



Councilmember Kenyan R. McDuffie

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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 equitable real property tax relief to certain property owned by Grace Covenant Church located on Lot 0800, Square 4138.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Grace Covenant Church Equitable Real Property Tax Relief Emergency Declaration Resolution of 2023”.

Sec. 2. (a) Grace Covenant Church is a nondenominational church that was established in Ward 5 in the Brookland neighborhood in 1999 (“Church”). The congregation of the Church assembled and worshipped in rented properties until the Church purchased its current property on Lot 0800 in Square 4138 from Capital Temple Church of God in Christ in October 2019. The goal of this purchase was to have a permanent home and to renovate and expand the space to better accommodate the congregation, allow for community engagement, and create spaces for children.

(b) The transfer of ownership terminated the real property tax exemption that had been granted to the previous owner. The Church mistakenly thought that the tax exemption had

1 transferred through the sale as similar operations were continuing as the property changed hands
2 between the two churches.

3 (c) After receiving a tax bill, the Church filed an Application for Exemption from D.C.
4 Real Property Tax form in December 2021. The application was approved by the Office of Tax
5 and Revenue (“OTR”) and the exemption went into effect on January 1, 2022. Because the
6 Church was not eligible for an exemption until the application was filed, OTR could not grant an
7 exemption for prior periods. As a result, there currently remains an unpaid tax liability on the
8 Church property from tax year 2020 through a portion of tax year 2022.

9 (d) On April 28, 2023, Councilmember McDuffie introduced a permanent version of this
10 legislation and on June 28, 2023, the Committee on Business and Economic Development held a
11 hearing on the permanent version (Bill 25-281). The hearing included questioning by Chairman
12 McDuffie to both the witness from the Church and a representative from the Office of the Chief
13 Financial Officer. At this hearing the Office of the Chief Financial Officer supported the
14 legislation.

15 (e) There is a need to pass this legislation via emergency because on October 1, 2023, the
16 Church will accrue more interest and fines on the unpaid tax liability. To ensure that the amount
17 budgeted by the District for this legislation is used in the current fiscal year, the legislation will
18 need to be enacted before October 1.

19 Sec. 3. The Council determines that the circumstances enumerated in section 2 constitute
20 emergency circumstances making it necessary that the Grace Church Equitable Real Property
21 Tax Relief Emergency Act of 2023 be adopted after a single reading.

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