

## District Legislation

### Legislation for Council Period 18

To date, more than 670 bills and 725 proposed resolutions have been introduced since the beginning of Council Period which began in January 2009. Below are some of the potentially relevant pieces of legislation.

### “VACANT” – “BLIGHTED” Property Legislation

The Joint Hearing held by Councilmembers Bowser and Evans on January 27 on the issue of “vacant” and “blighted” property legislation below brought out more than 40 witnesses and lasted more than five hours (until around 7:30pm). More than 35 of the 40 plus witnesses spoke in opposition to legislation that targets “vacant” property that is not “blight”. (REALTORS’ position)

A SPECIAL NOTE of THANKS and RECOGNITION should be given to our REALTOR® team of six who testified in opposition to Councilmember Bowser’s legislation that targets “vacant” properties. All of these REALTOR® (and their clients) who testified were great.

Councilmember Bowser has come to recognize “blight” is a particular egregious problem, but continues to believe “vacant” properties themselves are problems that need to be addressed. In her words, “vacant” properties are something less than occupied properties and need to be recognized as such.

#### **B18-448, “Blighted Properties Abatement Reform Act of 2009.”**

<http://www.dccouncil.washington.dc.us/images/00001/20090924161043.pdf>

Introduced by Evans, M. Brown & Wells – referred to Public Services (Bowser) and then Finance (Evans)

#### **B18-546, “Neighborhood Preservation Amendment Act of 2009”.**

<http://www.dccouncil.washington.dc.us/images/00001/20091203161739.pdf>

Introduced by Mendelson, Bowser, Barry, Thomas, Catania, Graham, Brown – referred to Public Services

#### **B18-633, “Real Property Tax Reform Emergency Amendment Act of 2010”**

<http://www.dccouncil.washington.dc.us/images/00001/20100201122940.pdf>

## District Budget Issues

### Current Fiscal Year 2010 Budget Problems

According to the Council’s Emergency resolution, The District of Columbia faces a budget gap of between \$203 and \$223 million in the current fiscal year. That projected deficit grows to between \$556 and \$606 million by fiscal year 2011.

#### *Mayor’s Response to FY 2010 Problems – “We will not raise taxes”*

The Mayor proposed a series of actions to close the 2010 shortfall: slashing spending by \$99 million, restructuring debt and transferring up to \$100 million out of dedicated funds to the general fund. Council

members were skeptical of the mayor's solutions and frustrated that so many executive branch agencies have struggled to stay within budget.

## **Upcoming Fiscal Year 2011 Challenges**

### ***Potential Revenue Enhancements***

There are already groups such as the DC Fiscal Policy Institute proposing increases in the income tax and new taxes on sales taxes on services. Taxes on investment services, gym memberships, and salon services are most often mentioned. However, do not be surprised if and when real estate services become a target of revenue. Currently of the 170 most common service taxes in the country, the District employs 70 or so of these service taxes, while Maryland and Virginia have few to none.

### ***Gross Receipts Tax for Nationals Stadium Used to Plug Budget***

And to continue the litany of bad budget news, it is widely expected that the Mayor will continue to use any surplus from the Gross Receipts Tax for the Nationals Stadium Bond Financing to be used to plug gaps in the Fiscal Year 2011. Last year, the District received a surplus of more than \$10 million in Gross Receipts Tax which was then used to fund budget gaps in Fiscal Year 2010.

This obviously is to the dismay of many in the business community who believed any surplus in the Gross Receipts Tax surplus would be used to pay down the debt early (and subsequently eliminate the taxes to business early).

## **“Green” Legislation**

### **B18-580, "Energy Efficiency Financing Act of 2009".**

<http://www.dccouncil.washington.dc.us/images/00001/20091216154007.pdf>

Introduced by Gray at the request of the Mayor – referred to Finance and Revenue  
*Hearing January 22, 2010- First reading March 2, 2010*

To authorize and provide for the issuance, sale, and delivery of District of Columbia revenue bonds in one or more series, payable from special assessment revenues; to authorize the Mayor to use the bond proceeds to provide funding for the initial installation of clean energy improvements. This proposed legislation would allow the District to apply for a \$35 million federal grant and raise up to \$250 million from bond sales that would count against its fast approaching cap.

These PACE (Property Assessed Clean Energy Bonds) would allow property owners to borrow from the bond proceeds for energy upgrades, then repay bondholders through increased property taxes. This concept attempts to ensure that the payers of the loan and the property owners/beneficiaries of the energy savings remain one and the same regardless of how many times the building changes hands.

*Councilmember Cheh believes this could be the single biggest investment financial investment in energy efficiency the District could take, given the facts she stated that more than 75% of carbon emissions come from buildings. Bill proponents figure the system could retrofit 214 buildings and 4 million square feet its first year, removing 4 million megatons of carbon dioxide emissions.*

*Some would like to see an exclusively separate allowance for commercial property owners who want to pursue their own funding strategies and still be able to pay through a property tax hike.*

### **B18-377, Green Building Technical Corrections, Clarifications, and Revision Amendment”**

<http://www.dccouncil.washington.dc.us/images/00001/20090715150759.pdf>

Introduced by Gray at request of Mayor – referred to Environment

*Hearing Monday, December 14*

To amend the Green Building Act of 2006 and the Office of Property Management Establishment Act of 1998, to correct enrollment errors, and to provide certain technical corrections, clarifications and revisions; including applying Energy Star benchmarking requirements to public and private buildings.

*This legislation originally introduced at the request of the Mayor (read Department of the Environment) is now being revised to be re-introduced by Councilmember Cheh’s Committee on the Environment.*

*DCBIA is trying to address technical issues related to the requirement for Energy Star bench-marking of public and private buildings. DCBIA is also drafting a proposed amendment to the Green Building Act of 2006, which would provide a refundable compliance fee as an alternative to the performance bond now required by the act.*

### **Snow Removal Review**

#### **B18-596, “Winter Sidewalk Safety Amendment Act of 2010”**

<http://www.dccouncil.washington.dc.us/images/00001/20100106171539.pdf>

Introduced by Wells and Cheh, referred to Public Works and Transportation

*Hearing February 26, 2010*

This legislation was introduced in December to establish fines to enforce snow removal requirements; and to require the Mayor to issue rules. Needless to say, this hearing took on greater significance in the wake of February’s snowfall and the Mayor’s response to that snowfall.

*A recent poll of 441 DC residents gave what the DC Examiner called “so-so” marks on the Mayor’s snow removal efforts.*

### **Other Upcoming or Recently Held Hearings**

#### **Bill 18-500, “District of Columbia Official Code Title 29 (Business Organizations) Enactment Act of 2009”**. <http://www.dccouncil.washington.dc.us/images/00001/20091021171343.pdf>

Introduced by Bowser & Cheh – referred to Public Services and Consumer Affairs

*Hearing – 3-31-10*

The legislation represents a comprehensive re-write and re-statement of those DC Code Provisions regulating all forms of business organization through which for-profit and non-profit entities operate. The expressed goal of the legislation is to help create a “Delaware on the Potomac” that would attract more industries to incorporate and set up their businesses in the District. There has already been great debate if this model legislation has to be incorporated in full or in part.

*The committee has been meeting with small groups of businesses to get feedback on the proposed legislation.*

#### **B18-511, “Office of Zoning Independence Amendment Act”**

<http://www.dccouncil.washington.dc.us/images/00001/20091102164656.pdf>

Introduced by Gray, referred to Committee of Whole  
*Hearing 2- 24-10*

To require the appointment of the Director of the Office of Zoning to be subject to the advice and consent of the Council, to establish a term of office, and to provide that a director may holdover for no more than 180 days; and to amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to add the Director of the Office of Zoning to the list of employees deemed to be in the excepted service with a term as provided by this act.

**B18-524, “Clean Hands Amendment Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20091123125831.pdf>

Introduced by Evans – referred to Finance and Revenue  
*Hearing 2-18-10*

To reinstate the prohibition on the issuance of a license or permit to an applicant who has not filed a required District tax return.

**B18-530, “Real Property Tax Appeals Commission and Establishment Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20100105093854.pdf>

Introduced by Evans and Gray – referred to Finance and Revenue  
*Hearing 2-18-10*

To address the long standing issues surrounding the Board of Real Property Assessment and Appeal (BRPAA). Unfortunately, there continues to be concern in the real estate community over potential changes to the assessment appeals process. The District government, in particular the CFO and his office of real estate appraisers, continue to believe there are too many appeals and too lengthy a property assessment process that hinders District revenue collections. However, there appears to be a consensus in the real estate community that the initial problem lies with the inaccurate assessments by the District that cause the plethora of property assessment appeals.

*This issue will continue to be a flashpoint during these challenging economic times and District budget shortfalls.*

**B18-599, “Clean Hands and BID Empowerment Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20100105094049.pdf>

Introduced by Graham and Evans – referred to Finance and Revenue  
*Hearing February 18, 2010*

To reinstate the prohibition on the issuance of a license or permit to an applicant who has not filed a required District tax return or paid Business Improvement District taxes.

**Legislation Recently Passed or Soon to be Passed**

**B18-76, “Public Land Surplus Standards Amendment Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20091223172709.pdf>

*Hearing Friday, May 29, 2009 – First Reading December 1, 2009 – final reading 12-15-09*

Legislation originally introduced in 2008 to create standards and procedures to be met for the designation of public property as surplus. Developers questioned the potential negative affect on development in the District and whether the regulations and restrictions would impede private development of government surplus property. Some, but not necessarily all, of these development community's concerns were met.

**B18-91, “Notice of Pendency of Action Amendment Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20091209162523.pdf>

Introduced at request of Mayor – referred to Public Safety and Judiciary

*Hearing 7-2-09 – Hearing 11-17-09 – First Reading 12-1-09 – Second Reading 2-2-10*

To clarify the types of cases and proceedings with respect to which a notice of pendency of action may be filed.

**B18-299, “Waterfront Park at the Yards Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20090601111614.pdf>

Introduced by Gray at request of Mayor – referred to Finance and Revenue

*Hearing held June 23, 2009 – First Reading November 11, 2009 – Second Reading December 1, 2009*

To authorize the Mayor to enter into an agreement to provide for the operation and maintenance of a public park on the Anacostia River Waterfront; to establish a Waterfront Park Maintenance Fund into which certain designated revenues, including certain sales tax revenue, shall be deposited; and to impose a special assessment on properties specially benefited by the park.

**B18-303, “F Street, N.W., Downtown Retail Priority Area Clarification Amendment Act of 2009”.**

<http://www.dccouncil.washington.dc.us/images/00001/20090601113726.pdf>

Introduced by Gray at request of Mayor – referred to Finance and Revenue

*Hearing held June 23, 2009 – First Reading November 3, 2009 – Second reading December 1, 2009*

To amend the Retail Incentive Act of 2004 to clarify the boundary of the F Street, N.W., corridor of the Downtown Retail Priority Area by amending the phrase “14th Streets, N.W.” and inserting the phrase “15th Streets, N.W.” in its place.

**B18-457, “Small Business Stabilization and Job Creation Strategy Act of 2009”.**

<http://www.dccouncil.washington.dc.us/images/00001/20090924164248.pdf>

Introduced by K. Brown – referred to Economic Development

*First reading 2-2-10*

To require the Department to provide stabilization services to CBEs; to establish a volunteer program, including the Volunteer Corp of Executives and Entrepreneurs; to develop a plan for using small business resources as a catalyst for job creation; to develop and implement to cover all small business development programs in the District; and to implement a mentoring program and a networking program through the Volunteer Corp of Executives and Entrepreneurs.

**New Pending Legislation**

**B18-522, “Poplar Point Business Incentive Program Act”**

<http://www.dccouncil.washington.dc.us/images/00001/20091112094947.pdf>

Introduced by Barry – referred to Finance and Revenue

To provide for tax exemptions for the Poplar Point Business Corridor.

**B18-545, “Keep DC Working Act of 2009”**

<http://www.dccouncil.washington.dc.us/images/00001/20100105093929.pdf>

Introduced by Bowser and Barry – referred to Housing and Workforce Development

The legislation establishes a shared work plan to reduce unemployment and stabilize the work force by allowing certain employees to collect unemployment compensation benefits if the employees share the work remaining after a reduction in the total number of hours of work and a corresponding reduction in wages.

Expect more of this type of legislation as District-wide unemployment numbers hover around 10-11%. (Unemployment in Wards 7 and 8 hovers around 28-30%). And of course these numbers are of those who have filed for unemployment benefits.

**18-553, “DC Competitiveness Act of 2009”.**

<http://www.dccouncil.washington.dc.us/images/00001/20091203165549.pdf>

Introduced by M. Brown, K. Brown, & Thomas

To mandate that funds received from the American Recovery and Reinvestment Act of 2009, (ARRA) shall be utilized for technology-based economic development (TBED) projects that will create a 21<sup>st</sup> Century workforce and economy in the District of Columbia; to establish the DC Innovation Council to integrate policy and research and provide recommendations, and oversight regarding programs, activities and capital investments in science, technology, engineering, and math (“STEM”) education, STEM workforce and human capital development, and tech-based entrepreneurship and commercialization in the District.

**B18-627, “Downtown Anacostia and Pennsylvania Avenue Eminent Domain Authorization Act”.**

<http://www.dccouncil.washington.dc.us/images/00001/20100128161712.pdf>

Introduced by Barry – referred to Economic Development

To authorize the Mayor to exercise eminent domain authority to acquire the property in the area of the intersections between South Capitol Street and Martin Luther King, Jr. Avenue, S.W.; Martin Luther King, Jr. Avenue and Good Hope Road, S.E.; and Pennsylvania Avenue and Minnesota Avenue, S.E.

**B18-628, “2300 Pennsylvania Avenue Southeast Redevelopment Project Real Property Limited Tax Abatement Assistance Act”**

<http://www.dccouncil.washington.dc.us/images/00001/20100128161809.pdf>

Introduced by Barry – referred to Finance and Revenue

To provide a limited real property tax abatement to the 2300 Pennsylvania Avenue SE redevelopment project, described as Lot 0055, Square 5560, in the Fairlawn area of Ward 8.

**B18-650, "District Resident Employment and Trade Stimulus Amendment Act of 2010”.**

No documents on line yet

Introduced by Thomas & M. Brown – referred to Housing and Workforce Development

**B18-651, “Global Security and Aerospace Industry Tax Abatement Act of 2010”.**

<http://www.dccouncil.washington.dc.us/images/00001/20100203164202.pdf>

Introduced by Gray, K. Brown, Evans, Catania – referred to Finance and Revenue

To provide for the adoption of a community benefits agreement related to tax abatements provided to Global Security and Aerospace Companies; to provide an abatement of real property taxes on real property used by Global Security and Aerospace Companies; to provide financial assistance related to the relocation of Global Security and Aerospace Companies into the District of Columbia; and to expand the definition of priority development area to include property located in Squares 494 and 495.

*This legislation was introduced in an effort to encourage Northrup Gruman to re-locate into the District.*

**B18-655, “Payment of Full Hotel Taxes by Online Vendors Clarification Act of 2010”.**

<http://www.dccouncil.washington.dc.us/images/00001/20100203170424.pdf>

Introduced by Gray, M. Brown, K. Brown, Evans – referred to Finance and Revenue

To clarify and mandate that online travel companies pay the full amount of tax on the amount paid by the occupant in relation to the tax in the sale or charge for any room or rooms, lodgings, or the accommodations regularly furnished to transients.

*The hope is that efforts to address this discrepancy could lead to revenue enhancements.*

**B18-658, “District Job Growth Incentive Act of 2010”.**

<http://www.dccouncil.washington.dc.us/images/00001/20100208111332.pdf>

Introduced by Brown, Evans, Cheh, Wells, Alexander, Barry, Graham, Catania, Mendelson, MBrown, Thomas, Bowser, Gray – referred to Finance and Revenue

To create a District Job Growth Tax Credit Incentive, to establish how businesses qualify for the District Job Growth Tax Credit Incentive, to establish the method for determining the value of the District Job Growth Tax Credit Incentive for businesses, and to establish the procedure for granting and administering the District Job Growth Tax Credit Incentive.

**Proposed Resolutions**

**PR18-665, “Billboard Blight Removal Approval Resolution of 2009.”**

<http://www.dccouncil.washington.dc.us/images/00001/20091231100004.pdf>

*Hearing 2-18-10 – first reading 3-2-10*

To offer Special Signs permits to billboard owners as compensation for the removal of billboards that were in existence as of January 1, 1972, and are contained in the “Authorized List of Billboards, Three-sheet Poster Boards, and Wall Signs,” dated November 30, 1931, amended through December 31, 1971.

**PR 18-689, “Bellevue Small Area Action Plan Approval Resolution of 2010”.**

*Hearing February 24, 2010*

**PR 18-716, “Accrued Sick and Safe Leave Act Regulations Approval Resolution of 2010”.**

<http://www.dccouncil.washington.dc.us/images/00001/20100217085521.pdf>

Introduced by Gray at request of Mayor, referred to Housing and Workforce Development

To approve the proposed rules to implement the Accrued Sick and Safe Leave Act of 2008 to establish standards and procedures for processing paid leave to employees for absences associated with illnesses, domestic violence and sexual abuse.

**PR 18-717, “Accrued Sick and Safe Leave Act Hardship Exemption Regulations Approval Resolution”** <http://www.dccouncil.washington.dc.us/images/00001/20100217085553.pdf>

Introduced by Gray at request of Mayor, referred to Housing and Workforce Development

To approve the proposed rules to further implement the Accrued Sick and Safe Leave Act of 2008 by establishing the criteria for the granting to employers a hardship exemption from the operation of the Act.

## **District Issues**

### **K Street Transitway**

The District Department of Transportation (DDOT) and the Federal Highway Administration (FHWA) announced the Finding of No Significant Impact for the Preferred Build Alternative, -- Alternative 2 (Two-Land Transitway) down the middle of K Street.

This is the preferred alternative of the Golden Triangle BID and other business on K Street. DC cyclists were disappointed that the DDOT did not consider dedicated bike lanes as part of the potential K Street project. However, DC cyclists in the end still may be happy with designing of new “dedicated bike facilities” for nearby I and L Street.

It is unclear, however, if and when, this project moves forward since K Street was not a winner of one of the Federal Tiger grants.