

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

**TITLE 6.**  
**HOUSING AND BUILDING RESTRICTIONS**  
**AND REGULATIONS.**

**CHAPTER 15.**  
**ECONOMIC DEVELOPMENT ZONE INCENTIVES.**

**2001 Edition**

**DISTRICT OF COLUMBIA OFFICIAL CODE**  
**CHAPTER 15. ECONOMIC DEVELOPMENT ZONE**  
**INCENTIVES.**

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# CHAPTER 15. ECONOMIC DEVELOPMENT ZONE INCENTIVES.

## § 6-1501. ESTABLISHMENT OF ECONOMIC DEVELOPMENT ZONES.

The Council establishes the following economic development zones, which shall be eligible for tax and other development incentives:

- (1) The Alabama Avenue economic development zone, which is bordered on the north by the east side of Fort Stanton Park, S.E., and Suitland Parkway, S.E., and the northern property line of St. Elizabeths Hospital and Alabama Avenue, S.E., on the south by Southern Avenue, S.E., on the northeast along Fort Baker to 28th Street, S.E., south on 28th Street to Denver Street, S.E., south on Denver Street, S.E., to Naylor Road, S.E., and southeast on Naylor Road, S.E., to Southern Avenue, S.E., and on the west by South Capital Street, S.E., as designated in Mayor's Order 86-193, dated October 27, 1986 (33 DCR 7798);
- (2) The D.C. Village economic development zone, which is bordered by I-295 on the west and south, Martin Luther King, Jr., Avenue, S.W., on the east, and Laboratory Road, S.W., on the North, as designated in Mayor's Order 86-193, dated October 27, 1986 (33 DCR 7798);
- (3) The Anacostia economic development zone, from the west span of the 11th Street Bridge, south to Martin Luther King, Jr. Avenue, S.E., and S Street, S.E., east on S Street, S.E., to Naylor Road, S.E., south to Altamont Place, S.E., south to Good Hope Road, S.E., south along the west boundary of Fort Stanton Park to Suitland Parkway, southwest along the north side of Suitland Parkway, S.E., crossing Suitland Parkway, S.E., at Robinson Place, S.E., northwest along the north property-line of Saint Elizabeths Hospital to the start of the property line of Barry Farms, then to that portion of the west campus of Saint Elizabeths Hospital that includes approximately 40 acres adjacent to Barry Farms on the north property line, including the area in and around the Point; and adjacent to the I-295 expressway right of way on the south property line, to the west property line of Saint Elizabeths Hospital, south to the southern property line of Saint Elizabeths Hospital, east to Milwaukee Place, S.E., southeast to Martin Luther King, Jr., Avenue, S.E., south to Portland Street, S.E., west to South Capitol Street, S.E., north to Anacostia Drive, S.E., east to the west span of the 11th Street Bridge, provided that the inclusion of the approximately 40 acre portion of St. Elizabeths Hospital in the Anacostia economic development zone shall not be construed to affect in any manner the preparation and implementation of the master plan provided for by § 44-907, nor shall it be construed to in any way interfere with the policy set forth in § 2(3)(L) of the Final Mental Health System Implementation Plan Comment Resolution of 1986 (Res. 6-950; 34 DCR 179); and
- (4) Any other economic development zone within the District of Columbia that is recommended by the Mayor pursuant to § 6-1502 and approved by the Council, by resolution.

(Oct. 20, 1988, D.C. Law 7-177, § 2, 35 DCR 6158.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 5-1401.

#### *Legislative History of Laws*

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.

#### *Delegation of Authority*

Delegation of authority under the Economic Development Zones Incentives Amendment Act of 1988, D.C. Law 7-177, see Mayor's Order 90-161, October 31, 1990.

#### *Miscellaneous Notes*

Establishment of the Development Zones Administration: See Mayor's Order 90- 195, December 13, 1990.

Good Hope Marketplace Real Property Tax Abatement Qualification Resolution of 1996: Pursuant to Resolution 11-290, effective April 16, 1996, Council approved the qualification of Safeway Stores, Inc.'s Good Hope Marketplace project at 2845 Alabama Avenue, S.E., which is located in the Alabama Avenue Development Zone, as described in the Economic Development Zone Incentive Amendment Act of 1988, for an abatement of real property taxes pursuant to that act.

## **§ 6-1502. REQUIREMENTS FOR NEW ECONOMIC DEVELOPMENT ZONES.**

(a) The Mayor may recommend as an economic development zone eligible for tax and other development incentives any area within the District of Columbia in which exists pervasive poverty, unemployment, or general economic distress as evidenced by 1 or more of the following factors:

(1) The unemployment rate of the area is equal to at least 150% of the annual average unemployment rate in the District of Columbia for the immediately preceding calendar year, as determined by the District of Columbia Department of Employment Services.

(2) The poverty rate for families in the area is at least 20%, as determined by the United States Census Bureau.

(3) The income of at least 70% of the residents of the area is not more than 80% of the median income of residents of the District of Columbia, as determined by the United States Census Bureau.

(4) The population of the area has decreased at least 20% between the 2 most recent decennial census dates, as determined by the United States Census Bureau.

(b) Before recommending any area as an economic development zone, the Mayor shall make the following findings:

(1) That commercial or industrial development is significantly lacking in the area, but that there is a likely prospect of development if the incentives established by this chapter are available; and

(2) That there is a lack of owner-occupied housing in the area.

(c) Before recommending any area as an economic development zone, the Mayor shall also consider the following factors:

(1) The degree to which the residents of the area may benefit from the job opportunities of an economic development zone;

(2) The strength of neighborhood support for development efforts; and

(3) The level of private sector commitments to an economic development zone.

(Oct. 20, 1988, D.C. Law 7-177, § 3, 35 DCR 6158.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 5-1402.

#### *Legislative History of Laws*

For legislative history of D.C. Law 7-177, see Historical and Statutory Notes following § 6-1501.

## **§ 6-1503. TAX AND OTHER DEVELOPMENT INCENTIVES FOR REAL PROPERTY IN ECONOMIC DEVELOPMENT ZONES.**

(a) Any improved real property located within an economic development zone shall be qualified for tax and other development incentives if:

(1) The qualification is recommended by the Mayor and approved by the Council, by resolution;

(2) The real property is classified as Class 3 or Class 4 real property under § 47-813;

(3) The real property is used in conformity with the zoning regulations; and

(4)(A) Rehabilitation of the real property begins after October 20, 1988, and the actual costs of the rehabilitation of the property exceed 50% of the value of the property, as assessed by the Department of Finance and Revenue for the tax year ending immediately prior to commencement of the rehabilitation; or

(B) Construction on the real property begins after October 20, 1988.

(b) The resolution approving the qualification for tax and other development incentives pursuant to subsection (a)(1) of this section shall:

- (1) Identify the qualified real property by lot and square;
- (2) Identify the owner or owners of the qualified real property;
- (3) Identify each tax or charge to be reduced, deferred, or forgiven;
- (4) State the applicable tax year or tax period for each tax or charge to be reduced, deferred, or forgiven; and
- (5) State the dollar amount of each tax or charge reduction, deferral, or forgiveness.

(c) The following tax and other development incentives shall be available to the owner of qualified real property:

- (1) A reduction in real property taxes as provided in § 47-815(f);
- (2) Deferral or forgiveness of any real property tax owed as provided in § 436a of the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1051);
- (3) Deferral or forgiveness of any special assessment owed as provided in § 2a of An Act Relating to the levying and collecting of taxes and assessments, and for other purposes, approved June 25, 1938 (52 Stat. 1198);
- (4) Deferral or forgiveness of any cost or fee assessed to correct any condition that exists on real property in violation of law as provided in § 6-711.01(e); and
- (5) Deferral or forgiveness of any water or sanitary sewer charges due as provided in §§ 34-2407.02 and 34-2110.

(Oct. 20, 1988, D.C. Law 7-177, § 4, 35 DCR 6158.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 5-1403.

##### *Legislative History of Laws*

For legislative history of D.C. Law 7-177, see Historical and Statutory Notes following § 6-1501.

##### *References in Text*

The "District of Columbia Real Property Tax Revision Act of 1974", referred to in subsection (c)(2), is 88 Stat. 1051.

The "An Act Relating to the levying and collecting of taxes and assessments", referred to in subsection (c)(3), is 52 Stat. 1198.

##### *Transfer of Functions*

Pursuant to the Office of the Chief Financial Officer's "Notice of Public Interest" published in the April 18, 1997, issue of the District of Columbia Register (44 DCR 2345) the Office of Tax and Revenue assumed all of the duties and functions previously performed by the Department of Finance and Revenue, as set forth in Commissioner's Order 69-96, dated March 7, 1969. This action was made effective January 22, 1997, *nunc pro tunc*.

##### *Miscellaneous Notes*

King Office Limited Partnership Real Property Tax Abatement Forgiveness Qualification disapproval Resolution of 1996: Pursuant to Resolution 11-565, effective November 7, 1996, Council disapproved the Mayor's recommendation that real property taxes be forgiven and abated for the King Office Limited Partnership's newly constructed office building at 3720 Martin Luther King, Jr., Avenue, S.E., Washington, D.C., pursuant to the Economic Development Zone Incentives Amendment Act of 1988.

## **§ 6-1504. TAX INCENTIVES FOR BUSINESSES IN ECONOMIC DEVELOPMENT ZONES.**

(a) Any incorporated or unincorporated business entity that has a place of business located within an economic development zone shall be qualified for tax incentives if:

- (1) The qualification is recommended by the Mayor and approved by the Council, by resolution;
- (2) The business entity has entered an employment agreement with the District of Columbia pursuant to § 2-219.01; and
- (3) The business entity is subject to franchise taxes under either § 47-1807.01 et seq. or § 47-1808.01 et seq.

(b) The resolution approving the qualification for tax incentives pursuant to subsection (a)(1) of this section shall:

- (1) Identify the qualified incorporated or unincorporated business entity;
- (2) Identify each franchise tax credit to be granted; and
- (3) Include an estimate of the annual dollar value of each franchise tax credit.

(c) For purposes of an incorporated or unincorporated business entity's eligibility for the tax credits provided under §§ 47-1807.04, 47-1807.05, and 47-1808.04, the Mayor shall certify any employee who is a resident of the District of Columbia who received an annual income equal to or less than 150% of the lower living standard income level, as that term is defined in 29 U.S.C. § 1503, in the 12 months immediately preceding the commencement of his employment by the qualified incorporated or unincorporated business and is not a qualified summer youth as defined in 26 U.S.C. § 51.

(d) The following tax incentives shall be available to a qualified incorporated or unincorporated business:

- (1) Credits against the corporate franchise tax under §§ 47-1807.04, 47-1807.05, and 47-1807.06; and
- (2) Credits against the unincorporated business franchise tax under § 47-1808.07.

(Oct. 20, 1988, D.C. Law 7-177, § 5, 35 DCR 6158; Apr. 4, 2003, D.C. Law 14-282, § 4, 50 DCR 896.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 5-1404.

##### *Effect of Amendments*

D.C. Law 14-282, in subsec. (d)(1), substituted "§§ 47-1807.04, 47-1807.05, and 47-1807.06" for "§§ 47-1807.04 and 47-1807.05"; and in subsec. (d)(2), substituted "§ 47-1808.07" for "§ 47-1808.04".

##### *Temporary Amendments of Section*

For temporary (225 day) amendment of section, see § 4 of the Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, Oct. 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see § 4 of the Tax Clarity and Related Amendments Temporary Act of 2002 (D.C. Law 14-228, March 25, 2003, law notification 50 DCR 2741).

##### *Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 4 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 § 4 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 § 4 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 7-177, see Historical and Statutory Notes following § 6-1501.

Law 14-282, the "Tax Clarity and Recorder of Deeds Act of 2002", was introduced in Council and assigned Bill No. 14-537, which was referred to Committee on Finance and Revenue. The Bill was adopted on first and second readings on July 2, 2002, and October 1, 2002, respectively. Signed by the Mayor on January 22, 2003, it was assigned Act No. 14-616 and transmitted to both Houses of Congress for its review. D.C. Law 14-282 became effective on April 4, 2003.

##### *Miscellaneous Notes*

CEMI-Ridgecrest, Inc., Real Property Tax and Water and Sewer Changes Relief Qualification Approval Emergency Resolution of 1998: Pursuant to Resolution 12-605, effective July 7, 1998, the Council approved, on an emergency basis, the qualification of the Walter E. Washington Estates Project, in Square 6159, Lot No. 125, in the 800 block of Bellevue Street, S.E., which is located in the Alabama Avenue Development Zone, owned by CEMI-Ridgecrest, Inc., for forgiveness of water and sewer charges and forgiveness and reduction of real property taxes owed.

## **§ 6-1505. APPLICATION.**

Nothing in this chapter shall be construed as creating in any person, corporation, unincorporated association, partnership, or other entity any right or entitlement to the tax and other development incentives established by this chapter.

(Oct. 20, 1988, D.C. Law 7-177, § 12, 35 DCR 6158.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 5-1405.

*Legislative History of Laws*

For legislative history of D.C. Law 7-177, see Historical and Statutory Notes following § 6-1501.

**§ 6-1506. MAYOR AUTHORIZED TO ISSUE RULES.**

The Mayor shall, pursuant to subchapter I of Chapter 5 of Title 2, issue rules to implement the provisions of this chapter.

(Oct. 20, 1988, D.C. Law 7-177, § 13, 35 DCR 6158.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 5-1406.

*Temporary Addition of Sections*

For temporary (225 day) additions, see §§ 2 to 4 of Off-Premises Wall Sign Moratorium Temporary Act of 2000 (D.C. Law 13-261, April 3, 2001, law notification 48 DCR 3503).

For temporary (225 day) addition, see §§ 2, 3 of Bond Requirement for New Residential Property Construction on Unstable Soil Temporary Act of 2002 (D.C. Law 14-173, July 23, 2002, law notification 49 DCR 8267).

*Emergency Act Amendments*

For temporary (90 day) amendment of §§ 6-1601 to 1603, see §§ 2 to 4 of the Off-Premises Wall Sign Moratorium Emergency Act of 2000 (D.C. Act 13-494, November 29, 2000, 48 DCR 68).

For temporary (90 day) addition of provisions, see §§ 2 to 4 of Bond Requirement for New Residential Property Construction on Unstable Soil Emergency Act of 2002 (D.C. Act 14-348, April 24, 2002, 49 DCR 4412).

*Legislative History of Laws*

For legislative history of D.C. Law 7-177, see Historical and Statutory Notes following § 6-1501.