

ENROLLMENT(S)

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COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 11-153

"Tax Lien Assignment and Sale Amendment Act of 1996".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill 11-704 on first and second readings, July 3, 1996 and July 17, 1996 respectively. Following the signature of the Mayor on July 26, 1996, pursuant to Section 404(e) of "the Act", and was assigned Act 11-353 and published in the August 16, 1996, edition of the D.C. Register (Vol. 43 page 4380) and transmitted to Congress on August 28, 1996 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that this legislation became effective on the date that the President of the United States signed P.L. 104-194* on September 9, 1996 and therefore, cites this enactment as D.C. Law 11-153, effective September 9, 1996.



DAVID A. CLARKE
Chairman of the Council

*** Public Law 104-194 waived the 30-day Congressional Review Period for this Law.**

AN ACT
D.C. ACT 11-353

Codification
District of
Columbia
Code
1997 Supp.

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JULY 26, 1996

To amend the District of Columbia Real Property Tax Revision Act of 1974 to increase the monthly interest rate and penalty for nonpayment of real property tax from 1% to 1-1/2%; to amend the Act in relation to taxes and tax sales in the District of Columbia to allow the District, when no other person bids the amount due, to assign or sell and transfer its tax liens to a third party, to allow the District to accept as payment for the assignment or sale and transfer of one or more certificates of tax lien an amount less than the full amount of taxes due including penalty and interest, and to permit subsequent assignments of tax liens; and to amend An Act To provide for enforcing the lien of the District of Columbia upon the real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes to clarify that an automatic real property tax lien is created and perfected upon the nonpayment of real property taxes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Tax Lien Assignment and Sale Amendment Act of 1996".

Sec. 2. Section 411(c) of the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1052; D.C. Code § 47-811(c)), is amended by striking the figure "1%" and inserting the figure "1-1/2%" in its place.

Section
47-811

Sec. 3. An Act in relation to taxes and tax sales in the District of Columbia, approved February 28, 1898 (30 Stat. 250; D.C. Code § 47-1301 *et seq.*), is amended as follows:

(a) A new section 2d is added to read as follows:

"Sec. 2d. Real property tax assignment; sale and transfers.

New Section
47-1303.4

"(a) The District may assign or sell and transfer, for consideration, to a third party, tax liens bid off in the name of the District pursuant to section 1 or tax liens that remain unsatisfied for six months or more. The tax liens may be assigned or sold and transferred in any manner the Mayor deems appropriate, including, but not limited to, individually, in bulk, or to a person which issues debt secured by the tax liens. Such transactions shall not be subject to the provisions of the District of Columbia Procurement Practices Act of 1985, approved February

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21, 1986 (D.C. Law 6-85; D.C. Code § 1-1181.1 *et seq.*). The District may make the assignment or conduct a sale and transfer of its tax liens either by public auction, sealed bid, or pursuant to a negotiated contract.

"(b) The District's tax liens may be purchased by any person, including, but not limited to, a trust created and established solely for the purpose of purchasing tax liens from the District, and which issues debt securities secured by the liens. The Mayor is authorized to accept as payment for the assignment or sale and transfer of the tax liens cash, notes, or any combination thereof, or such other consideration as the Mayor deems appropriate. Any bonds, notes, or other obligations issued by any purchaser, assignee, or transferee of the tax liens shall not constitute obligations of the District and shall be without recourse to the District.

"(c) Notwithstanding any other provision of law, whenever the Mayor determines that it is in the District's best interest, the District may assign or sell and transfer its tax liens to any person, except the delinquent owner of the property subject to the tax lien, or a person related to the owner, in an amount less than the total amount of unpaid taxes, penalties and accrued interest. The execution of a purchase agreement or other agreement by the Mayor shall be conclusive evidence of the adequacy of consideration for the assignment or sale and transfer of the tax liens.

"(d) The assignment or sale and transfer of any tax liens and the right to receive amounts in respect thereof as provided by law shall be evidenced by a notarized certificate of the Director of the Department of Finance and Revenue or his or her duly authorized representative, which shall recite the full amount of such lien, including penalties, interest, and costs accrued as of the date of the assignment or sale and transfer of such tax lien, and naming the purchaser of the lien, the record owner, and the square, lot, and street address of the related real property. The certificate of the assignment or sale and transfer shall be recorded in the Office of the Recorder of Deeds.

"(e) The transferee of a tax lien and any assignee or successor in interest of such transferee shall have and possess the same rights, powers, lien status, and priority of payment at law or in equity as the District would have possessed if the lien had not been assigned or sold and transferred. The transferee or assignee shall have the same rights to enforce all such tax liens as the District, including the issuance of a deed in fee simple absolute by the Superior Court of the District of Columbia.

"(f)(1) Notice by registered or certified mail must be sent to the record owner and all other lienholders of record by the District at least 30 days in advance of expiration of the redemption period.

"(2) Suits to contest the validity of the deed issued pursuant to this section may not be instituted and are forever barred if not filed within 90 days of recordation of the deed in the Office of the Recorder of Deeds.

"(3) Both the public notice pursuant to section 1 and the notice of the expiration of the redemption period shall include a statement that suits to contest the validity of the deed must be filed within 90 days of recordation of such deed in the Office of the Recorder of Deeds.

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"(4) Upon the expiration of the 90-day period from the date of recordation of the deed, the validity of the deed, any other agreements relating thereto, and all proceedings in connection therewith shall be conclusively presumed to have been legally taken and no court shall have the authority to inquire into such matters.

"(g) Payments received for delinquent taxes shall be applied first to the penalties, accrued interest, and real property tax in that order related to the longest standing delinquency, and then to the penalties, accrued interest, and real property tax in that order due on the next longest standing delinquency, and subsequent delinquencies.

"(h)(1) In an action to foreclose on a tax certificate or certificates, the court may award counsel fees in any in rem or in personam proceeding except for special cause shown by affidavit. If the plaintiff is other than the District, no counsel fees shall be allowed unless, prior to the filing of the complaint, the plaintiff shall have given not more than 120 nor less than 30 days written notice to the interested owners or mortgagees whose interests appear of record, by registered or certified mail with postage prepaid thereon addressed to their last known addresses, of intention to file such complaint. The notice shall also contain the amount due on the tax lien as of the day of the notice. After the complaint has been filed, all redemptions shall be subject to the fixing of fees and costs.

"(2) In an action for the foreclosure on a tax certificate, the court or the clerk may, as a matter of discretion, tax as a part of the taxable costs all legal fees and reasonable charges necessarily paid or incurred in procuring searches relative to the title of the subject premises. In tax foreclosure actions brought to foreclose tax sale certificates on more than one parcel, the fees prescribed shall apply to each separate parcel. The court or the clerk may also authorize inclusion of all legal fees and charges necessarily incurred for searches required for unpaid taxes or municipal liens and for searches required to enable the officer making public sale to insert in the notices, advertisements, and conditions of sale, a description of the estate or interest to be sold and the defects in title and liens or encumbrances thereon, as authorized by law.

"(i)(1) The assignee, purchaser or transferee of a tax lien may assign or sell and transfer the liens to any person, except to the delinquent owner of the property subject to the lien, or a person related to the owner. The transferee thereof may subsequently transfer and assign the tax lien to any other person, except to the delinquent owner of the property subject to the tax lien, or a person related to the owner.

"(2) Any transfer made pursuant to paragraph (1) of this subsection shall be evidenced by a notarized document executed by the transferor. Such document shall cross-reference the original notarized certificate of assignment or sale and transfer issued by the Department of Finance and Revenue and shall recite the information appearing on such original certificate.

"(3) Evidence of any subsequent transfer and assignment shall be recorded in the Office of the Recorder of Deeds.

"(j) The assignee, purchaser, or transferee of a tax lien, any successor thereof, shall be

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subject to applicable tenant protection provisions of the Rental Housing Conversion and Sale Act of 1980 Reenactment and Amendment Act of 1995, effective September 6, 1995 (D.C. Law 11-31; D.C. Code § 45-1601 *et seq.*), and the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Code § 45-2501 *et seq.*) or any other applicable District law.

"(k) The Mayor may issue rules to implement the provisions of this section.

"(l) The powers granted under this section shall be exercised from time to time by that official delegated authority pursuant to section 424(a) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved April 17, 1995 (109 Stat. 142; D.C. Code § 47-317.1).

"(m) For a period of not more than 6 months following the completion of the transaction, the District shall have the right to substitute a lien of equal value for similar property, where the district has determined that a particular property should be excluded from the tax lien portfolio."

(b) Section 3(a) (D.C. Code § 47-1304(a)) is amended by striking the figure "1%" wherever it appears and inserting the figure "1-1/2%" in its place.

Section
47-1304

(c) Section 4(a) (D.C. Code § 47-1306(a)) is amended by striking the phrase "12%" and inserting the phrase "18%" in its place.

Section
47-1306

Sec. 4. An Act To provide for enforcing the lien of the District of Columbia upon the real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes, approved March 2, 1936 (49 Stat. 1153; D.C. Code § 47-1312 *et seq.*), is amended as follows:

(a) Section 1 (D.C. Code § 47-1312) is amended by adding a new subsection (a-1) to read as follows:

Section
47-1312

"(a-1) The lien created by nonpayment of real property taxes is an automatic lien which is perfected whenever full payment including penalty and interest is not made on the due date and shall be a prior and preferred claim over all other liens."

(b) Section 3 (D.C. Code § 47-1314) is amended by striking the last phrase of the first sentence after the phrase "Court costs" and inserting the phrase "and reasonable attorney fees" in its place.

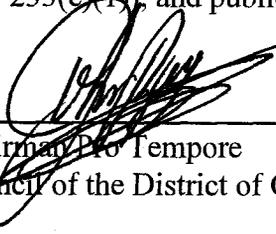
Section
47-1314

Sec. 5. Fiscal impact statement.

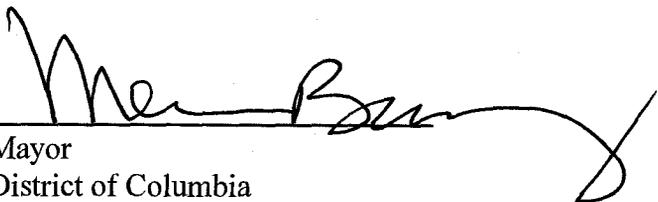
The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

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Sec. 6. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), and a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.



Chairman Pro Tempore
Council of the District of Columbia



Mayor
District of Columbia

APPROVED: July 26, 1996



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B11-704

[] ITEM ON CONSENT CALENDAR

[X] ACTION & DATE

ADOPTED FIRST READING, 7-3-96

[X] VOICE VOTE
RECORDED VOTE ON REQUEST

APPROVED

ABSENT

LIGHTFOOT, RAY, AND THOMAS

[] ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Quayle
Secretary to the Council

July 23, 1996
Date

[] ITEM ON CONSENT CALENDAR

[X] ACTION & DATE

ADOPTED FINAL READING, 7-17-96

[X] VOICE VOTE
RECORDED VOTE ON REQUEST

APPROVED

ABSENT

CHAVOUS, SMITH, AND THOMAS

[] ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X-indicates no

AB-Absent

NV-Present not voting

CERTIFICATION RECORD

Quayle
Secretary to the Council

July 23, 1996
Date

[] ITEM ON CONSENT CALENDAR

[] ACTION & DATE

[] VOICE VOTE
RECORDED VOTE ON REQUEST

ABSENT

[] ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date