



MURIEL BOWSER

MAYOR

January 4, 2024

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

Enclosed for consideration and enactment by the Council of the District of Columbia are bills entitled the "Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2024," the "Protecting Adjacent and Adjoining Property Owners from Construction Damage Temporary Amendment Act of 2024," and "the Protecting Adjacent and Adjoining Property Owners from Construction Damage Emergency Amendment Act of 2024." In addition, an accompanying "Protecting Adjacent and Adjoining Property Owners from Construction Damage Emergency Declaration Resolution of 2024" is included in this transmittal.

These legislative measures would amend section 6a(a) of the Construction Codes Approval and Amendments Act of 1986, effective April 20, 1999 (D.C. Law 12-261; D.C. Official Code § 6-1405.01(a)), which requires insurance coverage for certain building permits, by adding three types of permits to the current scope of the requirement. Specifically, the additional permits would include: (1) alteration and repair permits pursuant to which the applicant will be engaging in underpinning or related construction activity; (2) foundation permits; and (3) new building permits. This legislation will also clarify legislative requirements to allow the Department of Buildings (DOB) to promulgate rulemaking.


I urge the Council to take prompt and favorable action on the enclosed legislation. If you have any questions, please contact Brian Hanlon, Director, DOB, at brian.hanlon@dc.gov or (202) 442-8935.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend section 6a of the Construction Codes Approval and Amendments Act of 1986 to require a property owner, contractor, or person applying for certain permits for construction work to demonstrate that their insurance provides coverage for adjacent and adjoining property owners for loss or damage that arises out of the proposed construction work.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2024”.

Sec. 2. Section 6a(a)(2A)(B) of the Construction Codes Approval and Amendments Act of 1986, effective April 20, 1999 (D.C. Law 12-261; D.C. Official Code § 6-1405.01(a)(2A(B))), is amended to read as follows:

“(B) The following permits shall require insurance pursuant to subparagraph (A) of this paragraph; provided, that the requirements shall only apply to permits issued 30 days after the adoption of emergency or final rules issued by the Mayor pursuant to subparagraph (E) of this paragraph:

“(i) An addition, alteration, and repair permit pursuant to which the applicant will be engaging in construction at the property line or on the party wall of an adjacent or

34 adjoining property; or any construction activity for which a permit listed under subparagraph (iii),
35 (iv), (v), (vi), (vii), or (viii) of this paragraph would otherwise be required;

36 “(ii) An alteration and repair; permit pursuant to which the applicant
37 will be engaging in underpinning, construction at the property line or on the party wall of an
38 adjacent or adjoining property, or any construction activity for which a permit listed under
39 subparagraph (iii), (iv), (v), (vi), (vii), or (viii) of this paragraph would otherwise be required;

40 “(iii) A foundation permit;

41 “(iv) A demolition permit;

42 “(v) An excavation permit;

43 “(vi) A new building permit;

44 “(vii) A raze permit; and

45 “(viii) A sheeting and shoring permit.”.

46 Sec. 3. Fiscal impact statement.

47 The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal
48 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
49 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

50 Sec. 4. Effective date.

51 This act shall take effect following approval by the Mayor (or in the event of veto by the
52 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
53 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
54 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
55 Columbia Register.

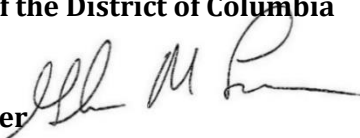
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: January 2, 2024

SUBJECT: Fiscal Impact Statement – Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2023 (and accompanying emergency and temporary versions)

REFERENCE: Draft Bill as provided to the Office of Revenue Analysis on December 19, 2023

Conclusion

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill.

Background

To operate in the District, general contractors, construction managers, and home improvement contractors must obtain and hold liability insurance (and provide certificates to the Department of Buildings establishing such coverage). The Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2022¹ requires contractors, construction managers, and home improvement contractors to have liability insurance to cover potential damage to adjacent and adjoining properties. This requirement extends to five permit types: demolition; excavation; razing; sheeting and shoring; and any permit for an addition, alteration, or repair at the property line or to a party wall.

The bill adds three permit types that confer a requirement for general contractors, construction managers, and home improvement contractors to obtain liability insurance for adjacent and adjoining properties. These additional types are a new building permit, a foundation permit, or any permit type where the applicant will be engaging in underpinning.

¹ Effective March 22, 2023 (D.C. Law 24-339; D.C. Official Code § 6-1405.01(a)).

The Honorable Phil Mendelson

FIS: Fiscal Impact Statement – Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2023 (and accompanying emergency and temporary versions), draft bill as provided to the Office of Revenue Analysis on December 19, 2023

Financial Plan Impact

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The Department of Buildings can review the proof of insurance required for additional permit types within its current resources. The Department of Insurance, Securities and Banking can carry out any needed engagement with insurance providers within its current funding levels.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



Legal Counsel Division

MEMORANDUM

TO: Sarina Loy
Deputy Director
Office of Policy and Legislative Affairs

FROM: Megan D. Browder
Deputy Attorney General
Legal Counsel Division

DATE: December 7, 2023

RE: Legal Sufficiency Review of Draft Legislation, the “Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2023,” Emergency and Temporary Versions, Emergency Resolution, and Transmittal Letter (AE-23-146)

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

A handwritten signature in black ink that reads "Megan D. Browder". The signature is written in a cursive, flowing style.

Megan D. Browder