

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend Chapter 46 of Title 47 of the District of Columbia Code to provide an abatement of real property taxes on real property used by high technology commercial real estate database and services providers; to provide for the funding of the abatements under this act; and to require the Mayor to develop a comprehensive strategy to attract businesses to the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “High Technology Commercial Real Estate Database and Service Providers Tax Abatement Act of 2010”.

Sec. 2. Chapter 46 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“47-4626. Tax abatements for high technology commercial real estate database and service providers.”.

(b) A new section 47-4626 is added to read as follows:

“§ 47-4626. Tax abatements for high technology commercial real estate database and service providers.

New
§ 47-4626

“(a) For the purposes of this section, the term:

“(1) “High technology commercial real estate database and service provider” means a business entity that provides access to clients via the Internet to its database of commercial real estate information throughout the United States.

“(2) “Priority development area” means:

“(A) A priority development area as defined in § 47-3801(1A);

“(B) A high technology development zone as defined in § 47-

1817.06(a)(2);

“(C) The Southeast Federal Center/Navy Yard Area, which shall consist of land within the boundary description beginning at the intersection of Interstate 395/295

(SW/SE Freeway), and the Anacostia River Waterfront, S.W.; northwest to 14th Street, S.W.; south on 14th Street, S.W., to the Washington Channel Waterway; east along Washington Channel to the Anacostia River eastern banks; and adjacent areas encompassing the public housing and residential parcels adjacent to the Navy Yard, 8th Street commercial corridor, Marine Barracks, and Buzzards Point area.

(3) “Real property” shall have the same meaning as in § 47-802.

“(b) Subject to subsections (f), (g), and (h) of this section, the real property taxes imposed by Chapter 8 of this title with respect to real property purchased or leased and occupied by a high technology commercial real estate database and service provider shall be fully abated for 10 years, beginning the first day of the tax year following the purchase of the real property or the execution of the lease of the real property; provided, that:

“(1) The real property continues to be occupied by the high technology commercial real estate database and service provider during the duration of the abatement period and is located in a priority development area;

“(2) If the real property is leased, the lease for the real property is for a period of at least 10 years;

“(3) The total combined abatements under this section shall not exceed:

“(A) \$700,000 per fiscal year; and

“(B) \$6.185 million total over 10 years;

“(4) The company receiving the benefit of the abatement:

“(A) Is a high technology commercial real estate database and service provider;

“(B) Employs a minimum of 250 employees within the District; and

“(C) Shall have entered into an agreement with the Department of Small and Local Business Development requiring that any tenant design, build-out, and improvements within the tenant’s leased or owned space receiving the tax abatement be contracted with certified local, small, and disadvantaged business enterprises, as certified in accordance with § 2-218.01, for at least 35% of the contract dollar volume of the design, build-out, and improvements;

“(5) If the real property is leased, the real property owner shall pass through the abatement to the high technology commercial real estate database and service provider;

“(6) No person shall claim an abatement pursuant to this section unless the person occupies real property in the District before January 1, 2011;

“(7) No person shall claim an abatement pursuant to this section for an aggregate period of more than 10 years; and

“(8) Notwithstanding any other provision of this section, no person shall claim an abatement pursuant to this section prior to October 1, 2010.

“(c) If the real property that is the subject of the abatement under section (b) of this section is a portion of a larger unit of real property that is assessed for real property tax under Chapter 8 of this title, the abatement shall be applied by reducing the assessment of the larger

unit of real property by the ratio that the square footage of the occupied portion bears to the square footage of the larger unit of real property.

“(d) The abatement shall be deducted from the real property tax bill or by issuing a refund (in the same amount as what would have been the abatement) to the high technology commercial real estate database and service provider, notwithstanding § 47-811.02, at the discretion of the Office of Tax and Revenue. The Office of Tax and Revenue may apply the abatement to any half of the tax year.

“(e) If the high technology commercial real estate database and service provider shall cease to qualify for the abatement, the abatement shall cease on the first day of the month following the day when the Mayor certifies the disqualification to the Office of Tax and Revenue.

“(f) The Mayor shall certify to the Office of Tax and Revenue the identity of each high technology commercial real estate database and service provider for which compliance under subsection (b) of this section has been verified by the Mayor, a description of each real property that is the subject of the abatement provided by this section, and the date on which the abatement shall begin.

“(g) The abatement pursuant to this section shall apply once the high technology commercial real estate database and service provider has certified to the Department of Employment Services that the provider has hired at least 100 employees residing in the District of Columbia beyond the number of employees residing in the District of Columbia as of January 5, 2010 (“baseline number”); provided, that the high technology commercial real estate database and service provider shall maintain the baseline number throughout the entire term of the abatement. The failure to maintain the baseline number shall result in the forfeiture of the abatement during any period in which the baseline number is not met.

“(h) Funds shall be sufficient within an approved budget and financial plan to support the fiscal impact of a tax abatement under this section.”.

Sec. 3. Funding for tax abatements for high technology commercial real estate database and service providers.

The Office of the Deputy Mayor for Planning and Economic Development shall transfer up to \$700,000 annually from the industrial revenue bond special account established under D.C. Official Code § 47-131(c)(4), or other appropriate fund, to the General Fund of the District of Columbia to offset revenue reductions for qualified high technology commercial real estate database and service providers.

Sec. 4. Development of comprehensive strategy for attracting business.

The Mayor shall develop a comprehensive strategy, within 90 days of the effective date of this act, that identifies a uniform process for attracting businesses to the District of Columbia.

Sec. 5. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer, dated December 14, 2009, as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 6. Effective date.

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), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia