

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, Title 47 of the District of Columbia Code to define an owner of real property to include persons owning certain long-term interests in real property; to clarify, for purposes of the real property tax, when notice is given to the Mayor and to the taxpayers; to provide 30 days to pay the real property tax bill; to repeal moot tax amnesty provisions; to substitute September 30 for June 30 for certain valuation dates; to clarify that the real property tax roll is estimated and eliminate the requirement for publishing the proposed tax rates and calculated rate letter; to clarify that real property tax increases are phased in during a triennial period; to provide the Mayor with authority to promulgate, amend, or repeal existing regulations related to real property tax administration; to provide the Mayor with the authority to publish the real property assessment and tax roll on the Internet; to provide procedures for appealing delayed notices of assessment; to provide procedures for appeals of assessments by new owners; to provide that the assessor may correct assessments for the benefit of the taxpayer in 3 past tax years; to modify supplemental real property assessments for residential construction; to change the procedures for appeal of later assessments of properties omitted from previous assessments; to provide that nonexempt use of governmentally owned exempt property shall be taxable to the owner of the commercial interest using the property; to change filing dates for the exemption use report forms to April 1; to provide a penalty for failure to file an exemption use report; to clarify the authority of the Mayor to promulgate rules and regulations for exempt real property use; to provide the Mayor with authority to abate taxes assessed to a property when the property was used for exempt purposes; to remove the deadline for submission of proposed economic development incentives legislation by the Mayor; to create a limitation on the refund of real property tax of 3 years from payment; to change the statistical index used for increasing the trash tax credit; to eliminate the quarterly payment of real property tax; to exclude weekends and holidays from the computations of time for real property tax sales; to clarify that bulk tax sale properties may be sold by the purchaser for fair market value; to provide that the delinquent tax interest rate of 18% on real property tax applies even after the redemption period expires; to clarify that a tax sale purchaser must pay the bill for a deed within 30

days of notice; to clarify that a property is sold for the amount of the oldest lien in the special deed process; to provide for the collection of notice and research fees associated with due process notices on tax sale property and allow the work to be performed by the Office of Tax and Revenue or the tax sale purchaser; to repeal a moot applicability provision; to clarify that the transfer tax will be based on the sales price of real property rather than the higher of the assessed value or sales price; to provide that recordation and transfer taxes will apply to certain long-term interests; provide that an assignment of commercial leasehold interests constitutes a transfer of economic interest subject to deed recordation and transfer taxes; to provide for taxation of refinancing instruments, allowing a pro-rata credit for tax previously paid; to add a new Chapter 13A that revises the process for tax sales of real property by specifying procedures for notice of delinquencies, the interest rate on unpaid tax, certification to Mayor by District government agencies requesting the collection of assessments and charges other than real property tax collectible in the same manner as real property tax, the advertising of tax sales, the payment of purchase price bid at tax sale, the issuance of a certificate of sale, the right of redemption and the redemption period, an action for the foreclosure of the right of redemption if a real property is not redeemed within the redemption period, and the issuance of a deed upon a judgment for the tax sale purchaser in the action for the foreclosure of the right of redemption; and to amend the Litter Control Administration Act of 1985 to authorize the District of Columbia to levy and collect assessments for the costs and expenses incurred due to the abatement of nuisances.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Real Property Tax Clarity and Litter Control Administration Temporary Amendment Act of 2001".

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

(a) The table of contents of Chapter 8 is amended as follows:

(1) Add the section designation "§ 47-804. Service of notice." after the section designation "47-803. Additional Definitions."

(2) Strike the section designation "47-811.1. Real property tax amnesty." and insert the section designation "47-811.1. Repealed." in its place.

(3) Strike the section designation "47-815. Submission and publication of proposed rates and certain assessed values." and insert the section designation "47-815. Submission of estimated assessment roll." in its place.

(4) Strike the section designation "47-820. Assessments -- Assessment roll; frequency of assessments; regulations and orders." and insert the section designation "47-820.

Assessments – Estimated assessment roll; frequency of assessments." in its place.

(5) Strike the section designation "§ 47-825.1. Public Advocate for Assessments and Taxation." and insert the section designation "47-825.1 Board of Real Property Assessments and Appeals." in its place

(b) Section 47-802(5) is amended to read as follows:

"(5) Unless otherwise provided in this chapter, the terms "owner" and "taxpayer" shall include the following:

"(A) An owner of record of real property; provided, that if real property is subject to an estate for life, or a lease or ground rent for a term (with renewals) that is at least 30 years, the holder of the possessory interest shall be deemed the owner; provided further, that the owner of record shall also retain the right to appeal under this chapter;

"(B) For purposes of receiving notices of proposed assessed value, receiving bills, and filing any petition or appeal under this chapter, the lessee or user in § 47-1005.1;

"(C) One or more persons whose leasehold interest in a leasehold condominium, as defined in § 45-1802(18), comprises the entire balance of the unexpired term; or

"(D) One or more persons who meet the requirements of § 47-3502(a)(2)(B) in a single family residential property."

(c) A new section 47-804 is added to read as follows:

"§ 47-804. Service of notice.

"Notice shall be deemed to be properly served on the date when mailed by first class mail."

(d) Section 47-811(b) is amended by striking the phrase ", except" and inserting the phrase "; provided, that an owner shall have at least 30 days from the date of the issuance of a bill to pay an installment; provided further," in its place.

(e) Section 47-811.1 is repealed.

(f) Section 47-813(c-3) is amended by striking the phrase "June 30" wherever it appears and inserting the phrase "September 30" in its place.

(g) Section 47-813(c-4) is amended by striking the phrase "June 30" wherever it appears and inserting the phrase "September 30" in its place.

(h) The section designation of 47-815 is amended to read as follows:

"§ 47-815. Submission of estimated assessment roll."

(i) Section 47-815 is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) Before September 16th of each year, the Mayor shall estimate the assessment roll and submit the estimate to the Council."

(2) Subsections (a-3), (a-4), (b), (d), and (e) are repealed.

(3) Subsection (f) is amended by striking the phrase "this section and".

(j) Section 47-816 is amended by striking the phrase "proposed real property tax rate or rates" and inserting the phrase "estimated assessment roll" in its place.

(k) Section 47-820 is amended as follows:

(1) This section designation is amended to read as follows:

"§ 47-820. Assessments – Estimated assessment roll; frequency of assessments."

(2) Subsection (b-1)(2) is amended to read as follows:

"(2) When real property is assessed under this section, an increase in the overall assessed value shall be phased in over the 3-year period of a 3-year cycle or the remaining portion of the cycle; provided, that under § 47-829, an increase in the improvement value under a supplemental assessment shall not be phased in."

(3) Subsection (c) is amended by striking the word "Council" and inserting the word "Mayor" in its place.

(4) Subsection (d) is amended to read as follows:

"(d) The Mayor may promulgate regulations regarding information to be provided to the Mayor by owners of real property."

(l) Section 47-821(d)(2) is amended to read as follows:

"(2)(A) Except as otherwise provided in this chapter or under a court order, an officer, former officer, employee, or former employee of the District may not open valuation records for public inspection or reveal any information contained in valuation records. For purposes of this section, the term "valuation records" means:

"(i) Information regarding private appraisals, actual building costs, rental data, or business volume;

"(ii) Income or expense forms; and

"(iii) Rent rolls.

"(B) Notwithstanding subparagraph (A) of this paragraph, the Mayor shall permit a valuation record of a real property to be inspected by:

"(i) An owner or authorized agent of the property that is the subject of the valuation record; or

"(ii) An official of the District of Columbia executive branch acting in his official capacity, having a right thereto in his official capacity; provided, that no official shall inspect or use, in any review or appeal under this chapter, any information provided to the Mayor under § 47-820(d) or this section, other than information provided to the Mayor for the real property under review or appeal; provided further, that nothing contained in this subsection shall be construed to:

"(I) Prohibit the use by the official, in reviews or appeals, of statistical data in a form which ensures that the identification of a particular property is not disclosed. The particular valuation records therefrom shall not be divulged or made known; or

"(II) Prohibit the official from offering any information of the subject real property provided to defend the assessment of the subject real property in a review or appeal under this chapter.

"(C) A violation of this paragraph shall be a misdemeanor and, upon conviction thereof, shall be punishable by a fine not exceeding \$1,000, by imprisonment for not more than 180 days, or both. All prosecutions under this subparagraph shall be brought in the Superior Court of the District of Columbia on information by the Corporation Counsel in the name of the District of Columbia."

(m) Section 47-823 is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) The Mayor shall compile the estimated assessment roll and, for every property, indicate at least the following: the name of the owner; address of the property; lot and square; assessed value; and whether the property is taxable or exempt.

"(2) The roll shall also include the total aggregate estimated assessed value of all real property, listing the values of the properties by class as set forth in § 47-813.

"(3) The Mayor shall transmit to the Council, no later than May 15 of each fiscal year, a mid-year financial report. The report shall contain:

"(A) Schedules which reflect actual obligations for the General Fund object classes of the District government for the first 6 months of the fiscal and a forecast of full-year obligations compared to the most recent Congressionally-approved budget;

"(B) A comparison of the most recent Congressionally-approved budget to the mid-year forecast for the full fiscal year by appropriations title and agency; and

"(C) A schedule of revenue estimates for the full fiscal year comparing the current approved revenue estimates to revenue estimates revised as of the end of the first 6 months of the fiscal year."

(2) Subsection (b) is amended as follows:

(A) The first sentence is amended by striking the word "preliminary" and inserting the word "estimated" in its place.

(B) The second sentence is amended by striking the word "taxpayer" and inserting the word "owner" in its place.

(3) A new subsection (e) is added to read as follows:

"(e) The estimated assessment roll, sales price information, description of each property, owner's mailing address, property use information, valuation history, other information in the public record, and information not made confidential in this chapter may be published by the Mayor by any form of electronic media, including the Internet."

(n) Section 47-824(b) is amended by adding a new paragraph (4) to read as follows:

"(4) Notwithstanding any other law, the Mayor may notify an owner of real property of a proposed change in the assessed value of the owner's real property before May 2 if a

delay occurs for cause, as determined by the Mayor. If a delay for cause occurs, the Mayor shall notify the owner of the delay within a reasonable period of time from discovery of the cause. If a delayed notice of proposed change in the assessed value is issued under this paragraph, a petition for administrative review in accordance with § 47-825.1(f-1)(1) may be filed before September 2 in lieu of April 2."

(o) Section 47-825.1 is amended as follows:

(1) The section designation is amended to read as follows:

"§ 47-825.1 Board of Real Property Assessments and Appeals."

(2) Subsection (f) is repealed.

(3) Subsection (f-1) is amended as follows:

(A) Paragraph (1) is amended to read as follows:

"(1)(A) Before April 2 of the immediately preceding tax year, an owner may petition for an administrative review of the real property's in-cycle or out-of-cycle assessed value or its classification that shall be in effect for the tax year at issue and any remaining portion of the property's 3-year triennial cycle.

"(B) If the real property is transferred to a new owner between January 1 through March 1 of the immediately preceding tax year for which the proposed assessed value or classification shall be in effect, the new owner may petition for an administrative review before April 2 of the immediately preceding tax year.

"(C) If a real property is transferred to a new owner after March 1st of the immediately preceding tax year for which the proposed assessed value or classification shall be in effect, and no other petition or appeal has been filed for the real property, the new owner may before:

"(i) The 61st day after the date of transfer of the real property, file a petition for an administrative review; provided, that a petition may not be filed after July 1 of the immediately preceding tax year;

"(ii) October 1 of the immediately preceding tax year, file an appeal with the Board if the 60th day after the date of transfer of the real property occurs after July 1 of the immediately preceding tax year and no petition for an administrative review was filed by such July 1; or

"(iii) April 2 of the tax year, file a petition for an administrative review if the 61st day after the date of transfer of the real property occurs after September 30 of the immediately preceding tax year and no appeal to the Board was filed by such September 30.

"(D) The Mayor shall have authority to change a proposed assessed value or classification in accordance with a final determination made on a petition for administrative review.

"(E) A final determination or Board decision shall pertain to the value or classification of a real property for the tax year at issue and any remaining portion of the

property's 3-year triennial cycle.

"(F) A petition for an administrative review under this paragraph shall be filed on a form and in the manner prescribed by the Mayor."

(B) Paragraph (2) is amended to read as follows:

"(2) If an owner is aggrieved by a notice of final determination on a petition for administrative review, the owner may file an appeal from the proposed assessed value or classification with the Board within 30 days from the date of the notice of final determination. All notices of final determination shall be accompanied by the assessor's worksheets indicating the rationale for the determination. If a notice of final determination on a petition for an administrative review brought under paragraph (1)(A) or (1)(B) of this subsection and the assessor's worksheets relating thereto are not sent to the owner before August 2, the owner may appeal the proposed assessed value or classification to the Board before October 1."

(C) Paragraph (3) is amended to read as follows:

"(3) Unless otherwise provided in this section, a petition for an administrative review shall be a prerequisite for filing an appeal from a proposed assessed value or classification with the Board."

(D) Paragraph (8) is amended to read as follows:

"(8) The Board shall notify the Mayor of any decision on an appeal from a proposed assessed value or classification at the same time the Board notifies the owner."

(4) Subsection (g)(2) is amended by striking the phrase "a taxpayer" and inserting the phrase "an owner" in its place.

(5) Subsection (h-1) is amended to read as follows:

"(h-1)(1) The Mayor may make an administrative or clerical correction to an assessment or correct a real property classification only for the current or immediately succeeding tax year; provided, that:

"(A) The notice of correction under this paragraph shall be mailed by certified or registered mail to the owner's address of record; and

"(B) The owner may petition and appeal in the same manner and to the same extent as a new owner under subsection (f-1)(1) of this section and the date of the correction shall be deemed to be the date of transfer thereunder.

"(2) Notwithstanding § 47-820(a-1), the Mayor may change an assessment or real property classification which is the result of a substantial error that would cause an injustice to the owner for the immediately succeeding, current, or preceding 3 tax years."

(6) Subsection (j-1) is amended to read as follows:

"(j-1) Except as provided in § 47-830, an owner aggrieved by a proposed assessed value or classification may appeal the proposed assessed value or classification to the Superior Court of the District of Columbia in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304 before October 1 of the tax year for which the proposed assessed value or

classification is in effect; provided, that (1) the owner shall have first appealed the proposed assessed value or classification to the Board; and (2) a new owner, who filed a petition for an administrative review under to subsection (f-1)(1)(C)(iii) of this section and an appeal to the Board, may, before October 1 of the next succeeding tax year in which the proposed assessed value or classification is in effect, appeal the proposed assessed value or classification in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304."

(7) A new subsection (j-2) is added to read as follows:

"(j-2) If an owner's second-half installment payment is placed on extended billing under § 47-811(b) to a date after September 15, the owner shall have 15 days from the payment due date to appeal to the Superior Court of the District of Columbia the proposed assessed value or classification in the same manner, to the same extent, and subject to the same limitations and requirements (except the filing deadline as provided in this subsection) as provided in subsection (j-1) of this section."

(8) A new subsection (k-1) is added to read as follows:

"(k-1) Notwithstanding the definition of owner and taxpayer in § 47-802(5) to include persons other than the owner of record of real property, the owner of record of real property shall retain the right to appeal an assessment under this section."

(p) Section 47-829 is amended as follows:

(1) Subsection (e)(2) is amended to read as follows:

"(2) A certificate of occupancy has been issued or, in the case of a single-family dwelling, a building permit has been made final."

(2) Subsection (f)(2) is amended to read as follows:

"(2) Notify the affected owner in writing of any change in assessment and right of appeal, as provided in § 47-830. The notice shall be mailed by certified or registered mail to the owner's address of record."

(q) Section 47-830 is amended as follows:

(1) Strike the phrases "real property owner" and "any real property owner" wherever they appear and insert the word "owner" in their place.

(2) Subsection (c-1) is amended as follows:

(A) Paragraph (2)(A) is amended by adding a new sentence at the end to read as follows:

"All notices of final determination shall be accompanied by assessor's worksheets indicating the rationale for any determination."

(B) Paragraph (3) is amended as follows:

(i) Subparagraph (A) is amended to read as follows:

"An owner may appeal from either a supplemental assessment conducted between January 1 and June 30 or a supplemental assessment conducted between July 1 and December 31 on or before December 31st of the year following the year in which the supplemental assessment

was conducted in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304. An appeal from the supplemental assessment filed with the Board shall be a prerequisite to filing an appeal with the Superior Court of the District of Columbia; provided, that written notice of the supplemental assessment was given to the taxpayer before December 2 for a supplemental assessment conducted between January 1 and June 30 and before May 31 of the following year for a supplemental assessment conducted between July 1 and December 31."

(ii) Subparagraph (B) is repealed.

(3) A new subsection (d) is added to read as follows:

"(d) Notwithstanding the definition of owner and taxpayer in § 47-802(5) to include persons other than the owner of record of real property, the owner of record of real property shall retain the right to appeal an assessment under this section."

(r) Section 47-831 is amended as follows:

(1) Strike the word "taxpayer" wherever it appears and insert the word "owner" in its place.

(2) Strike the last sentence and insert the sentence "An owner aggrieved by a reassessment made under this section may petition for administrative review, and appeal from a final determination thereof, in the same manner and to the same extent as a new owner under § 47-825.1(f-1)." in its place.

(s) Section 47-1005 is amended to read as follows:

"(a) If a building (or a portion thereof) or grounds belonging to and actually used by an institution, organization, or other entity exempt from real property taxation under § 47-1002 is used to secure rent or income for an activity other than that for which the exemption was granted, the building (or portion thereof) or grounds shall be assessed and taxed, unless otherwise prohibited by law.

"(b) If a building (or a portion thereof) or grounds belonging to and actually used by an institution, organization, or other entity exempt from real property taxation is used to secure a rent or income for any activity, where the exemption was not specifically limited to a particular use, the building (or a portion thereof) or grounds shall be assessed and taxed. This subsection shall not apply to real property exempt under § 47-1002(1) through (3), buildings or grounds subject to taxation under subsection (a) of this section, or real property immune from the levy and collection of tax under the laws of the United States."

(t) The table of contents for Chapter 10 is amended by adding the section designation "47-1005.1. Interests in real property belonging to government and international organizations." after the section designation "47-1005. Real property tax exemption."

(u) A new section 47-1005.1 is added to read as follows:

"§ 47-1005.1. Interests in real property belonging to government and international organizations.

"(a) For purposes of this section, the term "exempt purpose", as applied to a lessee or

user, shall mean an exempt purpose with specified use, operation, and other restrictions as set forth in § 47-1002(4) through (20).

"(b) If real property (or a portion thereof), which is exempt or immune from real property taxation under § 47-1002(1) through (3) or the law of the United States, is leased, loaned, or otherwise made available to any person in connection with a business or as a residence, or both, and the use is not for an exempt purpose and the person is not exempt or immune from income taxation under the laws of the United States or District of Columbia, the leasehold interest, possessory interest, beneficial interest, or beneficial use of the lessee or user of the real property shall be assessed and taxed:

"(1) On the portion of the real property leased, used, or made available for the nonexempt purpose; and

"(2) For the percentage of time during the real property tax year that the lease, use, or availability for the nonexempt purpose can be segregated and identified.

"(c) This section shall not apply if:

"(1) A payment is made in lieu of taxes in an amount equivalent to the tax which would be lawfully assessed if the real property were not exempt or immune from real property taxation;

"(2) The application of this section would cause the District of Columbia to breach a pre-existing agreement or other legal obligation;

"(3) The person liable for the tax under this section is subject to taxation under § 47-2002.4 and has paid the tax; or

"(4) The real property is subject to taxation under § 47-1005.

"(d) The taxable value of a leasehold interest, possessory interest, beneficial interest, or beneficial use for the purpose of this section shall be determined in the same manner as the taxable value of the real property would otherwise be determined if the lessee or user of the real property were the owner of the real property and the real property were not exempt from taxation; provided, that the taxable value determined shall be reduced by a percentage of the taxable value that is equal to the:

"(1) Percentage of the real property that is not actually leased or used by, or made available to, the lessee or user during the real property tax year; and

"(2) Percentage of time that the real property is not actually leased or used by, or made available to, the lessee or user during the real property tax year.

"(e) The lessee or user shall be subject to the same application process, filing requirements for reports and income and expense statements, taxes, and penalties as an institution, organization, corporation, or association under § 47-1007.

"(f)(1) A notice of proposed assessed value shall be mailed to the lessee or user in the same manner and as required under Chapter 8 for a notice of proposed assessed value to an owner of real property.

"(2) A lessee or user may appeal from a notice of proposed assessed value and real property classification in the same manner and under the same conditions as an owner under § 47-825.1.

"(3) Tax assessed under this section shall be a personal liability of a lessee or user of real property and billed to the lessee or user. Payments of tax shall be applied in the same manner as payments of real property tax. The tax due under this section shall not give rise to a lien against the real property. If the tax is not paid within the time prescribed for payment of real property tax, there shall be added to the tax a penalty of 10% of the unpaid amount, plus interest on the unpaid amount at the rate of 1.5% per month (or portion of a month) until the tax is paid. The amount of the unpaid tax, plus penalty and interest due, shall constitute a delinquent tax to be collected in accordance with Chapter 44.

"(g)(1) The Mayor may assign assessment and taxation squares and lots, or implement such other designation system, to identify a parcel or (portion thereof) for which the corresponding leasehold interest, possessory interest, beneficial interest, or beneficial use of the lessee or user of the real property may be subject to taxation and assessed to the lessee or user in accordance with this section.

"(2) A person subject to tax under this section shall provide to the Mayor a District of Columbia Business Tax Identification Number and other tax identification number which the Mayor may require."

(v) Section 47-1007 is amended as follows:

(1) Subsection (a) is amended as follows:

(A) The first sentence is amended by striking the phrase "on or before March 1, 1943, and on or before March 1st of each succeeding year," and inserting the phrase "before April 1 of each year," in its place.

(B) The second sentence is amended by striking the phrase "March 1st of any year," and inserting the phrase "April 1 of any year," in its place.

(2) Subsection (b) is amended by striking the phrase "provided, however, that such tax shall be for a minimum period of 30 days." and inserting the phrase "provided, that the Mayor may abate the tax for reasonable cause" in its place.

(3) A new subsection (c) is added to read as follows:

"(c) If the report is not filed within the time provided in subsection (a) of this section, or as extended by the Mayor, a penalty in the amount of \$250 shall be assessed. The penalty shall constitute a delinquent tax on the real property when not paid within 30 days after the date of levy. The Mayor may abate the penalty for reasonable cause."

(w) Section 47-1010 is amended to read as follows:

"The Mayor may promulgate regulations to carry out the purpose of this chapter and amend or repeal any existing regulations promulgated to carry out the purpose of this chapter."

(x) The table of contents for Chapter 13 is amended by adding the section designation

"47-1321". Regulations." after the section designation "47-1320. Delinquent taxpayers--bidding at tax sales prohibited."

(y) A new section 47-1321 is added to read as follows:

"§ 47-1321. Regulations.

"The Mayor may promulgate regulations to implement the provisions of this chapter and for the proper administration of all real property tax sales. The Mayor may also amend or repeal existing regulations relating to real property tax sales."

(z) Section 47-3305(a) and (b) are repealed.

Sec. 3. Sections 4 and 5 of the BNA Washington Inc. Real Property Tax Deferral Amendment Act of 1996, effective April 9, 1997 (D.C. Law 11-250; 44 DCR 1253), are repealed.

Sec. 4. Title 47 of the District of Columbia Code is amended as follows:

(a) The table of contents for Chapter 8 is amended by adding the section designation "47-811.2. Overpayment; credit or refund; interest." after the section designation "47-811.1. Repealed."

(b) A new section 47-811.2 is added to read as follows:

"§ 47-811.2. Overpayment; credit or refund; interest.

"(a) Subject to subsection (b) of this section, if there is a payment of real property tax that results in an overpayment for a billing period or levy with priority, the overpayment shall be credited in order of priority against the real property tax owing on the property for a subsequent billing period or levy.

"(b) The Mayor shall refund the payment, less the real property tax owing, to the person who made the payment; provided, that the refund shall not be allowed unless:

"(1) A claim for refund within 3 years from the date the payment was made;

"(2) The Mayor corrected or changed an assessment or real property classification under § 47-825.1(h-1) which created the overpayment;

"(3) The property has been so reassessed under § 47-831 that an overpayment resulted for the periods of reassessment; or

"(4) The tax was abated for reasonable cause under § 47-1007.

"(c) A claim for refund shall be made in the manner prescribed by the Mayor.

"(d) The District of Columbia shall pay interest on the overpayment beginning 90 days after the receipt of the claim for refund.

"(e) The interest payable by the District under subsection (d) of this section shall be at the rate provided in § 47-3310(c).

"(f) The owner, after seeking refund of the overpayment as set forth in this section, may, within one year from the last day of the tax year in which the claim for refund was made, file suit in the Superior Court of the District of Columbia in the same manner and to the same extent as provided in §§ 47-3303 and 47-3304; provided, that the real property tax, including any penalties and interest, shall have first been paid.

"(g) This section shall not apply to an action timely filed under § 47-825.1(j-1) and (j-2)."

(c) Section 47-872(d) is amended by striking the phrase "percentage increase in the Consumer Price Index for All Urban Consumers ("CPI-U") for all items, in the Washington, D.C. Standard Metropolitan Statistical Area," and inserting the phrase "percentage increase in the local Consumer Price Index for all items" in its place.

(d) Section 47-873(d) is amended by striking the phrase "percentage increase in the CPI-U for all items, in the Washington, D.C. Standard Metropolitan Statistical Area," and inserting the phrase "percentage increase in the local Consumer Price Index for all items" in its place.

(e) Section 47-1101 is amended as follows:

(1) Strike the word "instalment" wherever it appears and insert the word "installment" in its place.

(2) Strike the word "instalments" wherever it appears and insert the word "installments" in its place.

(3) Strike the sentence "Such taxes and assessments shall be payable, at the election of the taxpayer, in 4 equal instalments, in the months of September, December, March, and June, and no interest shall be payable with respect to any such instalment unless it is unpaid after the time it is due."

(f) Section 47-1102 is amended as follows:

(1) Strike the word "instalment" wherever it appears and insert the word "installment" in its place.

(2) Strike the word "instalments" wherever it appears and insert the word "installments" in its place.

(g) Section 47-1301(a) is amended by striking the phrase "and continuing on each following day," and inserting the phrase "and continuing on each following day, Saturdays."

(h) Section 47-1303(a) is amended by striking the phrase "every secular day" and inserting the phrase "every day, except Saturdays, Sundays, and legal holidays," in its place.

(i) Section 47-1303.4(h) is amended by adding a new paragraph (3) to read as follows:

"(3) In an action for the foreclosure on a tax certificate, notwithstanding § 47-1312 through §47-1315 or any other law, the court may order the prevailing plaintiff to sell the property at private sale for the fair market value of the property to satisfy the amount of the plaintiff's lien, fees, and costs, as provided for in this section, including all fees and charges necessarily incurred to sell the property at private sale. Any surplus resulting from the sale shall

be paid as provided in § 47-1315."

(j) Section 47-1304 is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Strike the phrase "5 days" in the second sentence and insert the phrase "5 business days" in its place.

(B) Strike the phrase "2 days" in the second sentence and insert the phrase "2 business days" in its place.

(C) Strike the phrase "5 days" in the third sentence and insert the phrase "5 business days" in its place.

(D) Strike the phrase "5 years" in the third sentence wherever it appears and insert the phrase "one year" in its place.

(E) Strike the phrase "and 1½% thereon for each month or part thereof, a deed shall be given by the Mayor of the District, or his successors in office," in the third sentence and insert the phrase "with interest on the amount at the rate of 1.5% for each month (or part thereof) after the date of the certificate of sale, a deed shall be given by the Mayor, after notice satisfying the requirements of due process," in its place.

(F) Strike the phrase "and if no such application be made then the owner of any property sold as aforesaid," in the third sentence and insert the phrase "and if no deed be given as yet by the Mayor then the owner of property sold," in its place.

(G) Strike the phrase "plus interest thereon for the first 6 months after the date of such certificate of sale at the rate hereinabove provided, and for 3 years thereafter at the rate of 6% per annum;" in the third sentence and insert the phrase "plus interest thereon at the rate hereinbefore prescribed;" in its place.

(H) Strike the phrase "that within 5 years from the time that payment has been made to the Collector of Taxes to redeem such tax sale certificate," in the third sentence and insert the phrase "that within one year from the last day of the sale," in its place.

(I) Strike the phrase "such money shall be forfeited to the District of Columbia," in the third sentence and insert the phrase "or, in the case where a property is not redeemed, to pay all taxes and assessments, within 30 days from the date the Mayor sends a letter for payment to the owner of the tax sale certificate or within any extension beyond the 30 days as granted at the discretion of the Mayor, required to be paid before a deed shall be issued, money otherwise owing to the owner of the tax sale certificate or paid by the owner of the tax sale certificate shall be forfeited to the District of Columbia," in its place.

(J) Strike the phrase "sell said property at public or private sale and issue to any purchaser of such property a deed, which deed shall have the same force and effect as the deed hereinbefore provided for in this section for property sold at the regular annual sale; provided, however," in the third sentence and insert the phrase "sell the property at public or private sale for the amount of the oldest lien owing to the District and issue to a purchaser of the

property, after notice satisfying the requirements of due process and the property not redeemed within 30 days therefrom, a deed, which shall have the same force and effect as the deed provided in this section for property sold at the regular annual sale; provided, that unless the purchaser of the property shall pay all other taxes and assessments, within 30 days from the date that the Mayor sends a letter for payment to the purchaser or within any extension beyond the 30 days as granted at the discretion of the Mayor, required to be paid before a deed shall be issued, money paid by the purchaser shall be forfeited to the District of Columbia;" in its place.

(2) A new subsection (h) is added to read as follows:

"(h)(1) If a certificate of sale is issued for a property sold and the period of the right of redemption expires, the costs for ascertaining and locating a party with a legally protected interest in the property when the identity and location of the party are reasonably ascertainable, the costs for preparing, sending, or otherwise providing legally required notices to the party, and other incidental or consequential costs incurred or accrued as a result of unpaid taxes, shall be paid to the District of Columbia Treasurer, in addition to any sums owing under subsection (a) of this section, to redeem the property; provided, that:

"(A) The Mayor shall, by regulation, fix the amount of all costs to be paid as the Mayor shall determine is reasonable to reimburse the District;

"(B) The Mayor may, in his or her discretion, contract with any person or authorize the agent of the legal holder of the certificate to perform the services for which the costs shall be paid;

"(C) Payment of costs shall be made for the use of the person who performed the services or the legal holder of the certificate, and (i) the person or legal holder of the certificate shall receive from the District of Columbia payment of costs as collected by the District of Columbia, or (ii) the Mayor may order that payment of costs be made directly to the person or legal holder of the certificate in accordance with procedures that the Mayor shall prescribe, by regulation.

"(2) If the property is not redeemed and the District is liable for the costs incurred, the legal holder of the certificate shall pay the costs incurred and no deed shall be given until such costs are paid.

"(3) The Mayor may waive, in whole or in part, costs in this subsection when it would be equitable or in the public interest; provided, that if the Mayor waives the costs, the District of Columbia shall reimburse the person who performed the services or the legal holder of the certificate for costs otherwise payable under this subsection."

(k) The table of contents for Chapter 13 is amended by striking the section designation "47-1305. Same--Applicability of changed interest rates." and inserting the section designation "47-1305. Repealed." in its place.

(l) Section 47-1305 is repealed.

(m) Section 47-1307(a) is amended by striking the phrase "with 20 days, exclusive of"

and inserting the phrase "within 20 days, exclusive of Saturdays" in its place.

Sec. 5. Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-901(3) is amended as follows:

(1) Strike the phrase "will or a lease" and insert the phrase "lease or ground rent for a term (including renewals) that is less than 30 years" in its place.

(2) Strike the phrase "or any interest therein" and insert the phrase "or any interest therein (including an estate for life)".

(b) Section 47-902 is amended as follows:

(1) Paragraph (15) is amended by striking the phrase "; and" and inserting a semi-colon in its place.

(2) Paragraph (16) is amended as follows:

(A) Subparagraph (A) is amended by striking the period and inserting a semi-colon in its place.

(B) Subparagraph (B) is amended by striking the period and inserting a semi-colon in its place.

(C) Subparagraph (C) is amended by striking the period and inserting a semi-colon in its place.

(3) A new paragraph (17) is added to read as follows:

"(17) Deeds of personal representatives of decedents, acting under the provisions of Title 20, transferring to a distributee, without additional consideration, real property of a decedent or a life estate in real property."

(c) Section 47-903 is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) There is imposed on the transferor for each transfer at the time the deed is submitted to the Mayor for recordation a tax at the rate of 1.1% of the total consideration paid for the transfer; provided, that:

"(A) If the interest in real property transferred is a lease or ground rent for a term (including renewals) that is at least 30 years, the transfer tax will be computed using the value determined in accordance with paragraphs (2) or (3) of this subsection; and

"(B) If there is no consideration for a transfer or the consideration is nominal, the rate shall be applied to the fair market value of the real property covered by the interest transferred as determined by the Mayor.

"(2) If there is a lease or ground rent for a term (including renewals) that is at least 30 years, the transfer tax shall be based on the capitalization of 10% of the average annual rent over the term of the lease, including renewals, plus any additional actual consideration payable; provided, that the amount to which the rate is applied shall not exceed the fair market value of the real property covered by the interest transferred.

"(3) If the average annual rent of the lease or ground rent for a term (including renewals) that is at least 30 years cannot be determined, the transfer tax will be based on the greater of:

"(A) One hundred and five percent of the minimum average annual rent ascertainable from the terms of the lease, capitalized at a rate of 10%, plus any additional consideration payable; or

"(B) One and one-half percent of the assessed value of the property covered by the interest transferred."

(2) Subsection (b) is amended by striking the phrase "setting forth the assessed value and the sales price for the deed" and inserting "setting forth the assessed value and the consideration paid for the deed" in its place.

(3) Subsection (d) is amended by striking the phrase "The Mayor is authorized to prescribe, by regulation, reasonable extensions of time for the filing of the return required by subsection (b) of this section" and inserting "The Mayor may promulgate regulations to carry out the purpose of this section." in its place.

(d) The table of contents for the title is amended by striking the phrase "Chapter 14. Residential Real Property Transfer Excise Tax" and inserting the phrase "Chapter 14. Taxation of Recordation and Transfers of Real Property" in its place.

(e) The heading for Chapter 14 is amended by striking the phrase "RESIDENTIAL REAL PROPERTY TRANSFER EXCISE TAX" and inserting the phrase "TAXATION OF RECORDATION AND TRANSFERS OF REAL PROPERTY" in its place.

(f) Section 47-1401 is amended as follows:

(1) Strike the word "residential" wherever it appears, except in paragraph (23).

(2) Paragraph (23) is amended by striking the phrase "or "property"" in the first sentence.

(g) Section 47-1431(a) is amended as follows:

(1) Strike the phrase "Within 30 days after the execution of a deed or other document by which legal title to real property" and inserting the phrase "Within 30 days after the execution of a deed or other document by which legal title to real property, or an estate for life or a lease or ground rent (including renewals) for a term that is at least 30 years," in its place.

(2) Strike the phrase "all transferees of the legal title or economic interest in the real property and all holders of the security interest in" and insert the phrase "all transferees of, and all holders of the security interest in," in its place.

(h) Section 47-1433(c) is amended by striking the first sentence and inserting the sentence "If a person other than a dealer fails to record, as required by § 47-1431, there shall be imposed on the person a penalty in the amount of \$250." in its place.

Sec. 6. The District of Columbia Recordation Tax Act is amended as follows:

(a) Section 301(c) is amended as follows:

(1) Paragraph (3)(A)(ii) is amended by striking the phrase "An interest in real property" and inserting the phrase "An interest in real property (including an estate for life)" in its place.

(2) Paragraph (2)(B) is amended by striking the phrase "lease with a term of 99 years or less" and inserting the phrase "lease or ground rent for a term (with renewals) that is less than 30 years" in its place.

(b) Section 302(10) is amended as follows:

"Deeds of personal representatives of decedents, acting under the provisions of Title 20, transferring to a distributee, without additional consideration, real property of a decedent or a life estate in the real property."

(c) Section 303(a) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

"At the time a deed or a lease or ground rent for a term (with renewals) that is at least 30 years is submitted for recordation, it shall be taxed at the rate of 1.1%, as follows:

"(A) A deed that conveys title to real property in the District shall be taxed at a rate of 1.1% applied to the total consideration for the deed; provided, that if there is no consideration for a transfer or if the consideration for the transfer is nominal, the rate shall be applied to the fair market value of the real property, as determined by the Mayor.

"(B)(i) If there is a lease or ground rent for a term (with renewals) that is at least 30 years, the recordation tax shall be based on the capitalization of 10% of the average annual rent over the term of the lease, including renewals, plus any additional consideration payable; provided that the amount to which the rate is applied shall not exceed the fair market value of the real property covered by the interest transferred.

"(ii) If the average annual rent of the lease or ground rent for a term (including renewals) that is at least 30 years cannot be determined, the recordation tax will be based on the greater of:

"(I) One hundred and five percent of the minimum average annual rent ascertainable from the terms of the lease, capitalized at a rate of 10%, plus any additional consideration payable; or

"(II) One hundred and fifty percent of the assessed value of the real property covered by the interest transferred."

(2) Paragraph (3) is amended to read as follows:

"(3) At the time it is submitted for recordation, a security interest instrument shall be taxed at a rate of 1.1% of the total amount of debt incurred which is secured by the interest in real property; provided, that if the existing debt is refinanced, the rate shall be applied only to the principal amount of the new debt in excess of the principal balance due on the existing debt that

was previously subject to tax under this paragraph, which tax on the existing debt was timely and properly paid."

Sec. 7. Title 47 of the District of Columbia Code is amended as follows:

(a)(1) The table of contents for the title is amended by adding the chapter designation "Chapter 13A. Real Property Tax Sales." after the chapter designation "Chapter 13. Real Property Tax Sales."

(2) A new Chapter 13A is added to read as follows:

"Chapter 13A. Revised Real Property Tax Sale.

"Subchapter I. General provisions.

"Sec.

"47-1330. Definitions.

"47-1331. Tax is lien on real property; priority; application of payment; lien for deferred tax.

"47-1332. Sale by Mayor of all properties

"47-1333. Sale not subject to procurement.

"47-1334. Interest rate.

"47-1335. Issuance of regulations to carry out chapter.

Subchapter II. Sale.

"47-1340. Notice to agencies; certification of taxes due agencies; General Fund; disbursement.

"Sec.

"47-1341. Notice of delinquency.

"47-1342. Public notice; costs.

"47-1343. Real property to be sold as entirety.

"47-1344. Personal property of owner not affecting sale.

"47-1345. Sale of real property subject to

possessory interests.

Sec.

"47-1346. Sale at public auction.

"47-1347. Payment of purchase price at tax sale.

"47-1348. Certificate of sale – in general.

"47-1349. Same – assignment.

"47-1350. Same – recording.

"47-1351. Same – as evidence.

"47-1352. Purchase by District – in general.

"47-1353. Same – right to sell or foreclose upon real property.

"47-1354. Payment of other taxes and liabilities by purchaser; assignment.

"47-1355. Void certificate of sale.

"Subchapter III. Redemption.

"47-1360. Right of redemption.

"47-1361. Required payments; notice to purchaser; certificate of redemption.

"47-1362. Fixing amount necessary for redemption after action to foreclose filed.

"47-1363. Rights of owners and

purchasers during redemption period;
appointment of receiver of real property.

"47-1364. Assessment during
redemption period; assessment to
purchaser.

"§ 47-1365. Tenant or person with less
than fee simple interest paying taxes or
levies to have credit out of rents.

"§ 47-1366. Cancellation of sale by
Mayor.

"Subchapter IV. Foreclosure.

"47-1370. Complaints by purchasers to
foreclose the right of redemption;
exercise of authority by form of
complaint.

"47-1371. Parties.

"47-1372. Notice to certain persons.

"47-1373. How unknown owner made
party; affidavit of search.

"47-1374. Service of process.

"47-1375. Notice by publication.

"47-1376. Validity of taxes and sale
presumed unless attacked in answer.

"47-1377. Purchaser reimbursed by
redeeming party for expenses.

"47-1378. Final order.

"47-1379. Reopening judgments.

"§ 47-1380. Judgment setting aside sale.

"47-1381. Judgment bars redemption
only in real property described therein.

"47-1382. Purchaser's deed; payment;
compliance with terms of judgment as to
payments.

"47-1383. Obtaining possession.

"47-1384. Construction of chapter.

"47-1385. Transition provisions;
applicability of chapter.

"Subchapter I. General provisions.

"§ 47-1330. Definitions.

"For purposes of this chapter, the term:

"(1) "Costs" means amounts paid or payable by the purchaser to the District in connection with the sale of a real property.

"(2) "Tax" means unpaid real property tax owing as of October 1, including penalties, interest, and costs. The term shall include an assessment or charge due at any time to the District and certified to the Mayor for collection under this chapter in the same manner as a real property tax, along with permitted penalties, interest, and costs.

"(3) "District" means the District of Columbia.

"(4) "Expenses" means amounts paid or payable by the purchaser to persons other than the District in connection with the sale of a real property.

"(5) "Purchaser" shall include the purchaser at the tax sale, the holder of the certificate of sale, the assignee or transferee of the certificate of sale, the plaintiff, or the District, as the context requires.

"(6) "Superior Court" means the Superior Court of the District of Columbia.

"(7) "Surplus" means the portion of the bid at the tax sale that exceeds the taxes, penalties, interest, and costs for which the property was sold.

"(8) "Taxing agency" means an agency of the District which may levy a tax, assessment, or charge collectible under this chapter. The term "taxing agency" shall include a business improvement district.

"§ 47-1331. Tax is lien on real property; priority; application of payment; lien for deferred tax.

"(a) A tax shall automatically become a lien on the real property on the date the tax was due and unpaid or converted to a real property tax under § 47-1340.

"(b) The lien for a tax shall be a prior and preferred claim over all other liens and shall be perpetual.

"(c) Unless otherwise provided in this chapter, all payments for taxes collected under this chapter shall be applied to each outstanding lien in order of its priority measured by the date that it became, or was converted to, a lien under subsection (a) of this section. The payment shall be applied to the lien in the following order: costs; penalties; interest; and the original amount of the lien.

"(d) A lien transferred to a third party by the District under § 47-1303.4, including an assignee or successor in interest, shall enjoy the same priority and preference as if the lien were still held by the District.

"(e) A tax or any other unpaid tax, charge, or indebtedness owing to the District and deferred under Subchapter VIII of Chapter 25 of Title 45, is a lien on the real property for which the deferral was granted. Payments shall be applied first to the lien having priority and for which the deferral is not granted; provided, that (1) the taxpayer shall make additional payments under the deferral agreement entered into with the Mayor, which payments shall be applied first to the deferred lien having priority until all deferred liens are paid, and (2) payment of taxes not deferred in the agreement and assessed for periods after the latest period deferred in the agreement remains current. The taxpayer may designate a payment to the nondeferred tax if the designation and application of payment shall not cause the District to default on another contractual obligation.

"§ 47-1332. Sale by Mayor of all properties.

"(a) The Mayor shall sell all real property on which the tax is in arrears unless otherwise provided by law.

"(b) The Mayor shall designate a single agency to conduct tax sales in the District.

"§ 47-1333. Sale not subject to procurement.

"Notwithstanding any other law, sale or assignment under this chapter or in furtherance thereof shall not be subject to Subchapter I of Chapter 11A of Title 1.

"§ 47-1334. Interest rate.

"The rate of interest on all amounts due, owing, or paid for purposes of redemption under this chapter (whether relating to real property sold or bid off to the District) shall be 18% per year. No interest shall accrue for surplus, expenses, or the reasonable value of improvements.

"§ 47-1335. Issuance of regulations to carry out chapter.

"The Mayor may promulgate regulations to carry out the purposes of this chapter.

Subchapter II. Sale.

"§ 47-1340. Notice to agencies; certification of taxes due agencies; General Fund; disbursement.

"(a) At least 60 days before the mailing of the notices required by § 47-1341, the Mayor shall notify all taxing agencies (other than the agency to whom the Mayor has delegated his authority under § 47-1332) of the Mayor's intention to hold a tax sale and shall state the time and place of the sale. Each of the taxing agencies shall, within 30 days after receiving the notice, submit a statement to the Mayor certifying all taxes appearing on its records then due to the District as of the date of the Mayor's notice that have not been previously certified to the Mayor. The statement shall be in the form and medium, and shall contain the information, that the Mayor requires. In addition to the real property taxes due, the Mayor shall include in the notice of delinquency required by § 47-1341 and in the public notice required by § 47-1342 the taxes certified to him by the taxing agencies.

"(b) When a taxing agency certifies a tax to the Mayor under subsection (a) of this section for which tax a lien was filed with the Recorder of Deeds, the taxing agency shall file with the Recorder of Deeds a Notice of Converted Real Property Tax releasing the prior lien as of the date of certification. The notice shall state the name of the owner, describe the real property by taxation square, suffix, and lot number, or parcel and lot number, and specify the amount of the lien.

"(c) If a taxing agency does not certify a tax which is due to the District as of the date of the Mayor's notice under subsection (a) of this section, the tax shall not be collected through a tax sale under this chapter unless the taxing agency files a lien with the Recorder of Deeds within the time required for certification. If such lien is filed, the taxing agency may later certify such lien for collection in accordance with subsection (a) of this section.

"(d) The Mayor shall not sell a real property for which taxes have not been certified by a taxing agency. Unpaid real property taxes shall not be required to be certified.

"(e) Notwithstanding any other provision of law, payments received for taxes that have been certified to the Mayor shall be credited to the General Fund of the District in the same manner as real property tax payments are credited.

"(f) If (1) a taxing agency certifies taxes (for which real property is offered for sale) to the Mayor under subsection (a) of this section, and (2) the real property sold for such taxes has been redeemed or a deed therefor issued to the purchaser, the taxing agency may submit an accounting to the designated agency under § 47-1332(b) in the form that the Mayor requires. Upon receipt of the accounting and verification of the redemption or delivery of the deed, the amount of the certified taxes collected, to the extent that it is available after application of all amounts collected according to the priority of the taxes before certification, shall be disbursed from the General Fund for the purpose designated by, and in accordance with, the law creating the obligation for the certified tax.

"(g) Any omission by the Mayor or any taxing agency under this section shall not adversely affect a sale or a purchaser's interest. This section shall be construed pursuant to §§ 47-1341(b) and 47-1342(b)(2).

"§ 47-1341. Notice of delinquency.

"(a) At least 30 days before real property is first advertised for a tax sale under this chapter, the Mayor shall mail to the person who last appears as owner of the real property on the tax roll, at the last address shown on the tax roll, as updated by the filing of a change of address at the Recorder of Deeds, a notice of delinquency stating the name of the person who last appeared as owner on the tax roll, identifying by taxation square, suffix, and lot number, or parcel and lot number, the real property to be sold, and the amount of taxes due. The notice of delinquency shall also include the following:

".....

"Date

"This Is a Notice of Delinquency and Final Bill to the Person Whose Name Appears on This Notice.

"According to the Mayor's tax roll, you are the owner of the real property appearing on this notice of delinquency. Some of the taxes listed are in arrears and this list may not include all taxes in arrears. Notice is given to you that unless all taxes in arrears and appearing on this Notice are paid within 30 days from the date of this notice, the Mayor will proceed to sell the above real property. Interest, penalties, and costs not included in this notice of delinquency must be added to the total at the time of payment. A final payoff amount must be obtained at You must make payment by cash, certified check, cashier's check or money order at You must act now to avoid additional costs and significant expenses, including a reasonable attorney's fee."

"(b) Failure of the Mayor to mail the notice of delinquency as provided in subsection (a) of this section, or to include any taxes in the notice of delinquency, shall not:

"(1) Invalidate or otherwise affect a tax;

"(2) Invalidate or otherwise affect a sale made under this chapter to enforce payment of taxes;

"(3) Prevent or stay any proceedings under this chapter; or

"(4) Affect the title of a purchaser.

"(c) Payment of the total amount stated in the notice of delinquency and as directed in the notice shall preclude the real property from being offered at the tax sale to which the notice corresponds.

"§ 47-1342. Public notice; costs.

"(a) At any time after 30 days from the mailing of the notice of delinquency, the Mayor shall cause to be advertised, at least once in not less than 2 newspapers of general circulation within the District which are published at least once every 2 weeks, a public notice stating that listed real property will be sold at public auction because of taxes on the date and at the place named in the public notice.

"(b)(1) The list in the public notice shall contain, with substantial accuracy, at least the following:

"(A) A description of the real property, by taxation square, suffix, and lot number, or parcel and lot number;

"(B) The name of the person who last appears on the Mayor's tax roll as the owner of the real property; and

"(C) The amount of all taxes for which the real property shall be sold at the scheduled sale; provided, that costs need not be included in the public notice, but, if not included, costs shall be included in the opening bid amount at the time of the sale.

"(2) Failure of the Mayor to include a tax in the published notice of sale shall not:

"(A) Affect the validity or collectibility of the taxes or the validity of a sale to enforce the payment of taxes;

"(B) Prevent or stay proceedings under this chapter; or

"(C) Affect the title of a purchaser.

"(c)(1) The following fees, in an amount prescribed by regulation, shall be costs payable by the purchaser (and paid into the General Fund of the District) and shall be included in the certificate of sale as provided in § 47-1348:

"(A) A fee for the mailing of a notice;

"(B) A fee for publication of notices when a real property is offered for sale, including newspaper advertisements;

"(C) An auctioneer's fee when a real property is offered for sale at public auction, whether or not the auctioneer is a District employee; and

"(D) A fee assessed against each real property to reimburse the District for legal representation, whether or not the provider of the service is a District employee.

"(2) A redeeming party shall pay the costs to redeem real property bid off to the District, and such costs shall be deemed included in the amount for which the real property was bid off regardless of whether a certificate of sale was issued.

"§ 47-1343. Real property to be sold as entirety.

"Each parcel of real property for sale shall be sold in its entirety, which shall be the parcel of real property as assessed in the assessment records.

"§ 47-1344. Personal property of owner not affecting sale.

"The power to sell real property for taxes shall not be affected by personal property of the owner on the real property to be sold.

"§ 47-1345. Sale of real property subject to possessory interests.

"(a) Whether or not any real property subject to sale under this chapter is subject to an estate for life, or a lease or ground rent for a term (with renewals) that is at least 30 years, the Mayor shall sell the entire fee simple estate; provided, that after the judgment of foreclosure of the right of redemption, no claim for rent unpaid, due, or accruing before the date of the judgment of foreclosure of the right of redemption shall be made by the purchaser (or his assignee).

"(b) The termination of claims on real property sold under subsection (a) of this section shall not foreclose a personal claim against previous holders of the interest sold for rent unpaid, due, or accruing before the date of the judgment of foreclosure of the right of redemption.

"§ 47-1346. Sale at public auction.

"(a)(1)(A) The sale shall be held by the Mayor on the date and at the place stated in the public notice.

"(B) If the sale cannot be completed on the date stated in the notice, the Mayor shall continue the sale, as determined by the Mayor and announced to the potential

purchasers at the sale, until all real property included in the public notice is sold.

"(2) All sales shall be at public auction to the purchaser who makes the highest bid.

"(3)(A) The Mayor shall retain any common law or other authority normally granted to an auctioneer conducting a public auction and may refuse to accept bids that are not made in good faith.

"(B) The Mayor may delegate this authority to an auctioneer.

"(4) The conduct of the sale shall be according to terms set by the Mayor, and published with a reasonable degree of specificity in the public notice, to ensure the orderly functioning of the public auction and the integrity of the tax sale process, including requirements that potential purchasers:

"(A) Establish their eligibility for bidding by presenting evidence of the legal existence of the bidding entities that are satisfactory to the Mayor;

"(B) Limit their representation at a sale to no more than a single agent for each bidding entity;

"(C) Refrain from an act, agreement, consent, or conspiracy to suppress, pre-determine, rig, or fix the bidding at the sale; and

"(D) Provide such other information as the Mayor may require.

"(5) A potential purchaser, including a natural person or business entity, who is delinquent in payment of taxes to the District, may not bid on real property offered at a sale held under this chapter or otherwise acquire an interest in real property sold under this chapter. For purposes of this paragraph, a potential purchaser shall include a person owning a 10% or more equity interest in, or an officer of, an entity that owns a 10% or more equity interest in real property on which taxes are delinquent. The certificate of sale held by the purchaser in violation of this paragraph shall be void and monies paid for the real property as described in the certificate of sale shall be forfeited to the District. This paragraph shall not be circumvented by a purchaser through the use of one or more business entities to avoid its intended application.

"(b) Before making any bid, a potential purchaser shall deposit the greater of \$100 or 20% of the purchase price. The deposit shall guarantee full and final settlement for the purchase. If the required deposit is not sufficient, the real property shall be immediately re-auctioned.

"(c) Unless otherwise provided in this chapter, a real property shall not be sold for less than the amount of the taxes.

"§ 47-1347. Payment of purchase price at tax sale.

"The payment of the purchase price shall be on the terms established by the Mayor. A purchaser shall pay the full amount of his bid, including surplus and costs, within 5 business days after the last day of the sale. If the payment is not received within the time prescribed, the deposit of the defaulting purchaser shall be forfeited to the District, and the real property shall be deemed to have been bid off to and purchased by the Mayor in the name of the District.

"§ 47-1348. Certificate of sale – in general.

"(a) The Mayor shall deliver to the purchaser a certificate of sale under the Mayor's hand and seal or authorized facsimile signature (or a delegate's hand and seal). The certificate shall set forth:

- "(1) The date of the certificate;
 - "(2) That the real property described in it was sold by the Mayor to the purchaser;
 - "(3) The date of the original public tax sale to which the certificate corresponds;
 - "(4) The date of the sale to the purchaser;
 - "(5) The amount of taxes for which the real property was offered for sale at the original tax sale;
 - "(6) The total amount of taxes owing at the time of sale to the purchaser;
 - "(7) The purchase price;
 - "(8) The amount of surplus;
 - "(9) A description of the real property in substantially the same form as the description appearing on the Mayor's tax roll;
 - "(10) A statement that the rate of interest, upon redemption, shall be 18% per year calculated on the amount paid on account of the purchase price, except surplus;
 - "(11) The date when an action to foreclose the right of redemption may be filed;
- and

"(12) That the certificate shall be void unless diligent proceedings to foreclose the right of redemption are brought within one year from the date of the certificate, and that if the certificate shall become void, all monies paid for the real property by the purchaser shall be forfeited to the District.

"(b) The rate of interest on the purchase price, except surplus, shall be 18% per year from the date the real property was sold or bid off. The interest shall continue to accrue until the real property is redeemed or the taxes and accrued interest are otherwise paid.

"(c) The certificate of sale shall be in substantially the following form:

" "I,, acting under authority of the Mayor of the District of Columbia, certify that on, 20...., the real property described as square....., suffix, lot and assessed to, was offered at public tax sale for the sum of Dollars and Cents, for the periods and amounts of taxes and costs, to wit:

"I further certify that on, 20...., with the amounts specified above totaling, I sold to the said real property for the sum of Dollars and Cents, plus surplus in the amount of Dollars and Cents. The real property described in this certificate is subject to redemption.

"On redemption, the purchaser will be refunded the sums paid on account of the purchase price, together with interest thereon at the rate of 18% per annum from the date the real property was sold to the date of redemption; provided, that the purchaser shall not receive interest on any

surplus. On redemption, the purchaser shall also receive expenses permitted by Chapter 13A of Title 47 of the D.C. Code that may have been collected by the Mayor. Before a deed can be delivered to the purchaser, all taxes as defined in Chapter 13A with interest thereon, and including taxes with interest thereon for years for which the District or a third party purchased the real property at any tax sale and expenses reimbursable under Chapter 13A, shall be paid to the D.C. Treasurer except as provided in D.C. Code § 47-1361(b).

"After, 20..., an action can be brought to foreclose the right of redemption in the real property. This certificate will be void unless such an action is brought and diligently pursued within one year from the date of this certificate. If this certificate becomes void as provided in D.C. Code § 47-1355, all monies paid for the real property will be forfeited to the District. An assignee of this certificate shall notify the Mayor within 30 days of the assignment and provide the Mayor with the assignee's name, address, and telephone number.

"Witness my hand and seal, this day of, 20.....

"

"For the Mayor

"(To be followed by acknowledgment)"

"§ 47-1349. Same – assignment.

"(a) A certificate of sale executed and delivered by the Mayor to the purchaser is assignable and an assignment of the certificate of sale vests in the assignee, or the legal representative of the assignee, all the right, title, and interest of the original purchaser.

"(b) The assignment of the certificate of sale may be made in accordance with § 45-714(b) relating to the substitution of trustees.

"(c) Within 30 days of the assignment, the assignee shall notify the Mayor in the manner that the Mayor shall prescribe and provide the Mayor with the assignee's name, address, telephone number, taxpayer identification number, and such other information which the Mayor may require.

"(d) The assignee shall notify the Mayor of an assignment of the interest in the payment of other taxes and liabilities described in § 47-1354.

"§ 47-1350. Same – recording.

"The purchaser may record the certificate of sale and the assignee may record the assignment of the certificate of sale in the Recorder of Deeds.

"§ 47-1351. Same – as evidence.

"The certificate of sale or assignment of the certificate of sale is presumptive evidence in all judicial proceedings by and against the purchaser, and the purchaser's representatives, heirs and assigns, of the:

"(1) Truth of the statements in the certificate of sale or assignment of the

certificate of sale;

"(2) Interest of the purchaser in the real property described;

"(3) Regularity and validity of all proceedings regarding the taxes for which the real property was sold; and

"(4) Sale of the real property.

"§ 47-1352. Purchase by District – in general.

"(a) If the highest bid at a public auction is not sufficient to pay the taxes or if a certificate of sale shall become void, the real property shall be bid off to and purchased by the Mayor in the name of the District. Real property bid off to the District shall not be exempt from assessment and taxation, but shall be assessed and taxed as other real property. If real property is bid off to the District (including by a void certificate of sale under § 47-1355), the taxes, and interest from the date the real property was bid off, shall remain a lien on the real property.

"(b) A certificate of sale in substantially the same form as provided in this chapter may be issued at any time by the Mayor in the name of the District for real property bid off in the name of the District, and, for purposes of the interest computation, the certificate of sale shall relate back to the date the real property was bid off; provided, that notwithstanding any other law, if the certificate of sale is not sold, assigned, or otherwise transferred by the District, the certificate shall be perpetual and the Mayor shall not be required to foreclose on the right of redemption. The Mayor shall have the same rights and remedies with regard to the real property as other purchasers, including the right to foreclose the right of redemption and to be reimbursed for expenses.

"§ 47-1353. Same – right to sell or foreclose upon real property.

"(a) If a real property has been bid off in the name of the District, the Mayor may:

"(1) Sell the real property and:

"(A) If a certificate of sale has been issued for the real property, assign to the purchaser the certificate of sale upon payment of the amount for which the real property was bid off, plus interest thereon to the date of the assignment; provided, that (i) the one-year period under § 47-1355 shall commence from the date of assignment; and (ii) the purchaser under this paragraph shall be deemed to have provided to the Mayor the purchaser's name, address, and telephone number within the time prescribed; or

"(B) If a certificate of sale has not been issued for the real property, issue to a purchaser (who has given to the Mayor such information as the Mayor may require) a certificate of sale as provided in § 47-1348 upon payment of the amount for which the real property was bid off, plus interest thereon to the date of issuance; or

"(2) Foreclose the right of redemption in the same manner as a purchaser.

"(b)(1) Notwithstanding the minimum sale amount in subsection (a) of this section or § 47-414, the Mayor may sell real property bid off in the name of the District for an amount less than required from the owner to redeem the real property and, if a certificate of sale has not been issued

for the real property, issue to the purchaser thereof a certificate of sale, or, if a certificate of sale has been issued for the real property, assign the certificate of sale of the real property; provided, that:

"(A) A public notice, to solicit potential purchasers, is published in 2 daily newspapers of general circulation within the District at least 30 days before offers or bids shall begin to be received;

"(B) The public notice states how, where, and when offers or bids shall begin to be received and the closing date for offers or bids;

"(C) The public notice states that the real property shall be sold or assigned to the person with the highest offer or bid;

"(D) The public notice states that the successful purchaser shall pay the full amount of the bid before the sale or assignment shall be concluded;

"(E) The public notice states that the results concerning all sales or assignments shall be published on the Internet in the form prescribed by paragraph (2) of this subsection;

"(F) The public notice contains a list of the real properties to be so sold or assigned or the public notice states where the list may be obtained;

"(G) The list contains a description of each real property, by square, suffix, and lot number or parcel and lot number, as the real property appears on the tax roll; and

"(H) The list states the periods and amounts of taxes for which the real property may be sold or the certificate of sale assigned.

"(2) As soon as practical after the sale or assignment, the Mayor shall:

"(A) Publish on the Internet a public notice concerning the results of the sale or assignment; and

"(B) A list shall be attached to the public notice, which list shall state at least the following:

"(i) The name of the purchaser of each real property sold or assigned, along with the corresponding square, suffix, and lot number or parcel and lot number;

"(ii) The total amount of taxes for which the real property was sold or assigned; and

"(iii) The amount paid for each real property by the purchaser.

"(c)(1) When a certificate of sale is issued for real property sold or a certificate of sale is assigned under this section, the 6-month waiting period described in § 47-1370 shall be reduced by the number of days that shall have passed since the original public tax sale to which the certificate of sale corresponds.

"(2) The Mayor may file a complaint to foreclose the right of redemption upon the expiration of the 6-month waiting period that shall commence from the date of the original tax sale at which the real property was bid off to the District.

"(d) Upon redemption, a purchaser under this section shall be entitled to the amount for

which the real property was sold or the certificate of sale assigned by the Mayor to the purchaser, with interest thereon at the rate set forth in § 47-1334 and § 47-1348 from the date the real property was so sold or the certificate of sale assigned to the date of redemption, and any other amounts permitted to the purchaser under this chapter; provided, that the purchaser shall not receive interest on any surplus.

"§ 47-1354. Payment of other taxes and liabilities by purchaser; assignment.

"(a) After the 6-month waiting period set forth in § 47-1370, as may be reduced under § 47-1353, has expired, the purchaser may pay the taxes, interest, and penalties owing on the real property for any period for which the real property has not been sold or bid off.

"(b) The purchaser shall receive a refund of the payment upon redemption, with interest as required to be paid by the redeemer, only if the purchaser's certificate of sale is not void and if the purchaser provides proof satisfactory to the Mayor that the purchaser made the payment.

"(c) If the certificate becomes void, a payment credited to the account of the real property under this section shall be nonrefundable.

"(d) The Mayor shall prescribe, by regulation, the procedures for making a payment under this section. Notwithstanding any other law, the Mayor may require payment to be made directly to the Office of Tax and Revenue or any other entity, and payment may be held in escrow or applied as designated.

"(e) The purchaser shall immediately notify the Mayor, in the manner that the Mayor shall prescribe, of a payment made under this section. If the purchaser fails to notify the Mayor, the Mayor shall not be liable to the purchaser for the amount of the payment.

"(f) If the purchaser assigns a certificate of sale in accordance with § 47-1349, the purchaser shall also assign to the assignee the purchaser's interest in the payment made under this section. The purchaser shall immediately notify the Mayor of the assignments in the manner that the Mayor may prescribe. Failure of the purchaser to assign the interest at the time the certificate of sale is assigned, or to immediately notify the Mayor of the assignment of the interest, shall invalidate the assignment of the certificate of sale and the assignment of the interest.

"§ 47-1355. Void certificate of sale.

"(a) Except as otherwise provided, a certificate of sale shall be void if:

"(1) An action to foreclose the right of redemption is not brought within one year from the date of the certificate of sale;

"(2) The purchaser owes taxes to the District as described in § 47-1346(a)(5);

"(3) An action to foreclose the right of redemption is dismissed for a lack of prosecution;

"(4) The purchaser fails to comply with § 47-1382; or

"(5) A sale is set aside because of fraud on the part of the purchaser.

"(b) If a certificate shall become void:

"(1) The right, title, and interest of the purchaser in the real property shall cease;

"(2) All monies paid for the real property by the purchaser shall be forfeited to the District and deposited by the Mayor in the General Fund of the District; and

"(3) The real property shall be deemed to have been bid off in the name of the District for the taxes for which the real property was sold or bid off at the original public tax sale to which the certificate corresponds, and interest thereon shall accrue from the date that the property was sold or bid off, as if the sale or assignment to the purchaser had not occurred.

"(c) Subsection (b) of this section shall not apply if a judgment or sale is set aside in the absence of fraud on the part of the purchaser and the certificate of sale is not void under subsection (a) of this section.

"Subchapter III. Redemption.

"§ 47-1360. Right of redemption.

"Unless otherwise provided in this chapter, an owner or other person who has an interest in the real property sold by the Mayor may redeem the real property at any time until the foreclosure of the right of redemption is final.

"§ 47-1361. Required payments; notice to purchaser; certificate of redemption.

"(a) To redeem the real property, the person redeeming shall pay to the Mayor, for deposit into the General Fund of the District (notwithstanding any other law), the following:

"(1) If the real property was sold at tax sale to a purchaser, the amount paid by the purchaser for the real property exclusive of surplus, with interest thereon

"(2) If the real property was bid off to the District, the taxes with interest thereon from the date the real property was bid off;

"(3) If the real property was bid off to the District and subsequently sold or the certificate of sale assigned to a purchaser:

"(A) The taxes with interest thereon from the date the real property was bid off; plus

"(B) Interest on the total amount in subparagraph (A) of this paragraph from the date the real property was subsequently sold or the certificate of sale assigned;

"(4) All other taxes, interest, and penalties paid by a purchaser on behalf of the real property, with the interest that would have been owing if the purchaser had not paid the taxes provided, that the certificate of sale of the purchaser is not void;

"(5) All other taxes to bring the real property current;

"(6) Unless the person redeeming furnishes the Mayor a release or acknowledgment executed by the purchaser that all expenses under § 47-1377 have been paid to the purchaser, all expenses for which the purchaser is entitled to reimbursement under § 47-1377;

"(7) All expenses owing to any other purchaser; and

"(8) If judgment of foreclosure of the right of redemption of the sale is set aside, the reasonable value, at the date of the judgment, of all reasonable improvements made on the

real property by the purchaser and the purchaser's successors in interest, subject to § 47-1363.

"(b) Notwithstanding subsection (a) of this section, payment of all real property tax liens and permitted accruals assigned or sold and transferred to third parties under § 47-1303.4 shall be required before a person may redeem under this chapter.

"(c) The provisions of subsection (a) of this section may apply more than once if the real property has been sold or bid off more than once. In such case, the person redeeming shall pay all required amounts to satisfy the purchasers and the District.

"(d) After receipt of the payment set forth in this section, the Mayor shall notify the purchaser that the real property has been redeemed. The purchaser shall surrender the certificate of sale and shall receive from the Mayor the amount to which the purchaser is entitled. For the purposes of this section, the Mayor may conclusively presume that the original purchaser at the tax sale is the holder of the certificate of sale, unless the Mayor receives a written notice of an assignment of the certificate of sale in accordance with this chapter.

"(e) Upon request and subject to the payment of a fee, the Mayor shall execute and deliver to the person redeeming the real property a certificate of redemption, which may be recorded in the Recorder of Deeds and, when recorded, shall release any encumbrance created by the recording of the certificate of sale.

"§ 47-1362. Fixing amount necessary for redemption after action to foreclose filed.

"(a) If the real property is redeemed after an action to foreclose the right of redemption is filed and there is a dispute regarding redemption, the person redeeming may apply to the Superior Court for an order fixing the amount necessary for redemption in accordance with the provisions of this chapter.

"(b) Except as provided in subsection (c) of this section, the Mayor may accept a payment for redemption without an order of court.

"(c) If there is a dispute regarding redemption, the Mayor shall not accept a payment for redemption unless a certified copy of the order of court fixing the amount necessary for redemption is filed with the Mayor.

"§ 47-1363. Rights of owners and purchasers during redemption period; appointment of receiver of real property.

"The owner of a real property sold under this chapter shall have the right, during the period of redemption, to continue in possession of, and to exercise all rights of ownership over, the real property until the right of redemption has been finally foreclosed under the provisions of Subchapter IV; provided, that a purchaser may apply to the Superior Court for the appointment of a receiver of the real property covered by the certificate of sale or assignment of the certificate of sale in accordance with the provisions of laws and of rules and practice of the Superior Court that relate to receivers. If a certificate of sale is held by the District, the Mayor may make application by complaint to the Superior Court for the appointment of a receiver of the real property covered by the certificate of sale. The defendant, in an action brought by the Mayor for the appointment

of a receiver, shall be the owner of the real property whose name last appears as the owner on the Mayor's tax roll. Notwithstanding the foregoing, if the real property is vacant or abandoned, a certificate of sale has at any time been issued in the name of the District, and the certificate of sale is presently held by the District, the Mayor shall have the right of immediate possession of the real property from the date of the sale without the necessity of receivership proceedings; provided, that the Mayor shall make an accounting of all rents collected to the owner on redemption of the real property, and on redemption, shall remit the rents, less all remuneration for the maintenance and upkeep of the real property.

"§ 47-1364. Assessment during redemption period; assessment to purchaser.

"Until a judgment is entered that forecloses the right of redemption in a real property sold by the Mayor and a deed is executed by the Mayor, the real property shall continue to be assessed as though no sale had been made. When the judgment is entered and the deed executed, the real property shall be transferred on the assessment books or records to the purchaser notwithstanding any other law. After the transfer, the real property shall be assessed in the name of the purchaser.

"§ 47-1365. Tenant or person with less than fee simple interest paying taxes or levies to have credit out of rents.

"A tenant or person with less than a fee simple interest from whom payment is obtained ("payor"), by distress or otherwise, of taxes due from an owner or other person under whom the payor holds shall receive a credit for the payment against the rents that the payor owes, except when:

"(1) The payor is bound either by operation of law or by contract to pay the taxes;

"(2) The real property is the subject of receivership proceedings; or

"(3) The Mayor has taken possession of the real property in accordance with §

47-1363.

"§ 47-1366. Cancellation of sale by Mayor.

"The Mayor may cancel a sale before the issuance of a final order by the Superior Court to prevent an injustice to the owner or person with an interest in the real property. In the event of such cancellation, the Mayor shall pay to the purchaser the amount which the purchaser would have received if the real property had been redeemed, but no part of such amount shall be deemed a payment of tax on behalf of the real property. A certificate of redemption, if necessary, shall be executed and filed by the Mayor with the Recorder of Deeds for no fee.

"Subchapter IV. Foreclosure.

"§ 47-1370. Complaints by purchasers to foreclose the right of redemption; exercise of authority by form of complaint.

"(a) At any time after the expiration of a 6-month waiting period following the date of sale, a purchaser may file a complaint to foreclose the right of redemption of the real property to which the certificate of sale corresponds.

"(b) In a suit to foreclose the right of redemption, the Superior Court may:

"(1) Bar the right of redemption and foreclose (A) all transfers of the real property occurring before the judgment of the court as provided in this chapter and (B) all liens and encumbrances on the real property except as provided in § 47-1382;

"(2) Vest title in fee simple in the purchaser; or

"(3) Set aside the sale and determine the amount required to redeem the real property.

"(c)(1) A complaint filed pursuant to subsection (a) of this section shall state:

"(A) The fact of the issuance of the certificate of sale and the date of the certificate;

"(B) A description of the real property in substantially the same form as the description appearing on the certificate along with the street address, if any;

"(C) An itemization of the amount paid at tax sale by the purchaser for each year or period of taxes, including costs of sale.

"(D) The fact that the real property has not been redeemed by a person having an interest in the real property;

"(E) A request for an order of publication directed to all persons having an interest in the real property; and

"(F) A request that the court pass a judgment that forecloses the right of redemption of the defendants and any other person having any interest in the real property.

"(2) The caption of the complaint filed for relief under subsection (a) of this section shall comply with §§ 47-1373(a) and 47-1374(a).

"(3) The certificate of sale issued by the Mayor to the purchaser or a photocopy of the certificate shall be attached to the complaint and shall be made part of the complaint.

"(d) The right of redemption shall continue until a judgment foreclosing the right of redemption becomes final.

"§ 47-1371. Parties.

"(a) The plaintiff in an action to foreclose the right of redemption shall be the purchaser.

"(b)(1) Except as otherwise provided in this subsection, the defendants in an action to foreclose the right of redemption shall be:

"(A) The record title holder of the real property;

"(B) The legal title holder, if different from the record title holder;

"(C) If the real property is encumbered by a recorded life tenancy, the record life tenant and record remaindermen;

"(D) If the real property is subject to an estate for life or a lease or ground rent for a term (with renewals) that is at least 30 years, the record title holder of the fee simple title and the owner of the possessory interest as disclosed by a search performed in accordance

with generally accepted standards of title examination of the records of the Recorder of Deeds and the Probate Division of the Superior Court;

"(E) Any mortgagee of the real property, or any assignee of the mortgage of record, named as such in an unreleased mortgage recorded in the records of the Recorder of Deeds;

"(F) The trustee of record under a deed of trust recorded against the real property and a holder of a beneficial interest in a deed of trust who files notice of the interest, which notice includes identification of the deed of trust, the book and page or roll and frame where the deed of trust is recorded, and the current address at which the holder may be served with a summons; and

"(G) The District.

"(2) The plaintiff shall certify, under penalties of perjury, to the Superior Court that a search for the defendants has been performed in accordance with generally accepted standards of title examination of the records of the Recorder of Deeds and probate decisions of the Superior Court.

"(3) The plaintiff may elect not to include as a defendant any of the persons named in paragraph (1) of this subsection. However, the rights of any person not included as a defendant shall not be affected by the action.

"(4) The plaintiff shall not be required to name as defendant any other person that has, or claims to have, any right, title, interest, claim, lien, or equity of redemption in the real property sold by the Mayor. Any of these persons shall be included as defendants by the designation "all persons that have or claim to have any interest in real property ... (giving a description of the real property in substantially the same form as the description that appears on the Mayor's certificate of sale along with the street address, if any)." Any of these persons shall be designated throughout the action by the above designation, may participate as defendants in the action, and the action may proceed against them by publication under order of court as provided in this chapter.

§ 47-1372. Notice to certain persons.

"(a)(1) The plaintiff shall send written notice of the action to:

"(A) Notwithstanding the provisions of § 47-1371(b)(4), all persons having a recorded interest, recorded claim, or recorded lien, including a recorded judgment, who have not been made a defendant in the action and, if the real property is the common areas owned by or legally dedicated to a homeowners association, to the homeowners association governing the real property, at the last reasonably ascertainable address; and

"(B) Each commercial tenant of the real property whose identity is known to the plaintiff at the commercial tenant's last reasonably ascertainable address.

"(2) This section shall not apply to residential tenants.

"(b) The notice under subsection (a) of this section shall be:

"(1) Sent by certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service; and

"(2) Accompanied by a copy of the summons and a copy of the complaint.

"(c) The plaintiff shall file in the action:

"(1) The return receipt from the notice; or

"(2) If the return receipt has not been returned, the proof of mailing and an affidavit stating that the notice provisions of subsection (b) of this section have been complied with, or an affidavit stating that the address of the holder of the subordinate interest is not reasonably ascertainable.

"(d)(1) Notwithstanding any other provisions of this section, the plaintiff shall send written notice of the action to any commercial tenant of the real property whose occupancy of the real property is reasonably ascertainable by the plaintiff, whether or not the commercial tenant's identity is known:

"(A) By first-class mail, postage prepaid, bearing a postmark from the United States Postal Service, addressed to the commercial tenant by name if the identity of the commercial tenant is known to the plaintiff, or addressed to "occupant" if the identity of the commercial tenant is not known;

"(B) To each separately leased area of the real property that the plaintiff can reasonably ascertain is occupied;

"(C) In an envelope prominently marked on the outside with the phrase "Notice of Action to Foreclose"; and

"(D) Accompanied by a copy of the complaint.

"(2) The notice shall include the following statement in conspicuous, bold-faced print:

""If the unpaid taxes, together with costs and expenses, are not paid, the court may enter a judgment foreclosing the right of redemption that would terminate your lease and right to occupy the real property. You have the right to pay the unpaid taxes, together with costs and expenses, and avoid lease termination and eviction. A judgment foreclosing the right of redemption could be entered within the next 90 days and at that time you could be evicted or required to vacate the real property."

"(e) If the filing under subsection (c) of this section is made before the entry of final judgment, the failure of a person under subsection (a)(1) of this section to receive the notice shall not invalidate the sale.

"(f) In addition to the notice required by subsection (a) of this section, the plaintiff shall provide notice of the action by posting a copy of the summons on a place on the premises of the real property where it may be conveniently read.

"(g)(1) Subject to § 47-1371(b)(1) and (4), after entry of a judgment foreclosing the right of redemption and at least 30 days before taking possession of the real property, the plaintiff shall

give any commercial tenant of the real property written notice of the plaintiff's intention to obtain possession of the real property and that the commercial tenant shall vacate the real property within 30 days after the notice.

"(2) During the 30-day period immediately following entry of the judgment foreclosing the right of redemption, the plaintiff may apply for, process, and obtain, but not execute upon, a writ of possession of the real property.

"(3) The notice under paragraph (1) of this subsection shall be sent:

"(A) By first-class mail, postage prepaid, bearing a postmark from the United States Postal Service, addressed to the commercial tenant by name if the identity of the commercial tenant is known to the plaintiff, or addressed to "occupant" if the identity of the commercial tenant is not known;

"(B) To each separately leased portion of the real property that the plaintiff can reasonably ascertain is occupied; and

"(C) In an envelope prominently marked on the outside with the phrase "Notice of taking possession of real property."

"§ 47-1373. How unknown owner made party; affidavit of search.

"(a) If the identity of an owner cannot be ascertained as provided in § 47-1371, the unknown owner of the real property may be included as a defendant by the designation:

""Unknown owner of real property (insert a description of the real property in substantially the same form as the description that appears on the certificate of sale along with the street address, if any), the unknown owner's heirs, devisees, and personal representatives and their or any of their heirs, devisees, executors, administrators, grantees, assigns, or successors in right, title and interest." The unknown owner shall be so designated throughout the action. The action shall proceed against the unknown owner by publication under order of the court as provided in § 47-1375.

"(b) A complaint to foreclose the right of redemption filed against an unknown owner as set forth in subsection (a) of this section shall have attached to it an affidavit by the person making the search stating at a minimum that:

"(1) The owner of the real property (or a part of the real property) is unknown; and

"(2) A complete search of the records for at least 40 years immediately before the filing of the action was performed in accordance with generally accepted standards of title examination.

"§ 47-1374. Service of process.

"(a) The plaintiff shall set forth in the caption of the complaint the last address known to the plaintiff or to the attorney filing the complaint of each defendant, as obtained from:

"(1) Any records examined as part of the title examination;

"(2) The Recorder of Deeds; and

"(3) Any other address that is known to the plaintiff or the attorney filing the complaint.

"(b) Subsection (a) of this section shall not require the plaintiff or the attorney for the plaintiff to make any investigations or to search any other records or sources of information other than those stated.

"(c) This subsection applies only if a last known address for a defendant is obtained as provided under subsections (a) and (b) of this section. The plaintiff shall cause a copy of the order of publication to be mailed by first class, certified mail, postage prepaid, to each defendant at the defendant's address as determined by the provisions of subsections (a) and (b) of this section. If a defendant is not served by summons or as provided by subsection (d) of this section, the plaintiff shall file an affidavit in the action, which affidavit:

"(1) Shall certify compliance with this subsection; and

"(2) Shall be accompanied by the receipt obtained from the post office for the mailing or the certified mail receipt.

"(d) Notice to a defendant may be made in any other manner that results in actual notice of the pendency of the action to the defendant. If notice is given under this subsection, the plaintiff shall file an affidavit that fairly describes the method and time of service.

"(e) A final judgment may not be entered before the later of:

"(1) If actual service is made on the defendant, the failure to timely respond to the summons issued by the court;

"(2) The actual time specified in the order of publication; or

"(3) Twenty-three days after the date of the mailing of the copy of the order of publication under subsection (c) of this section.

"§ 47-1375. Notice by publication.

"At the time the summons (or initial summons) is issued, the plaintiff shall obtain an order of publication directed to all defendants, naming them as provided by this chapter. The real property shall be described in the order of publication as the real property is described on the certificate of sale along with the street address, if any. The order of publication shall notify all persons that have, or claim to have, an interest in the real property to answer the complaint or to redeem the real property on or before the date named in the order of publication and, in case of failure to appear, answer, or redeem the real property, that a judgment will be entered that forecloses the right of redemption in the real property. The date named may not be less than 60 days from the date of the order. Subject to §47-1371(b), when the order of publication is issued and published, any person that has any right, title, interest, claim, lien, or equity of redemption in the real property is bound by the judgment of the court that may be entered in the case as if the person were personally served with process. The order of publication shall be in substantially the following form:

""Order of Publication

"The object of this proceeding is to secure the foreclosure of the right of redemption in the following real property located in the District of Columbia, and sold by the Mayor of the District of Columbia to the plaintiff in this action:

(Insert description of real property in substantially the same form as the description appearing on the Mayor's certificate of sale along with the street address, if any.)

"The complaint states, among other things, that the amounts necessary for redemption have not been paid.

"It is thereupon this day of, 20.., by the Superior Court of the District of Columbia, Ordered, That notice be given by the insertion of a copy of this order in some newspaper having a general circulation in District of Columbia once a week for 3 successive weeks, notifying all persons interested in the real property to appear in this Court by the day of, 20.., and redeem the real property by payment of \$..... or answer the complaint or, thereafter, a final judgment will be entered foreclosing the right of redemption in the real property and vesting in the plaintiff a title in fee simple."

"§ 47-1376. Validity of taxes and sale presumed unless attacked in answer.

"In an action to foreclose the right of redemption, the plaintiff shall not be required to plead or prove the various steps, procedure, and notices for the assessment and imposition of the taxes for which the real property was sold or the proceedings taken by the Mayor to sell the real property. The validity of the procedure is conclusively presumed unless a defendant in the proceeding shall, by answer, plead as an affirmative defense, the invalidity of the taxes, the invalidity of the proceedings to sell, or the invalidity of the sale.

"§ 47-1377. Purchaser reimbursed by redeeming party for expenses.

"(a) Except as provided in subsection (b) of this section, upon redemption, a purchaser is entitled to be reimbursed by the redeeming person for the following expenses incurred in an action, or in preparation for an action, to foreclose the right of redemption:

"(1) Before the filing of an action to foreclose redemption:

"(A) The amount of \$300 for pre-complaint legal expenses, including a title search of the public record required to satisfy the notice requirements of this chapter, and

"(B) The amount paid to record the certificate of sale; or

"(2) If a complaint has been filed before redemption, all expenses as allowed by the Superior Court, including expenses incurred for personal service of process, expenses for service of process by publication, expenses for publication and posting of all required notices, expenses for postage, and reasonable attorneys' fees.

"(b) No purchaser of a certificate of sale shall be reimbursed for expenses incurred within 4 months after the date of sale or if the certificate becomes void under this chapter.

"§ 47-1378. Final order.

"Upon the occurrence of the last event specified in § 47-1374(e), a plaintiff may be entitled to judgment foreclosing the right of redemption. An interlocutory order shall not be

required. The judgment shall be final and conclusive on the defendants, their heirs, devisees, and personal representatives and they, or any of their heirs, devisees, executors, administrators, assigns, or successors in right, title, or interest, shall be bound by the judgment as if they had been named in the action and personally served with process.

"§ 47-1379. Reopening judgments.

"The Superior Court shall not open a judgment rendered in an action for foreclosure of the right of redemption, except on the grounds of lack of jurisdiction or fraud in the conduct of the action to foreclose; provided, that the reopening of a judgment on the ground of constructive fraud in the conduct of the action to foreclose shall not be entertained by the court unless an application to reopen a judgment rendered is filed within 90 days from the date of the judgment.

"§ 47-1380. Judgment setting aside sale.

"(a) If the Superior Court shall set aside a sale, the amount required to redeem is: (A) the amount required by this chapter, as may be adjusted by the court, and (B) the reasonable value, on the date the judgment is set aside, of all reasonable improvements made on the real property by the purchaser and the purchaser's successors in interest subject to § 47-1363.

"(b) A sale shall not be set aside unless the real property is redeemed.

"(c) If the Superior Court sets aside a sale in the absence of fraud on the part of the purchaser, the Mayor shall repay to the purchaser:

"(1) The amount paid to the Mayor on account of the purchase price of the property sold, with interest thereon except surplus;

"(2) All taxes accrued after the date of sale that were paid by the purchaser under this chapter, with interest as would have been required to be paid by a redeemer;

"(3) The expenses collected by the Mayor and properly incurred under § 47-1377; and

"(4) The amount, as collected by the Mayor, of the value of all reasonable improvements made on the real property by the purchaser and the purchaser's successors in interest.

"§ 47-1381. Judgment bars redemption only in real property described therein.

"If a plaintiff who files a complaint to foreclose the right of redemption describes the real property in the complaint in a manner other than that contained in the certificate of sale or states an incorrect street address, and the description in the judgment, the description in the complaint, and the description in the certificate of sale are intended to describe the same real property, the judgment entered barring the defendant's right to redeem bars the defendant's interest only in the real property described in the judgment.

"§ 47-1382. Purchaser's deed; payment; compliance with terms of judgment as to payments.

"(a) A final judgment foreclosing the right of redemption shall direct the Mayor to execute and deliver a deed to the purchaser in fee simple on payment to the Mayor of the amount

required under this section. No deed shall be executed before such payment is received. The final judgment shall direct the Mayor to enroll the purchaser in fee simple as the owner of the real property. The fee simple interest shall be conveyed subject to:

"(1) A lien filed by the taxing agency under § 47-1340(c);

"(2) The tenancy of a residential tenant (other than a tenant described in § 47-1371(b)(1)(C) and (D)); and

"(3) Easements of record and any other easement that may be observed by an inspection of the real property.

"(b) Notwithstanding subsection (a)(1) of this section, the fee simple interest conveyed of a real property sold under § 47-1353(b) shall not be subject to a lien filed by the taxing agency under § 47-1340(c).

"(c) The purchaser shall pay all amounts that would be required of a person redeeming under § 47-1361; provided, that the purchaser shall not make payment for taxes and periods for which the purchaser purchased the certificate of sale, was assigned a certificate of sale under § 47-1349, and made payment under § 47-1354.

"(d) The deed shall be prepared by the purchaser or the attorney for the purchaser and all expenses incident to the preparation, execution, delivery, and recordation of the deed shall be paid by the purchaser.

"(e) The plaintiff shall provide a certified copy of the final judgment to the Mayor.

"(f) If the purchaser fails to pay to the Mayor the amount required under this section within 30 days of the final judgment, the final judgment may be vacated as void by the Superior Court on the motion of any party. If the purchaser does not record the deed in the Recorder of Deeds within 30 days of the execution of the deed, the final judgment may be vacated as void by the Superior Court on the motion of any party. If a final judgment is so vacated, the deed and the certificate of sale are void and all money paid by the purchaser to the Mayor is forfeited except as provided in § 47-1354(c).

"(g) Any surplus paid for a real property by a purchaser shall be applied against other taxes, interest thereon, and expenses owing on the real property for which a deed is sought if the application and timely balance payment shall result in the full payment required to obtain the deed.

"(h) Any overpayment, including expenses, shall be paid by the Mayor to the person who made the overpayment. If there is a dispute regarding payment of the overpayment, the Mayor shall hold the overpayment until a court of competent jurisdiction determines the proper distribution of the overpayment.

"§ 47-1383. Obtaining possession.

"Subject to the rights of tenants under residential leases described in § 47-1382(a), a person who acquires a deed to real property under this chapter is entitled to issuance of a writ of possession of the real property as if the person had obtained a judgment awarding possession of

the real property.

"§47-1384. Construction of chapter.

"Notwithstanding any other law, the provisions of this chapter shall be liberally construed as remedial legislation to encourage the foreclosure of the right of redemption by suits in the Superior Court and for the decreeing of marketable titles to real property sold by the Mayor."

"§ 47-1385. Transition provisions; applicability of chapter.

"Chapter 13 shall apply to any tax sale made or instituted, and any agreement executed between the District and any third party with respect to such sale, before January 1, 2001. This chapter shall apply to any tax sale made or instituted (or which could have been made or instituted), and any agreement executed between the District and any third party with respect to such sale, after December 31, 2000."

Sec. 8. (a) The second sentence of section 15(g) of the Business Improvements Districts Act of 1996 is amended to read as follows:

"If an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, the proceeds from such sale shall be applied towards such delinquent BID taxes together with interest and penalties thereon, including costs associated with such sale; provided, that the proceeds from such sale shall be applied first to any delinquent real property taxes (and penalties and costs associated therewith), and then, to the extent a required accounting is made in accordance with section 47-1340(f) of the District of Columbia Code, in the following order of priority: any delinquent water and sewer charges; and any delinquent litter control nuisance fines, in accordance, respectively, with section 47-1304.4 of the District of Columbia Code, sections 104 and 210 of the District of Columbia Public Works Act of 1954 and section 8 of the Litter Control Administrative Act of 1985.

(b) Section 1(b)(2) of An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes is amended by striking the phrase "amounts assessed and collected as a tax against real property pursuant to subsection (a) of this section" and inserting the phrase "if an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, amounts assessed and collected as a tax against real property under subsection (a) of this section" in its place.

(c) The last sentence of section 5(b) of An Act To authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes is amended to read as follows:

"If an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, any amounts assessed and collected as a tax against real property under this section shall be deposited to the credit of the revolving fund."

(d) Section 104(a) of the District of Columbia Public Works Act of 1954 is amended to read as follows:

"Except as provided in subsections (c) and (d) of this section, if an owner of real property fails to pay District water and sanitary sewer service charges in full in accordance with section 103 on or before the 60th day, but not later than the 120th day, after the bill is rendered, the Mayor shall file a certificate of delinquency with the Recorder of Deeds. Upon filing, the certificate of delinquency shall constitute a continuing lien against the real property (including a lien for purposes of section 47-1340(c)) of the District of Columbia Code and show the amount of unpaid charges for District water and sanitary sewer services. The Mayor may enforce the lien, plus penalties, interest, and administrative costs, in accordance with the provisions for the sale of property for delinquent real property taxes under Chapter 13A of Title 47 of the District of Columbia Code if any water and sanitary sewer service charges remain unpaid upon the later of 181 days after the date the bill is rendered or 16 days after a final decision of an appeal challenging the bill. If an accounting is made in accordance with, and subject to, section 47-1340(f) of the District of Columbia Code, proceeds from the sale that represent unpaid water charges shall be credited to the Water and Sewer Enterprise Fund of the District of Columbia as established by section 47-375(g) of the District of Columbia Code."

(e) Title 47 of the District of Columbia Code is amended as follows:

(1) Section 47-405 is amended to read as follows:

"(a) The Mayor shall furnish whenever called upon, a certified statement of all taxes and assessments, general and special, that may be due at the time of making the certificate; and the certificate when furnished shall be a bar to the collection and recovery from any subsequent purchaser of any tax or assessment omitted from and which may be a lien upon the real property mentioned in the certificate, and the lien shall be discharged as to such subsequent purchaser, but shall not affect the liability of the person who owned the real property at the time such tax was assessed to pay the same, mentioned in the certificate. The Mayor shall collect a fee for each certificate of taxes issued.

"(b) This section shall not apply to taxes and assessments, general and special, for which a lien has been recorded at the Recorder of Deeds."

(2) Section 47-1203(b)(1) is amended by striking the phrase "pursuant to § 47-1301" and inserting the phrase "under Chapter 13A" in its place.

(3) Section 47-1204 is amended by striking the phrase "pursuant to § 47-1301" and inserting the phrase "under Chapter 13A" in its place.

(4) Section 47-1205(a) is amended by striking the phrase "pursuant to § 47-1301" and inserting the phrase "under Chapter 13A" in its place.

Sec. 9. Section 8 of the Litter Control Administration Act of 1985 is amended as follows:

(a) Subsection (f) is amended to read as follows:

"(f)(1)(A) The amount to be paid under a notice of violation and any other charges, expenses, costs, penalties, and interest shall be a continuing and perpetual lien in favor

of the District upon all property, whether real or personal, belonging to a person named in the notice and shall have the same force and effect as a lien created by judgment. Interest shall accrue thereon as provided in subsection (h) of this section.

"(B) The lien shall attach to all property belonging to the named person at any time during the period of the lien, including any property acquired by the named person after the lien arises.

"(C) The lien shall have priority over all other liens, except liens for District taxes and District water charges; provided, that the lien shall not be valid as against any bona fide purchaser, or holder of a security interest, mechanic's lienor or other such creditor interested in the property, without notice, until notice by filing the lien in the Recorder of Deeds. The lien shall be satisfied by payment of the amount of the lien to the agency that issued the notice.

"(D) For reasonable cause shown, the Mayor may abate the amount of the notice and any other charge, expense, penalty, or interest.

"(E) The Mayor may contract with any individual or business organization to collect the amount of the lien and remunerate the individual or business organization by fee, by a percentage of the amount collected, or both.

"(2)(A) As additional means for collection, the Mayor may enforce payment of the fines, other charges, expenses, costs, penalties, or interest imposed against the real property of the named person as follows:

"(i) The agency that issued the notice shall record a real property tax lien, captioned "Notice of Converted Real Property Tax Lien", with the Recorder of Deeds and in accordance with D.C. Code § 47-1340. The real property tax lien shall be deemed a delinquent real property tax from the date of the conversion, shall accrue interest at the rate of interest charged for delinquent real property tax, and shall be perpetual. Subject to D.C. Code § 47-1340(f), payment thereof shall be credited to the General Fund of the District of Columbia. The real property may be sold at tax sale, regardless of the date of the conversion, in the same manner, under the same conditions, and subject to the same impositions of interest, costs, expenses, fees, and other charges, as real property sold for delinquent real property tax.

"(ii) The aggregate amount of the fines, charges, expenses, costs, penalties, and interest secured by the lien imposed under paragraph (1) of this subsection may appear on a real property tax bill, and such aggregate amount shall be (I) deemed an additional real property tax to be collected in the same manner and under the same conditions as real property tax is collected, including the sale of the real property for delinquent tax; (II) notwithstanding section 6(g), credited to the General Fund of the District of Columbia; and (III) subject to the same penalty and interest provisions as delinquent real property tax is subject as of the date of such real property tax bill. The lien under paragraph (1) of this subsection, with penalty and interest as provided under this section, shall be converted to real property tax as of the due date for

payment of the real property tax bill if payment is not made.

"(B) If the lien has been converted to a real property tax lien under D.C. Code § 47-1340 or if the accrued amount of the lien appears on the real property tax bill, the real property tax lien shall be enforced under Chapter 13A of Title 47 of the District of Columbia Code."

(b) Subsection (h)(1) is amended by striking the word "may" and inserting the word "shall" in its place.

(c) A new subsection (i) is added to read as follows:

"The Mayor may promulgate rules and regulations to carry out the intent and purposes of this section."

Sec. 10. Applicability.

Section 2(s) shall apply to tax periods beginning after June 30, 2001. Section 2(w) shall apply for tax years beginning after September 30, 2001.

Sec. 11. The Council adopts the attached fiscal impact statement 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. Code § 1-233(c)(3)).

Sec. 12. (a) 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), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), and publication in the District of Columbia Register.

(b)(1) Sections 1 through 8, and section 10, of this act shall expire after 225 days of its having taken effect or upon the effective date of the Tax Clarity Act of 2000, signed by the Mayor on December 13, 2000 (D.C. Act 13-501; 48 DCR 334), whichever occurs first.

(2) Section 9 shall expire after 225 days of its having taken effect or upon the effective date of the Litter Control Administration Amendment Act of 2001, whichever occurs first.

Chairman
Council of the District of Columbia

ENROLLED ORIGINAL

Mayor
District of Columbia