

**DISTRICT OF COLUMBIA**  
**OFFICIAL CODE**

**TITLE 42.**  
**REAL PROPERTY.**

**CHAPTER 36A.**  
**TENANT RECEIVERSHIP.**

**2001 Edition**

**DISTRICT OF COLUMBIA OFFICIAL CODE**  
**CHAPTER 36A. TENANT RECEIVERSHIP.**

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# CHAPTER 36A. TENANT RECEIVERSHIP.

## § 42-3651.01. PURPOSE OF THE APPOINTMENT OF A RECEIVER.

The purpose of the appointment of a receiver under this chapter shall be to safeguard the health, safety, and security of the tenants of a rental housing accommodation if there exists a violation of District of Columbia or federal law which seriously threatens the tenant's health, safety, or security. The receiver shall not take actions inconsistent with this purpose or take actions other than those necessary and proper to the maintenance and repair of the rental housing accommodation. Nothing in this chapter shall be construed to limit or abrogate any other common law or statutory right to petition for receivership.

(Apr. 27, 2001, D.C. Law 13-281, § 501, 48 DCR 1888.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.

#### *Delegation of Authority*

Delegation of Authority Under D.C. Law 13-281, the "Abatement and Condemnation of Nuisance Property Omnibus Amendment Act of 2002", see Mayor's Order 2002-33, March 1, 2002 (49 DCR 1875).

#### *Miscellaneous Notes*

Section 601 of D.C. Law 13-281 provides:

"The Mayor may issue rules to implement the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000 in accordance with the District of Columbia Administrative Procedure Act."

## § 42-3651.02. GROUNDS FOR APPOINTMENT OF A RECEIVER.

(a)(1) A receiver may be appointed if a rental housing accommodation has been cited by the Department of Consumer and Regulatory Affairs for a violation of chapters 1 through 16 of Title 14 of the District of Columbia Municipal Regulations or Title 12 of the District of Columbia Municipal Regulations, or its equivalent, which violation poses a serious threat to the health, safety, or security of the tenants; and

(2) The owner, agent, lessor, or manager has been properly notified of the violation but has failed timely to abate the violations; provided, that proper notification shall be deemed to have been effected if a copy of the notice has been served pursuant to applicable law or rule, or as follows:

(A) By personal service on the property owner, lessor, or manager or the agent thereof;

(B) By delivering the notice to the last known home or business address of the property owner, lessor, manager, or agent as identified by the tax records, business license records, or business entity registration records, and leaving it with a person over 16 years of age residing or employed therein;

(C) By mailing the notice, via first-class mail postage prepaid, to the last known home or business address of the property owner, lessor, manager, or agent as identified by the tax records, business license records, or business entity registration records; or

(D) If the notice is returned as undeliverable by the post office authorities, or if no address is known or can be ascertained from the District's tax, business license, or business entity registration records, by posting a copy of the notice in a conspicuous place in or about the structure affected by such notice.

(b) A receiver may also be appointed if a rental housing accommodation has been operated in a manner that demonstrates a pattern of neglect for the property for a period of 30 consecutive days and such neglect poses a serious threat to the health, safety, or security of the tenants. For purposes of this subsection, the term "pattern of neglect" includes all evidence that the owner, agent, lessor, or manager of the rental housing accommodation has maintained the premises in a serious state of disrepair, including vermin or rat infestation, filth or contamination, inadequate ventilation, illumination, sanitary, heating or life

safety facilities, inoperative fire suppression or warning equipment, or any other condition that constitutes a hazard to its occupants or to the public.

(Apr. 27, 2001, D.C. Law 13-281, § 502, 48 DCR 1888; Oct. 19, 2002, D.C. Law 14-213, § 32(c), 49 DCR 8140; Mar. 21, 2009, D.C. Law 17-319, § 5(a), 56 DCR 214.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Effect of Amendments*

D.C. Law 14-213, in par. (1), validated a previously made technical correction.

D.C. Law 17-319 rewrote the section, which had read as follows:

"A receiver may be appointed if:

"(1) A rental housing accommodation has been cited by the Department of Consumer and Regulatory Affairs for a violation of chapters 1 through 16 of Title 14 of the District of Columbia Municipal Regulations, or its equivalent, which violation poses a serious threat to the health, safety, or security of the tenants; and

"(2) The owner, agent, lessor, or manager has been properly notified of the violation but has failed timely to abate the violations."

##### *Temporary Amendments of Section*

Section 5(a) of D.C. Law 17-237 amended this section to read as follows:

"Sec. 502. Grounds for appointment of a receiver.

"(a) (1) A receiver may be appointed if a rental housing accommodation has been cited by the Department of Consumer and Regulatory Affairs for a violation of chapters 1 through 16 of Title 14 of the District of Columbia Municipal Regulations or Title 12 of the District of Columbia Municipal Regulations, or its equivalent, which violation poses a serious threat to the health, safety, or security of the tenants; and

"(2) The owner, agent, lessor, or manager has been properly notified of the violation but has failed timely to abate the violations; provided, that proper notification shall be deemed to have been effected if a copy of the notice has been served pursuant to applicable law or rule, or as follows:

"(A) By personal service on the property owner, lessor, or manager or the agent thereof; or

"(B) By delivering the notice to the last known home or business address of the property owner, lessor, manager, or agent as identified by the tax records, business license records, or business entity registration records, and leaving it with a person over 16 years of age residing or employed therein; or

"(C) By mailing the notice, via first-class mail postage prepaid, to the last known home or business address of the property owner, lessor, manager, or agent as identified by the tax records, business license records, or business entity registration records; or

"(D) If the notice is returned as undeliverable by the post office authorities, or if no address is known or can be ascertained from the District's tax, business license, or business entity registration records, by posting a copy of the notice in a conspicuous place in or about the structure affected by the notice.

"(b) A receiver may also be appointed if a rental housing accommodation has been operated in a manner that demonstrates a pattern of neglect for the property for a period of 30 consecutive days and such neglect poses a serious threat to the health, safety, or security of the tenants. For the purposes of this subsection, the term "pattern of neglect" includes all evidence that the owner, agent, lessor, or manager of the rental housing accommodation has maintained the premises in a serious state of disrepair including, vermin or rat infestation, filth or contamination, inadequate ventilation, illumination, sanitary, heating or life safety facilities, inoperative fire suppression or warning equipment, or any other condition that constitutes a hazard to its occupants or to the public."

Section 8(b) of D.C. Law 17-237 provides that the act shall expire after 225 days of its having taken effect.

##### *Emergency Act Amendments*

For temporary (90 day) amendment, see § 5(a) of Abatement of Nuisance Properties and Tenant Receivership Emergency Amendment Act of 2008 (D.C. Act 17-420, July 8, 2008, 55 DCR 7703).

For temporary (90 day) amendment of section, see § 5(a) of Abatement of Nuisance Properties and Tenant Receivership Congressional Review Emergency Amendment Act of 2008 (D.C. Act 17-563, October 27, 2008, 55 DCR 12019).

##### *Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.

For Law 14-213, see notes following § 42-1102.

For Law 17-319, see notes following § 42-3131.01.

### **§ 42-3651.03. PETITION FOR RECEIVERSHIP.**

(a) Notwithstanding the availability of any other remedy, the Corporation Counsel may, in the name of the District of Columbia and based on the grounds set forth in § 42-3651.02, petition the Superior Court of the District of Columbia ("Court") to appoint a receiver of the rents or payments for use and occupancy for the affected rental housing accommodation.

(b) Notwithstanding the availability of any other remedy, a majority of the tenants in the rental housing accommodation may, based on the grounds set forth in § 42-3651.02, submit a written request asking the Corporation Counsel to petition the Court to appoint a receiver of the rents or payments for use and occupancy of the affected rental housing accommodation. If the Corporation Counsel denies the request or does not file a petition within 5 days, excluding Saturdays, Sundays, and legal holidays, after receiving a request, the requestor may file with the Court a petition for the appointment of a receiver.

(c) Except as provided in § 42-3651.04(b), the Court shall set a date for a hearing on the petition no later than 30 days after the filing of the petition.

(Apr. 27, 2001, D.C. Law 13-281, § 503, 48 DCR 1888.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.

### **§ 42-3651.04. NOTICE AND HEARING REQUIREMENTS.**

(a)(1) After a petition has been filed under § 42-3651.03, the Chief Judge of the Superior Court, or the Judge's designee, shall immediately issue an order requiring the owner, agent, lessor, or manager, as respondent, to show cause why a receiver should not be appointed. The order shall include a notice that the Court will consider, in addition to the grounds for receivership set forth in § 42-3651.02, a plan submitted by the respondent to abate the conditions alleged in the petition.

(2) The order of the Court, along with the notice and a copy of the petition, shall be served on the owner of record, and the agent, lessor, or manager, at his or her last known address or by such other method as the Court may direct and shall be posted in a conspicuous place upon the rental housing accommodation.

(3)(A) If the petition is not filed by the Office of the Corporation Counsel, the order of the Court, along with a copy of the petition, shall be served on the Corporation Counsel.

(B) No later than 5 days, excluding Saturdays, Sundays, and legal holidays, after receiving a copy of the petition under subparagraph (A) of this paragraph, the Department of Consumer and Regulatory Affairs shall make available to the petitioner for its use in the proceedings certified copies of all licensure and housing inspection reports in the custody of the District government that document conditions in the rental housing accommodation within the previous 3 years.

(b)(1) If, upon filing of a petition, the Court finds probable cause to believe a condition or practice in the affected rental housing accommodation poses an immediate danger to the health, safety, or security of the tenants, it may, ex parte, issue an order of not more than 14 days duration appointing a receiver and direct that the order be served along with the notice required by this section; provided, that a hearing be commenced before the expiration of the order.

(2)(A) In the event of an ex parte appointment under paragraph (1) of this subsection, the petitioner shall ensure that the owner, agent, lessor, or manager of the rental housing accommodation is served with notice and a copy of the petition, any supporting affidavits, and the order of appointment:

(i) By personal service within 72 hours after the appointment; or

(ii) By notice conspicuously posted inside or on the front door of the rental housing accommodation within 96 hours of the appointment, if the petitioner files with the Court a sworn statement setting forth in detail his diligent effort to serve notice under sub-subparagraph (i) of this subparagraph.

(B) In addition, the petitioner shall serve the order of the Court, along with a copy of the petition, on the owner of record at his or her last known address and his or her agent, lessor, or manager at his or her last known address.

(c) A receiver appointed under subsection (b) of this section may immediately collect all rents or payments for use and occupancy of the affected rental housing accommodation and alleviate the conditions cited by the Court in the order appointing the receiver.

(Apr. 27, 2001, D.C. Law 13-281, § 504, 48 DCR 1888.)

#### *HISTORICAL AND STATUTORY NOTES*

For Law 13-281, see notes following § 42-3131.05.

**§ 42-3651.05. APPOINTMENT OF A RECEIVER; CONTINUATION OF EXPARTE APPOINTMENT.**

(a)(1) After a hearing, the Court may appoint a receiver for a rental housing accommodation or continue the appointment of a receiver made ex parte if it finds that the petitioner has proven, by a preponderance of the evidence, the existence of the grounds for receivership as set forth in § 42-3651.02 and finds that the respondent has not provided the Court with a sufficient plan for abatement of the conditions alleged in the petition.

(2) Upon acceptance of a respondent's plan, the Court may dismiss the petition or retain the case for purposes of monitoring respondent's execution of the plan. The monitoring shall continue until the Court, on its own motion or that of any party:

(A) Dismisses the petition on grounds that the respondent has completed the plan; or

(B) Finds the respondent has not made sufficient progress to complete the plan, in which event it may order appointment of a receiver under this section.

(b) Except as provided in subsection (c) of this section, the Court may appoint as a receiver any person or entity who has demonstrated to the Court the capacity and expertise to develop and supervise a viable financial and construction plan for the satisfactory rehabilitation of the rental housing accommodation

(c) The Court shall not appoint as a receiver:

(1) An employee of a District of Columbia government agency that licenses or provides a financial payment to the type of housing accommodation being placed in receivership;

(2) A person who has a financial interest in any other real property in common with the owner of the property being placed under receivership; or

(3) A parent, child, grandchild, spouse, or domestic partner as defined in § 32-701(3), sibling, first cousin, aunt, or uncle of the owner of the property being placed under receivership or a tenant of the property being placed under receivership, whether the relationship arises by blood, marriage, or adoption.

(d)(1) Before a receiver takes charge of a rental housing accommodation, the receiver shall post a bond, the premiums of which may be paid in installments, with the Court, which bond:

(A) Does not exceed the value of the rental housing accommodation and its furnishings, records, and other related personal property and goods; and

(B) Is held by the Court for the benefit of all persons interested in the faithful performance of the receivership.

(2) Unless the Court directs otherwise, the receiver may pay the premium of the bond from the rental housing accommodation's income.

(3) The bond requirement of this subsection may be waived by the Court for good cause.

(e) Any person authorized to file a petition under § 42-3651.03 may petition the Court to appoint a substitute if a receiver:

(1) Dies;

(2) Has or develops a disability which impedes his or her ability to carry out the receivership;

(3) Has or develops a conflict of interest; or

(4) Fails to make reasonable progress in carrying out the receivership.

(f) As part of any order appointing a receiver, or in any plan for abatement presented by a respondent, the Court may, in appropriate circumstances, order that the respondent contribute funds in excess of the rents collected from the rental housing accommodation for the purposes of abating housing code violations and assuring that any conditions that are a serious threat to the health, safety, or security of the occupants or public are corrected.

(Apr. 27, 2001, D.C. Law 13-281, § 505, 48 DCR 1888; Sept. 8, 2004, D.C. Law 15-176, § 4, 51 DCR 5707; Mar. 21, 2009, D.C. Law 17-319, § 5(b), 56 DCR 214; Sept. 26, 2012, D.C. Law 19-171, § 106, 59 DCR 6190.)

*HISTORICAL AND STATUTORY NOTES*

*Effect of Amendments*

D.C. Law 15-176, in par. (3) of subsec. (c), substituted "spouse, or domestic partner as defined in § 32-

701(3)," for "spouse".

D.C. Law 17-319 added subsec. (f).

D.C. Law 19-171, in subsec. (f), validated a previously made technical correction.

*Temporary Amendments of Section*

For temporary (225 day) amendment of section, see § 5(b) of Abatement of Nuisance Properties and Tenant Receivership Temporary amendment Act of 2008 (D.C. Law 17-237, October 21, 2008, law notification 55 DCR 11700).

*Emergency Act Amendments*

For temporary (90 day) amendment, see § 5(b) of Abatement of Nuisance Properties and Tenant Receivership Emergency Amendment Act of 2008 (D.C. Act 17-420, July 8, 2008, 55 DCR 7703).

For temporary (90 day) amendment of section, see § 5(b) of Abatement of Nuisance Properties and Tenant Receivership Congressional Review Emergency Amendment Act of 2008 (D.C. Act 17-563, October 27, 2008, 55 DCR 12019).

*Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.

For Law 15-176, see notes following § 42-1102.

For Law 17-319, see notes following § 42-3131.01.

For history of Law 19-171, see notes under § 42-815.02.

*Miscellaneous Notes*

Applicability of D.C. Law 15-176: Section 7 of D.C. Law 15-176 provides:

"Sections 2 through 6 shall apply as of October 1, 2003."

## **§ 42-3651.06. POWERS AND DUTIES OF A RECEIVER.**

(a) A receiver shall:

(1) Take charge of the operation and management of the rental housing accommodation and assume all rights to possess and use the building, fixtures, furnishings, records, and other related property and goods that the owner or property manager would have if the receiver had not been appointed; and

(2) Give notice of the receivership, in accordance with subsection (b) of this section, to the rental housing accommodation's tenants and employees, all public utility providers whom the owner was responsible for paying before the appointment of the receiver, any mortgage company holding a lien against the property, and any other person whom the Court orders should receive notice;

(3) Have the power to collect all rents and payments for use and occupancy;

(4)(A) Provide the Court, within 30 days following the issuance of the order of appointment, with a plan for the rehabilitation of the rental housing accommodation, including the projected dates when all causes giving rise to the appointment will be abated and a financial forecast indicating how the rehabilitation will be paid for;

(B) Serve a copy of the plan upon the owner of record, the Corporation Counsel, and the tenants of the rental housing accommodation, or their representative;

(5)(A) Report to the Court every 6 months after the filing of the report required under paragraph (4) of this subsection, describing the progress made in abating the conditions giving rise to the appointment, updating the financial forecast for the rehabilitation, and describing any changes in the condition of the rental housing accommodation that may change the proposed completion dates submitted under paragraph (4) of this subsection;

(B) Serve a copy of the report upon the owner of record, the Corporation Counsel, and the tenants of the rental housing accommodation, or their representative;

(6) Preserve all property and records with which the receiver has been entrusted;

(7) Assume all rights of the owner to enforce or avoid terms of a lease, mortgage, secured transactions, and other contracts related to the rental housing accommodation and its operation; and

(8) Carry out any other duties established by the Court.

(b) The notice required by subsection (a)(2) of this section shall include, at a minimum, the following information in not less than 12-point type in both English and Spanish:

(1) The reasons for the receivership;

- (2) The identity of the receiver, his or her address and telephone number;
  - (3) The receiver's responsibilities and duties;
  - (4) The anticipated duration of the receivership; and
  - (5) That no tenant is required to move as a result of the receivership.
- (c) The receiver shall, under the plan described in subsection (a)(4) of this section, make payments in accordance with the following priorities:
- (1) As a first priority, using monthly rental income, to abate housing code violations if abatement is required within 7 days of service of notice, and, after abatement of the conditions, to abate housing code violations if abatement is required within 30 days of service of notice; and
  - (2) As a second priority, for other purposes reasonably necessary in the ordinary course of business of the property, including maintenance and upkeep of the rental housing accommodation, payment of utility bills, mortgages and other debts, and payment of the receiver's fee.
- (d) The receiver shall not make capital improvements to the property except those necessary to abate housing code violations.
- (e) The receiver shall not enter into contracts which affect the ownership of the property.
- (f) The receiver shall be personally liable only for his or her acts of gross negligence or intentional wrongdoing in carrying out the receivership.
- (g) A receiver shall be entitled to a reasonable fee established by the Court and payable from the revenues of the rental housing accommodation.
- (h) The receiver may apply for grants and subsidies for the relief of distressed properties to the same extent as the owner of the rental housing accommodation.
- (i) The owner, agent, manager, or lessor shall be enjoined from collecting rents and payments for use and occupancy for the duration of the receivership.
- (Apr. 27, 2001, D.C. Law 13-281, § 506, 48 DCR 1888; Oct. 19, 2002, D.C. Law 14-213, § 32(d), 49 DCR 8140; Mar. 21, 2009, D.C. Law 17-319, § 5(c), 56 DCR 214.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Effect of Amendments*

D.C. Law 14-213, in subsec. (c), validated a previously made technical correction.

D.C. Law 17-319, in subsec. (c)(1), deleted "no more than half of" following "using".

##### *Temporary Amendments of Section*

For temporary (225 day) amendment of section, see § 5(c) of Abatement of Nuisance Properties and Tenant Receivership Temporary amendment Act of 2008 (D.C. Law 17-237, October 21, 2008, law notification 55 DCR 11700).

##### *Emergency Act Amendments*

For temporary (90 day) amendment, see § 5(c) of Abatement of Nuisance Properties and Tenant Receivership Emergency Amendment Act of 2008 (D.C. Act 17-420, July 8, 2008, 55 DCR 7703).

For temporary (90 day) amendment of section, see § 5(c) of Abatement of Nuisance Properties and Tenant Receivership Congressional Review Emergency Amendment Act of 2008 (D.C. Act 17-563, October 27, 2008, 55 DCR 12019).

##### *Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.

For Law 14-213, see notes following § 42-1102.

For Law 17-319, see notes following § 42-3131.01.

## **§ 42-3651.07. TERMINATION OF RECEIVERSHIP.**

- (a) Except as provided in subsection (b) of this section, a receivership shall terminate when:
- (1) The Court determines that the receivership is no longer necessary because the grounds on which the appointment of the receiver was based no longer exist, that the receiver has received proper compensation for the services provided, and that the District of Columbia has been reimbursed for all expenses related to the appointment of the receiver; or
  - (2) The Court determines on recommendation from the receiver that the violations giving rise to the appointment of the receiver cannot be abated and serves a copy of the order within 10 days on the



Director of the Department of Consumer and Regulatory Affairs.

(b)(1) Notwithstanding subsection (a) of this section, a receivership of a rental housing accommodation shall not be terminated in favor of any person who was the owner of the rental housing accommodation or his representative at the time the petition was filed under § 42-3651.03, or, in the discretion of the Court, any person who is or was an affiliate of the owner, agent, lessor, or manager, unless he or she first reimburses the District of Columbia for the expenses incurred in creating the receivership.

(2) The Court may in addition require that, before a person specified in paragraph (1) of this subsection resumes control of a rental housing accommodation, he or she post bond in an amount the Court deems appropriate as security against noncompliance with the law. If the receivership is not reinstated under subsection (c) of this section, the bond money shall be returned with all applicable interest.

(c) Should it appear that, within 2 years after a receivership is terminated in favor of a person specified in subsection (b)(1) of this section, that person is not maintaining the affected rental housing accommodation in substantial compliance with all applicable laws, and should the Court so find after granting notice and a hearing to all parties to the earlier receivership proceeding, the previous order appointing a receiver may be reinstated. A receiver thus reappointed may use all or part of any bond posted pursuant to subsection (b)(2) of this section to remedy the deficiencies.

(Apr. 27, 2001, D.C. Law 13-281, § 507, 48 DCR 1888.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.

**§ 42-3651.08. FINAL ACCOUNTING.**

Within 30 calendar days after termination of a receivership, the receiver shall give the Court a complete accounting of all property with which he or she has been entrusted, all funds collected, and all expenses incurred.

(Apr. 27, 2001, D.C. Law 13-281, § 508, 48 DCR 1888.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For Law 13-281, see notes following § 42-3131.05.