

A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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Councilmember Evans introduced the following bill, which was referred to the Committee on \_\_\_\_\_.

To amend Title 47 of the District of Columbia Code to provide for deferral of real property taxes for needy senior citizens.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Senior Citizen Real Property Tax Deferral Act of 2005”.

Sec. 2. Chapter 8 of Title 47 is amended as follows:

(a) A new section is added after section 47-845.01, to read as follows:

“§ 47-845.02. Tax deferral for property owners over age 65; rules.

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

“(1) “Adjusted gross income” shall have the same meaning as in section 62 of the Internal Revenue Code of 1986, approved August 16, 1954 (26 U.S.C. § 62).

“(2) “Household adjusted gross income” means the adjusted gross income of all persons residing in a household, excluding the adjusted gross income of any person who is a tenant by virtue of a written lease for fair market value.

“(3) “Residence” means the principal place of residence in the District of an

individual, shareholder, or member, who is domiciled in the District. 1

“(4) “Senior’s household” means: 2

    “(A) In the case of a house or condominium, an individual’s residence: 3

        “(i) That comprises a dwelling unit; 4

        “(ii) That is Class 1 Property, as defined in § 47-813, and contains 5

not more than 5 dwelling units therein; 6

        “(iii) That is owned at least 50%, in whole or in part, by the 7

individual who is 65 years of age or older; and 8

        “(iv) Wherein the household adjusted gross income is less than 9

\$50,000. 10

    “(B) In the case of a cooperative housing association that is Class I 11

Property, as defined in § 47-813, a shareholder’s or member’s residence: 12

        “(i) That comprises a dwelling unit; 13

        “(ii) That is occupied by the shareholder or member who is 65 14

years of age or older; 15

        “(iii) Wherein the household adjusted gross income is less than 16

\$50,000; and 17

        “(iv) That, by reason of his or her ownership of stock or 18

membership certificate, a proprietary lease, or other evidence of membership, is occupied by 19

right by the shareholder or member with at least a 50% interest which permits the occupation of 20

the dwelling unit. 21

“(b) Except as provided in subsection (d) of this section, a senior’s household may defer 1  
each year any real property tax owed. 2

“(c)(1) Taxes deferred under this section shall bear interest at the rate charged on 3  
underpayments of federal income taxes under section 6621 of Internal Revenue Code Title 26 of 4  
the United States Code, as in effect on the date the first installment of the real property tax to be 5  
deferred under this section is originally due to be paid to the District of Columbia. 6

“(2) The rate of interest charged under subsection (1) of this section shall not 7  
exceed 8% per year. 8

“(d) No further deferrals of real property tax shall be granted to a senior’s household 9  
when the aggregate amount of the deferred tax plus interest from previous tax years, under this 10  
section and § 47-845, is equal to or greater than 25% of the assessed value of the property for the 11  
tax year for which the deferral is requested. 12

“(e)(1) In the case of a house or condominium, and to qualify the senior's household to 13  
receive the deferral, the individual shall complete and file with the Mayor an application in a 14  
form prescribed by the Mayor. The individual shall certify, under penalty of perjury, the 15  
information provided on the application form and the application form shall be filed in the 16  
manner prescribed by the Mayor. The Mayor may require the individual to provide any 17  
information which the Mayor considers necessary, including all taxpayer identification numbers 18  
of the individual, any other owner, any person with legal or equitable title, and any person in the 19  
household of the individual. The Mayor may also require the individual, any other owner, any 20  
person with legal or equitable title, and any person in the household of the individual to submit 21

information after the deferral has been allowed to determine whether the real property remains a senior's household and entitled to the deferral.

“(2) For a cooperative housing association to qualify and receive the deferral:

“(A)(i) The shareholder or member shall complete and file with the Mayor an application in a form prescribed by the Mayor.

“(ii) The shareholder or member shall certify, under penalty of perjury, the information provided on the application form, and the application form shall be filed in the manner prescribed by the Mayor.

“(iii) The Mayor may require the shareholder or member to provide any information which the Mayor considers necessary, including the taxpayer identification numbers of the shareholder or member, any other person with an ownership or membership interest, and any person in the household of the shareholder or member.

“(iv) The Mayor may also require the shareholder or member, any other person with an ownership or membership interest, and any person in the household of the shareholder or member to submit information after the deferral has been granted to determine whether the cooperative housing association remains entitled to the deferral for the senior's household.

“(B) The Mayor may require the officers or managers of the cooperative housing association to distribute the application forms to its shareholders or members and to collect the completed application forms from the shareholders or members for return to the Mayor; and

“(C) Officers and managers of a cooperative housing association shall submit such other information as the Mayor may require.”

“(f) If a properly completed and approved application is filed during the period October 1 through March 31 of the tax year, the senior’s household shall receive the deferral for the entire tax year. If a properly completed and approved application is filed during the period April 1 through September 30, the senior’s household shall receive the deferral for only 1/2 of the property taxes for the year.

“(g) The application form filed by the individual, shareholder, or member shall apply to the initial tax year and to any succeeding tax year thereafter for which the deferral is allowed.

“(h)(1) If the senior's household no longer qualifies for the deferral, the applicant shall notify the Mayor of the date of the change in eligibility within 30 days after the change in eligibility. If the applicant fails to notify timely, the deferral shall not be allowed for the tax year in which the change in eligibility occurs. Interest shall be added from the day the tax was due but not paid.

“(2) Notwithstanding paragraph (1) of this subsection, if the senior's household is transferred and continued to qualify for the deferral 30 days or less before the date of execution of the deed of transfer, the applicant shall not be required to notify the Mayor of the change in eligibility.

“(3) If the change in eligibility (for which notification is required under this subsection) occurs during the period October 1 through March 31 of the tax year, the deferral shall be disallowed for the entire tax year.

“(4) If the change in eligibility (for which notification is required under this subsection) occurs during the period April 1 through September 30, the senior’s household shall receive the deferral for only 1/2 of the property taxes for the year.

“(i) If real property tax is owing as a result of an erroneous or improper deferral, the following shall apply:

“(1)(A) Except in the case of cooperative housing associations, if the senior's household was transferred, the applicant shall be personally liable for the amount of the delinquent real property tax which was not paid timely during the period when the applicant had an ownership interest in the senior's household, together with interest at the same rate as provided in this chapter for the late payment of real property tax.

“(B) The tax shall be considered due on the date that the total amount of real property tax was due but unpaid and shall be collected in the manner prescribed under Chapter 44.

“(2) Notwithstanding paragraph (1) of this subsection, if the senior's household was transferred and the grantee failed to timely record a deed under § 47-1431 (or other evidence of the transfer in the case of a cooperative housing association), the real property shall be liable for the amount of the delinquent real property tax which was not timely paid, together with interest as provided in this chapter for the late payment of real property tax.

“(3) In all other cases, the real property shall be liable for the amount of the delinquent real property tax which was not paid timely, together with interest as provided in this chapter for the late payment of real property tax.

“(j) The eligibility of a senior's household for the deferral shall not be affected by the transfer of the senior's household into a revocable trust if the transfer is without consideration and the senior's household remains the residence of the applicant-grantor before and after the transfer.

“(k) Only one person in a household and that person’s spouse, if any, shall claim a deferral for a senior's household in the District. The cooperative housing association shall not receive a deferral for a senior's household if the basis of the deferral is another person in the household of the shareholder or member.

“(l) If an individual, shareholder, or member claims more than one senior's household in the same tax year, and has not timely notified the Mayor of all changes in eligibility, the Mayor shall disallow the deferral for all senior's households claimed by the individual, shareholder or member.

“(m) The provisions of § 47-863(k) shall apply in the case of deferral under this section.

“(n) In the case of a house or a condominium, the real property tax bill shall indicate whether the real property is receiving the deferral under this section.

“(o) A senior who applies for property tax deferral under this section shall undergo counseling as described in section 1715z-20 of Title 12 of the United States Code, relating to insurance on home equity conversion mortgages for elderly homeowners.”.

(b) Section 47-845(d) is amended to read as follows:

“(d) No further deferrals of real property tax shall be granted to a taxpayer when the aggregate amount of the deferred tax plus interest from previous tax years, under this section and

§ 47-845.02, is equal to or greater than 25% of the assessed value of the property for the tax year  
for which the deferral is requested.”.

Sec. 3. Applicability.

This act shall apply as of October 1, 2005.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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. 5. 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.