

# ENROLLMENT(S)



(5)

**COUNCIL OF THE DISTRICT OF COLUMBIA**

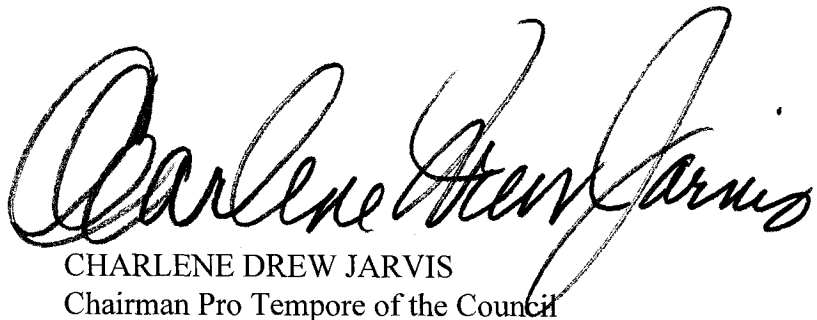
**NOTICE**

**D.C. LAW 11- 171**

**"Community Development Corporations Money Lender License  
Tax Exemption 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 No. 11-473, on first and second readings, June 4, 1996 and July 3, 1996, respectively. Following the signature of the Mayor on July 19, 1996, pursuant to Section 404(e) of "the Act", and was assigned Act No. 11-318, and published in the August 23, 1996, edition of the D.C. Register (Vol. 43 page 4484) and transmitted to Congress on January 10, 1997 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 the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 11-171, effective April 9, 1997.

  
CHARLENE DREW JARVIS  
Chairman Pro Tempore of the Council

Dates Counted During the 30-day Congressional Review Period:

Feb. 3,4,5,6,7,10,11,12,13,24,25,26,27,28  
Mar. 3,4,5,6,10,11,12,13,14,17,18,19,20,21  
Apr. 7,8

AN ACT

D.C. ACT 11-318

*Codification  
District of  
Columbia  
Code  
1997 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JULY 19, 1996

To amend An Act To regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, and real estate brokers in the District of Columbia to authorize the Mayor to waive certain bonding requirements and to exempt certain community development corporations acting as money lenders from the money lender license tax.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Community Development Corporations Money Lender License Tax Exemption Amendment Act of 1996".

Sec. 2. An Act To regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, and real estate brokers in the District of Columbia, approved February 4, 1913 ( 37 Stat. 657; D.C. Code § 26-701 *et seq.*), is amended as follows:

(a) Section 3 (D.C. Code § 26-703) is amended by adding a new sentence at the end to read as follows:

Section  
26-703

"The Mayor may waive the bonding requirements of this section, if alternative surety arrangements are secured, in cases involving parties specified in section 10."

(b) Section 10 (D.C. Code § 26-710) is amended by adding new subsections (c) and (d) to read as follows:

Section  
26-710

"(c) For the purposes of this section, the term:

"(1) "Community Development Corporation" or "CDC" means any community development corporation recognized by, and under contract with, the District of Columbia Department of Housing and Community Development (or any successor agency) that is engaged in business and economic development activities in the form of making microloans

**ENROLLED ORIGINAL**

through the use of funds loaned to them by nationally or locally chartered banks or financial institutions for the specific purpose of microlending, and which organization is organized under the District of Columbia Nonprofit Corporation Act, approved August 6, 1962 (76 Stat. 265; D.C. Code § 29-501 *et seq.*), and whose articles of incorporation and bylaws are consistent with rules and regulations issued by the Mayor of the District of Columbia pursuant to the District of Columbia Economic Development Finance Corporation Act of 1984, effective June 29, 1984 (D.C. Law 5-89; D.C. Code § 1-2211 *et seq.*).

"(2) "Microloans" or "microlending" means a CDC engaging in the practice of making or issuing any loans up to, and including, \$25,000 to any person engaged in business within the District of Columbia.

"(3) "Person" means any natural person, partnership, limited partnership, or corporation, including corporations taxed under Subchapter S of the Internal Revenue Code.

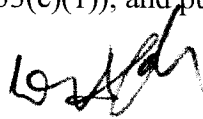
"(d) No money lender license tax contained in this act shall be held to apply to a CDC engaged in microlending where the funds used for the microlending program were loaned to the CDC by a nationally or locally chartered bank or financial institution for the specific purpose of microlending, provided that the CDC operates and makes loans only in the geographical service area defined in their agreements with the District of Columbia Department of Housing and Community Development."

Sec. 3. The provisions of this act will have no negative fiscal impact on the General Fund of the District of Columbia. Community development corporations currently pay no money lender license tax to the District of Columbia, and will not participate in money lending programs if required to pay such tax. The loans being made do not replace any private commercial lending by institutions that would otherwise pay such tax. It is anticipated that microloans made by community development corporations under programs facilitated by this act will have a small positive economic impact on the fortunes of various District of Columbia neighborhoods, and thus a small, positive fiscal impact on the city's General Fund. Revenue estimates for FY '96 did not anticipate these taxes being paid, and therefore this act will not cause any change in revenue estimates. Under the narrow definition contained in the act, no more than 10 community-based groups will qualify for the waiver. The maximum amount that community development corporations engaged in microlending would pay to the District if not granted a waiver by the provisions of this act would be \$8,000 in license taxes.

Sec. 4. 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-

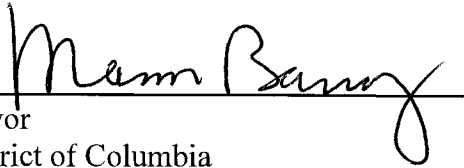
**ENROLLED ORIGINAL**

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.



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Chairman  
Council of the District of Columbia



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Mayor  
District of Columbia

APPROVED: July 19, 1996



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B11-473

ITEM ON CONSENT CALENDAR

ACTION & DATE

ADOPTED FIRST READING, 6-4-96

VOICE VOTE  
RECORDED VOTE ON REQUEST

APPROVED

ABSENT

EVANS AND CHAVOUS

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

*Quynh M. ...*  
Secretary to the Council

*July 10, 1996*  
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

ADOPTED FINAL READING, 7-3-96

VOICE VOTE  
RECORDED VOTE ON REQUEST

APPROVED

ABSENT

CHAVOUS

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

*Quynh M. ...*  
Secretary to the Council

*July 10, 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