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
To provide, on a temporary basis, 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.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this Act may be cited as the "Performing Arts Promotion Temporary Amendment Act of 2020".

Sec. 2. Chapter 8 Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-802(17)(A)(i) is amended to read as follows:

"(17)(A) The term "qualified business" means a business that:

(i) During the tax year 2020, hosts live performances by performing artists for a minimum of 48 hours per month during at least five (5) months; and for all other taxable years, hosts live performances for a minimum of 48 hours per month; and”.

Sec. 3. Fiscal impact statement.

Sec. 4. Effective date.

(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), a 30-day period of congressional review
as provided in section 602(c) of the District of Columbia Home Rule Act, approved December
24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.
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

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