June 10, 2020

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Ave., NW, Suite 504  
Washington, D.C. 20004

Dear Chairman Mendelson:

Please find enclosed for consideration and approval by the Council of the District of Columbia the following legislation, the "Performing Arts Promotion Emergency Amendment Act of 2020," and Accompanying Emergency Declaration Resolution, and Temporary and Permanent Legislation.

Emergency legislation is needed to provide support due to the coronavirus public health emergency for certain businesses that host performing artists by amending the current real property tax rebate requirements in Chapter 8 of Title 47 of the District of Columbia Official Code. The statute provides a real property tax rebate for businesses that have seating capacities under 300 seats, and that host live performances for 48 hours per month. However, as the public health emergency forced all entertainment venues to close in the District in March 2020, no business will satisfy the 48 hour per month live performance requirement and thereby qualify for the tax rebate in fiscal year 2020. The proposed Emergency Declaration Resolution, along with the attached legislation amends the rebate qualification requirements for tax year 2020 by decreasing the per month requirement to five months. Accordingly, for tax year 2020, businesses would qualify for the tax rebate if they host live performances 48 hour per month for five months.

As always, I am available to discuss any questions you may have regarding this legislation. In order to facilitate a response to any questions, please have your staff contact Ronan Gulstone, Director of the Office of Policy and Legislative Affairs at (202) 727-2816.

I urge you to take prompt and favorable action regarding the enclosed legislation.

Sincerely,

Muriel Bowser
A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to provide support due to the public health emergency for certain businesses that host performing artists by amending the current real property tax rebate requirements in Chapter 8 of Title 47 of the District of Columbia Official Code.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this resolution may be cited as the "Performing Arts Promotion Emergency Declaration Resolution of 2020".

Sec. 2. (a) On March 11, 2020, the Mayor declared a public health emergency in response to several presumptive and confirmed cases of the coronavirus (COVID-19) in the Washington, DC metropolitan region. On March 24, 2020, due to the increasing cases and the confirmed person-to-person spread of COVID-19, the Mayor issued Order 2020-053 requiring the on-site closure of all non-essential businesses, and prohibiting large gatherings, thereby directly impacting businesses that host performing artists.

(b) Presently, D.C. Official Code § 47-802(17)(A)(i) defines a “qualified business” for purposes of receiving the real property tax rebate as one that “hosts live performances by performing artists for a minimum of 48 hours per month.”

(c) Due to COVID-19 and the public health emergency, no business will qualify for the rebate during tax year 2020 is virtually nonexistent.
(d) Funds from the rebate are crucial to the financial well-being of these creative small businesses. The proposed legislation amends the definition of "qualified business" to permit qualification for the property tax rebate if the business hosts live performances for 48 hours per month during at least five months of tax year 2020.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Performing Arts Promotion Amendment Act of 2020 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.
MEMORANDUM

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

FROM: Jeffrey S. DeWitt  
Chief Financial Officer

DATE: May 28, 2020

SUBJECT: Fiscal Impact Statement – Performing Arts Promotion Amendment Act of 2020

REFERENCE: Draft Introduction as provided to the Office of Revenue Analysis on May 19, 2020

Conclusion

Funds are sufficient in the fiscal year 2020 budget and proposed fiscal year 2021 through 2024 budget and financial plan to implement the bill.

Background

Entertainment venues that host live performance artists at least 48 hours per month and have a seating capacity under 300 are eligible to receive a real property tax rebate of up to $15,000 each year. The current public health emergency due to the coronavirus forced all entertainment venues to close in the District. As a result of these closures, no entertainment venues will satisfy the 48 hour per month requirement in order to qualify for a real property tax rebate in fiscal year 2020. The bill, along with its emergency and temporary versions, changes the rebate qualifications for tax year 2020 to allow venues that host artists 48 hours per month for at least five months to qualify for the tax rebate.

Financial Plan Impact

Funds are sufficient in the fiscal year 2020 budget and proposed fiscal year 2021 through 2024 budget and financial plan to implement the bill.

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1 By amending Chapter 8 of Title 47 of the D.C. Official Code.
The Honorable Phil Mendelson
FIS: “Performing Arts Promotion Amendment Act of 2020.” Draft introduction as shared with the Office of Revenue Analysis on May 19, 2020

The fiscal year 2020 budget and proposed fiscal year 2021 through 2024 budget and financial plan account for $375,000 of forgone real property tax revenue on an annual basis due to the performing arts venue tax rebate. Changing the eligibility qualifications for fiscal year 2020 will not increase the amount of forgone real property tax revenue. No additional resources are required to implement the bill.
MEMORANDUM

TO: Ronan A. Gulstone
  Director
  Office of Policy and Legislative Affairs
FROM: Brian K. Flowers
  Deputy Attorney General
  Legal Counsel Division
DATE: May 21, 2020
SUBJECT: Legal Sufficiency Review of Draft Bills: the “Performing Arts Promotion Emergency Amendment Act of 2020” and Accompanying Emergency Declaration Resolution, the “Performing Arts Promotion Temporary Amendment Act of 2020,” and the “Performing Arts Promotion Amendment Act of 2020” (AE-20-420)

This is to certify that this Office has reviewed the above-referenced proposed 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.

Brian K. Flowers