1 This subtitle may be cited as the “Real Property Tax Calculated Rate Clarity Act of
2 2014”.

3 Sec. 792. Section § 47-812 of the District of Columbia Official Code is amended as
4 follows:

5 (a) Subsection (b-8) is amended as follows:

6 (1) Paragraph (1)(A)(iv) is amended as follows:

7 (A) Sub-sub-subparagraph (I) is amended by striking the phrase “,as
8 certified in the latest revenue estimate,”.

9 (B) Sub-sub-subparagraph (II) is amended by striking the
10 phrase “Before September 16, 2009, and each anniversary thereafter” and inserting the phrase
11 “By January 5 of the tax year” in its place.

12 (2) Paragraph (2) is repealed.

13 (b) Subsection (b-9) is amended as follows:

14 (1) Paragraph (1)(A) is amended by striking the phrase “\$1.55” and inserting the
15 phrase “\$1.65” in its place.

16 (2) Paragraph (2) is amended as follows:

17 (A) Subparagraph (A)(i) is amended by striking the phrase “\$1.55” and
18 inserting the phrase “\$1.65” in its place.

19 (B) Subparagraph (B) is amended as follows:

20 (i) Sub-subparagraph (ii)(I) is amended by striking the word
21 “received” and inserting the phrase “estimated to be received” in its place.

22 (ii) Sub-subparagraph (ii)(II) is amended by striking the phrase
23 “for Class 2 Properties based upon a rate of \$1.85 of each \$100 of assessed value” and inserting

1 the phrase “in the tax year based upon the applicable rates in effect for Class 2 Properties during
2 the prior tax year” in its place.

3 (iii) Sub-subparagraph (iii) is amended by striking the phrase
4 “Before September 16 of each year” and inserting the phrase “By January 5 of each tax year” in
5 its place.

6 (c) A new subsection (f) is added to read as follows:

7 “(f) When the last day prescribed under this section for performing any act falls on
8 Saturday, Sunday, or a legal holiday, the performance of the act shall be considered timely if it is
9 performed on the next succeeding day which is not a Saturday, Sunday, or a legal holiday. For
10 the purposes of this section:

11 “(1) The last day for the performance of any act shall be determined by including
12 any authorized extension of time.

13 “(2) The term “legal holiday” means a legal holiday in the District of Columbia.”.

14 **SUBTITLE K. CARVER 2000 SENIOR MANSION REAL PROPERTY TAX**

15 **ABATEMENT AMENDMENT**

16 Sec. 7101. Short title.

17 This subtitle may be cited as the "Carver 2000 Senior Mansion Real Property Tax
18 Abatement Amendment Act of 2014".

19 Sec. 7102. Section 47-4605 of the District of Columbia Official Code is amended as
20 follows:

21 (a) Subsection (d) is amended as follows:

22 (1) Paragraph (2) is amended by striking the phrase “16”.

23 (2) Paragraph (3) is repealed.

1 **SUBTITLE L. RESIDENTIAL REAL PROPERTY EQUITY AND**

2 **TRANSPARENCY AMENDMENT**

3 Sec. 7111. Short title.

4 This subtitle may be cited as the “Residential Real Property Equity and Transparency
5 Amendment Act of 2014”.

6 **TITLE I. RESIDENTIAL REAL PROPERTY EQUITY AND TRANSPARENCY**

7 Sec. 101. Title 47 of the District of Columbia Official Code is amended as follows:

8 (a) Chapter 8 is amended as follows:

9 (1) The table of contents is amended by adding a new section designation to read
10 as follows:

11 “47-805. Office of Real Property Tax Ombudsman.”.

12 (2) § 47-802(5) is amended as follows:

13 (A) Subparagraph (D) is amended by striking the word “or” at the end.

14 (B) Subparagraph (E) is amended by striking the period and inserting the
15 phrase “; or” in its place.

16 (C) A new subparagraph (F) is added to read as follows:

17 “(F) For purposes of appealing the assessment of real property sold under
18 § 47-1353(b), the tax sale purchaser or the purchaser’s assignee, as applicable; provided, that the
19 Mayor shall not be required to mail notices or bills issued under this chapter to such tax sale
20 purchaser or assignee; provided, further that the owner of record is not appealing the assessment
21 for the same tax year.”.

22 (3) A new section 47-805 is added to read as follows:

23 § 47-805. Office of Real Property Tax Ombudsman.

1 “(a) There is created within the Office of the Mayor an Office of the Real Property Tax
2 Ombudsman (“Office”), which shall be headed by the Real Property Tax Ombudsman
3 (“Ombudsman”) who shall be appointed by the Mayor pursuant to section 2(a) of the
4 Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-
5 523.01(a)), as a statutory employee in the Excepted Service pursuant to section 908 of the
6 District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March
7 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-609.08). The Ombudsman shall serve at the
8 pleasure of the Mayor.

9 “(b) The Ombudsman shall appoint staff and additional personnel as provided for in an
10 approved budget and financial plan for the District.

11 “(c) The Ombudsman shall:

12 “(1) Consult with and advise Class 1 real property owners on any real property tax
13 matter arising under Chapters 8 or 13A of this title or under An Act To provide for the abatement
14 of nuisances in the District of Columbia by the Commissioners of said District, and for other
15 purposes, approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01 *et seq.*);

16 “(2) Receive and investigate concerns and complaints from Class 1 real property
17 owners related to real property tax matters;

18 “(3) Provide counsel and assistance to Class 1 real property owners relating to
19 real property taxes, including referring Class 1 real property owners to appropriate:

20 “(A) Legal service providers;

21 “(B) Public interest organizations; and

22 “(C) Government offices.

1 “(4) Maintain a list of organizations that provide free or reduced-price legal
2 services to District of Columbia residents and a list of housing counseling agencies approved by
3 the U.S. Department of Housing and Urban Development;

4 “(5) Protect the confidentiality of records and comply with all applicable
5 confidentiality provisions, including § 47-821(d)(2); and

6 “(6) Prepare and submit to the Council and the Mayor an annual report on the
7 activities of the Office. The Mayor shall make the report available to the public on the Mayor’s
8 website.

9 “(d) The Ombudsman may assist an owner with matters concerning an abutting lot where
10 the abutting lot and the Class 1 property are owned by the same owner.

11 “(e) The Ombudsman shall not appear on behalf of Class 1 real property owners in any
12 court, administrative, or quasi-judicial proceeding.

13 “(f) The Office of the Chief Financial Officer may share confidential tax information
14 with the Ombudsman.

15 “(g) For purposes of this section, the term “Class 1 real property owner” shall have the
16 same meaning as contained in § 47-813(c-3)(1); provided, that the term owner as used in § 47-
17 813(c-3)(1) shall be construed broadly and include the persons defined as owners in § 47-802 as
18 well as other persons with an equitable interest in the property, and any other persons the
19 Ombudsman determines to be appropriate representatives of the property owner (or, if
20 applicable, the property owner’s estate), or any other persons the Ombudsman determines to be
21 consistent with the purposes of this section.

22 (4) Section 47-811(c) is amended by striking the phrase “plus interest on the unpaid
23 amount” and inserting the phrase “plus simple interest on the unpaid amount” in its place.

1 (5) Section 47-845.03 is amended as follows:

2 (A) Subsection (c) is amended to read as follows:

3 “(c) Taxes deferred under this section shall bear simple interest at the rate of ½% per
4 month or portion of a month until paid.”.

5 (B) Subsection (g) is amended to read as follows:

6 “(g) If a properly completed and approved application is filed, the applicant may choose
7 to have the deferral apply to past years; provided, that the amount deferred shall comply with
8 subsection (d) of this section and the periods of applicability are stated in the application, and
9 provided further, that the applicant is responsible for accrued attorneys’ fees.”.

10 (C) Subsection (p) is repealed.

11 (6) Section 47-895.31(8) is amended to read as follows:

12 “(8) “Lot” means real property as defined in § 47-802(1) where such real property
13 for billing and collection purposes under this subchapter shall be further described with the
14 letters “PC” preceding the sequence of square, suffix and lot, or parcel and lot, numbers under §
15 47-802(1).

16 (7) Section 47-895.33 is amended by adding a new subsection (b-1) to read as
17 follows:

18 “(b-1) A notice, bill, or other correspondence under this subchapter or § 47-1336 shall
19 be mailed to the owner’s specifically designated mailing address as provided in the energy
20 efficiency loan closing documents and as may be updated from time to time by the Chief
21 Financial Officer, which may be different from the general mailing address provided pursuant to
22 section 499d of An Act To establish a code of law for the District of Columbia, effective October

1 23, 1997 (D.C. Law 12-34; D. C. Official Code § 42-405), or as provided in the transfer and
2 recordation tax return.”.

3 (b) Section 47-902 is amended by adding a new paragraph (25) to read as follows:

4 “(25) Transfers of property transferred to a named beneficiary of a revocable
5 transfer on death deed under the Uniform Real Property Transfer of Death Act of 2012, effective
6 March 19, 2013 (D.C. Law 19-230; D.C. Official Code § 19-604.01 *et seq.*), by reason of the
7 death of the grantor of the revocable transfer on death deed.”.

8 (c) Chapter 13A is amended as follows:

9 (1) The table of contents is amended as follows:

10 (A) A new section designation is added to read as follows:

11 “47-1353.01. Post-sale notice.”.

12 (B) A new section designation is added to read as follows:

13 “47-1382.01. Equity distribution post-judgment – owner-occupant
14 properties.”.

15 (C) A new section designation is added to read as follows:

16 “47-1390. Office of Real Property Tax Sale Review.”.

17 (2) Section 47-1330 is amended as follows:

18 (A) Paragraph (2) is amended to read as follows:

19 “(2) “Tax” means unpaid real property tax and vault rent owing as of October 1,
20 and unpaid business improvement district tax owing as of September 1, including penalties,
21 interest, and costs, as calculated by the Mayor. The term “Tax” includes an assessment or charge
22 due at any time to the District and certified to the Mayor for collection under this chapter in the

1 same manner as a real property tax, along with permitted penalties, interest, and costs, as
2 calculated by the Mayor.”.

3 (B) A new paragraph (2A) is added to read as follows:

4 “(2A) “Tax sale date” or “date of the tax sale” means for purposes of the tax sale
5 held under § 47-1346 the date when the tax sale during which the real property was sold
6 concluded.”.

7 (C) A new paragraph (4A) is added to read as follows:

8 “(4A) “Premises address” means the address, if any, for the square, suffix,
9 and lot numbers, or parcel and lot numbers, of real property as reflected in the records in the
10 Office of Tax and Revenue.”.

11 (3) Section 47-1332 is amended to read as follows:

12 “§ 47-1332. Sale of properties by Mayor; exemptions from sale.

13 “(a) Except as provided in subsections (c) and (d) of this section or as provided in other
14 law, the Mayor shall sell all real property on which the tax is in arrears.

15 “(b) The Mayor shall designate a single agency to conduct tax sales.

16 “(c) The Mayor shall not sell any real property if:

17 “(1) A forbearance authorization has been approved in writing by the Mayor for
18 the applicable tax sale;

19 “(2) For improved Class 1 Property, the tax amount to be sold is less than \$2,500;
20 or

21 “(3) The real property is a Class 1 Property that is receiving a homestead
22 deduction, with respect to which there is an outstanding non-void certificate of sale; provided,

1 that no real property shall be excluded from sale solely pursuant to this paragraph if the non-void
2 certificate of sale has been outstanding for 3 years or more.

3 “(d) The Mayor, in Mayor’s discretion, may decline to sell any Class 1 Property or any
4 real property for a delinquency in the payment of a non-real property tax that does not have to be
5 certified.

6 “(e)(1) An application for a forbearance authorization, utilizing the form of application as
7 shall be devised by the Mayor may be submitted to the Mayor up to 30 days before the first day
8 of the tax sale.

9 “(2) The Mayor shall review and approve or deny the application within 90 days
10 of receipt of the application.

11 “(3) The Mayor shall approve an application if the real property receives a
12 homestead deduction and the tax amount to be sold is less than or equal to \$7,500. The Mayor
13 may, in the Mayor’s discretion, approve an application that does not meet the above criteria for
14 demonstrated hardship.

15 “(4) Upon approving an application for forbearance authorization, the Mayor
16 shall remove the real property from the tax sale to which the forbearance corresponds or, if the
17 tax sale has occurred with respect to the real property, cancel the tax sale pursuant to § 47-1366.

18 (4) Section 47-1334 is amended to read as follows:

19 “47-1334. Interest rate.

20 “(a) The rate of simple interest on all amounts due, owing, or paid for the taxes
21 sold or bid off to the District under this chapter shall be 1.5% per month or portion thereof until
22 paid, excluding surplus; provided, that interest on the amount sold at tax sale, excluding surplus,

1 shall accrue at the applicable interest rate beginning the first day of the month following the tax
2 sale. No interest shall accrue for surplus, expenses, or the reasonable value of improvements.

3 “(b) The purchaser shall receive simple interest of 1.5% per month or portion
4 thereof on the amount paid for the real property, excluding surplus, beginning on the first day of
5 the month immediately following when the real property was sold or the certificate of sale was
6 assigned by the Mayor until the payment to the Mayor is made as required under § 47-1361(a),
7 by another purchaser under § 47-1382(c), or by the trustee under § 47-1382.01(d)(2), and as
8 provided in § 47-1354(b) for the period when such other taxes were paid. The purchaser shall
9 receive no interest for expenses or the reasonable value of improvements.

10 (5) Section 47-1336 is amended as follows:

11 (A) Subsection (a) is amended by adding the following sentence at the end:

12 “The special assessment shall be collectible under this chapter notwithstanding
13 any provision to the contrary granting a tax exemption, and the real property formerly described
14 under § 47-895.31(8) shall revert back to its description under § 47-802(1) for purposes of
15 collection under this chapter.”.

16 (B) Subsection (b)(2) is amended as follows:

17 (i) Strike the word “transaction” and insert the word “sale” in its
18 place.

19 (ii) Strike the phrase “§§ 47-1341 and 47-1342” and insert the phrase
20 “§§ 47-1341, 47-1342, and 47-1353.01” in its place.

21 (C) Subsection (e) is amended as follows:

1 (i) Paragraph (1) is amended by striking the phrase “contrary, ” and
2 inserting the phrase “contrary, provisions in this section excepted,” in its place.

3 (ii) Paragraph (2) is amended as follows:

4 (I) The lead-in language is amended by striking the phrase
5 “record owner” and inserting the phrase “record owner at the mailing address provided in § 47-
6 895.33(b-1)” in its place.

7 (II) Subparagraph (C) is amended by striking the word “and”.

8 (III) Subparagraph (D) is amended to read as follows:

9 “(D) Once the complaint is filed, expenses under § 47-1377 shall be
10 owed; and”.

11 (IV) A new subparagraph (E) is added to read as follows:

12 “(E) The real property is described under § 47-895.31(8) and
13 billed as such (with account number) for purposes of subchapter IX of Chapter 8 of this title and
14 the correlating description under § 47-802(1) (with square, suffix and lot numbers, or parcel and
15 lot numbers, as applicable) is under which the complaint shall be filed.”.

16 (6) Section 47-1340 is amended as follows:

17 (A) Subsection (a) is amended as follows:

18 (i) Strike the phrase “Each of the taxing” and insert the phrase
19 “Subject to the limitation set forth in section 104(a) of the District of Columbia Public Works
20 Act of 1954, approved May 18, 1954 (68 Stat. 102; D.C. Official Code § 34-2407.02), each of
21 the taxing” in its place.

1 (ii) Strike the phrase “notice of delinquency required by § 47-
2 1341” and insert the phrase “notices required by § 47-1341 and § 47-1353.01” in its place.

3 (B) Subsection (c) is amended to read as follows:

4 “(c) If a taxing agency does not certify a tax that is due to the District as of the date of
5 the Mayor’s notice under subsection (a) of this section, the tax shall not be collected through
6 such tax sale.

7 (C) Subsection (d) is amended by striking the phrase “Unpaid real
8 property taxes” and inserting the phrase “Unpaid real property taxes, business improvement
9 district taxes, and vault rents” in its place.

10 (D) Subsection (f) is amended to read as follows:

11 “(f) If a taxing agency certifies taxes (for which real property is offered for sale) to the
12 Mayor under subsection (a) of this section, and the payment of taxes to the Mayor as specified in
13 § 47-1361(a) or by a purchaser under § 47-1382(c) has occurred for such real property, or the
14 amount in the notices under § 47-1341 is paid prior to the tax sale, the taxing agency may submit
15 an accounting to the designated agency under § 47-1332(b) in the form that the Mayor requires.
16 Upon receipt of the accounting and verification of the payment of taxes to the Mayor as specified
17 in § 47-1361(a) or if payment to the Mayor is made by a purchaser under § 47-1382(c), or the
18 amount in the notices under § 47-1341 is paid prior to the tax sale, the amount of taxes collected
19 that are not imposed under Chapter 8 of this title shall be disbursed regardless of lien priority
20 from the General Fund for the purpose designated by, and in accordance with, the law creating
21 the obligation for such taxes; provided, that, in the case of a sale under § 47-1353(b), the
22 disbursement shall be limited to the amount available after application of lien priorities to such
23 taxes before certification.”.

1 (7) Section 47-1341 is amended as follows:

2 (A) Subsection (a) is amended to read as follows:

3 “(a)(1) On or before May 1, the Mayor shall send a notice of tax
4 delinquency by first class mail, postage prepaid, bearing a postmark from the United States
5 Postal Service, to the person who last appears as the owner of the real property on the tax roll, at
6 the last mailing address shown on the tax roll, as updated by the filing of a change of address in
7 accordance with section 499d of An Act To Establish A Code of Law for the District of
8 Columbia, effective October 23, 1997 (D.C. Law 12-34; D.C. Official Code § 42-405). If the
9 premises address is different from the address of record of the owner, the Mayor shall send a
10 duplicate copy of the notice to the premises address, addressed to “Property Owner.”

11 “(2) The notice required pursuant to paragraph (1) of this subsection
12 shall be in substantively the following form:

13 **“THIS IS A NOTICE OF DELINQUENCY**
14 **“FAILURE TO PAY TAXES WILL HAVE SERIOUS CONSEQUENCES**

15
16
17 **“Subject Property:** [Identify by taxation square, suffix, and lot number, or parcel and lot
18 number, and by premises address, the real property to be sold]

19 **Total Amount Due on the Account:** \$.....

20
21 **“TO AVOID TAX SALE YOU MUST PAY \$[Amount Subject to Sale] by May 31, 20__)**

22
23 *“This amount may include fees or fines due to other DC agencies that have been certified to the*
24 *Office of Tax and Revenue to be included in a tax sale pursuant to D.C. Code §47-1340.*

25
26 *“According to the Mayor’s tax roll, you own or may have an interest in the real property listed*
27 *above. Notice is given that unless you pay the amount stated above or fall within one of the*
28 *limited exemptions from the tax sale, the Office of Tax and Revenue may sell this real property*
29 *at tax sale.*

30
31 **“If the property is sold at tax sale, the purchaser may have the right to file a**
32 **lawsuit to foreclose on the property.**

33
34 **“You must act now to avoid additional costs and significant expenses.**

1
2 “If payment is not made before May 31, 20__, the amount listed on this notice may no longer be
3 accurate. In that case, you must contact the Office of Tax and Revenue at to obtain
4 an updated payoff amount.

5 “Payment to the “DC Treasurer” may be made online at www.taxpayerservicecenter.com or at
6 any DC branch of Wells Fargo Bank or mailed (with payment coupon from tax bill) to the Office
7 of Tax and Revenue, Real Property Tax Administration, PO Box 98095, Washington, DC 20090-
8 8095 (please write your square, suffix and lot numbers on the check). You should keep a copy of
9 your proof of payment in case there is a later dispute about the payment.

10
11 **“YOU MAY BE ELIGIBLE FOR ASSISTANCE, INCLUDING A HARDSHIP**
12 **FORBEARANCE OR FREE LEGAL SERVICES. PLEASE SEE THE NEXT PAGE FOR**
13 **ADDITIONAL INFORMATION.**

14
15 “Should you have additional questions, please call OTR’s Customer Service Center at (202) 727-
16 4TAX (4829).

17 **“RESOURCES FOR REAL PROPERTY TAXPAYERS**

18 **IN THE DISTRICT OF COLUMBIA**

19
20 **“Real Property Tax Ombudsman.** Homeowners and other interested parties may be eligible for
21 assistance from the Real Property Tax Ombudsman. If you need assistance with a tax sale or
22 related property tax matters, contact the Real Property Tax Ombudsman at

23 **“Office of Tax Sale Review.** If there are special circumstances that should keep the real property
24 out of the upcoming sale, contact the Office of Tax Sale Review at for information
25 on how to petition the Mayor to exempt the real property from sale.

26 **“Classification Disputes.** If your real property is classified as vacant or blighted and you believe
27 this classification is incorrect, contact the Vacant Building Enforcement Unit of the Department
28 of Consumer and Regulatory Affairs at for information on how to appeal the property
29 classification.

30 **“Hardship Forbearance.** You may be eligible to defer, or postpone, payment of the past due
31 amount. For information on how to apply for this deferral, please contact the Office of Tax and
32 Revenue at.....

33 **“Senior Citizen and Low-Income Tax Relief.** Senior citizens and low-income households may
34 have additional rights to defer property taxes. If think you may be eligible for this tax relief,
35 please contact the Office of Tax and Revenue at..... for more information.

36 **“Tax Sale Resource Center.** Resource Center attorneys provide legal information to taxpayers
37 and interested parties who do not have their own lawyers on Wednesday mornings from 10:00am

1 to 12:00pm when court is in session. The Resource Center is located in the Moultrie Courthouse
2 at 500 Indiana Ave. NW.

3 ***“Additional Legal Services.*** Free and reduced-cost legal services may be available to low- and
4 moderate-income households. You can get a list of service providers from the Real Property Tax
5 Ombudsman (above).

6 ***“Housing Counseling Services.*** The U.S Department of Housing and Urban Development
7 (“HUD”) sponsors housing counseling agencies throughout the country that can provide advice
8 on buying a home, renting, defaults, foreclosures, and credit issues. You can get a list of HUD-
9 approved housing counseling agencies from the Real Property Tax Ombudsman (above).”.

10 (B) A new subsection (b-1) is added to read as follows:

11 “(b-1)(1) At least 2 weeks before real property is offered at a tax sale under this
12 chapter, the Mayor shall send a final notice of delinquency, by first class mail, postage prepaid,
13 to the person who last appears as the owner of the real property on the tax roll, at the last address
14 shown on the tax roll, as updated by the filing of a change of address in accordance with section
15 499d of An Act To Establish A Code of Law for the District of Columbia, effective October 23,
16 1997 (D.C. Law 12-34; D.C. Official Code § 42-405). If the premises address is different from
17 the address of record of the owner, the Mayor shall send a duplicate copy of the notice to the
18 premises address, addressed to the “Property Owner.”

19 “(2) The notice required pursuant to paragraph (1) of this subsection shall
20 be in substantively the following form:

1
2 **“THIS IS A NOTICE OF DELINQUENCY. FAILURE TO PAY TAXES**
3 **IMMEDIATELY MAY HAVE SERIOUS CONSEQUENCES WHICH MAY INCLUDE**
4 **LOSS OF TITLE TO THE PROPERTY**

5 **“Subject Property:** [Identify by taxation square, suffix, and lot number, or parcel and lot
6 number, and by premises address, the real property to be sold]

7 **“Total Amount Due on the Account:** \$.....

8
9 **“TO AVOID TAX SALE YOU MUST PAY \$[Amount Subject to Sale] by [Last Business**
10 **Day before tax sale]**

11
12 *“This amount may include fees or fines due to other DC agencies that have been certified to the*
13 *Office of Tax and Revenue to be included in a tax sale pursuant to D.C. Code §47-1340.*

14
15 “According to the Mayor's tax roll, you own or may have an interest in the real property listed
16 above. Notice is given that unless you pay the amount stated above or fall within one of the
17 limited exemptions from the tax sale, the Office of Tax and Revenue may sell this real property
18 at tax sale.

19
20 **“If the property is sold at tax sale, the purchaser may have the right to file a lawsuit**
21 **to foreclose on the property. You must act now to avoid additional costs and**
22 **significant expenses, as well as potential loss of title to the property.**

23
24 “Payment to the “DC Treasurer” may be made online at www.taxpayerservicecenter.com, at any
25 DC branch of Wells Fargo Bank, or mailed (with payment coupon from tax bill) to the Office of
26 Tax and Revenue, Real Property Tax Administration, PO Box 98095, Washington, DC 20090-
27 8095 (please write your square, suffix and lot numbers on the check). You should keep a copy of
28 your proof of payment in case there is a later dispute about the payment.

29 “If payment is made less than 10 calendar days before [the last business day before tax sale], you
30 must provide a copy of the receipt directly to the Office of Tax and Revenue in order to ensure
31 that your property is removed from the tax sale.

32 • “You may *FAX* the receipt to (202) 478-5995; *EMAIL* the receipt to [email address]; or
33 *HAND-DELIVER* a copy of the paid receipt to a Tax Sale Unit representative in the
34 Customer Service Center located at 1101 4th Street, SW, Suite 270W, Washington, DC
35 20024.

36 • “Do not mail your paid receipt.

37 **“YOU MAY BE ELIGIBLE FOR ASSISTANCE, INCLUDING A HARDSHIP**
38 **FORBEARANCE OR FREE LEGAL SERVICES. PLEASE SEE THE NEXT PAGE FOR**
39 **ADDITIONAL INFORMATION.**

40
41 “Should you have additional questions, please call OTR’s Customer Service Center at (202) 727-
42 4TAX (4829).
43

44 **“RESOURCES FOR REAL PROPERTY TAXPAYERS**

1 47-1366(b)(3)(A) and (B), the failure of the Mayor to mail the notices of delinquency as
2 provided in subsections (a) and (b-1) of this section, or to include” in its place.

3 (D) A new subsection (d) is added to read as follows:

4 “(d) Action taken under § 47-1336, relating to energy efficient loans, shall be exempt
5 from the notice requirements of this section.”.

6 (8) Section 47-1342 is amended as follows:

7 (A) Subsection (a) is amended by striking the phrase “the notice of
8 delinquency,” and inserting the phrase “the notice of delinquency required by section 47-
9 1341(a),” in its place.

10 (B) Subsection (b)(1)(A) is amended by striking the phrase “by taxation
11 square,” and inserting the phrase “by premises address, taxation square,” in its place.

12 (C) A new subsection (d) is added to read as follows:

13 “(d) Action taken under § 47-1336, relating to energy efficient loans, shall be exempt
14 from the notice requirements of this section.”.

15 (9) Section 47-1343 is amended to read as follows:

16 “§ 47-1343. Real property to be sold in its entirety.

17 “Subject to § 47-1345, each real property for sale shall be sold in its entirety, which shall
18 be the parcel of real property as assessed in the assessment records under § 47-802(1) or as
19 described under or § 47-47-895.31(8) as related to a sale under § 47-1336.”.

20 (10) Section 47-1345 is amended to read as follows:

21 § 47-1345. Sale of real property subject to possessory interest.

1 “(a) Whether or not any real property subject to sale under this chapter is subject to an
2 estate for life, or a lease or ground rent for a term (with renewals) that is at least 30 years, the
3 Mayor shall sell the entire fee simple estate; provided, that after the judgment of foreclosure of
4 the right of redemption, no claim for rent unpaid, due, or accruing before the date of the
5 judgment of foreclosure of the right of redemption shall be made by the purchaser (or assignee).

6 “(b) Notwithstanding subsection (a) of this section or any other provision to the contrary,
7 when a real property subject to sale under this chapter is subject to a ground lease and the ground
8 lessor is the District of Columbia, or an instrumentality of the District, the Washington
9 Metropolitan Area Transit Authority, or an entity whose real property is exempt from real
10 property taxation or the enforced collection thereof under the laws of the United States of
11 America, the Mayor shall sell the real property’s improvements only. Any additional
12 representation related to what is being sold shall be ineffectual and shall not affect the validity of
13 the sale.

14 “(c) The termination of claims on real property sold under this section shall not foreclose
15 any personal claims against previous holders of the interest sold for any damages including rent
16 unpaid, due, or accruing before the date of the judgment of foreclosure.”.

17 (11) Section 47-1346(a)(5) is amended to read as follows:

18 “(5)(A) A potential purchaser, including a natural person or business entity, who
19 is delinquent in payment of in rem taxes to the District or who has been convicted of a felony
20 involving fraud, deceit, moral turpitude, or anti-competitive behavior may not bid on real
21 property offered at a sale held under this chapter or otherwise acquire an interest in real property
22 sold under this chapter.

1 “(B) A potential purchaser, including a natural person or business entity,
2 shall certify under oath, subject to the penalties of perjury, that the potential purchaser is not
3 more than one year in arrears in any jurisdiction in payment of in rem taxes not being contested
4 in good faith and has not been convicted in any jurisdiction of a felony involving fraud, deceit,
5 moral turpitude, or anti-competitive behavior.

6 “(C) A certificate of sale held by a purchaser that willfully and materially
7 violates the provisions of this paragraph shall be voidable at the discretion of the Mayor;
8 provided, after the issuance of a final order by the Superior Court foreclosing the right of
9 redemption, the certificate is no longer voidable. A certificate that is voided by the Mayor
10 pursuant to this subparagraph shall be subject to the provisions of § 47-1355(b).

11 “(D) The intent of this paragraph shall not be circumvented by a purchaser
12 through the use of one or more business entities to avoid its intended application.

13 “(E) For purposes of this paragraph, a potential purchaser shall include a
14 person owning a 10% or more equity interest in, or an officer of, an entity that owns a 10% or
15 more equity interest in real property on which taxes are delinquent.”.

16 (12) Section 47-1348 is amended as follows:

17 (A) Subsection (a) is amended as follows:

18 (i) Paragraph (3) is amended by striking the phrase “date of the
19 original public tax sale” and inserting the phrase “date of the tax sale” in its place.

20 (ii) Paragraph (4) is amended by striking the phrase “purchaser;”
21 and inserting the phrase “purchaser, which shall be the same date as in paragraph (3) of this
22 subsection, if the purchaser purchased the real property at the tax sale held under § 47-1346;”.

23 (iii) Paragraph (10) is amended to read as follows:

1 “(10) A statement that the rate of simple interest, upon redemption, shall be 1.5%
2 per month or portion thereof on the amount paid for the real property, excluding surplus,
3 beginning on the first day of the month immediately following the date of the tax sale or the date
4 when the certificate of sale was assigned by the Mayor.

5 (B) Subsection (b) is repealed.

6 (C)(i) Subsection (c) is amended as follows:

7 (I) Strike the phrase “telephone number.” and insert the phrase
8 “telephone number. If notice is not provided within 30 days of the assignment, the certificate
9 shall be voidable at the discretion of the Mayor.” in its place.

10 (II) Strike the phrase “On redemption, the purchaser will be refunded
11 the sums paid on account of the purchase price, together with interest thereon at the rate of 18%
12 per annum from the date the real property was sold to the date of redemption; provided, that the
13 purchaser shall not receive interest on any surplus.” and insert the phrase “Upon payment to the
14 Mayor as specified in § 47-1361(a) or, if payment to the Mayor is made by another purchaser
15 under § 47-1382(c), the purchaser shall be refunded the sums paid on account of the purchase
16 price, together with simple interest thereon at the rate of 1.5% per month or portion thereof on
17 the amount paid for the real property, excluding surplus, beginning on the first day of the month
18 immediately following the date of the tax sale or the date when the certificate of sale was
19 assigned by the Mayor until the payment to the Mayor is made as required under § 47-1361(a) or
20 § 47-1382(c); provided, that the purchaser shall not receive interest on any surplus.” in its place.

21 (13) Section 47-1349(c) is amended by adding the following sentence at the end:

22 “If notice is not provided within 30 days of the assignment, the certificate shall be
23 voidable at the discretion of the Mayor; provided, after the issuance of a final order by the

1 Superior Court of the District of Columbia foreclosing the right of redemption, the certificate
2 shall be no longer voidable. A certificate that is voided by the Mayor pursuant to this subsection
3 shall be subject to the provisions of 47-1355(b).”.

4 (14) In section 47-1352(a), strike the phrase “from the date the real property was
5 bid off,” and insert the phrase “thereon accruing from the first day of the month following the
6 date of the tax sale where the real property was bid off,” in its place.

7 (15) Section 47-1353 is amended as follows:

8 (A) Subsection (a)(1)(B) is amended by striking the word “May” both
9 times it appears and inserting the word “Mayor” in its place.

10 (B) Subsection (b)(1)(G) is amended by striking the phrase “by square,”
11 and inserting the phrase “by premises address, taxation square,” in its place.

12 (C) Subsection (c) is amended as follows:

13 (i) Paragraph (2) is amended by striking the phrase “date of the
14 original tax sale” and inserting the phrase “applicable date of the tax sale” in its place.

15 (ii) A new paragraph (3) is added to read as follows:

16 “(3) Where it would otherwise be permitted, the Mayor or a purchaser
17 under this section may not file a complaint to foreclose the right of redemption until 30 days
18 after the posting required under § 47-1353.01.”.

19 (D) Subsection (d) is amended to read as follows:

20 “(d) Upon payment to the Mayor as specified in § 47-1361(a) or if payment to
21 the Mayor is made by another purchaser as specified in § 47-1382(c), the purchaser shall be
22 refunded the sums paid on account of the purchase price, together with simple interest thereon at
23 the rate of 1.5% per month or portion thereof on the amount paid for the real property, excluding

1 surplus, beginning on the first day of the month immediately following the day of the tax sale to
2 the purchaser or the date when the certificate of sale was assigned by the Mayor until the
3 payment to the Mayor is made as required under § 47-1361(a) or § 47-1382(c); provided, that the
4 purchaser shall not receive interest on any surplus.”.

5 (16)(A) A new section 47-1353.01 is added to read as follows:

6 “§ 47-1353.01. Post-sale notice.

7 “(a) Within 30 days after the date of the tax sale, the Mayor shall send notice of the
8 sale by first class mail, postage prepaid, bearing a postmark from the United States Postal
9 Service to the last known address of the owner. If the premises address is different from the
10 address of record of the owner, the Mayor shall send a duplicate copy of the notice to the
11 premises address, addressed to “Property Owner.”

12 “(b) The notice required pursuant to subsection (a) of this section shall be in substantively
13 the following form:

1
2
3 **“ATTENTION: YOUR PROPERTY WAS SOLD AT TAX SALE**

4 **“Subject Property:** [Identify by taxation square, suffix, and lot number, or parcel and lot
5 number, and by premises address]

6 **“Tax Sale Date:** [July __, 20 __]

7 “

8 **If you do not pay all amounts due, the purchaser will have**
9 **the right to file a lawsuit to foreclose on the property**
10 **and you may lose title.**
11

12 “According to the Mayor's tax roll, you own or may have an interest in the real property listed
13 above. **Please follow the below instructions to redeem your property from tax sale and**
14 **prevent a foreclosure lawsuit.**

- 15 • “To redeem your property from the tax sale, you must pay all taxes owed, as well as any
16 legal fees and expenses that may become due.
- 17 • “A tax bill is mailed to you during the last week of August. **You should pay the bill in full**
18 **and on time.**
- 19 • “If you are receiving this notice after October 31, 20__, or if you have not already paid your
20 tax bill in full, you should contact the Office of Tax and Revenue (“OTR”) at for a
21 current tax bill and up-to-date payoff amount.
- 22 • **“After you have paid your taxes, you should call OTR to confirm that you have**
23 **redeemed your property. Keep a copy of your proof of payment in case there is a later**
24 **dispute about the payment.**
- 25 • “If you have not paid all taxes within four months after the Tax Sale Date stated above, an
26 additional \$381.50 may be added to reimburse the purchaser for some costs.
- 27 • “If you do not redeem the property within six months of the Tax Sale Date stated above, the
28 tax sale purchaser may file a lawsuit against you to obtain title to the property.
- 29 • **“If the purchaser files a foreclosure lawsuit, you will be responsible for legal fees and**
30 **expenses that may total thousands of dollars. You may also lose title to the property.**
- 31 • “For further information on how to redeem, please read our *Real Property Owner’s Guide*
32 *to the Tax Sale Redemption Process*, available on our Web site at
33 www.taxpayerservicecenter.com by clicking on “Real Property.” You may also request a
34 copy by visiting or writing to our Customer Service Center at 1101 4th Street, SW, Suite
35 270W, Washington, DC 20024.

36 **“YOU MAY BE ELIGIBLE FOR FREE LEGAL SERVICES OR OTHER ASSISTANCE.**
37 **SEE THE NEXT PAGE FOR MORE INFORMATION.**
38

1 “Should you have additional questions, please call OTR’s Customer Service Center at (202) 727-
2 4TAX (4829).

3
4
5

**“RESOURCES FOR REAL PROPERTY TAXPAYERS
IN THE DISTRICT OF COLUMBIA**

6 **“Real Property Tax Ombudsman.** Homeowners and other interested parties may be eligible for
7 assistance from the Real Property Tax Ombudsman. If you need assistance with a tax sale or
8 related property tax matters, contact the Real Property Tax Ombudsman at

9 **“Office of Tax Sale Review.** If there are special circumstances that should have kept the real
10 property from being included in the tax sale, contact the Office of Tax Sale Review at
11 for information on how to petition the Mayor to cancel the sale.

12 **“Classification Disputes.** If your real property is classified as vacant or blighted and you believe
13 this classification is incorrect, contact the Vacant Building Enforcement Unit of the Department
14 of Consumer and Regulatory Affairs at for information on how to appeal the property
15 classification.

16 **“Hardship Forbearance.** You may be eligible to defer, or postpone, payment of the past due
17 amount. For information on how to apply for this deferral, please contact the Office of Tax and
18 Revenue at.....

19 **“Senior Citizen and Low-Income Tax Relief.** Senior citizens and low-income households may
20 have additional rights to defer property taxes. If think you may be eligible for this tax relief,
21 please contact the Office of Tax and Revenue at..... for more information.

22 **“Tax Sale Resource Center.** Resource Center attorneys provide legal information to taxpayers
23 and interested parties who do not have their own lawyers on Wednesday mornings from 10:00am
24 to 12:00pm when court is in session. The Resource Center is located in the Moultrie Courthouse
25 at 500 Indiana Ave., NW.

26 **“Additional Legal Services.** Free and reduced-cost legal services may be available to low- and
27 moderate-income households. You can get a list of service providers from the Real Property Tax
28 Ombudsman (above).

29 **“Housing Counseling Services.** The U.S Department of Housing and Urban Development
30 (“HUD”) sponsors housing counseling agencies throughout the country that can provide advice
31 on buying a home, renting, defaults, foreclosures, and credit issues. You can get a list of HUD-
32 approved housing counseling agencies from the Real Property Tax Ombudsman (above).

33 “(c) The tax sale purchaser shall cause a copy of the notice referred to in subsection (b) of
34 this section to be posted on a place on the premises of the real property where it may be

1 conveniently read. The copy of the notice shall be posted no sooner than 4 months after the date
2 of the tax sale but at least 45 days before the filing of a complaint under § 47-1370.

3 “(d) Subject to the Mayor’s authority to cancel the sale under § 47-1366(b)(3)(A) and
4 (B), the failure of the Mayor to mail the notice as provided in subsections (a) and (b) of this
5 section, or to include any taxes in the notice, shall not:

6 “(1) Invalidate or otherwise affect a tax;

7 “(2) Invalidate or otherwise affect a sale made under this chapter to enforce
8 payment of taxes;

9 “(3) Prevent or stay any proceedings under this chapter; or

10 “(4) Affect the title of a purchaser.

11 “(e) Action taken under § 47-1336, relating to energy efficient loans, shall be exempt
12 from the notice requirements of this section.”.

13 (17) Section 47-1354(b) is amended to read as follows:

14 “(b) Upon payment as specified in § 47-1361(a) or by another purchaser under §
15 47-1382(c), the purchaser shall receive a refund of its payment made under this section, with
16 interest as required to be paid by the redeemer or such other purchaser. The purchaser shall
17 receive interest only on the principal tax amount paid and not on the interest or penalties paid.
18 The purchaser is entitled to the refund only if the purchaser’s certificate of sale is not void and
19 the purchaser provides proof satisfactory to the Mayor that the purchaser made the payment.

20 (18) Section 47-1355(a)(2) is repealed.

21 (19) Section 47-1361 is amended as follows:

22 (A) Subsection (a) is amended as follows:

1 (i) The lead-in text is amended by striking the phrase “the Mayor,
2 for deposit” and inserting the phrase “the Mayor, except as set forth in paragraph (6A) of this
3 subsection, for deposit” in its place.

4 (ii) Paragraphs (2) and (3) are amended to read as follows:
5 “(2) If the real property was bid off to the District, the sale amount with interest
6 thereon beginning on the first day of the month following the **date** of the tax sale where the real
7 property was bid off;

8 “(3) If the real property was bid off to the District and subsequently sold or the
9 certificate of sale assigned to a purchaser:

10 “(A) The original sale amount with interest thereon beginning on the first
11 day of the month following the **date** of the tax sale where the real property was bid off; plus

12 “(B) Interest accruing thereafter on the sale amount in subparagraph (A) of
13 this paragraph from the first day of the month following the date the real property was
14 subsequently sold or the certificate of sale assigned to the purchaser;”.

15 (iii) Paragraph (4) is amended by striking the phrase “taxes
16 provided, that the certificate of sale of the purchaser is not void;” and inserting the phrase
17 “taxes;” in its place.

18 (iv) Paragraph (5) is amended to read as follows:

19 “(5) All other real property taxes, business improvement district
20 taxes, and vault rents to bring the real property current; provided, that any such amounts that
21 become due and owing after receipt of the payment that permits a refund to issue to the
22 purchaser under subsection (e) of this section shall not be required to be paid to redeem the real
23 property;”.

24 (v) A new paragraph (5A) is added to read as follows:

1 “(5A) Any delinquent special assessment owed pursuant to an
2 energy efficiency loan agreement under subchapter IX of Chapter 8 of Title 47; provided, that
3 any such assessment that becomes due and owing after receipt of the payment that permits a
4 refund to issue to the purchaser under subsection (e) of this section shall not be required to be
5 paid to redeem the real property;”.

6 (vi) Paragraph (6) is amended to read as follows:

7 “(6) All expenses for which each purchaser is entitled to
8 reimbursement under § 47-1377(a)(1); and”.

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

10 “(6A) Where an action to foreclose the right of redemption has
11 been properly filed, the person redeeming shall pay directly to the applicable purchaser all
12 expenses to which such purchaser is entitled to reimbursement under § 47-1377(a)(2); and”.

13 (viii) Paragraph (7) is repealed.

14 (B) New subsections (b-1) and (b-2) are added to read as follows:

15 “(b-1) The redeeming party shall not be required to pay any tax that is
16 required to be certified by § 47-1340 unless such tax has been certified by a taxing agency and
17 sold as a lien at a tax sale.

18 “(b-2) Notwithstanding subsection (a) of this section, the remaining
19 amounts that are payable to the Mayor, including tax, interest, penalties and expenses, for the
20 real property shall be deemed to have been brought current for purposes of redemption if, at any
21 time, the balance falls below \$100; provided, that such remaining balance shall remain due and
22 owing and any remaining expense shall be thereafter deemed a real property tax.”.

23 (C) Subsection (c) is amended by striking the second sentence.

1 (D) Subsection (d) is amended to read as follows:

2 “(d)(1) Subject to the liability threshold set forth in subsection (b-1) of this section, after
3 receipt of the payment set forth in subsection (a)(1) through (6) of this section, the Mayor shall
4 notify the purchaser of the payment. The purchaser shall receive from the Mayor the refund to
5 which the purchaser is entitled, subject to the purchaser’s compliance with all procedures for
6 issuance of the refund, as may be established by the Mayor.

7 “(2) If a complaint under § 47-1370 has been properly filed, a purchaser may
8 continue to prosecute the complaint until receipt of the expenses owed to the purchaser and
9 payable to the purchaser by the redeeming party as set forth in subsection (a)(6A) of this section,
10 but shall dismiss the complaint upon receipt thereof.

11 “(3) A complaint to foreclose the right of redemption shall not be maintained
12 solely to await the administrative refund under this subsection.

13 “(4) Notification by the Mayor under this subsection may be accomplished by
14 making the information publicly available through an electronic medium, including by posting
15 on a website.”.

16 (E) Subsection (e) is amended as follows:

17 (I) Strike the phrase “Upon request and subject to the
18 payment of a fee,” and insert the phrase “Upon request, within 60 days of the request,” in its
19 place.

20 (II) Add the following sentence at the end:

21 “The Recorder of Deeds shall waive all fees relating to the
22 recordation of a certificate of redemption.”.

23 (F) A new subsection (f) is added as follows:

1 “(f) The Mayor may abate interest or penalties, or compromise taxes, whether arising
2 before or after the tax sale, in the same manner as set forth in § 47-811.04; provided, that the
3 abatement or compromise shall not affect the refund due to the purchaser.”.

4 (20) Section 47-1362 is amended as follows:

5 (A) Subsection (a) is amended by striking the phrase “If the real
6 property is redeemed after an action to foreclose the right of redemption is filed and there is a
7 dispute regarding redemption, the” and inserting the phrase “If there is a dispute regarding
8 redemption after an action to foreclose the right of redemption is filed, the” in its place.

9 (B) Subsection (c) is repealed.

10 (21) Section 47-1363(a) is amended by striking the phrase “date of the sale” and
11 inserting the phrase “date of the tax sale” in its place.

12 (22) Section 47-1366 is amended to read as follows:

13 § 47-1366. Cancellation of sale by Mayor.

14 “(a) The Mayor, in the Mayor’s discretion, may cancel a sale before the issuance of a
15 final order by the Superior Court of the District of Columbia foreclosing the right of redemption
16 to prevent an injustice to the owner or person with an interest in the real property.

17 “(b) The Mayor shall cancel a sale before the issuance of a final order by the Superior
18 Court of the District of Columbia foreclosing the right of redemption where:

19 “(1) The record owner or other interested party timely pays the amount set forth in
20 the notice of delinquency to avoid the tax sale as required under § 47-1341(a) or otherwise pays
21 the outstanding taxes before the tax sale;

22 “(2) The real property meets the qualifications to be exempt from sale under § 47-
23 1332(c);

1 “(3) In a sale involving Class 1 property with 5 or fewer units that a record owner
2 (or a person with an interest in the property as heir or beneficiary of the record owner, if the
3 record owner is deceased) occupies as his or her principal residence, the record owner or other
4 interested person proves:

5 “(A) A failure of the Mayor to mail any of the notices required by §§ 47-
6 1341(a), 47-1341(b), or 47-1353.01; or

7 “(B) That the mailing address of the person who last appears as the record
8 owner of the real property on the tax roll, as properly updated by the record owner by the filing
9 of a change of address with the Office of Tax and Revenue in accordance with section 499d of
10 An Act To Establish A Code of Law for the District of Columbia, effective October 23, 1997
11 (D.C. Law 12-34; D.C. Official Code § 42-405), was not correctly or substantively updated by
12 the Office of Tax and Revenue notwithstanding proper filing; or

13 “(4) A properly filed application for a forbearance authorization was filed at least
14 30 days before the sale and was approved within 60 days after the sale.

15 “(c) Subject to the limitations set forth in § 47-1377(b), (b-1), (c) and (d), if the Mayor
16 cancels a sale pursuant to this section, the Mayor shall pay to the purchaser the amount that the
17 purchaser would have received if the real property had been redeemed, but no part of such
18 amount shall be considered a payment of tax on behalf of the real property. A certificate of
19 redemption, if necessary, shall be executed and filed by the Mayor with the Recorder of Deeds
20 for no fee.”.

21 (23) Section 47-1370 is amended as follows:

22 (A) Subsection (a) is amended by striking the phrase “date of sale” and
23 inserting the phrase “date of the tax sale” in its place.

1 (B) Subsection (c) is amended by adding a new paragraph (4) to read as
2 follows:

3 “(4) Proof of the posting required under § 47-1353.01 shall be attached to and
4 made part of the complaint. The posting shall be held to the same standard as the proof of
5 posting required under § 47-1372(f).”

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

7 “(e) The purchaser shall immediately notify the Chief Financial Officer and the Real
8 Property Tax Ombudsman, established by § 47-805, upon the filing of a complaint under this
9 section.”

10 (24) Section 47-1371(b) is amended by adding a new paragraph (2A) to read as
11 follows:

12 “(2A) The plaintiff shall certify to the Superior Court of the District of Columbia,
13 under penalties of perjury, that a search was conducted for the record owner in bankruptcy
14 records.”

15 (25) Section 47-1372(a)(1)(C) is amended by striking the phrase “date of sale”
16 and inserting the phrase “date of the tax sale” in its place.

17 (26) Section 47-1374 is amended as follows:

18 (A) Subsection (c) is amended by striking the third sentence in its entirety.

19 (B) Subsection (e) is amended to read as follows:

20 “(d)(1) A final judgment may not be entered earlier than the later of:

21 “(A) One year following the initial scheduling conference in the
22 foreclosure action; or

1 “(B) Four months following the completion of service on the owner and
2 all parties identified as defendants in § 47-1371.

3 “(2) Paragraph (1) of this subsection shall not apply to any final judgment in
4 which all interested parties have disclaimed any interest in the property subject to the judgment
5 or in a case where a real property was sold under § 47-1353(a)(3) or (b).”.

6 (27) Section 47-1377 is amended as follows:

7 (A) Subsection (a) is amended to read as follows:

8 “(a) Except as provided in subsection (b) of this section, upon redemption, a purchaser is
9 entitled to be reimbursed by the redeeming person for the following expenses incurred in an
10 action, or in preparation for an action, to foreclose the right of redemption:

11 “(1) If an action to foreclose the right of redemption has not been filed and the
12 property is redeemed more than 4 months after the applicable tax sale’s tax sale date, the
13 purchaser may be reimbursed for the following pre-complaint legal expenses:

14 “(A) The amount of \$50 for any posting required by § 47-1353.01;

15 “(B) Costs for recording the certificate of sale; and

16 “(C) A title search, not to exceed \$300; and

17 “(2) If an action to foreclose the right of redemption has been filed, the purchaser
18 may also be reimbursed for:

19 “(A)(i) Reasonable attorneys’ fees as follows:

20 “(I) In cases in which the property is redeemed before the
21 fifth status hearing, reasonable attorneys’ fees not to exceed \$1,500;

22 “(II) In cases requiring 5 or more status hearings,

1 “(iii) If a second title search is conducted more than 6 months after
2 the initial title search, a title search update fee, not to exceed \$75;

3 “(iv) Publication fee charged by a newspaper of general circulation
4 in the District;

5 “(v) Posting fees;

6 “(vi) Postage and certified mail costs;

7 “(vii) Substantial repair order fee, not to exceed the fee charged by
8 the government agency issuing the certificate of substantial repair; and

9 “(viii) Any court approved expense for stabilization or conversion
10 of, or to make safe and compliant with An Act To provide for the abatement of nuisances in the
11 District of Columbia by the Commissioners of said District, and for other purposes, approved
12 April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01, *et seq.*), the property under § 47-
13 1363 or to comply with an action taken against the property by the Mayor in accordance with the
14 applicable building, fire, health, or safety codes.”.

15 (B) Subsection (b) is amended to read as follows:

16 “(b) No purchaser of a certificate of sale shall be reimbursed for expenses incurred within
17 4 months after the date of the tax sale. A purchaser other than the District shall not be
18 reimbursed for any expenses if the certificate becomes void under this chapter.”.

19 (C) A new subsection (b-1) is added to read as follows:

20 “(b-1) The purchaser shall not be entitled to be reimbursed for any expenses or attorney’s
21 fees not included in this section. Expenses or attorneys’ fees incurred by a purchaser who
22 appeals the assessment or the vacant status of the property are not reimbursable.”.

23 (D) New subsections (c) and (d) are added to read as follows:

1 “(c) If the purchaser fails to satisfy the requirements for posting under § 47-1353.01 or
2 fails to provide proof of posting required under § 47-1370(c)(4), the purchaser shall not be
3 entitled to collect the legal expenses set forth in subsection (a) of this section; provided, that
4 upon a showing to the Superior Court of the District of Columbia of good cause for the failure to
5 meet the posting requirements of § 47-1353.01 or § 47-1370(c)(4), the purchaser shall be entitled
6 to collect those expenses, not to exceed the amounts set forth in subsection (a) of this section,
7 that the Superior Court of the District of Columbia considers reasonable.

8 “(d) Notwithstanding subsection (c) of this section, the purchaser shall not be entitled to
9 reimbursement of the expenses permitted under subsection (a)(2) of this section if the purchaser
10 fails to disclose to the Mayor, before the filing of a complaint to foreclose the right of
11 redemption, information that is obtained or should have been obtained from the pre-complaint
12 investigation, including the title examination and review of bankruptcy records under § 47-
13 1371(b)(2) and (2A), relating to a violation of § 47-1332(c)(3), a violation of bankruptcy law, or
14 errors in ownership information or other discrepancies that may affect the validity of the tax sale.
15 A purchaser shall not file a complaint to foreclose the right of redemption within 45 days of the
16 disclosure to the Mayor unless the Mayor informs the purchaser in writing that the tax sale will
17 not be cancelled under § 47-1366; provided, the purchaser shall not be prevented from filing a
18 complaint if necessary to maintain the validity of its certificate, but shall not be entitled to
19 reimbursement of any legal fees incurred in relation to such filing if the Mayor cancels the tax
20 sale under § 47-1366 within 45 days of the disclosure.”.

21 (28) Section 47-1380(d) is amended by striking the phrase “the sale.” and
22 inserting the phrase “the sale and the purchaser shall not receive any amounts otherwise due
23 under this chapter.” in its place.

1 (29) Section 47-1382(a) is amended as follows:

2 (A) The lead-in text is amended by striking the phrase “A final” and
3 inserting the phrase “Except as provided in § 47-1382.01, a final” in its place.

4 (B) Paragraph (1) is amended to read as follows:

5 “(1) A taxing agency lien that is recorded in the Office of the Recorder of
6 Deeds;”.

7 (C) Paragraph 4 is amended by striking the word “and”.

8 (D) Paragraph (5) is amended by striking the period and inserting the
9 phrase “; and” in its place.

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

11 “(6) A ground lease described in § 47-1345(b), any recorded covenant, agreement,
12 or other instrument, and any other document incorporated by reference into a recorded covenant,
13 agreement, or other instrument, to which a ground lessor as described in § 47-1345(b) is a party
14 or beneficiary.”.

15 (30) A new section 47-1382.01 is added to read as follows:

16 “§ 47-1382.01. Equity distribution post-judgment – owner-occupant properties.

17 “(a) This section shall apply to any Class 1 property with 5 or fewer units in which a
18 record owner (or a person with an interest in the property as heir or beneficiary of the record
19 owner, if deceased), was occupying as his or her principal residence when the complaint to
20 foreclose the right of redemption was filed. The purchaser shall bear the burden of establishing
21 that this section is not applicable to the real property.

1 “(b) Upon issuing a final judgment foreclosing the right of redemption, the
2 Superior Court of the District of Columbia shall appoint a trustee and shall order that the trustee
3 sell the property pursuant to Rule 308 of the D.C. Rules of Superior Court, Rules of Civil
4 Procedure, or its equivalent.

5 “(c) The trustee shall sell a fee simple interest in the property, subject to the
6 encumbrances set forth in § 47-1382(a).

7 “(d) The court shall order the trustee to distribute the proceeds of the sale in
8 priority order as follows:

9 “(1) Reasonable compensation and reasonable expenses due to the trustee
10 or to any other person (including an auctioneer) who provided services relating to the sale of the
11 property, and all other payments the court deems to have been necessary to effect the sale of the
12 real property, including recordation and transfer taxes;

13 “(2) Payment to the Mayor of:

14 “(A) All amounts payable to the Mayor for deposit into the General
15 Fund of the District of Columbia under § 47-1361 as of the date of the court’s order regarding
16 distribution;

17 “(B) Any promissory note executed pursuant to § 47-1353(a)(3);

18 and

19 “(C) Any lien certified under § 47-1340;

20 “(3) Payment to the purchaser of all amounts provided for in § 47-1377, as
21 fixed by the court; and

22 “(4) Any remaining amounts as follows:

1 “(A) Ten percent or \$20,000, whichever is less, to the purchaser;

2 and

3 “(B) The remainder to the person or persons entitled to the balance,
4 in proper proportion as determined by the court.

5 “(i) If a probate proceeding is necessary to determine the
6 proper allocation of the remaining balance, the court shall order that the remaining balance (or an
7 appropriate portion thereof) be held in escrow in the court registry until the probate proceeding
8 has been completed.

9 “(ii) If a probate proceeding is not commenced within 3
10 years from the court’s initial distribution order under this subsection or is opened within 3 years
11 but is not thereafter timely prosecuted to closing, the court may order that any amounts held in
12 escrow that relate to the proceeding be paid to the Mayor for deposit into the General Fund of the
13 District of Columbia.

14 “(e)(1) The trustee shall notify the purchaser once payment is made to the
15 Mayor pursuant to subsection (d)(2) of this section, at which time the purchaser shall surrender
16 the certificate of sale and receive from the Mayor the amount to which the purchaser would have
17 been entitled had redemption occurred in accordance with § 47-1361.

18 “(2) For purposes of calculating the refund due to the purchaser, the date
19 of the court’s order providing for distribution or the sale proceeds in accordance with subsection
20 (d) of this section shall be deemed the date of redemption.

21 “(f)(1) If the trustee in the trustee’s best judgment determines that a sale of the
22 real property will not generate proceeds sufficient to fund the distributions required under

1 subsection (d)(1) and (2) of this section, the trustee shall timely inform the court of that
2 determination.

3 “(2) Upon receipt of the trustee’s determination as described in paragraph
4 (2) of this subsection, the court shall:

5 “(A) Rescind the trustee’s appointment and the order to sell the
6 real property;

7 “(B) Issue a final judgment foreclosing the right of redemption in
8 accordance with the provisions § 47-1382; and

9 “(C) Require the purchaser to pay such fees and expenses of the
10 trustee as the court determines appropriate.”.

11 (31) Section 47-1384 is amended by striking the phrase “Notwithstanding any
12 other law, the provisions of this chapter” and inserting the phrase “Notwithstanding any other
13 law, if a court determines that any provision of this chapter is ambiguous, such provision” in its
14 place.

15 TITLE II. CONFORMING AMENDMENTS

16 Sec. 201. Section 908 of the District of Columbia Government Comprehensive Merit
17 Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-
18 609.08), is amended as follows:

19 (a) Paragraph (15) is amended by striking the word “and” at the end.

20 (b) Paragraph (16) is amended by striking the period and inserting the phrase “; and” in
21 its place.

22 (c) A new paragraph (17) is added to read as follows:

1 “(17) The Real Property Tax Ombudsman of the Office of the Real Property Tax
2 Ombudsman.”.

3 Sec. 202 Section 15(f) of The Business Improvement Districts Act of 1996, effective
4 May 29, 1996 (D.C. Law 11–134; D.C. Official Code § 2–1215.15(f)) is amended by striking the
5 phrase “plus interest on the unpaid amount” and inserting the phrase “plus simple interest on the

6 Sec. 203. Section 499d (D.C. Official Code § 42-405) of an Act To establish a code of
7 law for the District of Columbia, effective October 23, 1997 (D.C. Law 12-34; D. C. Official
8 Code § 42-405), is amended to read as follows:

9 “Sec. 499d. Notice of address and name change.” (a) Any owner, as defined under § 47-
10 802(5) and also entitled to receive notices under Chapter 8 of Title 47, of real property shall
11 notify the Office of Tax and Revenue of a name change or address change within 30 days.

12 “(b) Any name change shall be evidenced by the recording of a confirmatory deed with
13 the Recorder of Deeds and submission of supporting documents with and as required by the
14 Recorder of Deeds relating the applicable property.

15 “(c) Any address change shall be filed with the Office of Tax and Revenue on the form
16 and in the manner as may be prescribed.

17 “(d) The Chief Financial Officer may issue rules to implement this section.”.

18 Sec. 204. Section 302 of the District of Columbia Deed Recordation Tax Act,
19 approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1102), is amended by adding
20 a new paragraph (33) to read as follows:

21 “(33) Deeds to property transferred to a named beneficiary of a revocable transfer on
22 death deed under the Uniform Real Property Transfer of Death Act of 2012, approved March 19,

1 2013 (D.C. Law 19-230; D.C. Official Code § 19-604.01, *et seq.*), by reason of the death of the
2 grantor of the revocable transfer on death deed.”.

3 Sec. 205. In section 5(4) of An Act To provide for the abatement of nuisances in the
4 District of Columbia by the Commissioners of said District, and for other purposes, effective
5 April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.05(4)), is amended by striking
6 the phrase “Office of Tax and Revenue” and inserting the phrase “Office of Tax and Revenue,
7 and a tax sale purchaser under § 47-1353(b) or the purchaser’s assignee, as applicable, except
8 where the owner of record is challenging or appealing the vacant status of the real property for
9 the same period” in its place.

10 TITLE III. GENERAL PROVISIONS

11 Sec. 301. Applicability

12 Section 101(c) shall apply to tax sales conducted after December 31, 2014; provided, that
13 Section 101(c)(5) shall apply as of the general applicability date of this act.

14 TITLE VIII. CAPITAL BUDGET

15 SUBTITLE A. DDOT CAPITAL BUDGET ALLOCATION AUTHORITY

16 Sec. 801. Short title.

17 This subtitle may be cited as the “Department of Transportation Capital Budget
18 Allocation Authority Act of 2014”.

19 Sec. 802. Section 3(e) of the Department of Transportation Establishment Act of 2002,
20 effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.02(e)), is amended by
21 adding a new paragraph (3) to read as follows:

22 “(3) The Director may submit requests to OBP to re-allocate funds from any
23 Related Project to the applicable capital project created in fiscal year 2012 or later funded from
24 the District of Columbia Highway Trust Fund. The Director, following re-allocation of funds by

1 OBP from a Related Project to its applicable capital project, shall have authority to submit
2 requests to OBP to allocate such funds to another Related Project.”.

3 **SUBTITLE B. DDOT CAPITAL PROJECT REVIEW AND RECONCILIATION**

4 Sec. 811. Short title.

5 This subtitle may be cited as the "Department of Transportation Capital Project Review
6 and Reconciliation Amendment Act of 2014 ".

7 Sec. 812. Subsection 11j(a) of Title IV of the Department of Transportation
8 Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-
9 921.53(a)), is amended to read as follows:

10 “(a) Funds resulting from the closure of a capital project pursuant to § 50-921.52(a) shall
11 be allocated to restore funding to the Pedestrian and Bicycle Safety Enhancement Fund,
12 established by § 1-325.131, up to an annual level of \$1.5 million and then equally among the
13 Local Streets Ward-based capital projects, except for funds specific to non-participating costs,
14 which shall be allocated to the non-participating Highway Trust Fund Support local
15 transportation street project.”.

16 **SUBTITLE C. FY 2015 CAPITAL PROJECT FINANCING REALLOCATION**

17 **APPROVAL**

18 Sec. 821. Short title.

19 This subtitle may be cited as the "Fiscal Year 2015 Capital Project Reallocation Approval
20 Act of 2014".

21 Sec. 822. (a) Pursuant to and in accordance with Chapter 3 of Title 47 of the District of
22 Columbia Official Code, the Council approves the reallocation of District of Columbia general
23 obligation bond proceeds in the amount of \$86,537,336 currently allocated to the District capital

1 projects listed in Table A to the District capital projects, in the amounts specified, listed in Table
2 B.

3 (b) The current allocations were made pursuant to the Fiscal Year 2009 Income Tax
4 Secured Revenue Bond and General Obligation Bond Issuance Approval Resolution of 2009 (R-
5 18-0034), the Fiscal Year 2010 Income Tax Secured Revenue Bond and General Obligation
6 Bond Issuance Emergency Approval Act of 2009 (A18-240), the Fiscal Year 2011 Income Tax
7 Secured Revenue Bond and General Obligation Bond Issuance Emergency Approval Act of 2010
8 (A18-607), and the Fiscal Year 2012 Income Tax Secured Revenue Bond and General
9 Obligation Bond Issuance Approval Resolution of 2011 (R-19-0315).

10 **TABLE A**
11

CAPITAL PROJECTS TO WHICH BOND PROCEEDS ARE CURRENTLY ALLOCATED

Owner Agency Title	Project Number	Implementing Agency	Project Title	Bond Issuance Series	Amount
Department of General Services	EA7	DGS	Neighborhood Revitalization	2009E	9,629
Office of the Attorney General	EN2	OAG	Child Support Enforcement System - CSED	2009D	20,885
Metropolitan Police Department	FRI	MPD	Base Building Renovation	2009D	4,848,843
Metropolitan Police Department	ITI	MPD	Information Technology Initiative - MPD	2010A	11,039
Department of General Services	AA9	DGS	Procurement of 225 Virginia Avenue	2011A - IT	13,792
DC Public Library	CWM	DCPL	African American Civil War Memorial	2011A - IT	1,118,561
Deputy Mayor for Economic Development	AWT	DMPED	Walter Reed Redevelopment	2011A - IT	421,874
Fire and Emergency Medical Services	LC7	FEMS	Engine Company 25 Renovation	2009D	4,086
Fire and Emergency Medical Services	LC7	FEMS	Engine Company 25 Renovation	2010A	787
Fire and Emergency Medical Services	LE3	FEMS	Engine Company 5 Renovation	2010A	6,321
Fire and Emergency Medical Services	LE3	FEMS	Engine Company 5 Renovation	2011A - IT	7,337
District of Columbia Public Schools	GM0	DGS	Woodrow Wilson Natatorium/Pool	2009E	4,039,764
University of the District of Columbia	ET9	UDC	Higher Education Back Office - Banner	2011A - IT	302,363
Department of Parks and Recreation	QK1	DPR	Renovation Of The S & T St NW Park	2010A	425,476
Department of Parks and Recreation	QS6	DPR	Renovation Of The S & T St NW Park	2009D	73,312
Department of Human Services	SH1	DGS	Oak Hill Youth Facility	2010A	501
District Department of Transportation	GFL	DDOT	SE Salt Dome	2010A	21,288
District Department of Transportation	BRI	DDOT	Pedestrian Bridge	2010A	4,987,554
Office of the Chief Technology Officer	N16	OCTO	District Reporting System	2010A	486,094
Office of the Chief Technology Officer	N16	OCTO	District Reporting System	2011A - IT	3,351
Department of General Services	SFF	DGS	Evans Campus - See Forever Foundation	2012 FG	2,000,000
DC Public Library	NL6	DCPL	Reconstruction/Renovation Neighborhood Libraries	2012 FG	3,955,680
Fire and Emergency Medical Services	LC4	FEMS	Engine Company 22 Replacement	2012 FG	1,525,115
Fire and Emergency Medical Services	LE5	FEMS	Engine Company 27 Renovation	2012 FG	1,956,335
Fire and Emergency Medical Services	LE7	FEMS	Engine Company 27 Renovation	2012 FG	1,000,000
District of Columbia Public Schools	PR3	DGS	Ron Brown ES Modernization	2012 FG	4,050,000
Department of Parks and Recreation	QJ8	DPR	Friendship Park	2012 FG	1,870,370
Mass Transit Subsidies	SA4	WMATA	Metrorail Construction	2012 FG	53,577,000
TOTAL					\$ 86,537,336

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4

TABLE B

APPROVED CAPITAL PROJECTS TO WHICH BOND PROCEEDS ARE REALLOCATED

Agency	Project Number	Implementing Agency	Project Title	Bond Issuance Series	Amount
Mass Transit Subsidies	TOP	WMATA	Transit Operations & Dedicated Facilities	N/A	27,860,968
District of Columbia Public Schools	MH1	DGS	Dunbar SHS Modernization		29,453,153
District of Columbia Public Schools	NX3	DGS	Cardozo HS Modernization		29,223,215
TOTAL					\$ 86,537,336

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TITLE IX. ADDITIONAL REVENUE CONTINGENCY LIST

5 **SUBTITLE A. REVISED REVENUE ESTIMATE CONTINGENCY PRIORITY**
6 **LIST**

7 Sec. 901. Short title.

8 This subtitle may be cited as the “Revised Revenue Estimate Contingency Priority List
9 Act of 2014”.

10 Sec. 902. (a). If, pursuant to the Fiscal Year 2015 Budget Request Act of 2014, local
11 revenues are certified in the June 2014 revenue estimate, that exceed the annual revenue estimate
12 incorporated in the approved budget and financial plan for this fiscal year, the revenues
13 deposited in the Operating Cash Reserve shall be allocated in the following priority:

14 (1) Office of the State Superintendent - \$8,000,000 to increase infant and toddler
15 slots by 200;

16 (2) General Fund Revenue - \$10,800,000 to increase the maximum Earned
17 Income Tax Credit from \$195 to \$487;

18 (3) General Fund Revenue - \$20,800,000 to provide Business Franchise Tax relief
19 by reducing the rate from 9.4% to 8.9%;

20 (4) General Fund Revenue - \$10,200,000 to reduce the commercial property tax
21 rate on the first \$3,000,000 of assessed value from \$1.65 to \$1.55 per \$100 of assessed value;

- 1 (5) University of the District of Columbia - \$10,000,000 in additional funds split
2 equally for UDC and CCDC educational advancements;
- 3 (6) Office of the State Superintendent - \$3,000,000 increase in adult literacy
4 funding;
- 5 (7) Department of Behavioral Health - \$1,900,000 for the expansion of the school
6 based mental health program;
- 7 (8) Department of Healthcare Finance - \$1,867,027 for coverage of ineligible
8 persons for Health Benefits Exchange Insurance;
- 9 (9) Department of Healthcare Finance - \$1,500,000 increase for Federally
10 Qualified health Center (FQHC) rate methodology;
- 11 (10) Department of Healthcare Finance - \$1,050,000 for the elderly and persons
12 with disabilities waiver;
- 13 (11) General Fund Revenue - \$10,400,000 to reduce the Deed, Recordation, and
14 Transfer Tax from 1.45% to 1.4%. This includes an offsetting 1.5 percentage point increase to
15 the Housing Production Trust Fund transfer from 15% to 16.5%.
- 16 (12) Children and Youth Investment Trust Corporation - \$5,000,000 to increase
17 funding to cover summer initiatives;
- 18 (13) Office of the State Superintendent - \$8,500,000 increase in funding for the
19 Mayor's Scholars program.
- 20 (14) General Fund Revenue - \$10,200,000 to increase the Personal Exemption
21 from \$1,775 to \$2,215;
- 22 (15) General Fund Revenue - \$10,100,000 to increase the Standard Deduction
23 from \$4,250 to \$5,200;

1 (16) D.C. Commission on Arts and Humanities - \$10,000,000 in additional grant
2 funding;

3 (17) Department of Housing and Community Development - \$700,000 to fund the
4 Small Business Technical Assistance program.

5 (18) Realtor Fund - \$501,000 to restore funding to the Real Estate Guaranty and
6 Education Fund;

7 (19) Office of the Attorney General - \$453,608 for 3 additional attorneys and 1
8 paralegal within the Personnel, Labor & Employment Division; and

9 (20) General Fund Revenue - \$13,900,000 to exempt estates valued less than
10 \$5,250,000 from the Estate Tax.

11 (b) The District of Columbia may obligate and expend any increase in the amount of
12 funds authorized by this section only if the Chief Financial Officer certifies the increase in
13 revenue and certifies that the use of the amounts is not anticipated to have a negative impact on
14 the long-term financial plan of the District.

15 **TITLE X. SPECIAL PURPOSE AND DEDICATED REVENUE FUND**
16 **AMENDMENTS AND TRANSFERS**

17 **SUBTITLE A. LOCAL AND O-TYPE FUND AMENDMENTS**

18 Sec. 1001. Short title.

19 This title may be cited as the “Local and Special Purpose Revenue Fund Amendment Act
20 of 2014”.

21 Sec. 1002. RFK & DC Armory Maintenance Fund

22 Notwithstanding any other law, the funds which are deposited in the fund designated for
23 accounting purposes by the Office of the Chief Financial Officer as fund 1440 within the

1 Department of General Services shall be a lapsing fund and any unexpended funds in the fund at
2 the end of a fiscal year shall revert to the unrestricted fund balance of the General Fund of the
3 District of Columbia.

4 Sec. 1003. Facilities Service Request Fund

5 Notwithstanding any other law, the funds which are deposited in the fund designated for
6 accounting purposes by the Office of the Chief Financial Officer as fund 1500 within the
7 Department of General Services shall be a lapsing fund and any unexpended funds in the fund at
8 the end of a fiscal year shall revert to the unrestricted fund balance of the General Fund of the
9 District of Columbia.

10 Sec. 1004. Distribution Fees

11 Notwithstanding any other law, the funds which are deposited in the fund designated for
12 accounting purposes by the Office of the Chief Financial Officer as fund 1243 within the Office
13 of the Secretary shall be a lapsing fund and any unexpended funds in the fund at the end of a
14 fiscal year shall revert to the unrestricted fund balance of the General Fund of the District of
15 Columbia.

16 Sec. 1005. Neighborhood Historic Preservation

17 Section 11a (a) of the Historic Landmark and Historic District Protection Act of 1978,
18 effective November 16, 2006 (D.C. Law 16-185; D.C. Official Code § 6-1110.01(a)) is amended
19 to read as follows:

20 “(a) There is established within the General Fund of the District of Columbia, the
21 Historic Landmark-District Protection Fund ("HLP Fund") as a lapsing, revolving fund; the
22 funds of which shall revert to the General Fund at the end of any fiscal, for the purpose of paying
23 the costs of repair work necessary to prevent demolition by neglect as described in section 10c or

1 for the costs of carrying out any other historic preservation program consistent with the purposes
2 of and pursuant to this subchapter.”.

3 Sec. 1006. Copy Fund

4 Notwithstanding any other law, the funds which are deposited in the fund designated for
5 accounting purposes by the Office of the Chief Financial Officer as fund 0651 within the Public
6 Service Commission shall be a lapsing fund and any unexpended funds in the fund at the end of a
7 fiscal year shall revert to the unrestricted fund balance of the General Fund of the District of
8 Columbia.

9 Sec. 1007. DCPS PEPCO

10 Notwithstanding any other law, the funds which are deposited in the fund designated for
11 accounting purposes by the Office of the Chief Financial Officer as fund 0604 within the District
12 of Columbia Public Schools shall be a lapsing fund and any unexpended funds in the fund at the
13 end of a fiscal year shall revert to the unrestricted fund balance of the General Fund of the
14 District of Columbia.

15 Sec. 1008. DCPS Security

16 Notwithstanding any other law, the funds which are deposited in the fund designated for
17 accounting purposes by the Office of the Chief Financial Officer as fund 0609 within the District
18 of Columbia Public Schools shall be a lapsing fund and any unexpended funds in the fund at the
19 end of a fiscal year shall revert to the unrestricted fund balance of the General Fund of the
20 District of Columbia.

21 Sec. 1009. DCPS Custodial

22 Notwithstanding any other law, the funds which are deposited in the fund designated for
23 accounting purposes by the Office of the Chief Financial Officer as fund 0607 within the District

1 of Columbia Public Schools shall be a lapsing fund and any unexpended funds in the fund at the
2 end of a fiscal year shall revert to the unrestricted fund balance of the General Fund of the
3 District of Columbia.

4 Sec. 1010. DPR Enterprise Fund

5 Notwithstanding any other law, the fund which is designated for accounting purposes by
6 the Office of the Chief Financial Officer as fund 0602 within the Department of Parks and
7 Recreation shall be a lapsing fund and any unexpended funds in the fund at the end of a fiscal
8 year shall revert to the unrestricted fund balance of the General Fund of the District of Columbia.

9 Sec. 1011. Pedestrian and Bicycle Safety and Enhancement Fund

10 Section 6021 of the Fiscal Year 2009 Budget Support Act of 2008, effective August 16,
11 2008 (D.C. Law 17-219; D.C. Official Code § 1-325.131) is amended as follows:

12 (a) Subsection (a) is amended by striking the phrase “nonlapsing” and inserting the
13 phrase “lapsing” in its place.

14 (b) Subsection (c)(1) is amended to read as follows:

15 “(c)(1) All funds received but not expended in a fiscal year shall revert to the unrestricted
16 fund balance of the General Fund of the District of Columbia.”.

17 Sec. 1012. DMV Out-of State Vehicle Registration Fee

18 Section 3a of the District of Columbia Revenue Act of 1937, effective March 28, 2008
19 (D.C. Law 17-130; D.C. Official Code § 50-1501.03a), is amended as follows:

20 (a) Subsection (a)(1) is amended by striking the phrase “nonlapsing” and inserting the
21 phrase “lapsing” in its place.

22 (b) Subsection (a)(3) is amended to read as follows:

1 “(3) All funds received but not expended in a fiscal year shall revert to the unrestricted
2 fund balance of the General Fund of the District of Columbia.”.

3 Sec. 1013. OCTO SERVUS Program

4 Section 1004 of the Fiscal Year 2008 Budget Support Act of 2007, effective September
5 18, 2007 (D.C. Law 17-20; D.C. Official Code § 1-1433), is amended as follows:

6 (a) Subsection (a) is amended by striking the phrase “nonlapsing” and inserting the
7 phrase “lapsing” in its place.

8 (b) Subsection (b) is amended to read as follows:

9 “(b) All funds received but not expended in a fiscal year shall revert to the unrestricted
10 fund balance of the General Fund of the District of Columbia.”.

11 Sec. 1014. Healthcare Forfeiture

12 Notwithstanding any other law, the fund which is designated for accounting purposes by
13 the Office of the Chief Financial Officer as the Healthcare Forfeiture fund shall be a lapsing fund
14 and any unexpended funds in the fund at the end of a fiscal year shall revert to the unrestricted
15 fund balance of the General Fund of the District of Columbia.

16 Sec. 1015. Fixed Cost Commodity Reserve

17 Notwithstanding any other law, the funds which are deposited in the fund designated for
18 accounting purposes by the Office of the Chief Financial Officer as the Fixed Cost Commodity
19 Reserve fund within the Department of General Services shall be deposited in the General Fund
20 of the District of Columbia and shall not be accounted for by a separate fund or account within
21 the General Fund of the District of Columbia. Any unexpended funds in the fund on the effective
22 date of this subtitle shall be transferred to the unrestricted fund balance of the General Fund of
23 the District of Columbia.

1 Sec. 1016. Child SPT – Title IV Incentive Fees

2 Notwithstanding any other law, the funds which are deposited in the fund designated for
3 accounting purposes by the Office of the Chief Financial Officer as the Child SPT – Title IVC
4 Incentive Fees fund within the Office of the Attorney General shall be deposited in the General
5 Fund of the District of Columbia and shall not be accounted for by a separate fund or account
6 within the General Fund of the District of Columbia. Any unexpended funds in the fund on the
7 effective date of this subtitle shall be transferred to the unrestricted fund balance of the General
8 Fund of the District of Columbia.

9 Sec. 1017. Adult Training Fund

10 Section 2261 of the Fiscal year 2010 Budget Support Act of 2009, effective March 3,
11 2010 (D.C. Law 18-111; D.C. Official Code § 32-1671), is repealed.

12 Sec. 1018. Youth Jobs Fund

13 Section 1009 of the Fiscal Year 2009 Budget Support Act of 2008, effective August 16,
14 2008 (D.C. Law 17-219; D.C. Official Code § 2-1516.01), is repealed.

15 Sec. 1019. Neighborhood Investment Fund

16 Section 2 of the Neighborhood Investment Act of 2004, effective March 30, 2004 (D.C.
17 Law 15-131; D.C. Official Code § 6-1071), is repealed.

18 Sec. 1020. Senior Citizens Housing Modernization Grant Fund

19 Section 3 of the Senior Housing Modernization Grant Fund Act of 2010, effective August
20 12, 2010 (D.C. Law 18-218; D.C. Official Code § 1-325.162), is repealed.

21 Sec. 1021. Shaw Community Development Fund

22 Section 204(l) of the Washington Convention Center Authority Act of 1994, September
23 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.04(l)), is repealed.

1 Sec. 1022. AWC Integration (Economic Development Special Account)

2 Section 301 of the National Capital Revitalization Corporation and Anacostia Waterfront
3 Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C.
4 Official Code § 2-1225.21), is repealed.

5 Sec. 1023. Commercial Revitalization Assistance Fund

6 Section 2376 of the Small, Local, and Disadvantaged Business Enterprise Development
7 and Assistance Act of 2005, effective September 24, 2010 (D.C. Law 18-223; D.C. Official Code
8 § 2-218.76), is repealed.

9 Sec. 1024. TDL Career Cluster

10 Notwithstanding any other law, the funds which are deposited in the fund designated for
11 accounting purposes by the Office of the Chief Financial Officer as the TDL Career Cluster fund
12 within the District of Columbia Public Schools shall be deposited in the General Fund of the
13 District of Columbia and shall not be accounted for by a separate fund or account within the
14 General Fund of the District of Columbia. Any unexpended funds in the fund on the effective
15 date of this subtitle shall be transferred to the unrestricted fund balance of the General Fund of
16 the District of Columbia.

17 Sec. 1025. Pre-k for All

18 Notwithstanding any other law, the funds which are deposited in the fund designated for
19 accounting purposes by the Office of the Chief Financial Officer as the Pre-k for All fund within
20 the Office of the State Superintendent of Education shall be deposited in the General Fund of the
21 District of Columbia and shall not be accounted for by a separate fund or account within the
22 General Fund of the District of Columbia. Any unexpended funds in the fund on the effective

1 date of this subtitle shall be transferred to the unrestricted fund balance of the General Fund of
2 the District of Columbia.

3 Sec. 1026. Choice in Drug Treatment (Addiction Recovery Fund)

4 Section 5 of the Choice in Drug Treatment Act of 2000, effective July 8, 2000 (D.C. Law
5 13-146; D.C. Official Code § 7-3004), is repealed.

6 Sec. 1027. Air Quality Construction Permits

7 Notwithstanding any other law, the funds which are deposited in the fund designated for
8 accounting purposes by the Office of the Chief Financial Officer as the Air Quality Construction
9 Permits fund within the Department of Health shall be deposited in the General Fund of the
10 District of Columbia and shall not be accounted for by a separate fund or account within the
11 General Fund of the District of Columbia. Any unexpended funds in the fund on the effective
12 date of this subtitle shall be transferred to the unrestricted fund balance of the General Fund of
13 the District of Columbia.

14 Sec. 1028. DDOT Unified Fund

15 Section 102a of the Highway Trust Fund Establishment Act of 1996, effective September
16 20, 2012 (D.C. Law 19-168; D.C. Official Code § 9-111.01a), is repealed.

17 Sec. 1029. Parking Meter Fund

18 Notwithstanding any other law, the funds which are deposited in the fund designated for
19 accounting purposes by the Office of the Chief Financial Officer as fund 6906 within the District
20 Department of Transportation shall be deposited in the General Fund of the District of Columbia
21 and shall not be accounted for by a separate fund or account within the General Fund of the
22 District of Columbia. Any unexpended funds in the fund on the effective date of this subtitle

1 shall be transferred to the unrestricted fund balance of the General Fund of the District of
2 Columbia.

3 Sec. 1030. Prison Diversion

4 Notwithstanding any other law, the funds which are deposited in the fund designated for
5 accounting purposes by the Office of the Chief Financial Officer as the Prison Diversion fund
6 within the Department of Behavioral Health shall be deposited in the General Fund of the
7 District of Columbia and shall not be accounted for by a separate fund or account within the
8 General Fund of the District of Columbia. Any unexpended funds in the fund on the effective
9 date of this subtitle shall be transferred to the unrestricted fund balance of the General Fund of
10 the District of Columbia.

11 Sec. 1031. Integrated Service Fund

12 Section 5203 of the Fiscal Year 2007 Budget Support Act of 2006, effective March 2,
13 2007 (D.C. Law 16-192; D.C. Official Code § 4-1345.02), is repealed.

14 Sec. 1032. Healthy Schools Dedicated Tax

15 Section 102 of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-
16 209; D.C. Official Code § 38-821.02), is repealed.

17 Sec. 1033. Effective date.

18 This subtitle shall be effective on September 30, 2014.

19 **SUBTITLE B. LOCAL AND O-TYPE FUND TRANSFERS**

20 Sec. 1041. Short title.

21 This subtitle may be cited as the “Local and Special Purpose Revenue Fund Transfer Act
22 of 2014”.

1 Sec. 1042. Notwithstanding any provision of law limiting the use of funds in the accounts
 2 listed in the following chart, the Chief Financial Officer shall transfer the following amounts
 3 from certified fund balances in those accounts to the Contingency Cash Reserve Fund in fiscal
 4 year 2014:

Agency Code	Agency	Fund Name	Fund Balance Amount
AM0	DGS	Fixed Cost Commodity Reserve	\$22,288,649
CF0	DOES	Adult Training Fund	\$10,156,624
CF0	DOES	Youth Jobs Fund	\$6,431,374
EB0	DMPED	Neighborhood Investment Fund	\$60,226
EB0	DMPED	Senior Housing Modernization grant Fund Act of 2010	\$100,000
EB0	DMPED	AWC Integration	(\$6,146)
EN0	DSLBD	Commercial Revitalization Assistance Fund	\$1,245,199
HT0	DHCF	Hospital Assessment Tax	\$715,707
KA0	DDOT	DDOT Operating (Unified) Fund	\$65,084
KA0	DDOT	Parking Meter Fund	\$534,282
RM0	DBH	Prison Diversion	\$128,000
XXX	OCFO	Integrated Service Fund	\$4,576,805
GD0	OSSE	Healthy Schools Act	\$4,349,170
XXX	OCFO	Healthcare Forfeiture	\$1,176,069
Total			\$51,821,042

5
 6 Sec. 1043. Effective date.

7 This subtitle shall be effective on September 30, 2014.

8 **TITLE XI. FISCAL IMPACT AND EFFECTIVE DATE**

9 Sec. 1101. Fiscal impact statement.

10 The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal
 11 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,
 12 approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

13 Sec. 1102. Effective date.

1 This act shall take effect following approval by the Mayor (or in the event of veto by the
2 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
3 provided in 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973
4 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia
5 Register.


Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: April 3, 2014

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2015 Budget Support Act of 2014”

REFERENCE: Draft legislation shared with the Office of Revenue Analysis on April 3, 2014

Conclusion

Funds are sufficient in the proposed FY 2015 through FY 2018 budget and financial plan to implement the proposed Fiscal Year 2015 Budget Support Act of 2014.

The proposed FY 2015 through FY 2018 budget and financial plan accounts for the expenditure and revenue implications of the proposals described in the subtitles included in the bill. The Mayor’s FY 2015 budget proposes \$6.794 billion in Local funds spending, supported by \$6.795 billion of local resources, with an operating margin of \$0.5 million.

The initiatives in the Fiscal Year 2015 Budget Support Act of 2014, combined with the Mayor’s policy choices, provide sufficient funds to balance the estimated expenditures of \$7.656 billion¹ in the proposed General Fund FY 2015 budget.

The bill, the “Fiscal Year 2015 Budget Support Act of 2014,” is the legislative vehicle for adopting statutory changes needed to implement the Mayor’s proposed budget for the FY 2014 through FY 2017 budget and financial plan period. The purpose and the impact of each subtitle are summarized in the following pages.

¹ This amount includes local, dedicated and special purpose funds.

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TITLE I- GOVERNMENT DIRECTION

Subtitle (I)(A) – Bonus and Special Pay Limitation Act of 2014

Background

The proposed subtitle prohibits District agencies from awarding performance-related bonuses, special act pay, and service awards in fiscal year 2015. Contractually required bonuses and special payments, including those for certain employees of the District of Columbia Public Schools, are exempted from this requirement.

Financial Impact

Limitations on bonus and special payments generally help keep personnel expenditures under control, allowing the use of public funds for other purposes.

Subtitle (I)(B) – Elected Attorney General Implementation and Legal Service Establishment Technical Amendment Act of 2014

Background

Currently, the Office of the Attorney General (OAG) is a subordinate agency to the Mayor, responsible for providing legal support to District agencies, advising the Executive, and enforcing the laws of the District.² In 2010, District voters ratified a charter amendment to establish an elected and independent Attorney General, separate from the control of the Mayor.³ Anticipating the election of an Attorney General in November 2014, a 2013 law⁴ required major organizational changes to OAG and to legal staff throughout the District. The organizational changes were to be effective by October 1, 2014. At the same time, however, the law also moved the election date for an Attorney General until after January 2018.

This subtitle moves the deadline for required organizational changes in OAG to October 1, 2018, to more closely align with the planned 2018 election of an independent Attorney General.

Financial Impact

This subtitle does not have an impact on the District's budget and financial plan.

² D.C. Official Code §§ 1-301.81 through 1-301.82.

³ D.C. Law 18-160 was ratified by the electors of the District of Columbia in a general election held on November 2, 2010, certified by the District of Columbia Board of Elections and Ethics on November 29, 2010, and became effective as law on May 30, 2011.

⁴ Elected Attorney General Implementation and Legal Service Establishment Amendment Act of 2013, effective December 13, 2013 (D.C. Law 20-60: D.C. Official Code § 1-601.01 *et seq.*)

Subtitle (I)(C) – Public Sector Workers' Compensation Budget Savings Act of 2014

Background

Current law⁵ allows the District to request reports of earnings and tax records from workers' compensation recipients with a partial disability. The subtitle permits the District to request the records from all workers' compensation recipients.

The subtitle also makes clear that the spouse of a deceased District employee cannot continue to receive compensation if he or she remarries. Current law⁶ is ambiguously worded and could allow continued compensation if a spouse of a deceased employee remarries after the age of 60.

Lastly, the subtitle limits an employee's rights to receive additional compensation after receiving a permanent disability schedule award. Current law⁷ may permit compensation for the same injury under both the permanent and temporary disability schedules.

Financial Impact

This subtitle does not have an impact on the District's budget and financial plan. Implementation of these changes have the potential to result in fewer expenditures for workers compensation than there might have been, but there is insufficient data at this time to determine whether any net savings will result.

Subtitle (I)(D) – Technology Services Support Amendment of 2014

Currently, the Office of the Chief Technology Officer (OCTO) may accept payment from independent and federal agencies who are recipients of DC-NET⁸ services. These payments are deposited into the DC-NET Services Support Fund ("Fund"),⁹ a special purpose revenue fund that helps defray the cost of the DC-NET program operational costs.

Financial Plan Impact

The subtitle permits OCTO to collect payments from entities receiving DC-NET services that are also supporting a District economic development initiative. The revenues are to be deposited into the Fund to defray the costs of providing these services. Specific customers have not been identified, so revenue increases are not expected at this time. If customers are identified in the future and collections exceed existing Fund authority, OCTO must request additional special purpose revenue authority to expend the revenue.

⁵ D.C. Official Code § 1-623.06.

⁶ D.C. Official Code § 1-623.33.

⁷ D.C. Official Code § 1-623.07.

⁸ D.C. Official Code § 1-1431(4) defines the DC-NET program as "a program conducted by the Office of the Chief Technology Officer to implement and manage a state-of-the-art, fiber-optic network owned by the District government."

⁹ D.C. Official Code § 1-1432 (DC-NET Services Support Fund).

Subtitle (I)(E) – Pay-as-you-go and Reserve Accounts Amendment Act of 2014

Background

Current law¹⁰ permits the Chief Financial Officer (CFO) to use the Cash Flow Reserve Account to cover general cash-flow needs, so long as it is replenished in the same fiscal year. This subtitle expands the permitted use of the Cash Flow Reserve Account to include expenditures during a government shutdown.

The subtitle also permits the Mayor—with approval from Council and certification of the CFO—to utilize the Fiscal Stabilization Reserve Account during a government shutdown and for general cash flow management purposes. Under current law,¹¹ the Fiscal Stabilization Reserve Account cannot be used for either purpose.

Additionally, the subtitle requires that all uncommitted surpluses identified in the Comprehensive Annual Financial Report be allocated for three specific uses: the Housing Production Trust Fund, the District of Columbia Retiree Health Benefits Fund, and the reduction of debt by shifting borrowed funds for capital projects to pay-as-you-go funds. The surpluses will be allocated at 50 percent, 25 percent and 25 percent, respectively.

Lastly, the subtitle makes a technical change to clarify that FY 2016 is the base year for the required¹² pay-as-you-go capital account.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan.

Subtitle (I)(F) – Family Bonding Leave Program Amendment Act of 2014

Background

The subtitle provides an elective benefit of six weeks paid leave to District employees at full salary for the birth or adoption of a child,¹³ regardless of time in service. In the event that both parents are employees of the District, the designated primary caregiver may take up to six weeks leave, and the secondary caregiver may take up to two weeks leave. The subtitle limits the amount of lifetime leave that can be taken under the subtitle to 30 weeks per employee. Leave must be taken in at least one week increments, either consecutively or intermittently, and used within 12 months of the birth or adoption. For employees serving in a probationary capacity, such as new employees, leave taken under this subtitle cannot count toward the required probationary period.

Currently, several other categories of leave are available to District government employees who wish to take time off related to the birth, adoption or care of an infant or child. However, these programs generally have time eligibility requirements, are unpaid, or do not guarantee full salary

¹⁰ D.C. Official Code § 47-392.02(j-2). (Cash Flow Reserve Account).

¹¹ D.C. Official Code § 47-392.02(j-1). (Fiscal Stabilization Reserve Account).

¹² Required as per D.C. Official Code 47-392.02(f)(2).

¹³ Child must be less than 19 years of age.

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coverage. The District of Columbia Family and Medical Leave Act ("FMLA")¹⁴ permits employees with 12 months of service to take 16 weeks of unpaid family leave during any 24 month period following the life event. Eligible employees may still take advantage of the protections and benefits afforded under the FMLA, as well as leave donations from other employees through voluntary leave transfer or the Annual Leave Bank Program.¹⁵ Employees may also utilize their earned available sick or annual leave to limit the loss of their income beyond the six week family bonding benefit.

Financial Plan Impact

The subtitle creates a paid benefit of an estimated \$3,804,247 in FY 2015, and \$15,915,550 in the FY 2015 through FY 2018 budget and financial plan.¹⁶ Since the District's proposed FY 2015 through FY 2018 budget accounts for full salaries of every employee, without making any allowances for any unpaid leave, the proposed subtitle's effect is already accounted for. While most agencies can absorb this cost by the spreading the work to other employees, it is plausible that when an employee is on family bonding leave, his or her agency may need to hire additional temporary personnel. Larger agencies with more staff and funds are better equipped to absorb the cost of a staffer on extended leave compared to smaller agencies, which may face spending or work pressures. Finally, the proposal will reduce lapsed salary savings. This does not have a fiscal impact since the proposed budget accounts for full salaries, but, once the fiscal year starts, the District would be constrained in its ability to use lapsed salaries to offset other spending pressures.

Subtitle (I)(G) – Office of Contracting and Procurement Surplus Property Sales Fund Establishment Act of 2014

Background

The subtitle creates a special purpose fund called the District of Columbia Surplus Property Sales Revolving Fund ("Fund") to collect a portion of revenues received from the sale of government surplus property (such as unneeded equipment). The District contracts with a private vendor to manage the sale of the surplus property and the sole purpose of the new Fund is to pay for the vendor's contract. Any revenue received into the Fund but not spent will revert back to the general fund at the end of the fiscal year.

Financial Plan Impact

An additional \$375,000 is expected from surplus property revenue in FY 2015, and \$1,500,000 over the four year financial plan. This additional revenue will be directed to the new Fund to pay the surplus property management vendor's contract.

¹⁴ Effective October 3, 1990 (D.C. Law 8-181; D.C. Official Code § 32-501 *et seq.*)

¹⁵ D.C. Official Code § 1-612.05.

¹⁶ This estimate is based on the national birth rates and the current age and gender profile of District employees.

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Subtitle (I)(H) – District of Columbia Food Provision Amendment Act of 2014

Background

The subtitle permits the Department of Parks and Recreation to use appropriated funding to purchase food, non-alcoholic beverages, and entertainment in connection with various programs it sponsors. Additionally, it permits the District to purchase meals and refreshments for members of boards and commissions during public business meetings. The subtitle requires the Mayor to issue rules governing this new authority.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Any expenditure on food and beverages must be separately appropriated.

TITLE II- ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Manufacturer Tasting Permit Amendment Act of 2014

Background

Current law permits breweries¹⁷ to apply for tasting permits to serve samples of beer manufactured on the site, but prohibits full servings of beer for on-site consumption. The subtitle creates an on-premises sales and consumption permit so breweries can offer full servings of beer on their premises between 1 p.m. and 9 p.m. The subtitle sets the minimum fee for the permit at \$1,000 annually. Breweries will still be required to have a tasting permit if they are also offering tastings.

Financial Impact

The Alcoholic Beverage Regulatory Administration can administer this new permit within its current resources. The fees collected for this new permit would be deposited into the Alcoholic Beverage Regulation Administration Fund, a special purpose fund.¹⁸ There are only four beer manufacturers currently in the District; if all apply for the permit, the annual revenues to this fund could increase by \$4,000.

Subtitle (II)(B) – Ward 4 Full Service Grocery Store Amendment Act of 2014

Background

Current law¹⁹ prohibits new full service grocery stores from applying for and obtaining a Class B²⁰ retail liquor license to sell beer and wine for off-premises consumption. The subtitle would allow full service grocery stores to apply for a Class B license.

Financial Impact

The total number of stores that may apply is unknown, but it is expected to be small. Any additional fee revenue to the Alcoholic Beverage Regulation Administration Fund is expected to be small.

Subtitle (II)(C) – Alcoholic Beverage Control Board Stipend Amendment Act of 2014

Background

This subtitle increases the stipend paid to the seven members of the Alcoholic Beverage Control Board from \$15,000²¹ to \$18,000 annually.

¹⁷ Specifically, Class B manufacturer license holders under D.C. Official Code §25-110(a)(2).

¹⁸ D.C. Official Code § 25-210 (Alcoholic Beverage Regulation Administration Fund establishment).

¹⁹ D.C. Official Code § 25-340.01(b) (Ward 4 restrictions).

²⁰ D.C. Official Code § 25-112 (Off-premises retail licenses).

²¹ See D.C. Official Code § 1-611.08(c)(2)(i) for current stipend amounts.

Financial Impact

The additional stipend cost will be \$21,000 annually, and is included in the proposed FY 2015 through FY 2018 budget and financial plan.

Subtitle (II)(D) – Consumer Procedures and Protections Enforcement Amendment Act of 2014

Background

Current law²² permits the Department of Consumer and Regulatory Affairs (DCRA) to investigate potential violators of consumer protection laws, but requires a judge to administer fines for consumer protection violations.

The subtitle permits DCRA to impose civil fines for violations of consumer protections laws. Additionally, it adds harassment of a consumer on electronic and social media to the list of unlawful trade practices.²³

Financial Impact

The subtitle is expected to generate approximately \$20,000²⁴ of additional general fund revenue.

Subtitle (II)(E) – Solar Permitting Fees Amendment Act of 2014

Background

Currently, permit fees for solar panel installation projects are based on the expected cost of the installation, as are other types of additions, alterations and repairs.²⁵ The subtitle creates a separate permit fee schedule for solar permitting with two project categories: solar photovoltaic and solar thermal. If the project is solar photovoltaic, the permit fee is based on expected kilowatt generation levels. If the project is solar thermal, the permit fee is based on number of solar panels.

Financial Impact

The subtitle decreases general fund revenues by an estimated \$90,000 annually. Restructuring of the fees from a project-cost basis to a project-type basis is expected to reduce the average cost of each permit by \$240, although individual permit costs will vary significantly by project.

²² D.C. Official Code § 28-3903.

²³ D.C. Official Code § 28-3904.

²⁴ This is based on an estimated 50 citations annually (out of estimated total of 350 cases per year) and \$2,000 fine each. It is expected that only about twenty percent will end up being collected due to dismissals and settlements.

²⁵ See D.C. Municipal Regulations Title 12.

Subtitle (II)(F) – Public Utilities Reimbursement Fee Amendment Act of 2014

Current law²⁶ requires that natural gas suppliers, electricity suppliers, and local exchange providers pay a reimbursement fee to cover the operating budgets of the Public Service Commission (PSC) and the Office of the People's Counsel (OPC). In practice, the fee is also paid by public utilities. The subtitle clarifies the statutory language to explicitly make public utilities and telecommunications service providers subject to the fee.

If PSC or OPC underspend their budgets by five percent or more, the District must refund the unspent portion that is over five percent to public utilities and electricity suppliers.²⁷ Because of the limited statutory language, the District cannot reimburse natural gas suppliers and telecommunications service providers, which also pay the fee. Until recently this was not a problem, because underspending had not met the threshold. But in FY 2012 and FY 2013, sufficient underspending occurred to require a refund. Refunds to service providers have been held up because of the legal language question. The subtitle entitles all providers that pay the fee to receive a refund when one is due.

Financial Plan Impact

Changes to statutory language to more accurately reflect the historical and current practices of the public utilities reimbursement fee activity do not have a negative impact on the District's budget and plan. Funding for the pending refunds owed for FY 2012 and FY 2013 have been set aside²⁸ and are available for payment upon approval of this subtitle.

Subtitle (II)(G) – Unemployment Insurance Benefits Modernization and Federal Conformity Amendments Act of 2014

Background

The subtitle makes several changes to unemployment insurance benefits laws, bringing District's provisions into compliance with federal requirements, including:

- Employers with more than 5 employees must now submit contribution and wage reports. Currently, the minimum number of employees is 250;²⁹
- Employers with delinquent reports or an unpaid lien in a base year must pay the highest rate for their unemployment insurance contribution rate ("contribution");
- Prisoners are not eligible for unemployment benefits regardless of where they are incarcerated. Currently, the code refers to District of Columbia prisons only;³⁰
- Claimant is either in the state in which the unemployment compensation claim was filed, or in the state in which the claimant is looking for a job (and reporting on job search weekly);

²⁶ D.C. Official Code § 34-912(b)(1).

²⁷ D.C. Official Code § 34-912(b)(3). The refunds are made in proportion to what the entity paid in fees.

²⁸ Funding to pay refunds owed are available in the unreserved fund balance of the Public Service Commission Agency Fund (established under D.C. Official § Code 34-912(a)(1)). Approximately \$1.3 million of the current \$1.9 million fund balance will be required to make the refunds.

²⁹ D.C. Official Code § 51-104.

³⁰ D.C. Official Code § 51-109(6).

- Penalty ceiling for false representation is raised from 1 year to 2 years suspension of benefits;³¹
- Definition of normal weekly hours changed to include full time and part time employees, and overtime is not included in computation of contributions and benefits;
- An employer who is new, has a negative balance (that is benefits paid out of the employer's account are greater than the contributions), is taxed at the maximum rate, or has employees receiving supplemental unemployment benefits can no longer submit shared work plans, where the employers claim partial benefits for reduced hours; and
- Shared work compensation shall be counted toward an employer's experience ratings—that is the unemployment benefits paid relative to total employee compensation, unless an employer is liable for payments.

The subtitle outlines the process Department of Employment Services (DOES) will follow when determining whether a potentially erroneous payment to an employer's account should be relieved. DOES is required to notify an employer if an employer is determined not to have timely and adequately responded to a request for information.

Additionally, the subtitle outlines a process for determining an employer's contribution if the employer was created by a merger or transfer, and establishes penalties for violations related to determining the assignment of a contribution rate. Employers will be assigned the highest rate for the year the violation occurs, but no less than a two percent increase on taxable wages may be imposed on the violator. If the person committing the fraud is not an employer, he or she may be subject to a penalty of up to \$5,000, as well as the possibility of felony charges.

Financial Plan Impact

DOES can manage these changes within its current resources. It is possible some provisions could affect individual employer contributions to the Unemployment Insurance Fund, but the exact amount is not known. This fund is not a part of the District's local General Fund, as it can only be used to pay unemployment benefits.

Subtitle (D)(H) – H Street Retail Priority Area Incentive Amendment Act of 2014

Background

The subtitle requires that all grants made in accordance with the H Street Retail Priority Area Grant Fund³² be used to support corridor revitalization programs associated with the Great Streets program.³³ Under current law, the grants can only be used to assist retail development projects, which generate new jobs in new or improved existing retail space in the H Street, N.E., Retail Priority Area. The proposed change will make many other revitalization programs, such as programs for retention and attraction of small businesses, neighborhood branding and marketing,

³¹ D.C. Official Code § 51-119(e)(2).

³² D.C. Official Code § 1-325.172.

³³ Great Streets Program is defined in Great Streets Neighborhood Retail Priority Area Amendment Act of 2013, enacted as Subtitle VIII(D) of Fiscal Year 2014 Budget Support Act of 2013, effective December 24, 2013 (D.C. Law 20-61; 60 DCR 12472).

blighted and vacant property mitigation and redevelopment of private properties, streetscape projects and beautification and greening projects for public areas, eligible for grants.

Financial Plan Impact

The subtitle expands the types of projects that can receive H Street Retail Priority Area grants, but this change does not affect the budget.

Subtitle (D)(I) – Local Rent Supplement Sustainment Amendment Act of 2014

Background

This subtitle requires all new and vacant slots for local rent supplement assistance³⁴ to be filled with chronically homeless individuals and families referred by the Department of Human Services (DHS). Referrals must be made in accordance with special eligibility criteria in the District of Columbia Municipal Regulations.³⁵

Financial Plan Impact

Requiring available slots for rent assistance to be filled by homeless families and individuals who are referred by DHS does not have a fiscal impact.

Subtitle (D)(I) – Film DC Economic Incentive Amendment Act of 2014

Background

The subtitle repeals the Film DC Economic Incentive Fund³⁶ and associated programs and replaces it with the Film DC Economic Incentive Grant Fund ("Fund"), to be funded with general appropriations that do not lapse at the end of the fiscal year. The Fund can be used to provide grants that attract to the District nationally distributed film and television projects, but not news or sporting events. The productions must spend at least \$500,000 in qualified expenses³⁷ over five days or more on production activities in the District, and the incentive grants must not exceed the total qualified expenses. The Fund can also be used for administrative costs associated with managing the Fund and associated programs. Lastly, the subtitle requires the Mayor to report annually to the Council on the grants that are issued from the Fund.

Financial Plan Impact

The proposed FY 2015 budget allocates \$1 million to the Fund, which will be managed by the Office of Motion Picture and Television Development.

³⁴ See D.C. Official Code § 6-228 for establishment of the Rent Supplement Program.

³⁵ As outlined in 29 DCMR § 2556 - 2558.

³⁶ D.C. Official Code § 39-501.

³⁷ Qualified expenses are outlined in detail in the subtitle, and include such costs as materials, supplies, equipment rentals, hotel expenses and food expenses.

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Metropolitan Police Department Escort and Reimbursement Act of 2014

Background

The subtitle authorizes the Metropolitan Police Department (MPD) to receive reimbursement for and issue regulations on police escort services needed to protect public safety.

Financial Plan Impact

MPD does not currently provide police escort services, but this subtitle will give it the authority to seek reimbursement if the services are provided in the future.

Subtitle (III)(B) – State Safety Oversight Agency Establishment Amendment Act of 2014

Background

In FY 2013, the District established a State Safety Oversight Agency ("Agency") within the Fire and Emergency Medical Services (FEMS) Department to oversee the safety and security of the District's streetcar program, as required by the Federal Transit Administration (FTA). Since the Agency's establishment, the FTA imposed³⁸ further requirements on state safety agencies that oversee transit operations.

The subtitle ensures the Agency has the following responsibilities to ensure the safe operations of the DC Streetcar system:

- Conduct investigations into accidents or incidents involving the DC Streetcar system independently or with federal partner agencies;
- Audit the DC Streetcar system to ensure compliance with safety-related plans;
- Issue reports and findings regarding the safe and secure operations of the DC Streetcar system;
- Require and render judgment on safety-related plans required by law;
- Enforce safety rules governing the DC Streetcar system's operations;
- Limit or stop any streetcar operations to protect public safety; and
- Apply for grants and cooperative agreements with the FTA on behalf of the District.

Financial Plan Impact

The subtitle provides clarifications required by FTA for successful operation of the Agency and no additional resources are required.

³⁸ The new rules were authorized by "Moving Ahead for Progress in the 21st Century Act," which reauthorized federal transportation programs through FY 2014. (MAP-21, approved July 6, 2012 (Public Law 112-141; 49 U.S.C. Chapter 53).

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) –Funding For Public Schools and Public Charter Schools Amendment Act of 2014

Background

The proposed subtitle increases³⁹ the foundation level used by the Uniform per Student Funding Formula (UPSFF) to \$9,492 per student for FY 2015. The FY 2014 level is set at \$9,306. The changes made to the foundation level funding, and the various add-ons are depicted in the following tables:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2015
Pre-Kindergarten 3	1.34	\$12,719
Pre-Kindergarten 4	1.30	\$12,340
Kindergarten	1.30	\$12,340
Grades 1-5	1.00	\$9,492
Grades 6-8	1.08	\$10,251
Grades 9-12	1.22	\$11,580
Alternative program	1.44	\$13,668
Special education school	1.17	\$11,106
Adult	0.89	\$8,448

General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$4,651
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,079

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$9,207
Level 2:Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$11,390
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$18,699
Level 4: Special	More than 24 hours per week which may include	3.49	\$33,127

³⁹ By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*).

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Education	instruction in a self-contained (dedicated) special education school other than residential placement.		
Blackman Jones Compliance	Weighting provided in addition to special education level add-on weightings on a per student basis Blackman Jones compliance.	0.069	\$655
Attorney's Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per student basis for attorney's fees.	0.089	\$845
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$15,852

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.368	\$3,493
Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.337	\$12,691
Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$27,438
Level 4: Special Education - Residential	Additional funding to support the after-hours level 4 special education needs of limited and non-English proficient students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.874	\$27,280
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$6,341

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Special Education Level	Additional funding to support the summer school/program needs for students who require	0.063	\$598

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
1 ESY	extended school year services in their IEPs.		
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	\$2,155
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$4,661
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.489	\$4,642

Financial Plan Impact

With these changes made in the foundation level funding, in FY 2015, District of Columbia Public Schools would receive \$701,344,630 for its instructional budget through the UPSFF. Public charter schools would receive \$552,267,058 for their instructional budgets and \$121,861,938 for the facilities allowance, bringing their collective local budget to \$674,128,996.

Subtitle (IV)(B) – Alternative School Establishment Act of 2014

Background

This subtitle gives⁴⁰ the Office of the State Superintendent of Education (OSSE) the authority to designate schools or programs as "alternative" so that they receive alternative education funding through the Uniform per Student Funding Formula. The subtitle defines a school or program as eligible for alternative status if at least 70 percent of its students qualify for alternative education. It defines a student as needing alternative education if the student is 18 years old or younger (or up to 24 in some cases) and meets one of the following criteria:

- Is under court supervision;
- Has a history of being on long-term suspension or receiving multiple short-term suspensions within one school year;
- Has been expelled;
- Has withdrawn from the school system for a period of nine weeks or more and is seeking readmission;
- Has a history of severe absenteeism or truancy;
- Is committed to the Department of Youth Rehabilitation Services;
- Has been incarcerated in an adult correctional facility;
- Is pregnant or parenting;

⁴⁰ By amending the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*).

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- Is receiving treatment for drug abuse;
- Has a history of violence; or
- Is severely over-aged and/or under-credited.

Schools or programs seeking "alternative" designation must provide specialized instruction to meet students' unique needs. Alternative schools' academic programming must culminate in the granting of a high school diploma or its equivalent.

Each year OSSE will accept applications from schools or programs wishing to be considered for "alternative" status. OSSE will also create a reapplication process for schools wishing to renew their status.

Financial Plan Impact

In FY 2015, 1,485 public school students are expected to be enrolled in an alternative school or program. A total of \$20.3 million in formula funding (before add-ons) will be allocated to District of Columbia Public Schools and public charter schools on behalf of these students.

Subtitle (IV)(C) – District of Columbia Public Charter School Board Funding Amendment Act of 2014

Background

This subtitle increases⁴¹ the percentage of the D.C. Public Charter Schools (DCPCS) budget paid to the D.C. Public Charter School Board (PCSB) from 0.5 percent to 1 percent.

Financial Plan Impact

Increasing the portion of the DCPCS budget going to the PCSB to 1 percent will result in an additional \$3.37 million being transferred from DCPCS to the PCSB in FY 2015. This amount is expected to grow in subsequent years due to increases in the DCPCS budget from charter school enrollment growth. The table below gives a year-by-year breakdown of the increase in transfers due to the subtitle.

Estimated Impact of Subtitle (IV)(D) - District of Columbia Public Charter School Board Funding Amendment Act of 2014, FY 2015 - FY 2018 (\$ in thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	4-Year Total
Increase in money transferred from DCPSC to PCSB ¹	\$3,371	\$3,438	\$3,507	\$3,577	\$13,893

Table Notes

¹Assumes a 2 percent annual increase in transferred funds due to projected increases in charter school enrollment.

⁴¹ By amending Section 2211 of the Balanced Budget Downpayment Act II, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1802.11(b)(2))

Unlike prior years, in FY 2015 the PCSB will be funded entirely by the O-type funds received from DCPCS, which will total \$6.74 million if the subtitle is approved. Local funds that previously went to the PCSB (\$1.16 million in FY 2014) will be shifted to the Deputy Mayor for Education's office for the My School D.C. Common Lottery.

Subtitle (IV)(D) – Preferences in Admission for Public Charter Schools Act of 2014

Background

The subtitle creates⁴² new preferences in the charter school admissions lottery for the following groups of students:

- Children of full-time employees of public charter schools;
- Children with individualized education programs (typically these are students receiving special education services); and
- Children who have been committed to the custody of the District of Columbia in the 12 months prior to applying to a public charter school.

Financial Plan Impact

This subtitle does not have a fiscal impact on the proposed FY 2015 through FY 2018 budget and financial plan. The lottery preferences would only affect District expenditures if they impacted the total number of students or types of students choosing to enroll in the public school system. This effect is unlikely and if it did occur it would be extremely difficult to separate the lottery preferences' impact on enrollment from effects due to changes in population or parental preferences.

Subtitle (IV)(E) – Educational Continuity Act of 2014

Background

This subtitle waives⁴³ the tuition of D.C. public school students who used to be wards of the District but no longer live in D.C. The waiver applies for up to three years after the child ceases being a ward of the District.

Financial Plan Impact

This subtitle is not expected to have a fiscal impact. The subtitle's residency waiver would be used so rarely that any resulting reduction in tuition payments would be negligible.⁴⁴ Therefore, there are no tuition payment reductions incorporated into the proposed FY 2105 through FY 2018 budget and financial plan.

⁴² By amending the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1800.01 *et seq.*).

⁴³ By amending the District of Columbia Nonresident Tuition Act, approved September 8, 1960 (Pub. L. 86-725; D.C. Official Code §38-302).

⁴⁴ According to the Deputy Mayor for Education's Chief of Staff, Scheherazade Salimi, in a phone conversation on April 1, 2014.

Subtitle (IV)(F) – Common Lottery Advisory Board Establishment Act of 2014

Background

This subtitle establishes⁴⁵ the District of Columbia Common Lottery Advisory Board (CLB), which will advise the Deputy Mayor for Education on the development and implementation of the common lottery system for public schools, both traditional and charter. The 10-member CLB will include an executive director and a total of nine representatives from the offices of the Deputy Mayor for Education, D.C. Public Schools, D.C. Public Charter Schools, and the Office of the State Superintendent of Education. The subtitle authorizes the CLB to secure private funding to develop and run the lottery system.

Financial Plan Impact

The CLB has a proposed FY 2015 budget of \$1.1 million. This money will come from a shift in local funds from the D.C. Public Charter School Board (PCSB) to the CLB. The District is able to shift these funds because in FY 2015 the PCSB is expected to receive twice the amount of money than it has in previous years from D.C. Public Charter Schools.⁴⁶

In FY 2014 the common lottery was entirely funded with private donations, but the amount of private funds the CLB will raise in FY 2015 is uncertain. The CLB will not need budget authority to spend privately raised money, but it will need fully executed grant agreements.

Subtitle (IV)(G) – Education Funding Formula Equity Amendment Act of 2014

Background

This subtitle postpones⁴⁷ the requirement that services provided by District of Columbia government agencies to schools must be provided on an equal basis to D.C. Public Schools and public charter schools. Under current law, service parity has to be implemented by FY 2015. This subtitle postpones the requirement to FY 2016.

Financial Plan Impact

The fiscal impact of this subtitle has been incorporated into the proposed FY 2015 through FY 2018 budget and financial plan. Providing services on an equal basis could significantly change the funding structure for D.C. Public Schools, but the Office of Revenue Analysis cannot provide an estimate on the magnitude of this change before the term "equal basis" is clarified by the Mayor and the Council.

⁴⁵ By amending Section 202 of the Public Education Reform Amendment Act, effective June 12, 2007 (D.C. Law 17-9, D.C. Official Code §38-191).

⁴⁶ Pending approval the District of Columbia Public Charter School Board Funding Amendment Act of 2014 (Subtitle IV-C of the Budget Support Act of 2014).

⁴⁷ By amending Section 115 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective September 24, 2010 (D.C. Law 18-223; D.C. Official Code § 38-2913).

TITLE V– HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – Department on Disability Services Amendment Act of 2014

Background

This subtitle authorizes⁴⁸ the Department on Disability Services (DDS) to enter into an agreement with the Department on Health Care Finance (DHCF), so the two agencies can work together on policy design and rate setting for services targeting people with intellectual and developmental disabilities (IDD) and their families.

The subtitle also creates a Family Support Council under DDS, mainly composed of people with IDD and family members. The members will work to develop and implement an action plan to inform policies and programs that support families

Financial Plan Impact

Authorizing DDS and DHCF to enter into an agreement to develop policies and services for individuals with IDD does not have an impact on the budget and financial plan.

Subtitle (V)(B) – Department of Health Functions Clarification Amendment Act of 2014

Background

This subtitle provides authority⁴⁹ in FY 2015 for the Department of Health (DOH) to issue grants to organizations for the following services:

- HIV screening and prevention (up to \$1,550,000);
- Clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases;
- Ambulatory health services;
- Poison control hotline and prevention education services;
- Operations and primary care services for school-based health clinics; and
- A teen pregnancy prevention program.

The subtitle also allows DOH to charge for the services it provides in its health clinics that treat communicable diseases.⁵⁰ DOH will be able to seek reimbursements from private insurers and Medicaid and charge uninsured patients based on their ability to pay. Payments received for these services will be deposited into the Communicable and Chronic Diseases Prevention and Treatment Fund ("Fund"), a non-lapsing O-type account. The money in this fund will go towards the cost of operating the health clinics.

⁴⁸ By amending the Department on Developmental Disabilities Establishment Act of 2006, effective March 14, 2007 (D.C. Law 16-264; D.C. Official Code §7-761.01 *et seq.*).

⁴⁹ By amending the Department of Health Functions Clarification Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-731 *et seq.*).

⁵⁰ Including tuberculosis, HIV/AIDS, hepatitis, and sexually transmitted diseases.

Financial Plan Impact

DOH's proposed FY 2015 through FY 2018 budget and financial plan includes the funds to support the grants named in the subtitle. The proposed budget and financial plan does not, however, incorporate any revenues that might be generated from billing patients at DOH's health clinics. Once the billing process is well-established, DOH might be able to generate up to \$2.2 million a year,⁵¹ but the amount it will take in during FY 2015 is uncertain. FY 2015 revenues depend on how long it takes the health centers to get billing processes in place and how smoothly the billing process goes. If DOH runs into problems with billing Medicaid or private insurance, then revenues could be less than expected. DOH will be able to provide more precise revenue projections after the billing process is in place.

Subtitle (V)(C) – Medical Assistance Program Amendment Act of 2014

Background

This subtitle allows the Department of Health Care Finance (DHCF) to submit to the federal Centers for Medicaid and Medicare Services (CMS) the state plan amendments, modifications, or waivers required to:

- Implement amendments to the Elderly and Individuals with Physical Disabilities waiver needed to ensure compliance with federal law and promote best practices;
- Establish new payment rates for Federally-Qualified Health Centers;
- Establish a new payment method and make other improvements to the payment methodology for hospital inpatient treatment;
- Establish a new payment method and make other improvements to the payment methodology for hospital outpatient services;
- Implement amendments to the Intellectual Disabilities/Developmental Disabilities waiver needed to ensure compliance with federal law and promote best practices;
- Align specialty hospital payments with the complexity of their patient mixes and national best practices and to describe payment standards for sub-acute services for children who are inpatients in private psychiatric specialty hospitals; and
- Update transplantation coverage standards and provide coverage for lung transplantation and autologous bone marrow transplantation.

Under current law, DHCF must submit all Medicaid state plan amendments and waivers to the District of Columbia Council for a 30 day passive review before sending them to CMS. This subtitle would waive Council review for the initiatives listed above, which would speed up the approval and implementation of these items.

⁵¹ According to Michael Kharfen, DOH's Senior Deputy Director of the HIV/AIDS, Hepatitis, STD & TB Administration.

Financial Plan Impact

Discontinuing legislative oversight of proposed state plan amendments and waivers does not have a fiscal impact; however, it would eliminate some analytical review of these proposals, including legal sufficiency review and fiscal impact analysis.

Federal and District anti-deficiency laws⁵² prohibit District officers and employees from exceeding agency appropriations in any fiscal year, so DHCF would still need to budget and appropriate funds required to implement the amendments and waivers or absorb future costs in its budget and financial plan, and the Agency Fiscal Officer would still need to certify that funds are sufficient for implementation.

Subtitle (V)(D) – Department of Behavioral Health Establishment Amendment Act of 2014

Background

This subtitle moves the Tobacco Control Program (TCP) from the Department of Behavioral Health (DBH) to the Department of Health (DOH). The TCP conducts outreach on smoking prevention and cessation and also monitors the implementation of the District's tobacco-free laws.

Financial Plan Impact

DBH has included \$1.14 million in its proposed FY 2015 budget for the TCP. The budget includes \$495,000 in local funds and nearly \$646,000 in federal grants. DOH has not included any TCP funding in its FY 2015 budget. If the subtitle is implemented, DBH will need to transfer these funds to DOH.

Subtitle (V)(E) – Department of Behavioral Health Enterprise Fund Amendment Act of 2014

Background

This subtitle establishes the Department of Behavioral Health (DBH) Enterprise Fund (the "Fund"), a lapsing, segregated account within the District of Columbia General Fund. The Fund will include proceeds from the following:

- The cafeteria on the St. Elizabeths campus;
- Fees for trainings done by the DBH Training Institute; and
- Repayment of loans given out by DBH through its housing bridge subsidy program. The loans help individuals with mental health disabilities transition from supportive housing to independent living.

The Fund will be used to pay for management and operation of the cafeteria, the Training Institute, and DBH's supported housing programs.

⁵² 31 U.S.C. § 1341 (2007) and D.C. Official Code § 47-355.01 *et seq.* (2001).

Financial Plan Impact

DBH cannot yet estimate cafeteria revenues because the cafeteria is still in the planning process and has not yet been built. DBH is also unsure how much money it will recoup through housing bridge subsidy repayments. DBH believes that the trainings it provides will bring in approximately \$160,000 to \$245,000 per year, depending on which classes it offers. If the subtitle is approved, DBH plans to start charging for trainings at the beginning of FY 2015. However, because these plans are not yet firm it is not possible to provide a reliable estimate of the revenues that will be deposited into the fund.

Subtitle (V)(F) – LIHEAP Heat and Eat Eligibility Preservation Amendment Act of 2014

Background

This subtitle requires all participants in Supplemental Nutrition Assistance Program (SNAP), who do not receive standard benefits through the Low-income Home Energy Assistance program (LIHEAP), to receive a minimum annual benefit required to maximize SNAP's standard utility allowance.⁵³ Current law⁵⁴ requires all SNAP participants be enrolled in LIHEAP and any participants not receiving standard LIHEAP benefits must receive at least \$1.

Financial Plan Impact

Approximately 70,000 households receive the minimum \$1 LIHEAP benefit annually. The subtitle will increase the minimum payment to \$20.01 for these households, and therefore will cost approximately \$1.3 million per year.

Subtitle (V)(G) – Health Services Planning and Development Amendment Act of 2014

Background

When a health service provider wants to provide a new service⁵⁵ it must obtain a certificate of need from the Department of Health (DOH). This subtitle would eliminate⁵⁶ the certificate of need requirement for providers of outpatient substance abuse treatment regulated by the Department of Behavioral Health.

⁵³ The minimum that needs to be met is currently \$20.01, as referenced in the Agriculture Act of 2014) approved on February 7, 2014 (Pub. Law. 113-79; 128 Stat. 649).

⁵⁴ Fiscal Year 2010 Budget Support Act of 2009, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 4-261.03(c)).

⁵⁵ Any medical or clinical related service, including services that are diagnostic, curative or rehabilitative, as well as those related to alcohol abuse, drug abuse, inpatient mental health services, home health care, hospice care, medically supervised day care, and renal dialysis.

⁵⁶ By amending Section 2 of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-401 *et seq.*).

Financial Plan Impact

While this subtitle will reduce the number of certificates of need issued by DOH, the reduction will be small enough that it won't have a significant impact on DOH's operations or fee revenues.

Subtitle (V)(H) – Temporary Assistance for Needy Families Amendment and Cost of Living Adjustment Act of 2014

Background

The subtitle establishes an automatic, annual cost of living adjustment (COLA) for monthly Temporary Assistance for Needy Families (TANF) benefits. The annual COLA is based on the consumer price index for all urban consumers for all items (CPI) published by the U.S. Department of Labor. The COLA would increase annual payments the beginning of each fiscal year. For fiscal years 2015 and 2016, the increase would be based on annual CPI. Then, in FY 2017, the payment level would increase by 46 percent and then revert back to annual CPI in the following years.

Financial Plan Impact

Increasing monthly TANF payments as described in the bill will cost \$1.5 million in FY 2015 and \$32.2 million over the four year financial plan. The cost of the subtitle has been incorporated in the proposed FY 2015 budget and financial.

Currently, the average monthly payment for TANF families eligible for the full grant amount is \$374. For families that have exceeded the 60 month time limit and do not qualify for a time-limit exemption, the average monthly benefit will be \$131 in FY 2015, per the graduated reduction schedule under current law. With the proposed COLA adjustment in FY 2015, the full grant amount will increase to \$383 and the reduced grant to \$134. Additionally, assistance payments for the District's General Assistance, Refugee Assistance, and Interim Disability programs will also increase, as the benefit amounts for these programs are set at the same level as TANF.⁵⁷ General Assistance and Refugee Assistance are entitlement programs, so the estimated cost increase for both of these programs is approximately \$92,000 in FY 2015 and \$800,000 over the four year financial plan. Finally, Interim Disability is not an entitlement program; therefore, the payment increase will not have a budget impact but rather reduce the number of recipients the Department of Human Services (DHS) can serve through this program.⁵⁸ The table below details the estimated increases in the monthly and annual expenditures, as well as the projected TANF caseload and other assumptions included in this analysis.

⁵⁷ D.C. Official Code § 4-205.05a; § 4-204.07; and § 4-209.04.

⁵⁸ DHS serves approximately 1,000 individuals at an average monthly benefit level of \$270.

Estimated Fiscal Impact of Subtitle (V)(H), Temporary Assistance for Needy Families Amendment and Cost of Living Adjustment Act of 2014 , FY15-FY18					
	FY 2015	FY 2016	FY 2017	FY 2018	4-Year Total
UNIT COSTS					
Average monthly TANF grant	\$374	\$374	\$374	\$374	-
60 month + monthly TANF grant ^a	\$131	\$0	\$0	\$0	-
Projected monthly TANF grant with COLA Adjustment ^b	\$383	\$392	\$573	\$586	-
Projected 60 month + TANF grant with COLA Adjustment ^b	\$134	\$0	\$0	\$0	
TOTAL COSTS (\$ in thousands)					
Additional TANF grant expenditures ^{b, c, d}	\$1,430	\$2,445	\$26,728	\$28,578	\$59,180
Additional Cost of Implementing General Assistance ^{b, e}	\$21	\$43	\$470	\$503	\$1,038
Additional Cost of Implementing Refugee Assistance ^{b, e}	\$72	\$82	\$288	\$303	\$745
TOTAL COST OF IMPLEMENTATION (\$ in thousands)	\$1,523	\$2,571	\$27,486	\$29,384	\$60,963

Table Notes

^aThis is the average monthly payment for recipients that have exceeded the 60-month time limit. After FY 2015, payments for these recipients will be eliminated.

^bAssumes a 2.4 percent COLA increase in all years except, FY 2017 when the increase would be 46 percent.

^cEstimated based on the full TANF caseload as of August 2013 which was 17,083.

^dEstimated number of cases at full grant includes those cases that qualify for a time-limit exemption and transferred to POWER under D.C. Law 20-61, with the exception of the exemption for those enrolled in an accredited postsecondary education program or a Department of Employment Services approved job training program. The Office of the Attorney General issued an opinion on September 24, 2013 to the Mayor's Budget Director stating that section 5153(c)(6) of the FY 2014 Budget Support Act could not be legally implemented due to insufficient funding.

^eThe caseloads for the Refugee Assistance and General Assistance programs are approximately 125 and 260, respectively.

TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) – Vault Rent Amendment Act of 2014

Background

The District Department of Transportation (DDOT) partners with the Office of Tax and Revenue (OTR) to bill commercial and residential buildings for their use of underground public space known as vaults. The most common types of vaults are areas of underground parking garages that extend into public space. DDOT permits and measures vault sizes. OTR applies a per-square foot value and a utilization factor, based on the level of the vault,⁵⁹ to the size of the vault to calculate the annual rental value.

The subtitle makes a significant change to the management of vaults by transferring the authority to charge and collect for the occupancy of underground vaults from DDOT to the Office of the Chief Financial Officer (OCFO). The OCFO will subsequently make a number of changes to the billing processes, including:

- Move the billing due date from June 30th to no later than September 15th;
- Create separate tax entities for condominium associations, and bill these entities for vault fees;
- Authorize the OCFO to alter any condominium land assessment as needed;⁶⁰
- Institute a \$100 flat fee for fuel oil tanks;
- Authorize the OCFO to charge fees for actions taken by the Mayor to repair or seal off a vault; and
- Allow the OCFO to waive interest penalties, compromise charges, or offer delinquent properties for tax sale.

DDOT will maintain responsibility for verifying the area of a vault and setting the utilization factor.

Financial Plan Impact

The subtitle will generate \$10,000 in FY 2015 and \$40,000 over the four year financial plan period from the institution of a \$100 flat fee for fuel oil tanks.⁶¹

The District Department of Transportation funds one full-time employee within the OCFO's Office of Tax and Revenue to implement vault billing and that funding will be sufficient in the future to implement the subtitle's provisions. Additionally, there are no anticipated negative impacts to shifting the billing due date from June 30th of each year to September 15th of each year.

⁵⁹ The utilization factor for the first level of a vault is 1.20% and for each subsequent level is 0.30%.

⁶⁰ This can already been done with other vault containing properties where the full building receives an assessed land value.

⁶¹ The billing for fuel oil tanks has been stalled since 2007.

Subtitle (VI)(B) – Public Space Rental Amendment Act of 2014

Background

Currently, property owners can apply for a permit from the District Department of Transportation (DDOT) to operate a sidewalk café in public space. The permit recipient pays, through the Office of Tax and Revenue, \$5 per square foot of public space occupied for an unenclosed sidewalk café and \$10 per square foot for an enclosed café. The total bill is prorated based on the number of months the café is operational.

The subtitle increases the fees and eliminates the pro-rata calculation of bills. Beginning July 1, 2015, the unenclosed café fee will rise to \$8.30 per square foot and the enclosed café fee will rise to \$16.60 per square foot. The subtitle provides the Mayor the authority to further modify the rate in FY 2016. The subtitle also transfers the authorization to rent surface public space, such as a surface parking lot located in public space, and charge a fee for that rental from the Council of the District of Columbia to the Mayor. Lastly, the bill increases the penalty for violating public space rental and utilization laws and regulations from \$300 to \$1,000.

Financial Plan Impact

Increasing sidewalk café fees will result in increased revenues of over \$1 million in FY 2015 and \$4.3 million over the four year financial plan period.

Subtitle (VI)(C) – Private Sponsorship of Capital Bikeshare and Other Transportation Facility and Equipment Amendment Act of 2014

Background

Capital Bikeshare is a bike sharing system of over 300 stations and over 2,500 bicycles spread across the District, Arlington County and Alexandria City, VA, and Montgomery County, MD. The system allows individuals to borrow a bike for a few hours or a day or sign up for a membership that allows unlimited usage during the membership period.⁶²

The subtitle establishes the authority for the District Department of Transportation (DDOT) to enter into private sponsorship agreements for Capital Bikeshare.⁶³ Sponsorship funds received for the bikeshare system will be deposited into the Bicycle Sharing Fund,⁶⁴ while sponsorship funds for other facilities will be deposited into the DDOT Enterprise Fund for Transportation Initiatives.⁶⁵

⁶² The first 30 minutes of every trip are free, with additional fees incurred for each subsequent 30 minute period.

⁶³ In addition to the bikeshare system, DDOT the bill also gives DDOT the authority to seek sponsors for other transportation facilities and equipment, such as a future streetcar stop.

⁶⁴ District Department of Transportation Bicycle Sharing Fund Act of 2012, effective March 19, 2013 (D.C. Law 19-234; D.C. Official Code § 50-921.16).

⁶⁵ Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 50-921.13).

Financial Plan Impact

There is no fiscal impact of the subtitle on the proposed FY 2015 through FY 2018 budget and financial plan. Currently, there are no private sponsorship agreements for Capital Bikeshare or any other transportation facilities.

Subtitle (VI)(D) – District Department of Transportation Managed Lane Authorization Act of 2014

Background

The subtitle gives the District Department of Transportation (DDOT) the authority to implement managed lane policies, which would be used to ration access to lanes based on, for example, vehicle occupancy, or through a toll system. At least one lane of traffic on a managed lane roadway must be free of charge to users.

Financial Plan Impact

DDOT commissioned a managed lane study in 2013, but there are no current plans to implement managed lanes.

Subtitle (VI)(E) – Integrated Premium Transit System Amendment Act of 2014

Background

In the District, the District Department of Transportation (DDOT) has the authority to plan, develop, finance, control, operate, and regulate a streetcar system or to enter into a third party contract to accomplish the same.⁶⁶ Additionally, the Fiscal Year 2014 budget dedicated resources in the Pay-as-you-go Capital Account ("Paygo Account")⁶⁷ to construction of the streetcar system.

The bill broadens DDOT's authority so it can plan, manage, and contract for all or any parts of an Integrated Premium Transit System ("System").⁶⁸ The System is defined in the bill to include streetcar, bus services,⁶⁹ and related transit facilities. The bill also expands the use of the Paygo Account to support the System.

Under the provisions of the bill, DDOT's Infrastructure and Project Administration will oversee the development of the System, and DDOT's Transportation Policy and Planning Administration will operate, maintain, and regulate the DC Circulator and the DC Streetcar.

⁶⁶ District Department of Transportation DC Streetcar Amendment Act of 2012, effective April 20, 2013 (D.C. Law 19-268; 60 DCR 1709).

⁶⁷ D.C. Official Code § 47-392.02(f).

⁶⁸ This could include design, engineering, construction, and operations and maintenance.

⁶⁹ This only includes bus services operated or managed by or on behalf of the District government.

Financial Plan Impact

The subtitle provides DDOT the authority it needs to implement an Integrated Premium Transit System, replacing what was provided for the streetcar system.

The Paygo Account will receive 25 percent of any projected local funds revenue of each year in excess of the local funds revenue in the budget and financial plan approved May, 2015. The first year the Paygo Account will be funded is Fiscal Year 2017. If the account is funded that year because projected revenues are greater than Fiscal Year 2016 revenues, then those resources will be dedicated to the System until construction is completed.

Subtitle (VI)(F) – Pesticide Registration Fund Amendment Act of 2014

Background

The District Department of the Environment (DDOE) charges fees for the registration of pesticide products and the licensing of individuals to be pesticide applicators. Fees collected from these activities are deposited into the Pesticide Registration Fund (Fund) and are expended on DDOE's pesticide regulation programs.

The subtitle expands the allowable uses of Fund resources to include DDOE's chemical, tank, and land remediation programs, which fall under DDOE's Toxic Substances Division.

Financial Plan Impact

The Fund's resources can now be expended across additional DDOE programs within the Toxic Substances Division.

TITLE VII- FINANCE AND REVENUE

Subtitle (VII)(A) – Subject to Appropriations Amendment Act of 2014

Background

The subtitle authorizes expenditures and revenue reductions for the following laws, which had been passed subject to appropriations, but are now funded in the proposed FY 2015 through FY 2018 budget and financial plan:

- Earned Sick and Safe Leave Amendment Act of 2013;⁷⁰
- Minimum Wage Amendment Act of 2013;⁷¹
- Electric Company Infrastructure Improvement Financing Act of 2014;⁷²
- Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014;⁷³ and
- Senior Citizen Real Property Tax Relief Act of 2014.⁷⁴

The subtitle also amends the Tax Clarity Equity Amendment Act of 2013⁷⁵ to include a subject-to-appropriations clause. This Act allows taxpayers to claim a credit for or refund of an overpayment of District taxes for the years 1998 through 2000. This allowance was expected to reduce franchise tax revenue by \$4 million per year starting in FY 2018. At the time this Act was passed, the cost fell outside the window of four-year financial plan. The Office of the Chief Financial Officer incorporated the effect of the Act in the financial plan in its February 2014 revenue certification, which was the first time FY 2018 projections were published.

The proposed inclusion of a subject-to-appropriation clause means this Act will not be effective until the cost of providing this credit or refund is budgeted for in an approved budget and financial plan. As a result, revenues will increase by \$4 million starting FY 2018.

Financial Plan Impact

Repealing the subject to appropriations provision of the above-mentioned laws authorizes expenditures of approximately \$4.2 million in FY 2015 and \$20.8 million over the four-year financial plan.

Subject to Appropriations Amendment Act of 2014, Expenditures					
FY 2015-FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four Year Total
<i>Expenditure Increases:</i>					
Earned Sick and Safe Leave Amendment Act of	\$253	\$188	\$192	\$192	\$825

⁷⁰ Effective February 22, 2014 (D.C. Law 20-89; 60 DCR 317).

⁷¹ Effective March 11, 2014 (D.C. Law 20-29; 60 DCR 778).

⁷² Enacted March 3, 2014 (D.C. Bill 20-387, 60 DCR 1882).

⁷³ Introduced on March 7, 2013 (D.C. Bill 20-181)

⁷⁴ Enacted March 25, 2014 (D.C. Act 20-303).

⁷⁵ Effective February 22, 2014 (D.C. Law 20-85, 60 DCR 184).

Subject to Appropriations Amendment Act of 2014, Expenditures FY 2015-FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four Year Total
2013					
Minimum Wage Amendment Act of 2013	\$383	\$273	\$281	\$281	\$1,218
Electric Company Infrastructure Improvement	\$3,400	\$4,100	\$4,960	\$5,700	\$18,160
Senior Citizen Real Property Tax Relief Act of 2014	\$129	\$83	\$86	\$89	\$387
Total Program Expenditure	\$4,165	\$4,644	\$5,519	\$6,262	\$20,590

Source: ORA Calculations

Additionally, making Tax Clarity Equity Amendment Act subject to appropriations will increase local fund revenue by \$4 million annually starting FY 2018, and the Senior Citizen Real Property Tax Relief Act will reduce real property tax revenues by \$8.5 million in FY 2015 and \$36.5 million over the four-year financial plan. The net revenue reduction is shown in the table below.

Subject to Appropriations . Amendment Act of 2014, Tax Expenditures FY 2015-FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four Year Total
<i>Revenue Impact</i>					
Senior Citizen Real Property Tax Relief Act of 2014 - revenue reduction	\$8,472	\$8,813	\$9,168	\$10,069	\$36,522
Tax Clarity Equity Amendment Act of 2013 - revenue increase	-	-	-	(\$4,000)	(\$4,000)
Net Revenue Reduction	\$8,472	\$8,813	\$9,168	\$6,069	\$32,522

Source: ORA Calculations

Subtitle (VII)(B) – Tax Revision Commission Policy Recommendations Implementation Act of 2014

Background

The proposed subtitle makes the following changes to the District’s tax laws:

For *individual income taxes* changes the income tax rates for different brackets beginning Tax Year 2015. Specifically, beginning Tax Year 2015, the subtitle reduces the marginal tax rate on incomes between \$40,000 and \$60,000 from 8.5 percent to 7.5 percent.⁷⁶ At the same time, it maintains the marginal tax rate on incomes above \$350,000 at the current statutory rate of 8.95 percent. Current law reduces this rate to 8.5 percent beginning tax year 2016.⁷⁷

For *franchise taxes*, the subtitle reduces the tax rate on businesses, which is balanced by a change in the apportionment factor that would be solely based on a company’s sales in the District, and not on other forms of presence, such as the size of its payroll or property. Beginning Tax Year 2015, the

⁷⁶ D.C. Official Code § 47-1806.03.

⁷⁷ *Ibid.*

subtitle reduces the franchise tax rate on corporations⁷⁸ and unincorporated businesses⁷⁹ from 9.975 percent to 9.4 percent. At the same time, it changes⁸⁰ the calculation used to apportion to the District the net business income of entities that have incomes derived from sources both within and outside of the District. The current formula equally weights property and payroll factors for the business entity, but sales factor⁸¹ is weighted twice.^{82,83} The proposed subtitle will switch to a single weighted sales factor—that is the apportionment factor would be the same as the sales factor, which is measured as the share of the company's sales in the District against its total shares.

Business apportionments for the District are expected to increase when solely based on the sales factor because the District is generally a destination for sales, and not a producer and exporter of taxable goods and services. Thus, taxable sales constitute a larger share of a company's taxable transactions compared to real property and payroll. These two measures of presence tend to be larger for manufacturing firms and large service providers, of which the District has few.

The proposed subtitle will also exempt from unincorporated business franchise tax entities that trade on their own accounts.⁸⁴ The exemption will not apply to securities dealers, investment banks, or REITS.

Finally, the proposal will tax all tobacco products other than premium cigars at rates similar to cigarettes. Currently cigarettes are taxed at the wholesale level at a rate \$2.50 per pack of 20 cigarettes plus a surcharge equivalent of 6 percent of retail prices.

Financial Plan Impact

The fiscal impact of the proposed changes, shown in the table below, is already incorporated into the FY 2015 through FY 2018 budget and financial plan. The tax reductions in FY 2015 are partly offset by the \$18 million the District has put aside to pay for the recommendations of the Tax Revision Commission. This amount is not included in the table below, but in the financial plan for FY 2015 through FY 2018 period. The table on the next page depicts the impact of each provision.

⁷⁸ D.C. Official Code § 47-1807.02(a).

⁷⁹ D.C. Official Code § 47-1808.03(a).

⁸⁰ D.C. Official Code § 47-1810.02(d).

⁸¹ The factor for each of these areas is the share of District tax payments in the total tax payments. For example, let S stand for the sales factor, S_{DC} sales tax payments to D.C., and S_{OTHER} for sales tax payments to all other jurisdictions from where the entity derives income. The sales factor is calculated as $S = \frac{S_{DC}}{S_{DC} + S_{OTHER}}$.

⁸² Let A_{DC} stand for business income apportioned to DC, and P , PR , and S stand for property, payroll, and sales factors respectively. Under current law, the apportionment formula is $A_{DC} = \frac{P + PR + 2S}{4}$; under proposed law, it would be the same as the sales factor.

⁸³ Twenty four states use an apportionment method that weights sales more heavily, or provide this method as an option to the taxpayer. Twelve states use only sales as the apportionment factor. Virginia, for example, uses a double-weighted sales factor, and Maryland allows either double-weighted or single sales factor.

⁸⁴ D.C. Official Code § 47-1808.01.

Estimated Fiscal Impact of Subtitle VII(B) - Tax Revision Commission Policy Recommendations Implementation Act of 2014, FY 2015 - FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four-Year Total
Individual income tax provisions	(\$25,013)	(\$7,010)	(\$6,810)	(\$6,506)	(\$45,339)
Reduce Marginal Tax Rate on Income Between \$40,000 and \$60,000 from 8.5% to 7.5%	(\$25,013)	(\$25,783)	(\$26,618)	(\$27,205)	(\$104,619)
Keep Marginal Tax Rate on Incomes Above \$350,000 at the Current Statutory Rate of 8.95%		\$18,773	\$19,808	\$20,699	\$59,280
Franchise Tax Provisions	(\$4,400)	(\$4,400)	(\$4,400)	(\$4,400)	(\$17,600)
Use Single Weighted Sales Apportionment Factor	\$20,000	\$21,015	\$21,977	\$22,938	\$85,930
Reduce Business Income Tax Rate from 9.975% to 9.4%	(\$20,000)	(\$21,015)	(\$21,977)	(\$22,938)	(\$85,930)
Exempt entities that trade on their own accounts from unincorporated business franchise tax	(\$4,400)	(\$4,400)	(\$4,400)	(\$4,400)	(\$17,600)
Sales / Use	\$7,000	\$6,879	\$6,761	\$6,644	\$27,284
Unify Taxation of Tobacco Products	\$7,000	\$6,879	\$6,761	\$6,644	\$27,284
Total Fiscal Impact	(\$22,413)	(\$4,531)	(\$4,449)	(\$4,262)	(\$35,655)

Source: ORA Calculations based on tax return data for Tax Year 2012

Subtitle (VII)(C) - The Urban Institute Real Property Tax Abatement Repeal and Real Property Tax Rebate Act of 2014

Background

The proposed subtitle repeals "The Urban Institute Real Property Tax Abatement Act of 2009."⁸⁵ This Act authorized a 10-year, \$15 million real property tax abatement for The Urban Institute. The tax abatement was never utilized; thus this subtitle repeals it, and in its place authorizes The Urban Institute to claim a rebate on the amount of real property tax owed according to its lease agreement. The rebate is authorized for 10 years, starting with the date the non-profit leases new office space, and the rebate amount is capped at \$1 million annually.

Financial Plan Impact

The proposed real property tax rebate is expected to cost \$1 million per year starting FY 2015, and \$4 million over the four-year financial plan period. The rebate becomes effective once The Urban

⁸⁵ Effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 47-4624).

Institute relocates and leases new office in the District. The subtitle will continue to have a fiscal impact beyond the financial plan period since the rebate is authorized for 10 years.

Estimated Fiscal Impact of Subtitle VII(C) – Urban Institute Real Property Tax Abatement Repeal and Real Property Tax Rebate Act of FY 2014, FY 2015– FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four-Year Total
Total Estimated Rebate	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000

Subtitle (VII)(D) – Industrial Revenue Bond Security Interest Instrument Recordation Tax Exemption Amendment Act of 2014

Background

The subtitle exempts from taxation the recordation of a security instrument executed by a borrower in connection with a loan under the District’s Industrial Revenue Bond program. The majority of entities that take advantage of IRB’s are tax-exempt, and therefore not subject to recordation tax under current law. There are a few commercial and nonprofit entities that are not exempt from real property taxes and therefore would be subject to recordation tax; however, they are not taxed because the District’s practice has been to exempt these instruments, regardless of the underlying tax status of the entity, from recordation.⁸⁶

Financial Plan Impact

Because the District’s current practice is to exempt these types of security instruments from recordation tax, codifying this in the law will not have a negative revenue impact on the District’s budget and financial plan.

Subtitle (VII)(E) – Fiscal Year 2014 Budget Support Act Amendment of Act of 2014

Background

This subtitle amends the Fiscal Year 2014 Budget Support Act Amendment of 2014⁸⁷ to rename the “Innovation Fund” the “City Fund.” The Innovation Fund was established to support community non-profit organizations through grants.

Financial Plan Impact

The renaming of a fund has no impact on the budget and financial plan.

⁸⁶ The practice has been to exempt these transactions from recordation taxes because the security instruments are unified deeds of trust and therefore involve the financial interest of both the borrowing entity and the District government. The District’s financial interest is a small share of the total bond issuance.

⁸⁷ Effective December 24, 2013 (D.C. Law 20-61; 60 DCR 12472).

Subtitle (VII)(F) – Senior Citizen Real Property Tax Relief Amendment Act of 2014

The subtitle amends the Senior Citizen Real Property Tax Relief Act of 2014 to clarify that qualifying residents can have no more than 2 non-consecutive gaps of ownership that exceed 120 days.

Financial Plan Impact

The proposed clarification has no impact on the proposed FY 2015 through FY 2018 budget and financial plan. The fiscal impact estimate presented in Subtitle (VII)(A) already takes into account this requirement.

Subtitle (VII)(G) – Whitman Walker Tax Abatement Act of 2014

Background

This subtitle exempts Lot 129, Square 241 from real property taxes allocable to the portion of real property leased to the Whitman-Walker Clinic, Inc. (WWC). The WWC plans to lease the entire building located on the aforementioned property once renovations are completed in May of 2014. At this time, WWC would be responsible for 100 percent of real property taxes due. The estimated cost has been incorporated in the budget and financial plan.

Financial Plan Impact

The proposed real property tax abatement will reduce tax collections by approximately \$250,000 in FY 2015 and \$1.8 million over the four year financial plan.

Estimated Fiscal Impact of Subtitle VII(D) – Whitman Walker Abatement Act of FY 2014, FY 2015- FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four-Year Total
Reduction in real property tax revenue	\$250	\$515	\$530	\$546	\$ 1,841

Subtitle (VII)(H) – Alternative Fuel Vehicle Conversion Act of 2014

Background

The subtitle institutes an income tax⁸⁸ credit, beginning in 2014, for the conversion of vehicles to run on alternative fuels.⁸⁹ The tax credit is for up to 50 percent of incurred equipment and labor costs, cannot exceed the taxpayer's liability, and is non-refundable. The subtitle also bans the

⁸⁸ Includes personal, corporate, and unincorporated business income taxes.

⁸⁹ Alternative fuels are defined as at least 85 percent ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, biodiesel, electricity, and hydrogen.

registration of vehicles that run on petroleum diesel fuel. The credit will expire following Tax Year 2026.

At least twenty states and the federal government offer incentives for alternative fuel vehicle conversions. Incentives range from tax credits to rebates to grants. Most states⁹⁰ cap the amount of credit any one taxpayer can receive or limited the credit to one or two types of fuel.⁹¹ Additionally, many credits are limited to businesses or fleets.

Financial Plan Impact

Implementation of the subtitle will cost \$418,000 in FY 2015 and \$2.3 million over the four year financial plan period.

The subtitle allows an individual or business to claim a credit against its income taxes for up to 50 percent of the cost of converting a vehicle to run on alternative fuels. In scoring the cost of credits for vehicle conversions, the estimate only accounts for electric, flexible fuel, and propane conversions. Other fuel types, such as compressed natural gas, will see expansion over the financial plan period, but that expansion is expected to happen in public sector fleets and thus the need for the tax credit is negated. The analysis assumes an average conversion cost of \$19,000 per vehicle for 243 vehicle conversions from tax years 2014 through 2017.

Alternative Fuel Vehicle Conversion Act of 2014 Cost ^a of Title VII, Subtitle H FY 2015 - FY 2018 (in \$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Total
Reduction in income tax revenue	\$418	\$494	\$618	\$779	\$2,309

Table Note

^a Assumes all tax liabilities are sufficient to receive 100 percent of the credit for the Tax Year in which the activity took place.

Subtitle (VII)(I) – Alternative Fuel Infrastructure Incentive Act of 2014

Background

The subtitle institutes an income tax⁹² credit, beginning in 2014, for the installation of alternative fuel⁹³ infrastructure on a qualified alternative fuel vehicle refueling property.⁹⁴ The tax credit is for

⁹⁰ Oklahoma and Louisiana appear to be the only two states that offer a tax credit with no cap for vehicle conversions.

⁹¹ As examples, Kansas only allows for biomass conversions, West Virginia only offers credits for natural gas and propane conversions, and Colorado allows credits for electric, propane, and compressed natural gas.

⁹² Includes personal, corporate, and unincorporated business income taxes.

⁹³ Alternative fuels are defined as at least 85 percent ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, biodiesel, electricity, and hydrogen.

⁹⁴ These properties are defined as those that are owned or leased by an applicant and contain the necessary infrastructure to store and dispense alternative fuels to the public.

up to 50 percent of incurred costs,⁹⁵ cannot exceed the taxpayer's liability, and is non-refundable. In the case of the credit for infrastructure investments, the credit can be carried forward for up to two Tax Years.⁹⁶ The credit will expire following Tax Year 2026.

A number of states and the federal government offer incentives for alternative fuel infrastructure installation. Incentives range from tax credits to rebates to grants. Most states⁹⁷ cap the amount of credit any one taxpayer can receive or limited the credit to one or two types of fuel.

Financial Plan Impact

Implementation of the subtitle will cost \$125,000 in FY 2015 and \$815,000 over the four year financial plan period.

The subtitle allows an individual or business to claim a credit against its income taxes for up to 50 percent of the cost of the installation of infrastructure to house and distribute alternative fuels. To estimate the cost of tax credit related to infrastructure, ORA only focused on the electric vehicle charging stations. Electric vehicles are the only alternative-fuel vehicles that show enough growth over the financial plan period to demand additional infrastructure. The estimate assumes 25 charging stations would be built in 2014, and 163 from Tax Years 2014 through 2017 at an average cost of \$10,000 per station.

Alternative Fuel Infrastructure Incentive Act of 2014					
Cost ^a of Title VII, Subtitle I					
FY 2015 – FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Total
Reduction in income tax revenue	\$125	\$167	\$224	\$299	\$815

Table Notes

^a Assumes all tax liabilities are sufficient to receive 100 percent of the credit for the Tax Year in which the activity took place.

Subtitle (VII)(I) – Real Property Tax Calculated Rate Clarity Act of 2014

Background

Under current law, the Chief Financial Officer must recalculate the residential real property tax rate by September 15th of every year if the revenues for the next fiscal year are projected to grow faster than the assessed values, or by more than 7 percent. Similarly, the Chief Financial Officer must recalculate the commercial real property tax rate on the first \$3 million of assessments if the revenue from Class II properties is projected to grow by more than 10 percent.

⁹⁵ Allowable costs do not include the cost to purchase land or lease land, the purchase of an existing qualified alternative fuel vehicle refueling property, or the construction or purchase of a structure.

⁹⁶ The refueling property must continue to be operational in a publically available manner or else any remaining credits will be forfeited.

⁹⁷ Oklahoma and Louisiana appear to be the only two states that offer a tax credit with no cap for infrastructure investments.

The subtitle makes two clarifying changes to the D.C. Official Code. First it clarifies that Class 2 real property is taxed at two rates—the first \$3 million of assessments is taxed at \$1.65 per \$100 of assessed value, and assessed values greater than \$3 million are taxed at \$1.85 per \$100 of assessed value. Current language in the section of the D.C. Official Code⁹⁸ for the calculated commercial property tax disregards the lower rate.

Second, it moves the deadline for the releasing of the calculated rate from September 15 to January 5 for both residential and commercial property.

Financial Plan Impact

The proposed changes are technical in nature and do not have a fiscal impact.

At present, when the Chief Financial Officer is directed to announce the calculated rate (September 15), the revenues for the current fiscal year are still projections. This is because the second installments for real property taxes are not due until the end of September. Moving the date to January 5 will allow the Chief Financial Officer to use better data regarding base year revenues, but will not change the timing of the tax relief. This is because the first bills for real property taxes are mailed at the end of January, so the changes in the rate, if any, will still be reflected in the bills.

Subtitle (VII)(K) – Carver 2000 Senior Mansion Real Property Tax Abatement Amendment Act of 2013

Background

The subtitle removes the 16-year sunset provision on the tax exemption granted to certain real property owned by the Carver 2000 Senior Mansion; thus making the properties exempt from real estate taxes indefinitely. The properties are currently exempt from real property taxes through 2018.

Financial Plan Impact

Because, these properties are currently exempt from real property taxes through 2018, removing the 16-year sunset provision will not have an impact on the FY 2015 budget and financial plan.

Subtitle (VII)(L) – Residential Real Property Equity and Transparency Act of 2014

Background

The bill makes several modifications to the District's tax sale process that are intended to provide additional safe guards for residential homeowners who are delinquent on their real property taxes and may become subject to tax sale. To this end, the bill does the following:

⁹⁸ D.C. Official Code § 47-812(b-8)

- *Establishes an Office of the Real Property Tax Ombudsman.* The Office will be headed by an Ombudsman of real property tax ("Ombudsman") who is appointed by the Mayor and serves a 5-year term. The Ombudsman's office is responsible for advising residential real property owners with tax-related matters, investigating taxpayer complaints, and referring taxpayers to the appropriate channels to resolve tax-related matters.
- *Prohibits the sale of a residential real property tax lien if the amount owed is \$2,500 or less.* Currently, the Office of Tax and Revenue (OTR) excludes properties that owe \$1,000 or less in real property taxes.
- *Allows homeowners to enter into a deferred payment plan for delinquent taxes,* so long as they are claiming the homestead deduction and owe \$7,500 or less in taxes.
- *Reduces the interest rate applied to seniors in the low-income tax deferral program from 8 percent to 6 percent.*⁹⁹ It also allows senior citizens, who are delinquent on real property taxes and not enrolled in the program, to enroll and have all past taxes deferred.
- *Expands pre-sale and post-sale noticing requirements for real property subject to tax sale.* The bill increases the frequency with which OTR must notify real property owners subject to the tax sale. It also requires OTR to mail notices to the homeowners' mailing address of record as well as to the premise address.
- *Limits the attorney's fees and other expenses charged by lien purchasers to \$1,500 plus allowances for additional expenses incurred as outlined in the bill.* Under current law, in order for a property owner to redeem a property sold at tax sales, the owner must pay the taxes due, as well as attorney fees incurred by the purchaser.¹⁰⁰ Currently, the law does not cap the total amount of legal fees a purchaser can charge a property owner.
- *Limits the purchasers' equity in the foreclosure of an owner-occupied property to 10 percent, or \$20,000, whichever is less.* This provision applies to residential real property that is occupied by the owner (or a person with an interest in the property as an heir or beneficiary) at the time the complaint to foreclose was filed. Once the foreclosure is final, the property will then be sold by a trustee appointed by the Superior Court of the District of Columbia. The bill requires that the purchaser is entitled to retain 10 percent, or \$20,000, whichever is less, of the equity, and the remaining balance is transferred to the owner of record or their heirs (as determined by the court). Under current law, the purchaser is entitled to the equity in the property.

Financial Plan Impact

The estimated cost to implement the requirements is approximately \$1.68 million in FY 2014 and \$3.8 million over the FY 2015 through FY 2018 budget and financial plan. The provisions under this bill will have both revenue-side and expenditure-side costs.

With regards to revenue impacts, the exclusion of properties owing \$2,500 or less for residential property from the tax sale will have a one-time impact on tax collections.¹⁰¹ These properties account for approximately \$4.6 million, or 10 percent of the value, of real property taxes owed prior

⁹⁹ D.C. Official Code §47-845.03.

¹⁰⁰ D.C. Official Code §47-1377.

¹⁰¹ Currently, OTR excludes properties with liens of \$1,000 or less; however, this exclusion is neither required by law, nor it is made apparent in the tax sale notice. Thus the threat of tax sale still applies to these taxpayers and motivates payments.

to tax sale.¹⁰² Because the threat of a tax sale will no longer apply to this group of taxpayers, this will have a one-time impact on collections, which is estimated to cost \$787,000.¹⁰³

The establishment of a forbearance program or deferred payment plan for taxpayers will also impact collections. While the District will eventually collect taxes, there will be a delay in receipt. The delay in collections will depend on the timeframe in which taxpayers are allowed to repay his or her taxes. For the purposes of this estimate, we assume taxpayers are granted a four year window, which will delay the collection of approximately \$465,000 in FY 2015 and \$1.2 million over the four year financial plan. After year four, the District will have recovered the past taxes.

The bill also requires OTR to provide taxpayers with a certificate of redemption when they redeem a property. Currently, OTR charges a \$100 fee for these certificates and issues approximately 500 a year. OTR will no longer collect this revenue, which amounts to \$50,000 a year.

Lastly, on the revenue side, the reducing the interest rate for the low-income senior tax deferral program from 8 to 6 percent and allowing seniors who are delinquent and qualify for the program to enroll and have the deferral apply to past taxes will also reduce revenue collections; however the impact of this provision is *de minimus* given the current low participation rate in the program.¹⁰⁴

On the expenditure side, personnel are required to implement the new office established under the Mayor – the Office of the Real Property Tax Ombudsman. At a minimum, this office will require one full-time staff person. If additional staff is required, they can be appointed as funding is budgeted.

The OTR will also require four new staffers to implement the requirements of the bill. Two full-time equivalents (FTEs) are required to implement the deferred payment program for taxpayers¹⁰⁵ and two FTEs are required to implement the new pre-sale and post-sale noticing requirements.

Finally, it is worth noting that the combination of these modifications to the tax sale process could impact purchasers' participation. For example, the cap on legal fees and the provision that limits tax sale purchasers equity in a foreclosure has been raised as concerns by some stakeholders who argue these provisions will reduce purchaser participation. However, it is difficult to estimate what, if any, dampening effect will occur as a result of these changes.

The estimated costs of the subtitle are detailed in the table below.

¹⁰² This is based on the total value of delinquencies at the time OTR runs its newspaper advertisement announcing delinquent properties in July for the years 2010 through 2013. Prior to every tax sale, OTR is required to print a newspaper ad announcing properties in which taxes are levied and are in arrears (D.C. Official Code § 47-1301). The total value of delinquencies at the time of the news ad is run averages approximately \$43 million. Between the news ad and tax sale day, OTR recovers about \$15 million on average. Data provided by OTR.

¹⁰³ The average collection rate for delinquencies from the time of the newspaper ad to the day of tax sale averages 34 percent. It is assumed OTR's collection rate for this group will be reduced by half.

¹⁰⁴ Currently, there is only one taxpayer taking advantage of this program.

¹⁰⁵ The cost to automate this process using OTR's current system would require significantly more resources than hiring additional personnel.

Estimated Fiscal Impact for Subtitle (VII)(L), Residential Real Property Equity and Transparency Act of 2014, FY 2015 – FY 2018 (\$ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	4-Year Total
REVENUE IMPACTS					
One-time cost due to \$2,500 minimum for homesteads ¹	\$787	\$0	\$0	\$0	\$787
Deferred payment plan - revenue impact ²	\$465	\$348	\$232	\$116	\$1,161
Waiving of fees for redemptions certificates ³	\$50	\$50	\$50	\$50	\$200
Total revenue impact	\$1,301	\$398	\$282	\$166	\$2,148
EXPENDITURE IMPACTS					
Deferred payment plan - personnel costs ⁴	\$123	\$128	\$133	\$138	\$522
Office of the Ombudsman ⁵	\$138	\$144	\$149	\$155	\$586
Personnel required for noticing requirements ⁶	\$119	\$123	\$128	\$133	\$503
Total expenditure impact	\$379	\$397	\$413	\$427	\$1,617
Total Estimated Costs	\$1,681	\$796	\$696	\$593	\$3,765

Table Notes:

1. The threat of tax sale will be removed for those with delinquencies of \$2,500 or less, reducing collections prior to the sale. It is assumed OTR will collect 1/2 of the amount of taxes it usually collects between the first newspaper ad and tax sale day. The average value of collections for delinquencies less than \$2,500 is approximately \$1.6 million.
2. It is assumed that those homestead properties with tax bills of \$7,500 or less will opt into the deferral plan requiring outstanding taxes to be paid off over a four year period.
3. OTR issues approximately 500 redemption certificates annually at a cost of \$100 per certificate. OTR will no longer collect the \$100 fee under this bill
4. OTR will need two grade level 9 FTE's to run a deferral program. Cost includes salary and fringe benefits.
5. The estimate assumes one grade level 15 FTE for the Ombudsman. Cost includes salary and fringe benefits.
6. OTR requires 2 accounting technicians to

TITLE VIII- CAPITAL BUDGET

Subtitle (VIII)(A) – Department of Transportation Capital Budget Allocation Authority Act of 2014

Background

Currently, in its budget request from the U.S. Congress, the District groups similar capital projects that could be funded from the Highway Trust Fund under a single master project (for example road improvement, bridges, etc.). This is because at the time the budget request is sent to the Congress, we may not know which capital projects will be ready to move forward or will be accelerated or delayed in the upcoming fiscal year.

Before spending these funds, the Director of the District Department of Transportation (DDOT) must first identify the projects (known as "Related Projects") under each master project,¹⁰⁶ and then request from the Office of Budget and Planning (OBP) that appropriations under each master project is allocated to each of these Related Projects.¹⁰⁷ Once allocated, there could be no change to the spending plan for these funds. So, if a Related Project is completed under budget, no mechanism exists for the District to shift the excess funds to other projects under the master project.

The subtitle allows DDOT to request that OBP reallocate funds from a Related Project back to the master project. This would ensure that any unspent amounts could be put to use in other Related Projects within a master project.

Financial Impact

The subtitle allows for additional flexibility so DDOT can reallocate unspent funds across different capital projects funded by the Highway Trust Fund. There is no fiscal impact associated with this change.

Subtitle (VIII)(B) – Department of Transportation Capital Project Review and Reconciliation Amendment Act of 2014

Background

Most of the capital projects executed by the District Department of Transportation (DDOT) leverage federal Department of Transportation funds through the Highway Trust Fund. While the Federal Highway Administration approves of most activities within a project that are executed on or around federal roads, there are costs, such as some labor and overhead or utility costs, which are not approved federal expenditures, but are critical to the project. These expenditures are considered non-participating costs and must be fully funded from local resources.

Under current law, the Chief Financial Officer (CFO) can close capital projects funded from revenues in the Local Transportation Fund if the project has been inactive over a year, or has obligated or

¹⁰⁶ These are projects the Federal Government must approve for the Highway Trust Fund monies.

¹⁰⁷ D.C. Official Code § 50-921.02(e).

expended funds in excess of its approved budget.¹⁰⁸ Current law also states that any funds resulting from the closing of these projects should be used to restore funding to the Pedestrian and Bicycle Safety Enhancement Fund,¹⁰⁹ up to an annual level of \$1.5 million and then equally among the Local Streets Ward-based capital projects.

The subtitle clarifies that if all or some of the funds in a project that is being closed pay for "non-participating costs," then those monies should be returned to the non-participating Highway Trust Fund Support local transportation street project.

Financial Impact

The subtitle ensures that local funds tied to Highway Trust Fund projects remain that way, so the District can meet its Capital Improvement Plan. There is no fiscal impact from this subtitle.

Subtitle (VIII)(C) – "Fiscal Year 2015 Capital Project Reallocation Approval Act of 2014"

Background

The proposed subtitle authorizes the Office of the Chief Financial Officer (OCFO) to reallocate approximately \$86.6 million in currently held general obligation bond balances from the capital projects with slow activity to three projects with insufficient bond balances to cover expenditures: WMATA Transit Operations and Dedicated Facilities project, Dunbar SHS Modernization, and Cardozo High School Modernization. This enables the District to make better use of the bonds held in escrow (at a low interest rate), avoid some future borrowing, and improve cash flow. The sources and uses of these funds are shown in the two tables below.

Subtitle (VIII)(C) – Projects that will serve as source of financing		
Owner Agency Title	Project Title	Total
DC Public Library	African American Civil War Memorial	\$1,118,561
	Reconstruction/Renovation Neighborhood Libraries	\$3,955,680
Department of General Services	Evans Campus - See Forever Foundation	\$2,000,000
	Neighborhood Revitalization	\$9,629
	Procurement of 225 Virginia Avenue	\$13,792
Department of Human Services	Oak Hill Youth Facility	\$501
Department of Parks and Recreation	Friendship Park	\$1,670,370
	Renovation Of The S & T St NW Park	\$498,788
Deputy Mayor for Economic Development	Walter Reed Redevelopment	\$421,874
District Department of Transportation	Pedestrian Bridge	\$4,987,554
	SE Salt Dome	\$21,288
District of Columbia Public Schools	Ron Brown ES Modernization	\$4,050,000
	Woodrow Wilson Natatorium/Pool	\$4,039,764

¹⁰⁸ D.C. Official Code § 50-921.52.

¹⁰⁹ Established by § 1-325.131, the non-lapsing Pedestrian and Bicycle Safety and Enhancement Fund is used to improve the safety of pedestrian and bicycle transportation, including traffic calming and Safe Routes to School enhancements. The sources of funds (limited at \$1.5 million) include fines and penalties collected from civil fines and infractions related to pedestrian safety such as failing to stop and give right-of-way to a pedestrian, colliding with a pedestrian in the process of failing to stop and give right-of-way.

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FIS: "Fiscal Year 2015 Budget Support Act of 2014," Draft legislation shared with the Office of Revenue Analysis on April 3, 2014

Subtitle (VIII)(C) - Projects that will serve as source of financing		
Owner Agency Title	Project Title	Total
Fire and Emergency Medical Services	Engine Company 22 Replacement	\$1,525,115
	Engine Company 25 Renovation	\$4,853
	Engine Company 27 Renovation	\$2,956,335
	Engine Company 5 Renovation	\$13,658
Mass Transit Subsidies	Metrorail Construction	\$53,577,000
Metropolitan Police Department	Base Building Renovation	\$4,848,843
	Information Technology Initiative - MPD	\$11,039
Office of the Attorney General	Child Support Enforcement System - CSED	\$20,885
Office of the Chief Technology Officer	District Reporting System	\$489,445
University of the District of Columbia	Higher Education Back Office - Banner	\$302,363
Grand Total		\$86,537,336

Subtitle (VIII)(C) - Projects receiving new financing		
Agency	Project Title	Total
WMATA	Transit Operations & Dedicated Facilities	\$27,860,968
DCPS	Dunbar SHS Modernization	\$29,453,153
	Cardozo HS Modernization	\$29,223,215
Grand Total		\$86,537,336

Financial Impact

The proposal is already incorporated into the proposed FY 2015 through FY 2021 Capital Improvement Plan. The reallocation would neither increase nor decrease the budget authority for the WMATA project, the two school modernization projects or the other capital budget projects cited in the legislation. The intent is only to reallocate available bond balances where they are needed, making more efficient use of District resources.

TITLE IX- ADDITIONAL REVENUE CONTINGENCY LIST

Subtitle (IX)(A) – Revised Revenue Estimate Contingency Priority List Act of 2014

Background

This subtitle allocates¹¹⁰ the additional FY 2015 revenues that might be certified in the Chief Financial Officer’s June 2014 revenue certification to the following new expenditures and tax expenditure initiatives, as outlined below:

Revised Revenue Estimate Adjustment Allocation (New Expenditures and Tax Expenditures)	
FY 2015	
	FY 2015
Office of the State Superintendent of Education ¹	\$8,000,000
General Fund Revenue Reduction – personal income tax ²	\$10,800,000
General Fund Revenue Reduction- business income tax ³	\$20,800,000
General Fund Revenue Reduction- commercial property tax ⁴	\$10,200,000
University of District of Columbia ⁵	\$10,000,000
Office of the State Superintendent of Education ⁶	\$3,000,000
Department of Behavioral Health ⁷	\$1,900,000
Department of Healthcare Finance ⁸	\$1,867,027
Department of Healthcare Finance ⁹	\$1,500,000
Department of Healthcare Finance ¹⁰	\$1,050,000
General Fund Revenue Reduction- deed transfer and recordation taxes ¹¹	\$10,400,000
Children and Youth Investment Trust Corporation ¹²	\$5,000,000
Office of the State Superintendent of Education ¹³	\$8,500,000
General Fund Revenue Reduction – personal income tax ¹⁴	\$10,200,000
General Fund Revenue Reduction – personal income tax ¹⁵	\$10,100,000
D.C. Commission on Arts and Humanities ¹⁶	\$10,000,000
Department of Housing and Community Development ¹⁷	\$700,000
Realtor Fund ¹⁸	\$501,000
Office of the Attorney General ¹⁹	\$453,608
General Fund Revenue Reduction – estate tax ²⁰	\$13,900,000
Total	\$138,871,635

Table notes

- ¹To increase early childhood program infant and toddler slots by 200.
- ²To increase the maximum Earned Income Tax Credit from \$195 to \$487.
- ³To reduce Franchise Tax rate from 9.4% to 8.9%.
- ⁴To reduce the commercial property tax rate on the first \$3,000,000 of assessed value from \$1.65 to \$1.55 per \$100 of assessed value.
- ⁵ Additional funds split equally for UDC and CCDC educational advancements.
- ⁶ To increase adult literacy funding.
- ⁷ For the expansion of the school based mental health program.
- ⁸ For coverage of ineligible persons for Health Benefits Exchange Insurance program.
- ⁹ The fund increase for Federally Qualified Health Center (FQHC) rate methodology.

¹¹⁰ Pursuant to the Fiscal Year 2014 Budget Request Act of 2013, passed on 1st and final reading on May 22, 2013 (Enrolled version of Bill 20-198), and notwithstanding any other provision of law.

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FIS: "Fiscal Year 2015 Budget Support Act of 2014," Draft legislation shared with the Office of Revenue
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¹⁰ For the elderly and persons with disabilities waiver.

¹¹ To reduce the Deed, Recordation, and Transfer Tax from 1.45% to 1.4%. This includes an offsetting 1.5 percentage point increase to the Housing Production Trust Fund transfer from 15% to 16.5%.

¹² To increase funding to cover summer initiatives.

¹³ To increase funding for the Mayor's Scholars program.

¹⁴ To increase the Personal Exemption from \$1,775 to \$2,215.

¹⁵ To increase the Standard Deduction from \$4,250 to \$5,200.

¹⁶ Additional grant funding.

¹⁷ To fund the Small Business Technical Assistance program.

¹⁸ To restore funding to the Realtor Fund.

¹⁹ For 3 additional attorneys and 1 paralegal within the Personnel, Labor & Employment Division.

²⁰ To exempt estates valued less than \$5,250,000 from the Estate Tax.

Financial Plan Impact

The proposals on the contingency list will only become effective, in the order presented in the table, if the June 2014 revenue certification exceeds the revenues that balance the proposed FY 2015 budget.

TITLE X – SPECIAL PURPOSE AND DEDICATED REVENUE FUND AMENDMENTS AND TRANSFERS

Subtitle (X)(A) – Local and Special Purpose Revenue Fund Amendment Act of 2014

Background

This subtitle modifies or repeals various special purpose and dedicated revenue funds. The title makes the following non-lapsing special purpose funds lapsing:

- *RFK & DC Armory Maintenance Fund*,¹¹¹ which holds the reimbursements the District Department of Real Estate Services receives from Events DC to maintain the RFK Stadium and the non-military sections of the D.C. Armory. The FY 2013 fund balance in this account was \$1,155.
- *Facilities Service Request Fund*,¹¹² funded by monies collected from non-D.C. government tenants of the District for services provided by the Department of Real Estate Services (such as maintenance, janitorial, security, etc.).
- *Distribution Fees Account*,¹¹³ under the Office of the Secretary which holds the revenues from the sales of the District of Columbia Register, the District of Columbia Municipal Regulations, and other government publications, certification fees for notary public commissions, fees for the authentication of documents for both foreign and domestic use, and fees for the publication or reproduction of materials of historical interest. The account is used to defray various costs in the Office of the Secretary.
- *Copy Fund*,¹¹⁴ within the Public Service Commission, which holds fees for copying services.
- *Utility, Security, and Custodial Reimbursements funds*¹¹⁵ within the District of Columbia Public Schools (DCPS), which are used to defray utility, security and custodial services for DCPS properties, or parts of DCPS properties, that are leased by other entities such as public charter schools, community organizations, and day-care centers. These funds are already lapsing funds, with balances that are supposed to be transferred to debt service accounts. The subtitle requires that fund balances be deposited to the unrestricted portion of the local General Fund.
- *Recreation Enterprise Fund*¹¹⁶ within the Department of Parks and Recreation, which is used to support DPR activities. The fund was made lapsing in 2011, but at the end of FY 2013, the fund carried a balance of \$1.9 million. The subtitle clarifies this action.
- *Pedestrian and Bicycle Safety and Enhancement Fund*¹¹⁷ within the Department of Transportation that can be used to improve safety and quality of pedestrian and bicycle transportation, including traffic calming and Safe Routes to School enhancements."

¹¹¹ The fund was created in 2010 (D.C. Law 18-111, § 2081(l), D.C. Official Code § 10-1202.08c) when the District of Columbia Sports and Entertainment Commission was abolished. The District Official Code refers to the fund as the Sports Facilities Account.

¹¹² D.C. Official Code § 10-551.07a.

¹¹³ D.C. Official Code § 1-204.24d.

¹¹⁴ Fund 0651

¹¹⁵ D.C. Official Code § 38-401.

¹¹⁶ D.C. Official Code § 10-303

¹¹⁷ D.C. Official Code § 1-325.131

- *Out-of-State Vehicle Registration fund*¹¹⁸ within the Department of Motor Vehicles, which is used to support the education of taxicab and limousine drivers in the District of Columbia.
- *Technology Infrastructure Services Support Fund*¹¹⁹ within the Office of the Chief Technology Officer, used to defray operational costs of various IT services.
- *Healthcare Forfeiture Fund*, which represents 401(a) Defined Contribution pension plan contribution amounts which have been forfeited by former employees who have separated from District service before the vesting period has ended. The FY 2013 end of year fund balance was approximately \$1.17 million.

The title makes the following local fund lapsing:

- *Neighborhood Historic Preservation Fund* (a.k.a., Targeted Homeowner Grant or Historic Landmark-District Protection Fund),¹²⁰ which pays for the costs of repair work necessary to prevent demolition by neglect of historic properties. The grants are capped at \$25,000 per applicant. The FY 2013 fund balance in this account was \$686,440.

The title repeals the following dedicated, special purpose or local funds:

- *Fixed Cost Commodity Reserve Fund* under the Department of General Services;
- *Child Support – Title IV-C Incentive Fees Fund* within the Office of the Attorney General;
- *Adult Training Fund*¹²¹ under the Department of Employment Services;
- *Youth Jobs Fund*¹²² under the Department of Employment Services;
- *Neighborhood Investment Fund*, authorized by the Neighborhood Investment Act of 2004;¹²³
- *Senior Citizens Housing Modernization Grant Fund* authorized by the Senior Housing Modernization Grant Fund Act of 2010;¹²⁴
- *Shaw Community Development Fund* authorized by the Washington Convention Center Authority Act of 1994;¹²⁵
- *AWC Integration (Economic Development Special Account)* authorized by the National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008;¹²⁶
- *Commercial Revitalization Assistance Fund* authorized by the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005;¹²⁷
- *TDL Career Cluster*, within the District of Columbia Public Schools;
- *Pre-k for All Fund* within the Office of the State Superintendent of Education;
- *Choice in Drug Treatment (Addiction Recovery Fund)* authorized by the Choice in Drug Treatment Act of 2000;¹²⁸
- *Air Quality Construction Permits Fund* within the Department of Health;
- *DDOT Unified Fund* authorized by the Highway Trust Fund Establishment Act of 1996;¹²⁹

¹¹⁸ D.C. Official Code § 50-1501.03

¹¹⁹ D.C. Official Code § 1-1433.

¹²⁰ D.C. Official Code § 6-1110.01(a).

¹²¹ D.C. Official Code § 32-1671.

¹²² D.C. Official Code § 2-1516.01.

¹²³ Effective March 30, 2004 (D.C. Law 15-131; D.C. Official Code § 6-1071).

¹²⁴ Effective August 12, 2010 (D.C. Law 18-218; D.C. Official Code § 1-325.162).

¹²⁵ Effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.04(l)).

¹²⁶ Effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).

¹²⁷ Effective September 24, 2010 (D.C. Law 18-223; D.C. Official Code § 2-218.76).

¹²⁸ Effective July 8, 2000 (D.C. Law 13-146; D.C. Official Code § 7-3004).

¹²⁹ Effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 9-111.01a).

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- *Parking Meter Fund* (fund 6906) within the District Department of Transportation
- *Prison Diversion fund* within the Department of Behavioral Health;
- *Integrated Service Fund* authorized by the Fiscal Year 2007 Budget Support Act of 2006;¹³⁰

Finally, the subtitle will repeal the dedicated tax that provides resources for the Healthy Schools Fund authorized by the Healthy Schools Act of 2010.¹³¹

Financial Impact

Making various special-purposed funds lapsing could increase the end-of-fiscal year fund balance, but this amount cannot be reliably estimated at this time. The repealing of the dedicated tax for the Healthy Schools Fund will increase general sales tax revenue available to support operations of the District of Columbia by approximately \$4.3 million. However, the proposed budget replenishes this account with local appropriations of \$4.3 million, so the net impact of this provision is zero.

Subtitle (X)(B) - Local and Special Purpose Revenue Fund Transfer Act of 2014

Background

The subtitle authorizes the transfer of the fund balances from the following account into the Contingency Cash Reserve Fund. These would be recognized as FY 2014 revenue for this Fund.

Fund Balance Transfers Authorized by Subtitle (X)(B)		
Agency	Fund Name	Fund Balance Amount
DGS	Fixed Cost Commodity Reserve	\$22,288,649
DOES	Adult Training Fund	\$10,156,624
DOES	Youth Jobs Fund	\$6,431,374
DMPED	Neighborhood Investment Fund	\$60,226
DMPED	Senior Housing Modernization Grant Fund Act of 2010	\$100,000
DMPED	AWC Integration	(\$6,146)
DSLBD	Commercial Revitalization Assistance Fund	\$1,245,199
DHCF	Hospital Assessment Tax	\$715,707
DDOT	DDOT Operating (Unified) Fund	\$65,084
DDOT	Parking Meter Fund	\$534,282
DBH	Prison Diversion	\$128,000
OCFO	Integrated Service Fund	\$4,576,805
OSSE	Healthy Schools Act	\$4,349,170
OCFO	Healthcare Forfeiture	\$1,176,069
Total		\$51,821,043

Financial Impact

¹³⁰ Effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 4-1345.02).

¹³¹ Effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02).

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The proposed subtitle would recognize \$51.8 million of special purpose revenue end of Fiscal Year 2013 fund balances as revenue for the Contingency Cash Reserve Fund in FY 2014. The proposed supplemental FY 2014 budget already reflects the impact of the proposed subtitle. The monies would be used to replenish the Contingency Cash Reserve Fund, out of which, approximately \$66 million of allocations have been requested for Fiscal Year 2014.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



Legal Counsel Division



MEMORANDUM

TO: Lolita S. Alston
Deputy Director
Office of Legislative Support

FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: April 3, 2014

SUBJECT: Legal Sufficiency Review of Draft Bill, the "Fiscal Year 2015 Budget Support Act of 2014"
(AE-14-178)

This is to Certify that this Office has reviewed the Draft Bill, the "Fiscal Year 2015 Budget Support Act of 2014" and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.


Janet M. Robins