

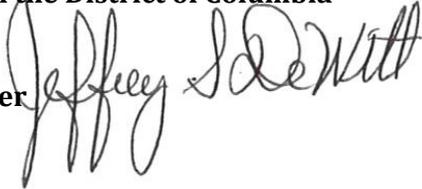
Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: July 9, 2014

SUBJECT: Fiscal Impact Statement – Bezner Real Property Tax Relief Emergency Act of 2014

REFERENCE: As circulated for introduction on July 9, 2014

Conclusion

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

Background

Under current law, the Office of Tax and Revenue (OTR) has authority to change the assessed value of real property if there is a substantial error in the assessment of the property that would result in an injustice to the property owner. This administrative authority extends only to the three tax years preceding the year the adjustment is made.¹ The bill will extend OTR's administrative authority in this regard to tax years 1991 to 2009, for the real property located at 755 Third St, NE (Lot 860, Square 777).

Lot 860 has a total land area of 344 square feet and comprises part of the front yard and a sliver of the side yard of a townhouse located in the adjacent Lot 837 in Square 777. When the current owners of the townhouse on Lot 837 purchased the property in 1991, the only tax lot number stated in their deed was Lot 837. However, OTR determined that the metes and bounds description in the deed encompassed Lot 860 in addition to Lot 837, and began billing property taxes on the additional lot. Additionally, prior to 2010, OTR classified Lot 860 as vacant, resulting in a tax rate of \$5 per \$100 of assessed value. The expanded authority proposed by the bill will allow OTR to make adjustments to reflect appropriate assessed values for this lot for 2009 and prior years.²

¹ District of Columbia Official Code § 47-825.01a(f)(2).

² OTR has already made similar adjustments for tax years 2010 and onwards.

The Honorable Phil Mendelson

FIS: "Bezner Real Property Tax Relief Emergency Act of 2014" As circulated for introduction on July 9, 2014

Financial Plan Impact

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill. Expanding OTR's authority to adjust assessments administratively for this lot does not have a fiscal impact.

Lot 860, Square 777 is currently assessed at a value of \$14,590 for real property tax purposes. The bill would allow OTR to change the assessed value of the property for tax years 1991 through 2009 as appropriate. The owner would be responsible for paying the taxes and other applicable amounts resulting from the adjusted assessed values.