

**DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
VACANT BUILDING CODE
ADMINISTRATIVE BULLETIN**

Issuer:	Ernest Chrappah, Director
Issuance Date:	August 10, 2020
Purpose:	This document sets forth procedures and requirements for the filing, review, approval, and documentation related to the approval of Substantial Undue Economic Hardship exemptions.
Related Code Sections:	District of Columbia Code §42-3131.06; §42-3131.07 §42-3131.08; §42-3131.10; §42-3131.15
Subject(s):	Clarification of vacant building exemption for properties undergoing a Substantial Undue Economic Hardship.

I. Background

The purpose of this Administrative Bulletin is to provide clarity on what will qualify as a Substantial Undue Economic Hardship under the vacant building exemption D.C. Code § 42-3131.06(b)(3)(A)-(B). A vacant building is a building on real property which, on or after April 27, 2001, has not been occupied continuously. In the case of residential buildings, a building shall only be a vacant building if the Mayor determines that no resident has an intent to return and occupy the building. D.C. Code §42-3131.05(5).

The owner(s) of a vacant building shall maintain the building in compliance with the requirements of D.C. Code § 42-3131.12. Within 30 calendar days after the building becomes vacant, the owner of a vacant building shall initially register the building with the Mayor and pay the registration fee. The Mayor has the authority to register as vacant or blighted any property whose owner fails to register. The Mayor makes a final determination that a building is vacant. The final designation shall remain in effect until the property owner submits information to the Mayor sufficient to warrant a change to that classification.

The need for the determination of the vacant vs. occupied status of a property is to assist with the accurate issuance of property tax bills semi-annually. The Office of Tax and Revenue (OTR) utilizes this determination to assign the appropriate tax classification for billing purposes.

II. Clarification of the Substantial Undue Economic Hardship Exemption

Property owners can receive temporary relief from a vacant building determination by applying for and receiving one of five (5) exemptions. This Administrative Bulletin clarifies the Substantial Undue Economic Hardship exemption.

A Substantial Undue Economic Hardship exemption shall be granted when the vacant building property owner(s) or their registered agent has met all of the outlined requirements verifying the financial impact caused by the applicant's claim of economic hardship on the owner(s).

This Administrative Bulletin does not relieve the vacant property owner from all requirements outlined within D.C. Code § 42-3131.06. DCRA reserves the right to rescind the exemption in the event any condition is not met.

III. Submittal of Documents

Pursuant to D.C. Code § 42-3131.06(5)(A), a vacant building shall be exempted by the Mayor in extraordinary circumstances and upon a showing of substantial undue economic hardship.

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 *D.C. Register*.

In order to qualify for the Substantial Undue Economic Hardship Exemption, at the time of the request for exemption, the vacant property owner(s) or resident agent shall submit the following documents to DCRA:

1. Property owned by an **individual**:
 - a. Vacant Building Response Form (VBRF) filled out in its entirety specifying the Tax Year (TY) for which relief is being requested;
 - b. A notarized written statement outlining all circumstances detailing why the owner is seeking the substantial undue economic hardship exemption and the impact that a Class 3 vacant tax classification would impose. Attachment A outlines various example factors an owner may rely upon to support the notarized written statement on page 1 and 2. An owner is not limited to selecting factors listed as examples in Attachment A. DCRA may consider other factors raised by the owner(s) in their written statement;
 - c. A completed notarized Financial Ledger (located on page 3 of Attachment A);
 - d. Documents to support the notarized written statement and Financial Ledger (Examples of supporting documents are located on page 1 of Attachment A); and

- e. A completed notarized Affidavit along with your application for a vacant building exemption (located on page 4 of Attachment A).
2. Property owned by a **business entity**:
 - a. Vacant Building Response Form (VBRF) filled out in its entirety specifying the Tax Year (TY) that the relief is being requested. This can be submitted by the vacant property owner's registered agent provided that the property owner has provided notarized documentation delegating this responsibility in accordance with D.C. Code § 42-3131.06;
 - b. Attachment B, which outlines the financial documentation needed for DCRA to consider the substantial undue economic hardship exemption. All financial documentation requested in Attachment B must be submitted. Failure to provide the requested documentation outlined in Attachment B may result in the denial of the substantial undue economic hardship exemption;
 - c. A notarized written statement outlining all circumstances detailing why the owner is seeking the substantial undue economic hardship exemption and the impact that a Class 3 vacant tax classification would impose. The owner must submit documentation to support the written statement; and
 - d. A notarized Affidavit along with your application for a vacant building exemption (located on page 2 of Attachment B).

IV. Appeal

The property owner shall be notified in writing of the denial or revocation of registration of a vacant property building and the right to appeal. Upon notice of the denial or revocation, the property owner shall not proceed with any operation to which the registration is related. If the registration is denied or revoked, no registration fees or parts thereof shall be returned.

The property owner shall have 15 calendar days from the date of this written notice to petition for reconsideration. The owner must provide substantial evidence to support a claim that the property qualifies for an exemption. To petition for reconsideration of the determination contained in the notification, the owner must send the petition for reconsideration by registered first class mail to: Department of Consumer and Regulatory Affairs (DCRA), Chief Building Official, Inspection and Compliance Administration, 4th Floor, 1100 4th Street SW, Washington, D.C. 20024. The owner will receive a Final Determination Letter within 30 calendar days of DCRA receiving the owner's petition for reconsideration. If the owner does not wish to petition for reconsideration, the owner must register the property as vacant within 15 calendar days of the notification of the denial or revocation of registration.

After receipt of the Final Determination Letter from DCRA, the property owner may file an appeal with the Real Property Tax Appeals Commission for the District of Columbia within

45 calendar days of the date of the Final Determination Letter on a form prescribed by the Mayor; provided that the owner previously petitioned for reconsideration as described in the paragraph above.