

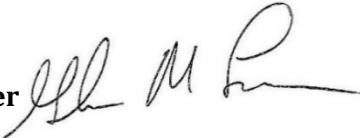
Government of the District of Columbia  
Office of the Chief Financial Officer



**Glen Lee**  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Glen Lee  
Chief Financial Officer 

**DATE:** October 16, 2024

**SUBJECT:** Fiscal Impact Statement – Uniform Commercial Real Estate  
Receivership Act of 2024

**REFERENCE:** Draft Committee Print (B25-485) as provided to the Office of Revenue  
Analysis on September 26, 2024

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**Conclusion**

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

**Background**

The Uniform Law Commission (ULC) is an organization that studies and reviews the laws of the states and the District, identifies areas of inconsistency that impede interstate activity, and develops uniform laws with the goal of adoption by the states (with minimal changes). The District of Columbia Uniform Law Commission, established in 2010 as an independent government entity<sup>1</sup> consists of the District's commissioners to the ULC. In addition to their responsibilities to the ULC, the DC ULC may provide technical input to the Council and the Mayor on the effect adoption of these uniform laws would have on District law. Appointees to the DC ULC must be attorneys in good standing and meet several other criteria.

This bill establishes a statutory process for receivership of commercial property. Receivers are court-appointed guardians of commercial property who maintain and oversee the property under certain circumstances. For example, a receivership may be appointed if a parcel of real property is the subject of a lawsuit or a tenant protection action, so that real property can maintained and managed during

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<sup>1</sup> Established by section 2 of the District of Columbia Uniform Law Commission Act of 2010, effective March 12, 2011 (D.C. Law 18-313; D.C. Official Code § 3-1431).

The Honorable Phil Mendelson

FIS: "Uniform Commercial Real Estate Receivership Act of Act of 2024", Draft Committee Print (B25-485) as provided to the Office of Revenue Analysis on September 26, 2024

the legal proceedings. Receivers may also be appointed when a creditor requests it in a bankruptcy proceeding so that there can be an orderly wind-down of a business and liquidation of assets. Thirteen other states have codified language regarding commercial real estate receivership.

The bill establishes the process by which a receiver may be appointed by the Superior Court. It establishes receivers' authorities (which include the ability to hire legal or other assistance to carry out their role), describes circumstances under which they must seek Court approval to take an action, and gives a receiver the status of a lien creditor with respect to the property. The bill also establishes the respective roles of the receiver and the property owner or manager.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill affects civil suits between private parties so does not have an impact on any District agencies.