

**COUNCIL OF THE DISTRICT OF COLUMBIA
SUBCOMMITTEE ON CONSUMER AFFAIRS
SUBCOMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

TO: All Councilmembers

FROM: Councilmember Brianne K. Nadeau *BKN*
Chairperson, Subcommittee on Consumer Affairs

DATE: October 25, 2016

SUBJECT: Report on Bill 21-862, the "DCRA Partnership Amendment Act of 2016"

The Subcommittee on Consumer Affairs, to which Bill 21-862, the "DCRA Partnership Amendment Act of 2016" was referred, reports favorably thereon with amendments, and recommends approval by the Council.

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I. BACKGROUND AND NEED

On September 19, 2016, Bill 21-862, the "Department of Consumer and Regulatory Affairs Partnership Act of 2016" was introduced by Chairman Mendelson on behalf of the Mayor. Bill 21-862 would allow business activities with a gross annual revenue of \$2,000, or a business that occurs no more than 30 days a calendar year, to be exempt from general business licensing requirements as found in D.C. Official Code §47-2851.02. In order to be eligible for this exemption, the claimant must submit a self-certification letter stating that the particular business activity meets the above requirements. If a person makes a false statement in the self-certification letter requested by the Mayor, they will be guilty of a Class 1 civil infraction and subject to fines pursuant to § 16-3201 of the District of Columbia Municipal Regulations. B21-862 also requires landlords to visibly post in the residence a telephone number where they can be reached 24 hours a day. The information must be posted conspicuously and continuously; any change to the telephone number must be reported to the Mayor. This provision also applies to all community-based residential facilities and other residential housing businesses as a condition of licensure.

De Minimis Business Exception

The provisions put forth in B21-862 serve a variety of purposes. First, the de minimis business exemption serves to promote small businesses and entrepreneurship. This provision would allow for District children to put up a lemonade stand or do yard work for their neighbors without having to obtain a license. It will also allow schools to participate in fundraising activities such as bake sales and car washes without having to obtain a license from DCRA. These are important aspects of the District's growing and changing neighborhoods and this legislation will work to make creating a small business or raising funds for a cause less daunting. The businesses who will be exempt from the licensing requirements are those that more resemble hobbies than actual businesses, and as such, rarely generate substantial income. The general business license fee is \$324.50 and requires, amongst other things, proof of tax registration and home occupation permits¹. For these very small businesses, the cost of the license could potentially be more than earnings, and often the necessary paperwork would not be something they are in possession of. This exemption would lessen the burden on these small businesses and allow them to flourish.

Landlords' Contact Information

The District requires that all landlords provide a safe and code-compliant space for their tenants. The landlord is also responsible for the maintenance of the building and its units. Often when something is broken in an apartment, the tenant has trouble reaching the landlord in order to alert them to the problem and to have repairs started. This leads to them living with the issue or attempting to file a complaint with DCRA to have the issue remedied. When a tenant has not contacted their landlord about an issue prior to contacting DCRA, the agency requests that they attempt to contact their landlord before filing a complaint. The provision in B21-862 works to combat this issue by providing tenants with a phone number where tenants can provide information about issues in their apartments and have the landlord address them so that the process is faster and tenants can return to living in a habitable apartment.

Vacant Properties

Finally, B21-862 addresses the District's vacant properties. B21-862 requires that only the owner of record or their authorized agent can register the property as vacant. Prior to this provision many District homes were registered as vacant in error by third parties. When this occurs, the home receives a different, often higher, tax rate. This has led to foreclosure proceedings being initiated in a number of cases because the new tax rate, which is tied to the mortgage payments, caused the mortgage payments to increase to an amount that homeowners were unable to pay. B21-862 attempts to protect District homeowners from these mistakes by only allowing the owner or an agent or relative to classify the home as vacant. This will provide the owner with the knowledge of the property's new status and allow them to make the necessary arrangements. This provision will not in any way prohibit DCRA from continuing with its vacant property inspections and classifying properties as vacant. The legislation will not prohibit homeowners from registering their properties as vacant and requesting an inspection from DCRA. The protection provided by

¹ Page 4, Testimony of Melinda Bolling, Director, Department of Consumer and Regulatory Affairs (October 20, 2016).

B21-862 will ensure that the registration of a property as vacant is thoroughly vetted before an owner receives an increased tax bill.

B21-862 provides protections to a variety of District residents that were unavailable previously. These provisions will allow for District residents to live and grow without onerous or unnecessary restrictions.

II. LEGISLATIVE CHRONOLOGY

- September 19, 2016 Bill 21-862, the “Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016” is introduced by Chairman Mendelson, at the Request of the Mayor.
- September 20, 2016 Bill 21-862 referred to Committee of the Whole, Subcommittee on Consumer Affairs
- September 23, 2016 Notice of Intent to Act on Bill 21-862 is published in the *District of Columbia Register*.
- September 30, 2016 Notice of a Public Hearing on Bill 21-862 is published in the *District of Columbia Register*.
- October 20, 2016 The Committee of the Whole holds a public hearing on Bill 21-862.
- October 25, 2016 The Committee of the Whole marks-up Bill 21-862.

III. POSITION OF THE EXECUTIVE

Director Melinda Bolling testified on behalf of the Executive in support of Bill 21-862. The issue of de minimis business activity, such as children opening a lemonade stand, came to DCRA’s attention when a twelve year-old child needed DCRA to use its enforcement discretion to avoid having to go through the licensing process. In light of this issue, the agency seeks a permanent solution to ensure that those who engage in business activity with \$2,000 or less of annual revenue do not have to secure a business license like larger establishments. This is particularly important since securing the most basic license costs \$324.50, a large amount for a person engaged in short-term or hobby activities.

Additionally, the bill’s provisions relating to landlord contact information will facilitate DCRA in carrying out its functions. Tenants should be able to rely on their landlords, and the first step that DCRA often takes in addressing tenant issues is to verify that the tenant has first sought to address the problem through his or her landlord. When the landlord is unavailable, DCRA then conducts an inspection of the property. Requiring the landlord to post in a conspicuous space a 24-hour number where the landlord can be reached will facilitate not only DCRA in remedying problems it is asked to resolve but also tenants in resolving their problems without involving DCRA at all.

levied vacant property taxes on property which was merely undergoing renovations rather than vacant. This imposed an unfair and unintended burden on legitimate property owners. Accordingly, DCRA supports the proposed legislation's requirement that vacant property undergo a government inspection before DCRA may levy vacant property taxes. Concerned citizens may still report vacant property, but the property owner will have the added protection of a government inspection verifying such report.

I V. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

The Committee received no testimony or comments from any Advisory Neighborhood Commission.

V. SUMMARY OF TESTIMONY

The Committee of the Whole held a public hearing on Bill 21-862 on Thursday, October 20, 2016. The testimony summarized below is from that hearing. Copies of written testimony are attached to this report.

Katalin Peters, Legislative Counsel, Greater Capital Association of REALTORS, testified about the vacant property portion of B21-862. Ms. Peters stated that her association supported this provision as it would assist homeowners in avoiding higher tax rates that they become subject to by mistake that take months and hundreds of dollars to remedy. Ms. Peters applauded the Subcommittee and DCRA for their willingness to listen to the communities concerns and attempt to address them.

Melinda Bolling, Director, Department of Consumer and Regulatory Affairs, testified that the Executive supports Bill 21-862. Her testimony is outlined in section III above.

The Committee received no testimony or comments in opposition to Bill 21-862.

VI. IMPACT ON EXISTING LAW

Bill 21-862 amends "An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes" to clarify that only the owner of record or an authorized agent of the owner can register a property as vacant.

Bill 21-862 also amends Chapter 28 of Title 47 of the District of Columbia Official Code in order to require the owner of a building offered for lease or rent to visibly post a telephone number accessible on a 24-hour basis for residents and to provide said number to the Mayor.

Bill 21-862 amends Chapter 28 of Title 47 of the District of Columbia Official Code to allow business activities whose revenue is \$2,000 or less or who operate no more than 30 days in a calendar year to be exempt from business licensing requirements.

VII. FISCAL IMPACT

The attached October 25, 2016 fiscal impact statement from the District's Chief Financial Officer states that funds are sufficient in the FY 2017 through FY 2021 budget and financial plan to implement the bill.

VIII. SECTION-BY-SECTION ANALYSIS

Section 1 Short title.

Section 2 Amends section 6 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 (D.C. Law 13-281; D.C. Official Code § 42-3131.06) by adding a new subsection (a-1) which requires that no person but the owner or the owner's authorized agent with proof of authorization. This subsection also provides that the Mayor, upon a showing that the owner is physically unable to show the property, may allow a relative as defined by this section, to register the property in the owner's place. This subsection does not limit the Mayor's authority to register properties as vacant or blighted when the owner fails to do so.

Section 3 Amends Chapter 28 of Title 47 of the District of Columbia Official Code.

Subsection (a) Amends the table of contents by adding a new section designation to read as "47-2851.02a. License exemption for de minimis business activity.

Subsection (b) Amends section 46-2828.

Paragraph (1) Creates a new subsection (a-1) which requires an owner of a residential building to provide the Mayor a 24-hour accessible phone number and that the owner publicly post the telephone number in the residence. The telephone number must be posted continuously, and any change in telephone number must be provided to the Mayor and corrected on the building posting within a reasonable amount of time as determined by the Mayor. Authorizes the creation of a penalty under the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801.01 et seq.) for the failure to maintain and post a telephone number as required by the subsection.

Paragraph (2) Amends subsection (c) by designating the existing text as paragraph (1) and adding a new paragraph (2). The new paragraph (2) requires that as a

condition of licensure all community-based residential facilities post and provide the Mayor with telephone number as required by subsection (a-1).

Subsection (c) Adds a new section 47-2851.02a entitled "License exemption for de minimis business activity". This authorizes the Mayor to exempt business activities that have a gross annual revenue of \$2000 or less and do not occur for more than 30 days in a calendar year from the licensing requirement. Section 47-2851.02a also requires that a person applying for the licensing exemption to submit a self-certification letter that states the gross annual revenue of the business activity does not exceed \$2,000 and is conducted no more than 30 days in a calendar year, when such a letter is requested by the Mayor. If after the submission of a self-certification letter, the business activity exceeds \$2,000 or takes place for more than 30 days, the applicant must inform DCRA within 30 days of the increase in revenue or days of business activity. Failing to do so will result in a Class 1 civil infraction and the applicant will be subject to fines pursuant to section 16-3201 of the District of Columbia Municipal Regulations.

Subsection (d) Notes that nothing in this legislation will supersede zoning regulations.

Section 4 States the Fiscal Impact of Bill 21-862.

Section 5 Effective date.

IX. SUBCOMMITTEE ACTION

On October 25, 2016, the Committee met to consider Bill 21-862, the "DCRA Community Partnership Amendment Act of 2016." The meeting was called to order at 1:05 p.m., and Bill 21-862 was item IV on the agenda. After ascertaining a quorum (Chairperson Nadeau and Councilmembers Silverman, Todd, Allen and White present), Chairperson Nadeau moved the print with leave for staff to make technical and conforming changes. After an opportunity for discussion, the vote on the print was unanimous (Chairperson Nadeau and Councilmembers Silverman, Allen, Todd and White present).

The Chairman then moved the report with leave for staff to make technical, conforming, and editorial changes. After an opportunity for discussion, the vote on the report was unanimous (Chairperson Nadeau and Councilmembers Silverman, Allen, Todd, and White present). The meeting adjourned at 1:29 p.m.

X. ATTACHMENTS

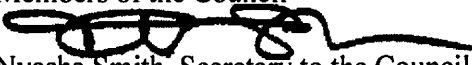
1. Bill 21-862 as introduced.
2. Written Testimony.

3. Fiscal Impact Statement for Bill 21-862.
4. Legal Sufficiency Determination for Bill 21-862.
5. Comparative Print for Bill 21-862.
6. Subcommittee Print for Bill 21-862.

COUNCIL OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, N.W.
Washington D.C. 20004

Memorandum

To : Members of the Council

From :  Nyasha Smith, Secretary to the Council

Date : September 20, 2016

Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Monday, September 19, 2016. Copies are available in Room 10, the Legislative Services Division.

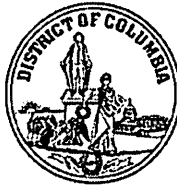
TITLE: "Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016", B21-0862

INTRODUCED BY: Chairman Mendelson at the request of the Mayor

The Chairman is referring this legislation to the Committee of the Whole, Subcommittee on Consumer Affairs with comments from the Committee on Finance and Revenue and the Committee on Housing and Community Development.

Attachment

cc: General Counsel
Budget Director
Legislative Services



OFFICE OF THE
SECRETARY

2016 SEP 19 AM 9:42

MURIEL BOWSER
MAYOR

SEP 19 2016

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is a resolution entitled the "Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016."

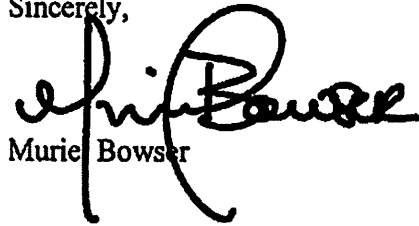
The enclosed legislation fosters a relationship between the Department of Consumer and Regulatory Affairs and the small business community. Businesses with short seasons and small revenues, such as Girl Scout cookie sales and lemonade stands, are currently required to register for a basic business license. The legislation creates an exemption from the requirement to obtain a basic business license for businesses with de minimis business activity in Subchapter 1-A of Chapter 28 of Title 47 of the District of Columbia Official Code.

The legislation also ensures tenants are able to contact their landlord for repairs and emergencies by requiring that landlords register a 24-hour contact number with the agency and post that number in a common area in a visible place or in each unit for rent. Tenants of properties inspected by DCRA have complained that they do not know how to contact their landlords to address repair needs. The proposed requirement for a 24-hour accessible number will help tenants address these issues with their landlords and allow the agency to quickly contact landlords if there are issues that must be abated. It is recommended that this requirement is added to Chapter 28 of Title 47 of the District of Columbia Official Code.


Finally, the legislation protects longtime District homeowners against the mistaken application of higher vacant property tax rates by ensuring only the owner-of-record or their authorized agent may register the property as vacant. In practical terms, this means that a passerby's report of a suspected vacant property will be required to go through the standard complaint and inspection process before a homeowner receives an increased tax bill. It is recommended that this requirement is added to Section 6 of the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000 (D.C. Law 13-281, D.C. Official Code § 42-3131.06).

I urge prompt consideration and approval of this measure. If you have any questions on this matter, please contact Melinda Bolling, Director, Department of Consumer and Regulatory Affairs, at (202) 442-8935.

Sincerely,

A handwritten signature in black ink, appearing to read "Murie Bowser". The signature is fluid and cursive, with the first name "Murie" and last name "Bowser" clearly distinguishable.

Murie Bowser


Chairman Phil Mendelson
at the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Mendelson, at the request of the Mayor, introduced the following bill, which was referred to the Committee on _____.

To amend Chapter 28 of Title 47 of the District of Columbia Code to provide an exemption from business license requirements for de minimis business activity, to require landlords to maintain and post in a visible place a 24-hour number for tenant reports, and to amend Chapter 31A of Title 42 to clarify that the owner-of-record or an authorized agent must be the party to register a property as vacant.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016”.

TITLE I. SMALL BUSINESS COMMUNITY OUTREACH

Sec. 101. COMMUNITY SMALL BUSINESS RELIEF

Subchapter 1-A of Chapter 28 of Title 47 of the District of Columbia Official Code is amended as follows:

A new section 47-2851.02a is added to read as follows:

“47-2851.02a. De minimis business activity exemption.

“(a) Business activity shall be exempt from the general licensing requirement outlined in D.C. Official Code § 47-2851.02 so long as it meets the following requirements:

“(1) The subject business activity has a gross annual revenue of \$2,000 or less;

and

35 “(2) The subject business activity does not occur more than 30 days in a calendar
36 year.

37 “(b) Upon request by the Department, a person claiming this exemption must submit a
38 self-certification letter stating that the gross annual revenue of the subject business activity does
39 not exceed \$2,000 and that the subject business activity does not occur more than 30 days in a
40 calendar year. Any person who knowingly makes a false statement in a self-certification letter
41 under this subsection is guilty of a Class 1 civil infraction and shall be subject to fines pursuant
42 to Chapter 32 of Title 16 of the District of Columbia Municipal Regulations.

43 “(c) If, after the submission of a self-certification letter, the revenue of the activity
44 described in the letter exceeds \$2,000, or that activity occurs more than 30 days in a calendar
45 year, the person who submitted the letter shall inform the Department accordingly within 30
46 days. Failure to do so shall be a Class 1 civil infraction, subject to fines pursuant to Chapter 32
47 of Title 16 of the District of Columbia Municipal Regulations.

48 “(d) Nothing in this section shall be construed to supersede the zoning regulations.”

49
50 **TITLE II. SAFE HOUSING PRESERVATION**

51
52 **Sec. 201. Landlord Emergency Contact Requirement**

53 (a) Section 47-2828(a) is amended by striking the phrase “to operate such business.” and
54 inserting the phrase “to operate such business and shall provide to the Mayor a 24-hour
55 accessible number and publicly post the number for residents to view at the residence offered for
56 lease or rent. The number must be continuously publicly posted for residents to view for rent
57 collection to be authorized. Any change to the number must be posted and registered as quickly
58 as is practicable.” in its place.

59 (b) A new Section 47-2828(c-1) is added to read as follows:

60 “(c-1) As a condition of the licensure, all community-based residential facilities, and
61 other residential housing businesses shall provide to the Mayor a telephone number that shall be
62 accessible 24 hours per day and post that number in a visible place in the common area or each
63 unit offered for rent. Any change to the number must be posted and registered with the Mayor as
64 quickly as is practicable.”

65 **TITLE III. AFFORDABLE HOUSING PRESERVATION**

66 **Sec. 301. Owner-of-Record Vacant Property Registration Requirement.**

67 Section 6 of the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act
68 of 2000, effective April 27, 2001 (D.C. Law 13-281, D.C. Official Code § 42-3131.06) is
69 amended by adding a new section (a-1) to read as follows:
70

71 “(a-1) No person except the owner-of-record or their authorized agent with proof of
72 authorization from the owner-of-record may register the building with the Mayor; provided, that:

73 “(1) This shall not in any way limit the Mayor’s authority to register as vacant or
74 blighted any property whose owner fails to register it as required by this act; and

75 “(2) The Mayor may, upon a showing that the property owner is physically unable
76 to register the property, accept registration from a relative of the property owner if the relative
77 can demonstrate how he or she is related to the property owner and that the property owner is
78 physically unable to register the property as vacant without assistance.”

79 “(3) For the purposes of this chapter, the term “relative” means a spouse, partner,
80 sibling, parent, grandparent, child, grandchild, sibling’s child, or the spouse, partner, or child
81 thereof.”

82 **TITLE IV. ADMINISTRATIVE PROVISIONS**

83 **Sec. 401. Fiscal impact statement.**

85 The Council adopts the fiscal impact statement contained in the committee report as the
86 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule
87 Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

88 **Sec. 402. Effective date.**

89 This act shall take effect following approval by the Mayor (or in the event of veto by the
90 Mayor, action by this Council to override the veto), a 30-day period of Congressional review as
91 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
92 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
93 Columbia Register.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



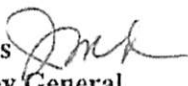
ATTORNEY GENERAL
KARL A. RACINE

Legal Counsel Division

PRIVILEGED AND CONFIDENTIAL
ATTORNEY CLIENT COMMUNICATION

MEMORANDUM

TO: Annie McCarthy
Legislative Affairs Specialist
Department of Consumer and Regulatory Affairs

FROM: Janet M. Robins 
Deputy Attorney General
Legal Counsel Division

DATE: September 16, 2016

SUBJECT: Legal Sufficiency Review of Proposed Bill, the "Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016" (AE-16-526 B)

This memorandum responds to your request that this Office conduct a legal sufficiency review of the above-referenced bill ("Bill").

The Bill would amend Chapter 28 (General License Law) of Title 47 (Taxation, Licensing, Permits, Assessments, and Fees) of the District of Columbia Code in two ways, and Chapter 31A (Abatement of Nuisance Properties) of Title 42 (Real Property) in one way.

Regarding Chapter 28 of Title 47, the Bill would (1) add a new section, D.C. Official Code § 47-2851.02a, to exempt de minimis business activity from business license requirements, and (2) amend D.C. Official Code § 47-2828(a) and add D.C. Official Code § 47-2828(c-1), to require landlords to maintain and post in a visible place a 24-hour number for tenant reports. Regarding Chapter 31A of Title 42, the Bill would amend Section 6 of the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.06 (2012 Repl. and 2015 Supp.)), to clarify that only four entities can register a property as vacant (the owner-of-record, the owner's authorized agent, the owner's relative, or the Mayor).

This Bill is legally sufficient.

If you have any questions with regard to this memorandum please contact Caroline Gignoux, Assistant Attorney General, Legal Counsel Division, at 724-6152, or me at 724-5524.

JMR/cmg

* Admitted to practice only in Maryland. Practicing in the District of Columbia under the direct supervision of Janet M. Robins, a member of the D.C. Bar, pursuant to the D.C. Court of Appeals Rule 49(c).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



Legal Counsel Division

MEMORANDUM

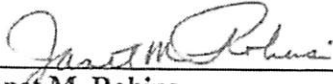
TO: Annie McCarthy
Legislative Affairs Specialist
Department of Consumer and Regulatory Affairs

FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: September 16, 2016

SUBJECT: Legal Sufficiency Review of Proposed Bill, the "Department of Consumer
and Regulatory Affairs Community Partnership Amendment Act of 2016"
(AE-16-526 B)

This is to Certify that this Office has reviewed the above
referenced legislation and found it to be legally sufficient. If you have any questions in this
regard, please do not hesitate to call me at 724-5524.



Janet M. Robins

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Consumer and Regulatory Affairs



B21-0742, Charitable Solicitations Relief Amendment Act of 2016
B21-0766, Secondhand Games and Puzzles Regulation Amendment Act of 2016
B21-0862, Department of Consumer and Regulatory Affairs Community
Partnership Amendment Act of 2016

Testimony of
Melinda Bolling
Director

Before the

Committee of the Whole, Subcommittee on Consumer Affairs

Council of the District of Columbia

October 20, 2016
Room 500
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairperson Nadeau, members, and staff of the Subcommittee on Consumer Affairs. I am Melinda Bolling, the Director of the Department of Consumer and Regulatory Affairs (DCRA). I'm here today to testify on three bills. The first is Bill 21-862, the Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016. This bill would exempt de minimis business activity from licensing requirements, require that landlords post contact information in a conspicuous place, and limit vacant property registrations to property owners, relatives, or an authorized agent of the owner. The second is Bill 21-742, the Charitable Solicitations Relief Amendment Act of 2016. This bill would increase the amount of charitable solicitations community-based non-profits can make on an annual basis without the requirement to pay registration fees. The third and final is Bill 21-766, the Secondhand Games and Puzzles Regulation Amendment Act of 2016. This bill would exempt businesses that sell secondhand puzzles, non-electronic games, or game pieces from being required to obtain a secondhand dealer license.

In my testimony today, I will outline the background of each issue and explain the Executive's position on each of these bills.

**I. Department of Consumer and Regulatory Affairs Community Partnership
Amendment Act of 2016**

First I will discuss Bill 21-862, the Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016, which is an omnibus bill proposed by Mayor Bowser and introduced through Chairman Mendelson on September 19, 2016. We are very excited to describe how the provisions in the Mayor's bill will improve life for residents across



Testimony of Melinda Bolling regarding B21-0742, B21-0766, and B21-0862

the District. First, it would exempt very small business ventures like a lemonade stand or school car wash fundraiser from business licensing requirements. Next, it would require that landlords in the District maintain and post a 24-hour telephone number so that tenants always know how to contact them about needed repairs. Finally, the bill would limit vacant property registrations to property owners, relatives, or the owner's authorized agent, so that property owners are protected against fraudulent registrations.

De Minimis Business Activity

A. Background

Small business activity greatly contributes to the character of the District of Columbia and individual neighborhoods. Neighborhood visitors and residents often associate neighborhoods with a particular restaurant or market that they enjoy visiting. Smaller scale business activity also plays a role in shaping a neighborhood.

Each year, I look forward to seeing which kids in my neighborhood will try their hand at entrepreneurship by opening a lemonade stand or offering to do yard work. And knowing that a local middle school will host a car wash in a few weeks is a perfect justification for waiting till then to clean your car.

Not too long ago, a 12-year-old contacted DCRA wanting to start a lemonade stand. In an abundance of caution, she asked whether a license was required. Our licensing staff looked at it and determined that the technical answer was yes, but also realized that that was the wrong outcome. Consequently, we used our enforcement discretion, determining that we would not take any adverse action against a lemonade stand for what is essentially de minimis business



Testimony of Melinda Bolling regarding B21-0742, B21-0766, and B21-0862

activity without a license. That was a temporary fix, though. Today, we're here to discuss a permanent one put forth by Mayor Bowser.

B. Analysis

The DCRA Community Partnership Amendment Act would exempt from licensing requirements any small business whose gross annual revenue is \$2,000 or less and who does not conduct business on more than 30 days out of any calendar year. If DCRA has reason to suspect that a business claiming to be exempt from licensing requirements by virtue of income and operating days is exceeding those limits, the Department can require a self-certification from the business stating that the business is not exceeding those limits. Making a false statement on the certification letter or continuing to operate in excess of those restrictions after submitting the letter would carry a potential fine of \$2,000.

The bill offers a common-sense fix to the problem I described earlier in my testimony. Small business activity that looks more like a hobby or a short-term venture often doesn't generate much money. The fee for one of the most basic and common license endorsements, the General Business License, is \$324.50 for two years. Applicants must also show a certificate of occupancy or home occupation permit, tax registration, and corporate registration, if applicable. The District's new Business Center Portal now allows applicants to submit all the information online, which has greatly simplified the application and renewal process. But if you want to sell a very small amount of homemade jewelry, string tennis rackets for a small number of people in the neighborhood, or sell lemonade from the sidewalk, more than a \$160 in annual licensing fees and an application process probably present an undue burden relative to the de minimis business activity actually taking place.



C. Position of the Executive

The Executive strongly supports this provision.

Business regulation and licensing are key tenets of a safe, thriving economy. Regulation ought to be aimed at protecting consumers and ensuring fair competition between businesses. Requiring a business license for ventures generating \$2000 or less annually and that operate for 30 or fewer days annually do not appear to achieve either of those aims. Through the DCRA Community Partnership Amendment Act, Mayor Bowser has put forward a common sense solution to eliminate unnecessary regulation and promote vibrant communities.

Landlord Contact

A. Background

Every tenant in the District of Columbia is entitled to a safe, code-compliant space to live. Dwelling units must provide adequate entry and egress, functioning electrical and plumbing systems, and be free from vermin or other hazards. That is equally true at the time a tenant moves into a unit as it is several years after occupying one.

In the District, generally speaking, a landlord is responsible for maintaining a unit to code. A landlord and tenant may, through a lease agreement, determine that a tenant is responsible for more repairs or that a landlord is not responsible for one thing or another. Most of the time, though, a landlord is responsible for a rental unit being maintained to code.

When a tenant finds that something has broken or has not been maintained to code, the tenant should contact the landlord or a designated property manager. The landlord or property manager should then make arrangements for the issue—a broken stove, a leaky faucet, etc—to



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be fixed within a reasonable period of time. That's how it should work. Unfortunately, that's not always how it does work.

Some tenants do not have a lease agreement or contact information for their landlord. When a repair is needed, they may try to do it themselves, learn to live with the issue, or—if they're aware that it's an option—call DCRA. Too often, though, what we're seeing is tenants choosing one of the first two options, which is unacceptable. The Mayor knows that a safe, code-compliant place to live is a key part of a resident's pathway to the middle class and proposed this legislation to ensure that more residents will have access to one.

B. Analysis

The DCRA Community Partnership Amendment Act would require that all landlords in the District of Columbia maintain and conspicuously post a 24-hour number, so that tenants always know how to reach their landlord and can quickly get in touch with them. The change would assist both tenants and DCRA in ensuring that every renter in the District has a code-compliant space.

DCRA conducts thousands of inspections each year to verify that units are maintained to code. Many of those inspections are based on complaints from tenants. When the agency receives a call from a tenant about a specific complaint, one of the first questions customer service staff asks is whether they have reported the issue to a landlord. Except in cases of emergency, if a tenant tells us that they have not yet reported the issue to a landlord, we instruct the tenant to report it to the landlord and then to call back if the landlord isn't responsive. If the tenant informs the agency that they cannot reach the landlord, then the agency will schedule an

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inspection. As I discussed earlier, the ideal outcome is that a tenant reports the problem to the landlord, and the landlord fixes it. Tenants cannot always find their landlords, though.

DCRA regularly meets with tenant advocate groups to discuss agency operations and any general concerns from their clients. What they tell us is that many tenants that they directly support do not have a lease and often do not know who their landlord is. Consequently, trying to contact the landlord to make a repair is a non-starter. The DCRA Community Partnership Amendment Act provides a simple fix for this problem. Every landlord will be responsible for posting, in a conspicuous place, a 24-hour number where the landlord or a property manager can be reached to address property maintenance concerns.

C. Position of the Executive

The Executive strongly supports this provision.

Every District residents deserves a safe, code-compliant space to live. When a landlord accepts payment from a tenant for a place to live, that landlord becomes obligated to ensure that the unit is property maintained. A major part of that is making sure that a tenant can contact that landlord to let him/her know when the unit is not properly maintained. The Mayor proposed the DCRA Community Partnership Amendment Act to help the District take a major step forward to ensure that that happens.

Preventing Errors in Vacant Property Registration

A. Background



Testimony of Melinda Bolling regarding B21-0742, B21-0766, and B21-0862

Finally, the DCRA Community Partnership Amendment Act of 2016 would protect District homeowners against the mistaken application of higher vacant property tax rates by ensuring only the owner-of-record, their authorized agent, or a relative may register the property as a vacant property. The "Fiscal Year 2011 Budget Support Act of 2010" created a Class 3 property tax rate for vacant commercial and residential properties and a Class 4 tax rate for blighted properties in the District of Columbia. The residential tax rate for Class 1 property is 85 cents per \$100 of assessed value. Class 3, vacant property, is taxed at \$5.00 per \$100 of assessed value—a significant increase over what residents would otherwise pay.

Currently, vacant property is identified through owner registration and inspections based on public complaints and inquiries. The Nuisance Properties Abatement and Real Property Classification Emergency Amendment Act of 2006 made several changes to the Class 3 tax classification program. This act defined the roles that DCRA and the Office of Tax and Revenue (OTR) have in the identification and processing of vacant properties. DCRA receives complaints, identifies and processes the registration of vacant properties by owners, and administers certain fines if property owners do not register.

DCRA also inspects properties, completes an annual survey of vacant properties, and certifies a list of vacant improved properties to OTR. OTR then changes the classification for the properties on the tax roll to the correct status for the appropriate real property tax year. This process will continue.

Recently, DCRA responded to a request for help from a longtime District resident whose property, unbeknownst to her, had been registered as vacant. The resident's property had been unoccupied for a few months while she was doing repairs to her home after renting it to an

Testimony of Melinda Bolling regarding B21-0742, B21-0766, and B21-0862

organization that housed children in need. Without notice to the resident, the property owner's bank registered the property as vacant.

The registration resulted in the initiation of foreclosure proceedings for this resident because her property taxes, like many of us, were tied to her monthly mortgage payment through an escrow account. The increase in property taxes caused her monthly payment to sky rocket, and she was unable to keep up. To try to earn money, the resident attempted to get a bed and breakfast business license—but was unable obtain the necessary Clean Hands certification because she had unpaid property taxes as a result of the higher tax rate for Class 3 vacant properties. DCRA was able to work with this resident and coordinate with the Office of Tax and Revenue to provide a retroactive exemption.

Afterward, DCRA did more analysis on this practice and learned that some bad actors send DCRA vacant property registrations and insinuate they are working on behalf of the homeowner without the homeowner's knowledge. The practice puts homeowners at increased risk of defaulting on their mortgage and losing their homes. No one is more committed to preserving affordable housing for District residents than Mayor Bowser, so she has proposed the DCRA Community Partnership Amendment Act to help prevent this practice from adversely affecting additional homeowners.

B. Analysis

Requiring that only the owner-of-record, a relative, or the owner's authorized agent may register a property as vacant will prevent improper registration of the property.

In practical terms, the legislation does not in any way restrict a resident or business' ability to report a property as vacant and request an inspection from DCRA. The difference is



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that those reports will be vetted through the standard inspection process before a homeowner receives an increased tax bill versus being automatically increased after a formal registration. In many cases annual property taxes are paid through monthly mortgage escrows. This means that residents may only discover their tax bill has increased due to an improper vacant property registration when their monthly mortgage payment dramatically increases. Limiting the allowable registrants to the property owner, a relative, or an agent of the owner is a reasonable safeguard that will protect property owners without adversely affecting the District's ability to identify vacant properties.

C. Position of the Executive

The District should do everything in its power to protect residents from potential abuse that leads to loss of property or errant tax bills. For this reason, the Mayor has proposed that only the owner-of-record, a relative, or their authorized agent may register the property as vacant. We urge the Council to move swiftly to adopt this measure.

II. Charitable Solicitations Relief Amendment Act of 2016

Next I will discuss Bill 21-0742, the Charitable Solicitations Relief Amendment Act of 2016.

A. Background

The District currently requires charities and nonprofit organizations to pay fees as part of the registration process for a charitable solicitation basic business license. For smaller, community-based and neighborhood nonprofit organizations, the existing fee amounts, which are at least \$400, can make registering for a charitable solicitation license difficult.



B. Analysis

This legislation would exempt more nonprofit organizations from this registration requirement by increasing the exemption threshold from the current amount of \$1,500 in revenue or property to \$25,000 in money or property. The legislation would also ensure that the charitable solicitation exemption keeps pace with inflation by tying the proposed exemption amount to changes in the Consumer Price Index.

C. Position of the Executive

The Mayor supports the work of small, community-level charitable organizations across the District and encourages all District residents to find ways to get involved to serve their communities. This proposal offers the potential to reduce the regulatory burden on the smallest of these organizations, and the Executive supports this change.

III. Secondhand Games and Puzzles Regulation Amendment Act of 2016

Finally, I will discuss Bill 21-766, the Secondhand Games and Puzzles Regulation Amendment Act of 2016.

A. Background

A secondhand dealer is defined as a person, firm, or company engaged in the business of buying, selling, trading, exchanging, or dealing in secondhand personal property. The sale of secondhand items plays an important role in commerce. Buyers can obtain an item at a lower cost than by buying it new. Sellers can recoup some of their original purchase cost for an item they no longer want or need. And the item can be reused rather than discarded, which promotes

Testimony of Melinda Bolling regarding B21-0742, B21-0766, and B21-0862

sustainability instead of waste. Unfortunately, secondhand sales can also provide an avenue for the quick transfer of stolen merchandise.

The District has regulated secondhand dealers for decades, in part to prevent the sale of stolen goods. In balancing the benefits of a robust secondhand goods market with concerns about facilitating transactions involving stolen goods, the District has had a long-standing secondhand dealer business license category with special requirements.

To ensure that these safeguards are not overly burdensome, the District exempts several categories of goods from the secondhand dealer license requirements. They include books, furniture, rugs, coins, and used clothing.

B. Analysis

This legislation would add an exception for the sale of secondhand puzzles, non-electronic games and game pieces to the list of goods exempt from secondhand dealer license requirements to the existing list of exceptions. The Metropolitan Police Department informs us that theft and sale of non-electronic games and puzzles has not been a significant problem. Thus, their exclusion from secondhand dealer requirements does not present a major concern.

C. Position of the Executive

Mayor Bowser has directed all agencies to look for ways to eliminate undue burdens on small businesses, and this fits the bill. The Executive supports streamlining licensing requirements for small businesses by adding the sale of puzzles, non-electronic games and game pieces as a category of goods excepted from the secondhand dealer license requirements.

IV. Testimony Conclusion

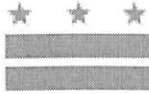


Testimony of Melinda Bolling regarding B21-0742, B21-0766, and B21-0862

Chairperson Nadeau, members of the Subcommittee, thank you for the opportunity to testify and to offer my support for Bill 21-742, Bill 21-766, and Bill 21-862. I would be happy to answer any questions at this time.



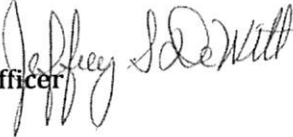
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeffrey S. DeWitt 
Chief Financial Officer

DATE: October 25, 2016

SUBJECT: Fiscal Impact Statement – “Department of Consumer and Regulatory
Affairs Community Partnership Amendment Act of 2016”

REFERENCE: Bill 21-862, Committee Print provided to the Office of Revenue
Analysis on October 21, 2016

Conclusion

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will reduce special purpose revenue by \$206,317 in FY 2017 and \$1,444,220 over the four-year financial plan.

Background

The bill amends general licensing law and makes two changes to real property law.

The bill exempts small businesses from general licensing requirements¹ if a business has gross annual revenue of \$2,000 or less and business activity occurring on a maximum of 30 days per calendar year. Business owners must determine themselves whether they meet these criteria and need not provide notice that they are claiming the exemption. However, the bill requires businesses to provide a self-certification letter upon request from Department of Consumer and Regulatory Affairs (DCRA). Failure to notify DCRA once business revenue exceeds \$2,000 or knowingly making a false statement on this matter to DCRA is a Class 1 civil infraction.

The bill requires that all landlords in apartments, community based residential facilities, and other residential housing businesses provide a 24-hour accessible emergency number and continually post that number at the residence.

¹ D.C. Official Code § 47-2851.02.

The Honorable Phil Mendelson

FIS: "Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016," Bill 21-862, Committee Print provided to the Office of Revenue Analysis on October 21, 2016.

The bill clarifies that vacant properties must be registered only by the owner-of-record or their authorized agent. No other person may register a vacant property.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the resolution. The bill will reduce special purpose revenue by \$206,317 in FY 2017 and \$1,444,220 over the four-year financial plan.

Exempting certain businesses from the general licensing requirements is likely to reduce revenue from basic business license fees and endorsements² in the Department of Consumer and Regulatory Affairs Basic Business License special purpose revenue fund.³ There are an estimated 5,000 businesses⁴ in the District with annual revenues under \$2,000 that may benefit from this exemption. It is unknown how many of these businesses operate fewer than 30 days per year. Because the hourly revenue for a business earning \$2,000 over 30, eight-hour days is less than minimum wage, we expect that most businesses earning under \$2,000 in revenue do not operate for more than 30 days. It is also unknown how many of these small businesses obtain business license fees, however DCRA contends that due to the size of the business, it is likely that many do not. We assume in this estimate that 50 percent of businesses are not currently obtaining licenses.

The landlord and vacant property requirements in the bill can be managed by DCRA within existing resources.

Estimated Fiscal Impact of Bill 21-862 "Department of Consumer and Regulatory Affairs Community Partnership Act of 2016" FY 2017 – FY 2020					
	FY 2017 ⁽¹⁾	FY 2018	FY 2019	FY 2020	TOTAL
Reduced Special Purpose Revenue	\$206,317	\$412,634	\$412,634	\$412,634	\$1,444,220

⁽¹⁾ Assumes implementation will begin in 2nd Quarter, FY 2017.

² Endorsements are classes of licenses. See D.C. Official Code ST § 47-2851.03 for a list of endorsements, or categories/classes of business licenses.

³ D.C. Official Code § 47-2851.13.

⁴ Statistics for All U.S. Firms by Industry, Gender, and Receipts Size of Firm for the U.S. and States, United States Census, 2012.



OFFICE OF THE GENERAL COUNSEL

Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 4
Washington, DC 20004
(202) 724-8026

MEMORANDUM

TO: Chairman Mendelson
Councilmember Nadeau

FROM: Ellen A. Efros, General Counsel *EAE*

DATE: October 21, 2016

RE: Legal sufficiency determination for Bill 21-862, the
Department of Consumer and Regulatory Affairs
Community Partnership Amendment Act of 2016

The measure is legally and technically sufficient for Council consideration.

Bill 21-862 amends An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes¹ to clarify that only the owner of record,² the owner of record's authorized agent, or a relative of the owner of record can register a property as vacant.

Bill 21-862 also amends Chapter 28 of Title 47 of the District of Columbia Official Code to require the owner of a residential building to post a 24-hour contact telephone number in the building for residents, and to provide the number to the Mayor. It provides that the failure to post a telephone number or to update a wrong number shall be a penalty under the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985,³ and subject the owner to license suspension or revocation.

I am available if you have any questions.

¹ Effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.06).

² As defined in the measure: "the person or persons named in the public record as the title holder of a real property".

³ Effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801.01 *et seq.*).

Comparative Print
Subcommittee on Consumer Affairs
October 25, 2016
B21-862

42-3131.06. Registration of vacant buildings.

(a) Except as provided in subsections (b) and (c) of this section, the owner of a vacant building shall maintain the building in compliance with the requirements of §42-3131.12 and, within 30 days after it becomes a vacant building, register the building with the Mayor, and pay the registration fee. The Mayor, in his sole discretion, may extend the time for good cause.

(a-1)(1) No person except the owner of record or an authorized agent of the owner of record, with proof of authorization from the owner of record, may register a building as vacant;
except, that the Mayor, upon a showing that the owner of record is physically unable to
register the property, may allow a relative of the owner of record to register the building as
vacant; provided, that the relative can show proof of being a relative, as defined by this
section, and, to the satisfaction of the Mayor, that the owner of record is physically unable to
register the property.

"(2) This subsection shall not in any way limit the Mayor's authority to register
as
vacant or blighted any property whose owner fails to register it as required by this act.

"(3) For the purposes of this section, the term "owner or record" is the person
or
persons named in the public record as the title holder of a real property" and "relative"
means a spouse, domestic partner, sibling, parent, grandparent, child, grandchild, or the sibling's
child, spouse, or domestic partner."

(b) A vacant building shall not be included on the list compiled pursuant to §42-3131.16 or subject to the registration fee pursuant to §42-3131.09 if it is:

- (1) Owned by the government of the United States or its instrumentalities;
- (2) Owned by a foreign government or its instrumentalities;

(3) Under active construction or undergoing active rehabilitation, renovation, or repair, and there is a building permit to make the building fit for occupancy that was issued, renewed, or extended within 12 months of the required registration date;

(3A) Repealed.

(4) In compliance with the requirements of § 42-3131.12 and the housing regulations of the District of Columbia and the owner or his agent has been actively seeking in good faith to rent or sell it; provided, that:

(A) The time period for sale or rent shall not exceed:

(i) One year from the initial listing, offer, or advertisement of sale in the case of residential buildings;

(ii) Two years from the initial listing, offer, or advertisement of sale in the case of commercial buildings; or

(iii) One year from the initial listing, offer, or advertisement to rent; and;

(B) Any leased property exempt under this paragraph shall have a valid certificate of occupancy;

(5) (A) Exempted by the Mayor in extraordinary circumstances and upon a showing of substantial undue economic hardship.

(B) The exemption may be granted for a period not to exceed 12 months from the required registration date, subject to renewal on the basis of continuing extraordinary circumstances and substantial undue economic hardship. The Mayor may withdraw the exemption at any time. Any exemption shall be published in the District of Columbia Register.

(6) Repealed.

(7) For a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation (not including a foreclosure of the right of redemption action brought under Chapter 13A of Title 47 [§ 47-1330 et seq.]); or

(8) For a period not to exceed 12 months, the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor's Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission.

(c) If a vacant building is owned by the District of Columbia or its instrumentalities, it shall be subject to the registration requirements in subsection (a) of this section and the maintenance

requirements in § ~~42-3131~~.12, but shall not be subject to the fee requirements under subsection (a) of this section or the fines and penalties collected under § 42-3131.10.

(d) If a present interest in a vacant building registered under this chapter is transferred or otherwise conveyed, a deed shall not be recorded by the Recorder of Deeds until a new registration is filed with the Mayor and the applicable fees are paid.

(e) If the name or address of an owner of a vacant building changes for any reason other than by transfer or conveyance, the change shall be reported to the Mayor in writing within 30 days in the manner provided in § 42-405(b-1).

(f) (1) The cumulative time period for exemption from registration and fee requirements for a vacant building under the same, substantially similar, or related ownership shall not exceed 3 real property tax years.

(2) Notwithstanding paragraph (1) of this subsection, any exemption shall be terminated at the end of the 2007 real property tax year if the building under the same, substantially similar, or related ownership benefited from an exemption under this section or under § ~~47-813~~(c-6) during 3 or more real property tax years.

(3) The limitations set forth in paragraphs (1) and (2) of this subsection shall not apply to vacant buildings that benefit from the exemption under subsection (b)(1) or (b)(2) of this section.

(4) A vacant building benefiting from an exemption under this section or § 47-813(c-6)(2)(C) or (c-6)(3)(C), on December 27, 2006, shall continue to benefit from the exemption and shall not be required to register or pay fees for the duration permitted under those provisions; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the vacant building may qualify for an exemption in effect after December 28, 2006 and subject to the time restriction and exclusion set forth in paragraphs (2) and (3) of this subsection.

(g) The total cumulative time for any exemption granted to any property shall not exceed 5 years in any 12-year period, excluding exemptions granted under subsections (b)(1) and (b)(2) of this section.

(h) The Mayor, pursuant to subchapter I of Chapter 5 of Title 2 [§ ~~2-501~~ et seq.], may issue rules to implement the provisions of this chapter. The rules may include a schedule of fines for violations of this chapter.

§ 47-2828. Classification of buildings containing living quarters for licenses; fees; buildings exempt from license requirement.

(a) The Council of the District of Columbia is authorized and empowered to classify, according to use, method of operation, and size, buildings containing living or lodging quarters of every description, to require licenses for the business operated in each such building as in its judgment requires inspection, supervision or regulation by any municipal agency or agencies, and the Mayor of the District of Columbia is authorized and empowered to fix a schedule of

license fees therefor in such amount as, in his judgment, will be commensurate with the cost to the District of Columbia of such inspection, supervision or regulation: owners of residential buildings in which one or more dwelling units or rooming units are offered for rent or lease shall obtain from the Mayor a license to operate such business.

"(a-1)(1) Owners of residential buildings in which one or more dwelling units or rooming units are offered for rent or lease shall provide to the Mayor a 24-hour accessible telephone number and publicly post the telephone number in the residence building.

"(2) The telephone number required pursuant to this subsection shall be continuously publicly posted for residents to view. Any change in a posted telephone number shall be provided to the Mayor and the correct number posted in the building as required by this subsection within a reasonable amount of time, as determined by the Mayor or as set forth in rules issued pursuant to this subsection.

"(3) The failure to failure to post and maintain a telephone number as required by this subsection shall be a penalty under the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801.01 *et seq.*), and an owner found in violation may be subject to suspension or revocation of its basic business license.

(b) Licenses for hotels, inns and motels, boarding houses and rooming houses, bed and breakfasts, and other transient Housing businesses shall be issued under the basic business license system as a Housing: Transient endorsement on a basic business license.

(c) Licenses for apartment houses, all community based residential facilities, and other residential Housing businesses shall be issued under the basic business license system as a Housing: Residential endorsement on a basic business license.

(2) As a condition of the licensure, all community-based residential facilities, and other residential housing businesses shall post and provide to the Mayor a telephone number as required by subsection (a-1) of this section."

(d) Licenses for businesses engaged in home improvement services issued under this section shall be issued as a General Services and Repair endorsement to a basic business license under the basic business license system as set forth in subchapter I-A of this chapter.

§ 47-2851.02. License required.

(a) A person which is required under law to obtain a license issued in the form of an endorsement to engage in a business in the District of Columbia shall not engage in such business in the

District of Columbia without having first obtained a basic business license and any necessary endorsements in accordance with this subchapter.

(b) A license shall be required for each business location.

(c) A person issued a license under this subchapter shall not willfully allow any other person required to obtain a separate license to operate under his or her license.

(d) Licenses granted under this subchapter may be assigned or transferred upon approval by the Department and payment of the applicable fee.

"§ 47-2851.02a. License exemption for de minimis business activity.

"(a) Business activity shall be exempt from the licensing requirement set forth in § 47-2851.02; provided, that the business activity has a gross annual revenue of \$2,000 or less and does not occur more than 30 days in a calendar year.

"(b)(1) Upon request by the Department of Consumer and Regulatory Affairs, a person applying for the exemption provided by this section ("applicant") shall submit a letter self-certifying that the gross annual revenue of the business activity for which the exemption is sought does not exceed \$2,000 and does not occur more than 30 days in a calendar year ("self-certification letter").

"(2) An applicant who knowingly makes a false statement in a self-certification letter shall be guilty of a Class 1 civil infraction and subject to fines pursuant to section 16-3201 of the District of Columbia Municipal Regulations.

"(c)(1) If after the submission of a self-certification letter, the revenue of the business activity described in the self-certification letter exceeds \$2,000 or the business activity occurs more than 30 days in a calendar year, the applicant shall inform the Department of Consumer and Regulatory Affairs within 30 days of the increase in revenue or days of business activity from that stated in the self-certification letter.

"(2) An applicant who fails to inform the Department of Consumer and Regulatory Affairs as required by this subsection shall be guilty of a Class 1 civil infraction and subject to fines pursuant to section 16-3201 of the District of Columbia Municipal Regulations.

"(d) Nothing in this section shall be construed to supersede the zoning regulations."

8 A BILL
9
10

11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
12
13

14 To amend An Act To provide for the abatement of nuisances in the District of Columbia by the
15 Commissioners of said District, and for other purposes to clarify that the owner of record
16 or an authorized agent of the owner of record shall register a property as vacant; and to
17 amend Chapter 28 of Title 47 of the District of Columbia Official Code to require the
18 owner of a building offered for lease or rent to post in a visible place a telephone number
19 accessible on a 24-hour basis for residents and to provide the number to the Mayor, and
20 to provide an exemption from business license requirements for de minimis business
21 activity.
22

23 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
24 act may be cited as the "Department of Consumer and Regulatory Affairs Community
25 Partnership Amendment Act of 2016".

26 Sec. 2. Section 6 of An Act To provide for the abatement of nuisances in the District of
27 Columbia by the Commissioners of said District, and for other purposes, effective April 27, 2001
28 (D.C. Law 13-281; D.C. Official Code § 42-3131.06), is amended by adding a new subsection
29 (a-1) to read as follows:

30 "(a-1)(1) No person except the owner of record or an authorized agent of the owner of
31 record, with proof of authorization from the owner of record, may register a building as vacant;
32 except, that the Mayor, upon a showing that the owner of record is physically unable to register
33 the property, may allow a relative of the owner of record to register the building as vacant;
34 provided, that the relative can show proof of being a relative, as defined by this section, and, to

the satisfaction of the Mayor, that the owner of record is physically unable to register the property.

“(2) This subsection shall not in any way limit the Mayor’s authority to register as vacant or blighted any property whose owner fails to register it as required by this act.

“(3) For the purposes of this section, the term “owner of record” is the person or persons named in the public record as the title holder of a real property” and “relative” means a spouse, domestic partner, sibling, parent, grandparent, child, grandchild, or the sibling’s child, spouse, or domestic partner.”.

Sec. 3. Chapter 28 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“47-2851.02a. License exemption for de minimis business activity.

(b) Section 47-2828 is amended as follows:

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

“(a-1) Owners of residential buildings in which one or more dwelling units or rooming units are offered for rent or lease shall provide to the Mayor a 24-hour accessible telephone number and publicly post the telephone number in the residence building.

“(2) The telephone number required pursuant to this subsection shall be continuously conspicuously posted for residents to view. Any change in a posted telephone number shall be provided to the Mayor and the correct number posted in the building as required by this subsection within a reasonable amount of time, as determined by the Mayor or as set forth in rules issued pursuant to this subsection.

“ (3) The failure to post and maintain a telephone number as required by this subsection shall be a penalty under the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801.01 *et seq.*), and an owner found in violation may be subject to suspension or revocation of its basic business license.

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

(A) The existing text is designated as paragraph (1).

(B) A new paragraph (2) is added to read as follows:

“(2) As a condition of the licensure, all community-based residential facilities, and other residential housing businesses shall post and provide to the Mayor a telephone number as required by subsection (a-1) of this section.”.

(c) A new section 47-2851.02a is added to read as follows:

“§ 47-2851.02a. License exemption for de minimis business activity.

“(a) Business activity shall be exempt from the licensing requirement set forth in § 47-2851.02; provided, that the business activity has a gross annual revenue of \$2,000 or less and does not occur more than 30 days in a calendar year.

“(b)(1) Upon request by the Department of Consumer and Regulatory Affairs, a person applying for the exemption provided by this section (“applicant”) shall submit a letter self-certifying that the gross annual revenue of the business activity for which the exemption is sought does not exceed \$2,000 and does not occur more than 30 days in a calendar year (“self-certification letter”).

79 “(2) An applicant who knowingly makes a false statement in a self-
80 certification letter shall be guilty of a Class 1 civil infraction and subject to fines pursuant to
81 section 16-3201 of the District of Columbia Municipal Regulations.

82 “(c)(1) If, after the submission of a self-certification letter, the revenue of the business
83 activity described in the self-certification letter exceeds \$2,000 or the business activity occurs
84 more than 30 days in a calendar year, the applicant shall inform the Department of Consumer
85 and Regulatory Affairs within 30 days of the increase in revenue or days of business activity
86 from that stated in the self-certification letter.

87 “(2) An applicant who fails to inform the Department of Consumer and
88 Regulatory Affairs as required by this subsection shall be guilty of a Class 1 civil infraction and
89 subject to fines pursuant to section 16-3201 of the District of Columbia Municipal Regulations.

90 “(d) Nothing in this section shall be construed to supersede the zoning regulations.”.

91 Sec. 4. Fiscal impact statement.

92 The Council adopts the fiscal impact statement contained in the committee report as the
93 fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975,
94 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

95 Sec. 5. Effective date.

96 This act shall take effect following approval by the Mayor (or in the event of veto by the
97 Mayor, action by this Council to override the veto), a 30-day period of Congressional review as
98 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
99 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
100 Columbia Register.