

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 47.
TAXATION, LICENSING, PERMITS,
ASSESSMENTS, AND FEES.

CHAPTER 35.
LOWER INCOME HOMEOWNERSHIP TAX
ABATEMENT AND INCENTIVES.

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DISTRICT OF COLUMBIA OFFICIAL CODE
CHAPTER 35. LOWER INCOME HOMEOWNERSHIP
TAX ABATEMENT AND INCENTIVES.

TABLE OF CONTENTS

§ 47-3501. Findings.

§ 47-3502. Lower income homeownership households--Qualifications.

§ 47-3503. Exemptions for qualifying lower income homeownership households and cooperative housing associations.

§ 47-3504. Exemptions for qualifying lower income homeownership households and cooperative housing associations--Administration and enforcement.

§ 47-3505. Nonprofit housing organizations--Qualifications; exemptions.

§ 47-3506. Administration and enforcement--Qualifying nonprofit housing organizations and cooperative housing associations.

§ 47-3506.01. Resident management corporations--Qualifications; exemptions.

§ 47-3507. Certification of program providing low income rental housing.

§ 47-3508. Regulations.

CHAPTER 35. LOWER INCOME HOMEOWNERSHIP TAX ABATEMENT AND INCENTIVES.

§ 47-3501. FINDINGS.

The Council of the District of Columbia finds that:

- (1) Homeownership can be afforded by very few lower income families in the District of Columbia.
- (2) Homeownership stabilizes families and, in turn, stabilizes neighborhoods, contributing to improved housing conditions and safer, better quality neighborhoods.
- (3) The District of Columbia government budgets for the fiscal years ending September 30, 1983, and September 30, 1984, do not have funds available for significant new homeownership initiatives.
- (4) Homeownership for lower income families can be achieved, on a limited basis, through the work of nonprofit housing organizations and through private investments in shared equity arrangements which are encouraged by existing federal and District of Columbia income tax laws.
- (5) Additional support for nonprofit housing organizations, and private investors in shared equity arrangements, through property tax abatements and other incentives can serve to expand homeownership for lower income families at little or no additional cost to the District of Columbia.
- (6) Expansion of homeownership opportunities for lower income families is beneficial to the public peace, health, safety and general welfare.
- (7) The purpose of this act is to expand homeownership opportunities for lower income families to the maximum extent possible at the lowest possible direct cost to the District of Columbia.

(Oct. 8, 1983, D.C. Law 5-31, § 2, 30 DCR 3879; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3501.

Legislative History of Laws

Law 5-31, the "Lower Income Homeownership Tax Abatement and Incentives Act of 1983," was introduced in Council and assigned Bill No. 5-167, which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on June 28, 1983 and July 12, 1983, respectively. Signed by the Mayor on July 21, 1983, it was assigned Act No. 5-53 and transmitted to both Houses of Congress for its review.

References in Text

"Act," referred to in paragraph (7), means D.C. Law 5-31.

§ 47-3502. LOWER INCOME HOMEOWNERSHIP HOUSEHOLDS-- QUALIFICATIONS.

(a) In order to qualify as a lower income homeownership household in the District of Columbia, a lower income household must meet the following conditions:

- (1) The income of the household shall not be in excess of 120% of the lower income guidelines established pursuant to 42 U.S.C. § 1437f, for the Washington Standard Metropolitan Statistical Area (SMSA), as the median is determined by the United States Department of Housing and Urban

Development and adjusted yearly by historic trends of that median, and as further may be adjusted by an interim census of District of Columbia incomes by local or regional government agencies; and

(2) The household shall occupy the unit and shall either:

(A) Become an owner in fee simple; or

(B) Receive, pursuant to a shared equity financing agreement which complies with the requirements of 26 U.S.C. § 280A(d)(3), at least a 5% qualified ownership interest, the right to occupy the unit, and an option to purchase the remaining ownership interest at a specified later date.

(b) Notwithstanding the requirements of subsection (a) of this section, a household may qualify as a lower income household in the District of Columbia if it meets each of the following requirements:

(1) The household occupies a residential property including a single-family home, condominium, or cooperative, located in an economic development zone approved pursuant to § 6-1501;

(2) The property is the principal place of residence of its owner;

(3) The property is owned in fee simple, or the equivalent with respect to occupancy rights in a cooperative, by a first time home buyer; and

(4) The household income does not exceed 110% of the area median income guidelines established pursuant to § 42-2604.

(c) This chapter shall not apply if the fair market value of the unit or residential property exceeds 80% of the median sale price for homes within the District of Columbia in the prior year as of the date that the application for exemption is filed.

(Oct. 8, 1983, D.C. Law 5-31, § 3, 30 DCR 3879; Oct. 20, 1988, D.C. Law 7-177, § 11, 35 DCR 6158; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575; Apr. 4, 2003, D.C. Law 14-282, § 11(uu), 50 DCR 896; Oct. 20, 2005, D.C. Law 16-33, § 1281(b), 52 DCR 7503.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3502.

Effect of Amendments

D.C. Law 14-282 added subsec. (c).

D.C. Law 16-33, in subsec. (c), substituted "80% of the median sale price for homes within the District of Columbia in the prior year" for "\$250,000".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 12(ccc) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see § 12(ccc) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 12(bbb) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(ccc) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(ccc) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

For temporary (90 day) amendment of section, see §§ 1281(b), 1282, 1283 of Fiscal Year 2006 Budget Support Emergency Act of 2005 (D.C. Act 16-168, July 26, 2005, 52 DCR 7667).

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

Law 7-177, the "Economic Development Zone Incentives Amendment Act of 1988," was introduced in Council and assigned Bill No. 7-208, which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on June 28, 1988 and July 12, 1988, respectively. Signed by the Mayor on August 2, 1988, it was assigned Act No. 7-237 and transmitted to both Houses of Congress for its review.

For Law 14-282, see notes following § 47-902.

For Law 16-33, see notes following § 47-308.01.

Miscellaneous Notes

Mayor authorized to issue rules: Section 13 of D.C. Law 7-177 provided that the Mayor shall issue rules to implement the provisions of the act.

Applicability and expiration of subtitle HH of title I, §§ 1280 to 1284, of D.C. Law 16-33: Sections 1282 and 1283 of D.C. Law 16-33, as amended by D.C. Law 17-219, § 7068(f), (g), provide:

"Sec. 1282. Applicability; conditional effect.

"(a) Section 1281 shall apply for taxable years beginning after September 30, 2005.

"(b) Repealed.

"Sec. 1283. Repealed."

§ 47-3503. EXEMPTIONS FOR QUALIFYING LOWER INCOME HOMEOWNERSHIP HOUSEHOLDS AND COOPERATIVE HOUSING ASSOCIATIONS.

(a)(1) Deeds to property transferred to a qualifying lower income homeownership household shall be exempt from the deed recordation tax pursuant to § 42-1102, if it meets the requirements of § 47-3502.

(2) Deeds to property transferred to a cooperative housing association, as that term is defined in § 47-803(2), shall be exempt from the deed recordation tax pursuant to § 42-1102, if the cooperative housing association qualifies for the real property tax exemption pursuant to subsection (c) of this section or if a return under oath, certifying the association's intent to qualify for the real property tax exemption pursuant to subsection (c) of this section within 1 year, accompanies the deed at the time of its offer for recordation.

(3) Recordation of a construction loan deed of trust or mortgage, as that term is defined in § 42-1101(9), or a permanent loan deed of trust or mortgage, as that term is defined in § 42-1101(10), shall be exempt from the deed recordation tax pursuant to § 42-1102, if the property securing the deed of trust or mortgage is owned by or is being simultaneously transferred to a qualifying lower income homeownership household or a cooperative housing association qualified for the real property tax exemption pursuant to subsection (c) of this section or if a return under oath, certifying the association's intent to qualify for the real property tax exemption pursuant to subsection (c) of this section, within 1 year, accompanies the deed at the time of its offer for recordation.

(b)(1) Transfers of property to a qualifying lower income homeownership household shall be exempt from the transfer tax pursuant to § 47-902, if:

(A) The household meets the requirements of § 47-3502; and

(B) The purchaser in fee simple or the persons acquiring qualified ownership interests under a shared equity financing agreement receive a credit against the purchase price of the property in an amount equal to the total tax which would have been due without regard to this section.

(2) Transfers of property to a cooperative housing association, as that term is defined in § 47-803(2), shall be exempt from the transfer tax pursuant to § 47-902, if:

(A) The cooperative housing association qualifies for the real property tax exemption pursuant to subsection (c) of this section or if a return under oath, certifying the association's intent to qualify for the real property tax exemption pursuant to subsection (c) of this section, within 1 year, accompanies the deed at the time of its offer for recordation; and

(B) The purchaser receives a credit against the purchase price of the property in an amount equal to the total tax that would have been due without regard to this paragraph.

(c)(1) For purposes of this subsection, the term "cooperative housing association" has the same meaning given the term in § 47-803(2).

(2) Property transferred to a qualifying lower income homeownership household shall be exempt from real property tax pursuant to § 47-1002, if:

(A) The household meets the requirements of § 47-3502; and

(B) In the case of a qualifying lower income homeownership household under § 47-3502(2)(B), the household receives a credit against rent equal to that percentage of the real property tax that would have been due on the property without regard to this section which bears the same relation to the total real property tax that would have been due on the property without regard to this section as 100% minus the percentage of the household's qualified ownership interest bears to 100%.

(3) The exemption provided by this subsection shall apply to property owned by a cooperative housing association if at least 50% of the dwelling units contained therein are occupied by households which meet the income limitations and conditions of transfer described in § 47-3502 and the credit against rent requirement described in paragraph (2)(B) of this subsection.

(4) The exemption provided by this subsection shall be in effect only until the end of the fifth tax year following the year in which the property was transferred to the household and only so long as the same household is an owner and occupant of the property or in the case of a cooperative housing association, only so long as at least 50% of the dwelling units contained therein are occupied by households which meet the income limitations and conditions of transfer described in § 47-3502 and the credit against rent requirement described in paragraph (2)(B) of this subsection.

(5)(A) A real property receiving the exemption under this subsection shall be deemed to be receiving the homestead deduction under § 47-850 or § 47-850.01 for purposes of § 47-864; provided, that there is an approved and current homestead application on file applicable to the entire tax year following the expiration of the exemption.

(B) The application of subparagraph (A) of this paragraph shall be limited as follows:

(i) The credit under § 47-864 that may result for the tax year beginning October 1, 2006 shall be nonrefundable and shall be applied to the real property tax owed for the tax year beginning October 1, 2007, and thereafter.

(ii) No credit under § 47-864 shall be allowed for a tax year prior to the tax year beginning October 1, 2006.

(iii) Subparagraph (A) of this paragraph shall not apply if the ownership has not been continuous from the date that the exemption provided by this subsection has been validly in effect.

(Oct. 8, 1983, D.C. Law 5-31, § 4, 30 DCR 3879; Mar. 16, 1989, D.C. Law 7-205, § 3(a), 36 DCR 457; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575; Mar. 2, 2007, D.C. Law 16-192, § 1102, 53 DCR 6899; July 18, 2008, D.C. Law 17-180, § 2, 55 DCR 6255.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3503.

Effect of Amendments

D.C. Law 16-192 added subsec. (c)(5).

D.C. Law 17-180, in subsec. (c)(5), designated subpar. (A) and added subpar. (B).

Temporary Amendments of Section

Section 2 of D.C. Law 16-258, in subsec. (c)(5), designated the existing text as subpar. (A), and added subpar. (B) to read as follows:

"(B) The application of subparagraph (A) of this paragraph shall be limited as follows:

"(i) The credit under § 47-864 that may result for the tax year beginning October 1, 2006 shall be nonrefundable and shall be applied to the real property tax owed for the tax year beginning October 1, 2007, and thereafter.

"(ii) No credit under § 47-864 shall be allowed for a tax year prior to the tax year beginning October 1, 2006.

"(iii) Subparagraph (A) of this paragraph shall not apply if the ownership has not been continuous from the date that the exemption provided by this subsection has been validly in effect."

Section 4(b) of D.C. Law 16-258 provides that the act shall expire after 225 days of its having taken effect.

Section 2 of D.C. Law 17-95, in subsec. (c)(5), designated the existing text as subpar. (A) and added subpar. (B) to read as follows:

"(B) The application of subparagraph (A) of this paragraph shall be limited as follows:

"(i) The credit under § 47-864.01 that may result for the tax year beginning October 1, 2006 shall be nonrefundable and shall be applied to the real property tax owed for the tax year beginning October 1, 2007, and thereafter.

"(ii) No credit under § 47-864.01 shall be allowed for a tax year prior to the tax year beginning October 1, 2006.

"(iii) Subparagraph (A) of this paragraph shall not apply if the ownership has not been continuous from the date that the exemption provided by this subsection has been validly in effect."

Section 4(b) of D.C. Law 17-95 provides that the act shall expire after 225 days of its having taken effect.

Emergency Act Amendments

For temporary (90 day) amendment of sections, see § 1102 of Fiscal Year 2007 Budget Support Emergency Act of 2006 (D.C. Act 16-477, August 8, 2006, 53 DCR 7068).

For temporary (90 day) amendment of section, see § 1102 of Fiscal Year 2007 Budget Support

Congressional Review Emergency Act of 2006 (D.C. Act 16-499, October 23, 2006, 53 DCR 8845).

For temporary (90 day) amendment of section, see § 2 of Lower Income Homeownership Cooperative Housing Association Re-Clarification Emergency Act of 2006 (D.C. Act 16-574, December 19, 2006, 54 DCR 22).

For temporary (90 day) amendment of section, see § 1102 of Fiscal Year 2007 Budget Support Congressional Review Emergency Act of 2007 (D.C. Act 17-1, January 16, 2007, 54 DCR 1165).

For temporary (90 day) amendment of section, see § 2 of Lower Income Homeownership Cooperative Housing Association Re-Clarification Emergency Act of 2007 (D.C. Act 17-147, October 17, 2007, 54 DCR 10756).

For temporary (90 day) repeal of section 3 of D.C. Law 17-180, see § 7022 of Fiscal Year 2010 Budget Support Second Emergency Act of 2009 (D.C. Act 18-207, October 15, 2009, 56 DCR 8234).

For temporary (90 day) repeal of section 3 of D.C. Law 17-180, see § 7022 of Fiscal Year Budget Support Congressional Review Emergency Amendment Act of 2009 (D.C. Act 18-260, January 4, 2010, 57 DCR 345).

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

Law 7-205, the "Cooperative Housing Assessment Procedure and Lower Income Homeownership Tax Abatement and Incentives Act of 1988," was introduced in Council and assigned Bill No. 7-548, which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on November 29, 1988 and December 13, 1988, respectively. Signed by the Mayor on January 6, 1989, it was assigned Act No. 7-276 and transmitted to both Houses of Congress for its review.

For Law 16-192, see notes following § 47-2608.

Law 17-180, the "Lower Income Homeownership Cooperative Housing Association Re-Clarification Act of 2008", was introduced in Council and assigned Bill No. 17- 71 which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on April 1, 2008, and May 6, 2008, respectively. Signed by the Mayor on May 20, 2008, it was assigned Act No. 17- 373 and transmitted to both Houses of Congress for its review. D.C. Law 17-180 became effective on July 18, 2008.

Miscellaneous Notes

Exemptions granted to Sursum Corda Cooperative Association, Inc: D.C. Law 9- 20, effective August 17, 1991, temporarily clarified that the Sursum Corda Cooperative Association, Inc., qualifies as a cooperative housing association for the exemption from deed recordation, transfer, and real property taxes, and provided the Sursum Corda Cooperative Association, Inc., with equitable relief from water and sewer service charges. Section 4(b) of D.C. Law 9-20 provided that the act shall expire on the 225th day of its having taken effect or upon the date of the Sursum Corda Cooperative Association, Inc. Act of 1991, whichever occurs first.

D.C. Law 9-60, effective Mar. 7, 1992, the Sursum Corda Cooperative Association, Inc., Clarification Act of 1991, clarified that the Sursum Corda Cooperative Association, Inc., qualifies as a cooperative housing association for the exemption from deed recordation, transfer, and real property taxes, and provided the Sursum Corda Cooperative Association, Inc., with equitable relief from water and sewer service charges.

Short title: Section 1101 of D.C. Law 16-192 provided that subtitle I of title I of the act may be cited as the "Lower Income Homeownership Cooperative Housing Association Clarification Act of 2006".

Section 3 of D.C. Law 17-180 provides:

"Sec. 3. Applicability.

"This act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan."

Section 7022 of D.C. Law 18-111 repealed section 3 of D.C. Law 17-180.

§ 47-3504. EXEMPTIONS FOR QUALIFYING LOWER INCOME HOMEOWNERSHIP HOUSEHOLDS AND COOPERATIVE HOUSING ASSOCIATIONS--ADMINISTRATION AND ENFORCEMENT.

(a) The Mayor shall assume that a shared equity financing agreement meets the requirements of §§ 47-3502 and 47-3503 if the persons acquiring qualified ownership interests in the property pursuant to the shared equity financing agreement certify that the agreement is intended to do so. The Mayor may verify the contents of the certification and the shared equity financing agreement.

(b) If within 3 years of the filing of the certification under subsection (a) of this section the Mayor determines that the shared equity financing agreement does not meet the requirements of §§ 47-3502 and 47-3503, the Mayor shall disallow the exemptions granted under § 47-3503.

(c) If the noncompliance with any requirement of § 47-3502 or § 47-3503 is cured within 90 days of the

receipt of a notice of noncompliance from the Mayor, the exemptions shall not be disallowed.

(d) For exemptions granted under § 47-3503(a) or (b), or both, and disallowed under subsection (b) of this section, there shall be due to the Mayor the total tax which would have been due without the exemptions, plus a penalty equal to 10% of the tax. For exemptions granted under § 47-3503(c) and disallowed under subsection (b) of this section, the property shall be reclassified in accordance with the provisions of § 47-813, and shall be taxed at the appropriate rate of taxation for that class, plus a penalty equal to 10% of the tax.

(e) In regard to a shared equity financing agreement's compliance with the requirements of 26 U.S.C. § 280A(d)(3), for the purposes of this section and § 47-802(5), the Mayor shall assume that the compliance exists unless a contrary ruling or determination has been made by the Internal Revenue Service or other competent federal authority.

(f) If any person, organization, association, corporation, or other entity shall willfully make a false statement concerning any information required to be supplied on the certification under subsection (a) of this section, the person, organization, association, corporation, or other entity shall be deemed guilty of the offense of making false statements and, upon conviction thereof, shall be subject to the penalties for that offense provided for by § 22-2405(b).

(g) If the household which is exempt under this chapter no longer qualifies under the income limitations set forth under § 47-3502, the Mayor shall rescind the exemption as of the first full tax year following the date the household ceased to continue to qualify for the exemption. The real property tax shall be owed in the same manner as real property tax is owed for an erroneous or improper homestead deduction under § 47-850.02(c).

(h) The Mayor may contract with a collection agency to determine the eligibility or continued eligibility for the exemption granted under this chapter in the same manner and to the same extent as provided under § 47-850.02(d) for homestead deduction audits.

(Oct. 8, 1983, D.C. Law 5-31, § 5, 30 DCR 3879; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575; Apr. 4, 2003, D.C. Law 14-282, § 11(w), 50 DCR 896.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3504.

Effect of Amendments

D.C. Law 14-282 added subsecs. (g) and (h).

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 12(ddd) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see § 12(ddd) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 12(ccc) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(ddd) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(ddd) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

For Law 14-282, see notes following § 47-902.

§ 47-3505. NONPROFIT HOUSING ORGANIZATIONS--QUALIFICATIONS; EXEMPTIONS.

(a) In order to qualify for an exemption under this section, a nonprofit housing organization shall have been approved by the Internal Revenue Service as exempt from federal income tax under 26 U.S.C. § 501(c)(3) or (4).

(b) Transfers of property to a qualifying nonprofit housing organization shall be exempt from the transfer tax pursuant to § 47-902, if:

(1) A return under oath, certifying the organization's intent to transfer the property, within 36 months, to a household (or to households in at least 35% of the units in a multifamily property) subject to the income limitations and conditions of transfer described in § 47-3502 or to a cooperative housing association exempt from the deed recordation tax pursuant to § 47-3503(a)(2), accompanies the deed at the time of its offer for recordation; and

(2) The purchaser receives a credit against the purchase price of the property in an amount equal to the total tax that would have been due without regard to this subsection.

(c)(1) Deeds of property transferred to a qualifying nonprofit housing organization shall be exempt from the deed recordation tax pursuant to § 42-1102, if a return under oath, certifying the organization's intent to transfer the property within 36 months to a household (or to households in at least 35% of the units in a multifamily property) subject to the income limitations and conditions of transfer described in § 47-3502 or to a cooperative housing association exempt from the deed recordation tax pursuant to § 47-3503(a)(2), accompanies the deed at the time of its offer for recordation.

(2) Recordation of a construction loan deed of trust or mortgage, as that term is defined in § 42-1101(9), or a permanent loan deed of trust or mortgage, as that term is defined in § 42-1101(10), shall be exempt from the deed recordation tax pursuant to § 42-1102, if the property securing the deed of trust or mortgage is owned by or is being simultaneously transferred to a qualifying nonprofit housing organization.

(d) Property transferred to a qualifying nonprofit housing organization shall be exempt from the real property tax pursuant to § 47-1002, through the end of the third tax year following the year in which the property was transferred to the organization if a return under oath, certifying the organization's intent to transfer the property within 1 year to a household (or to households in at least 35% of the units in a multifamily property) subject to the income limitations and conditions of transfer in § 47-3502 or to a cooperative housing association exempt from the deed recordation tax pursuant to § 47-3503(a)(2), accompanies the deed at the time of its offer for recordation.

(e) A qualifying nonprofit housing organization shall be exempt from the provisions of Chapter 17 of Title 42.

(f)(1) Subject to the requirements of paragraphs (2) and (3) of this subsection, any nonprofit organization that has been denied exemption from District of Columbia real property taxes pursuant to § 47-1002 and has acquired property to develop more than 10 units of housing for affordable or lower income homeownership households in the District of Columbia and subdivides the acquired property into more than 10 units shall have 2 years from the date of the subdivision of the property to hold the property as exempt from the recordation, transfer, and real property taxes associated with the acquisition and development of the property for low-income or affordable housing.

(2) Recordation, transfer, and real property tax assessments associated with the acquisition of a property under paragraph (1) of this subsection shall not be assessed against a nonprofit organization that acquires property and subdivides it for resale into more than 10 units to low-income home owners when the first low-income home owner purchases a home within 2 years of the subdivision of the real property into lots on the records and cadastral maps of the Office of Tax and Revenue.

(3) Real property owned or acquired by a nonprofit organization shall be exempt from recordation, transfer and real property taxes if the nonprofit organization subdivides the property into more than 10 units of low-income housing and completes the sale of all units of low-income housing on the property within 4 years from the date of acquisition.

(Oct. 8, 1983, D.C. Law 5-31, § 6, 30 DCR 3879; Mar. 16, 1989, D.C. Law 7-205, § 3(b), 36 DCR 457; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575; Oct. 20, 2005, D.C. Law 16-33, §§ 1182, 1281(c), 52 DCR 7503; Mar. 2, 2007, D.C. Law 16-191, § 5(f), 53 DCR 6794.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3505.

Effect of Amendments

D.C. Law 16-33, § 1182, added subsec. (f).

D.C. Law 16-33, § 1281(c), in subsecs. (b)(1) and (c)(1), substituted "within 36 months" for "within 1 year"; and, in subsec. (d), substituted "third tax year" for "first tax year".

D.C. Law 16-191, in subsec. (f), validated a previously made technical correction.

Temporary Amendments of Section

Section 2 of D.C. Law 15-345 added subsec. (f) to read as follows:

"(f)(1) Beginning October 1, 2002, any nonprofit organization that has (i) acquired property to develop more than 10 units of housing for affordable or lower income home ownership in the District of Columbia, (ii)

subdivided the acquired property into more than 10 units, and (iii) been denied exemption from District of Columbia real property taxes pursuant to § 47-1002 shall have 2 years from the date of the subdivision of the property to hold the property without liability for the recordation, transfer, or real property taxes associated with the acquisition and development of the property.

"(2) Beginning October 1, 2002, no recordation, transfer, or real property taxes associated with the acquisition of properties pursuant to paragraph (1) of this subsection shall be assessed against the nonprofit organization if it is not liable for taxes pursuant to paragraph (1) of this subsection."

Section 5(b) of D.C. Law 15-345 provides that the act shall expire after 225 days of its having taken effect.

Section 4(a) of D.C. Law 16-102 rewrote subsec. (f) to read as follows:

"(f)(1) Subject to the requirements of paragraphs (2) and (3) of this subsection, any nonprofit organization that has been denied exemption from District of Columbia real property taxes pursuant to § 47-1002 and has acquired property to develop more than 10 units of housing for affordable or lower income homeownership households in the District of Columbia and subdivides the acquired property into more than 10 units shall have 2 years from the date of the subdivision of the property to hold the property as exempt from the recordation, transfer, and real property taxes associated with the acquisition and development of the property for low-income or affordable housing.

"(2) Recordation, transfer, and real property tax assessments associated with the acquisition of a property under paragraph (1) of this subsection shall not be assessed against a nonprofit organization that acquires property and subdivides it for resale into more than 10 units to low-income home owners when the first low-income home owner purchases a home within 2 years of the subdivision of the real property into lots on the records and cadastral maps of the Office of Tax and Revenue.

"(3) Real property owned or acquired by a nonprofit organization shall be exempt from recordation, transfer and real property taxes if the nonprofit organization subdivides the property into more than 10 units of low-income housing and completes the sale of all units of low-income housing on the property within 4 years from the date of acquisition."

Section 11(b) of D.C. Law 16-102 provides that the act shall expire after 225 days of its having taken effect.

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 2 of Nonprofit Housing Organizations Tax Exemption Emergency Act of 2004 (D.C. Act 15-732, January 19, 2005, 52 DCR 1962).

For temporary (90 day) amendment of section, see §§ 1182, 1183, 1281(c), 1282, 1283 of Fiscal Year 2006 Budget Support Emergency Act of 2005 (D.C. Act 16-168, July 26, 2005, 52 DCR 7667).

For temporary (90 day) amendment of section, see § 4 of Finance and Revenue Technical Amendments Emergency Amendment Act of 2006 (D.C. Act 16-260, January 26, 2006, 53 DCR 780).

For temporary (90 day) amendment of section, see § 4 of Finance and Revenue Technical Amendments Congressional Review Emergency Amendment Act of 2006 (D.C. Act 16-361, April 26, 2006, 53 DCR 3619).

For temporary (90 day) amendment of section, see § 3(b) of Finance and Revenue Technical Amendments Second Emergency Amendment Act of 2006 (D.C. Act 16-585, December 28, 2006, 54 DCR 340).

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

For legislative history of D.C. Law 7-205, see Historical and Statutory Notes following § 47-3503.

Law 15-345, the "Nonprofit Housing Organizations Tax Exemption Temporary Act of 2004", was introduced in Council and assigned Bill No. 15-1180 and was retained by Council. The Bill was adopted on first and second readings on December 21, 2004, and January 4, 2005, respectively. Signed by the Mayor on January 19, 2005, it was assigned Act No. 15-763 and transmitted to both Houses of Congress for its review. D.C. Law 15-345 became effective on April 12, 2005.

For Law 16-33, see notes following § 47-308.01.

For Law 16-191, see notes following § 47-2425.

Miscellaneous Notes

Short title of subtitle W of title I of Law 16-33: Section 1181 of D.C. Law 16-33 provided that subtitle W of title I of the act may be cited as the Dupont Commons Low-Income Housing Tax Relief Act of 2005.

Applicability and expiration of subtitle HH of title I, §§ 1280 to 1284, of D.C. Law 16-33: Sections 1282 and 1283 of D.C. Law 16-33, as amended by D.C. Law 17-219, § 7068(f), (g), provide:

"Sec. 1282. Applicability; conditional effect.

"(a) Section 1281 shall apply for taxable years beginning after September 30, 2005.

"(b) Repealed.

"Sec. 1283. Repealed."

Section 1183 of D.C. Law 16-33 provides that § 1182 shall apply to real property exemption applications filed on or after January 1, 2001.

§ 47-3506. ADMINISTRATION AND ENFORCEMENT--QUALIFYING NONPROFIT HOUSING ORGANIZATIONS AND COOPERATIVE HOUSING ASSOCIATIONS.

(a)(1) If a qualifying nonprofit housing organization fails to transfer the property within 36 months as required by § 47-3505, the Mayor shall disallow the exemptions provided by § 47-3505 and the organization shall pay to the Mayor:

(A) The total tax which would have been due without the exemption;

(B) Interest at the rate of $1\frac{1}{4}$ % per month, or fraction of a month, from the date prescribed for the payment of the tax without regard to the exemptions until the date paid; and

(C) A penalty equal to 10% of the tax. The Mayor may, for good cause shown, extend the time for transfer of the property for an additional period not to exceed 6 months, if the cooperative housing association files a request for extension, in writing, with the Mayor within 30 days after the expiration of the 36-month period.

(2) If a cooperative housing association fails to qualify for the real property tax exemption within 36 months as required by § 47-3503, the Mayor shall disallow the exemption provided by § 47-3503 and the association shall pay to the Mayor:

(A) The total tax which would have been due without the exemptions;

(B) Interest at the rate of $1\frac{1}{4}$ % per month, or fraction of a month, from the date prescribed for the payment of the tax without regard to the exemptions until the date paid; and

(C) A penalty equal to 10% of the tax. The Mayor may, for good cause shown, extend the time for transfer of the property for an additional period not to exceed 6 months, if the cooperative housing association files a request for extension, in writing, with the Mayor within 30 days after the expiration of the 36-month period.

(b) If an association or organization shall willfully make a false statement concerning any information required to be supplied on the certification under § 47-3503 or § 47-3505, the association or organization shall be deemed guilty of the offense of making false statements and, upon conviction, shall be subject to the penalty for that offense provided in § 22-2405(b).

(Oct. 8, 1983, D.C. Law 5-31, § 7, 30 DCR 3879; Mar. 16, 1989, D.C. Law 7-205, § 3(c), 36 DCR 457; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575; Oct. 20, 2005, D.C. Law 16-33, § 1281(d), 52 DCR 7503.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3506.

Effect of Amendments

D.C. Law 16-33, in subsec. (a), substituted " within 36 months" for "within 1 year"; and, in subsecs. (a)(1)(C) and (a)(2)(C), substituted "6 months" for "90 days" and substituted "36-month period" for "1-year period".

Emergency Act Amendments

For temporary (90 day) amendment of section, see §§ 1281(d), 1282, 1283 of Fiscal Year 2006 Budget Support Emergency Act of 2005 (D.C. Act 16-168, July 26, 2005, 52 DCR 7667).

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

For legislative history of D.C. Law 7-205, see Historical and Statutory Notes following § 47-3503.

For Law 16-33, see notes following § 47-308.01.

Miscellaneous Notes

Applicability and expiration of subtitle HH of title I, §§ 1280 to 1284, of D.C. Law 16-33: Sections 1282 and 1283 of D.C. Law 16-33, as amended by D.C. Law 17-219, § 7068(f), (g), provide:

"Sec. 1282. Applicability; conditional effect.

"(a) Section 1281 shall apply for taxable years beginning after September 30, 2005.

"(b) Repealed.

"Sec. 1283. Repealed."

§ 47-3506.01. RESIDENT MANAGEMENT CORPORATIONS-- QUALIFICATIONS; EXEMPTIONS.

(a) In order to qualify for an exemption under this section, a resident management corporation shall meet the requirements of section 20 of the United States Housing Act of 1937 (42 U.S.C. § 1437r).

(b) Real property transferred to a qualifying resident management corporation pursuant to section 21 of the United States Housing Act of 1937 (42 U.S.C. § 1437s), shall be exempt from:

(1) The deed recordation tax pursuant to § 42-1102;

(2) The transfer tax pursuant to § 47-902; and

(3) The real property tax pursuant to § 47-1002, through the end of the 10th tax year following the year in which the property is transferred to the resident management corporation.

(c) This section shall apply to real property transferred to all qualifying resident management corporations on, before, or after June 11, 1992. Any taxes owed by a qualifying resident management corporation prior to the enactment of the Public Housing Homeownership Tax Abatement Amendment Act of 1992, which are exempted by the Public Housing Homeownership Tax Abatement Amendment Act of 1992, shall be forgiven. Any taxes paid by a qualifying resident management corporation prior to the enactment of the Public Housing Homeownership Tax Abatement Amendment Act of 1992, which are exempted by the Public Housing Homeownership Tax Abatement Amendment Act of 1992, shall be refunded.

(Oct. 8, 1983, D.C. Law 5-31, § 7a, as added June 11, 1992, D.C. Law 9- 120, § 2, 39 DCR 3195; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3506.1.

Legislative History of Laws

Law 9-120, the "Public Housing Homeownership Tax Abatement Amendment Act of 1992," was introduced in Council and assigned Bill No. 9-356, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on March 3, 1992, and April 7, 1992, respectively. Signed by the Mayor on April 24, 1992, it was assigned Act No. 9-194 and transmitted to both Houses of Congress for its review. D.C. Law 9-120 became effective on June 11, 1992.

References in Text

The "Public Housing Homeownership Tax Abatement Amendment Act of 1992," referred to in four places in (c), is D.C. Law 9-120, codified as §§ 34- 2413.02, 34-2105.05, 42-1102, 47-902, 47-1002 and this section.

Miscellaneous Notes

Mayor authorized to issue rules: Section 5 of D.C. Law 9-120 provided that the Mayor may issue rules to implement the provisions of the act.

§ 47-3507. CERTIFICATION OF PROGRAM PROVIDING LOW INCOME RENTAL HOUSING.

For the purposes of qualifying for the depreciation deduction provided by 26 U.S.C. § 167(k)(2)(B), an investor in a shared equity financing agreement, which qualifies for the benefits provided by the Lower Income Homeownership Tax Abatement and Incentives Act of 1983, and who meets the other requirements of 26 U.S.C. § 167(k)(2)(B), shall be deemed to have conducted rehabilitation pursuant to a program certified by the District of Columbia government if the investor certifies to the Mayor the amount of the rehabilitation expenditures.

(Oct. 8, 1983, D.C. Law 5-31, § 8, 30 DCR 3879; enacted, Apr. 9, 1997, D.C. Law 11-254, § 2, 44 DCR 1575.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 47-3507.

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

References in Text

The "Lower Income Homeownership Tax Abatement and Incentives Act of 1983," referred to in this section, is D.C. Law 5-31.

Delegation of Authority

Delegation of authority under Law 5-31, see Mayor's Order 83-270, November 16, 1983.

Miscellaneous Notes

Mayor authorized to issue rules: Section 9 of D.C. Law 5-31 provided that the Mayor shall issue rules necessary to carry out the provisions of §§ 47-3502 to 47-3507.

§ 47-3508. REGULATIONS.

The Mayor may promulgate regulations to carry out the purposes of this chapter.

(Apr. 4, 2003, D.C. Law 14-282, § 11(ww), 50 DCR 896.)

HISTORICAL AND STATUTORY NOTES

Temporary Addition of Section

For temporary (225 day) addition of section, see § 12(eee) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) addition of section, see § 12(eee) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) addition of this section, see § 12(ddd) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) addition of this section, see § 12(eee) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) addition of this section, see § 12(eee) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14- 510, October 23, 2002, 49 DCR 10247).

Legislative History of Laws

For legislative history of D.C. Law 5-31, see Historical and Statutory Notes following § 47-3501.

For Law 14-282, see notes following § 47-902.