

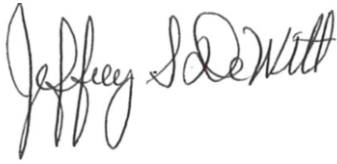
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** October 1, 2020

**SUBJECT:** Fiscal Impact Statement – Abatement and Condemnation of Nuisance Properties Amendment Act of 2020

**REFERENCE:** Bill 23-456, Committee Print provided to the Office of Revenue Analysis on September 29, 2020

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**Conclusion**

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill.

**Background**

Under the Tenant Receivership Act<sup>1</sup>, the Office of the Attorney General (OAG) can hold landlords accountable for failing to provide healthy and safe housing by seeking Court oversight over a building that has a pattern of neglect. In such cases the Court can appoint a neutral third party, known as a receiver, to take control of a property and make necessary repairs. This process is called receivership.

The bill provides additional tools for the Office of the Attorney General (OAG) to enforce laws regarding rental properties under receivership and properties with conditions that might warrant receivership. First, the bill gives OAG subpoena power to investigate properties to determine whether adequate grounds exist to appoint a receiver and whether the owner is neglecting other properties.

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<sup>1</sup> See Title 42, Chapter 36A of the D.C. Official Code.

The Honorable Phil Mendelson

FIS: Bill 23-456, "Abatement and Condemnation of Nuisance Properties Amendment Act of 2020," Draft Committee Print as shared with the Office of Revenue Analysis on September 29, 2020

Second, the bill clarifies specific conditions that constitute a "serious threat to the health, safety, or security of tenants" to include additional conditions OAG has observed in receivership cases.

Third, the bill prohibits termination of receivership until the District has been reimbursed for expenses related to abating conditions at properties and appointing a receiver.

Fourth, the bill allows OAG to collect back rent from property owners as part of the receivership process. Currently, back rent can only be collected through a separate consumer protection claim process. The bill further requires owners to refund to tenants at least half of any rent paid by tenants up to three years before the date of receivership (for the dates in which evidence of neglect is presented). The bill also specifies that obligations of the owners include contributing funds in excess of rents collected to cover the cost of abating violations, reimbursing the District for abatements costs, relocating and maintaining tenants displaced by abatements, obtaining professional studies or evaluations on property conditions, and the cost of receivership.

Lastly, the bill affirms that receivership cases do not preclude other housing code violation claims afforded to tenants and tenant associations, preserving other legal remedies for tenants to seek relief.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill provides additional tools for the Office of the Attorney General to manage and enforce receivership laws which can be employed within its current resources.