

AN ACT

*Codification
District of
Columbia
Code
2001 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Title 47 of the District of Columbia Code to exempt the owner of a qualified supermarket in a priority development area from sales taxes on the purchase of building materials and equipment used to undertake the construction or substantial rehabilitation of a qualified supermarket; and to exempt the qualified supermarket from the payment of license fees, personal property taxes, and real property taxes levied on the supermarket for 10 years.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Supermarket Tax Exemption Act of 2000".

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

(a) Section 47-3801 is amended to read as follows:

"§ 47-3801. Definitions.

"For the purposes of this chapter, the term:

"(1) "Development" means the new construction or substantial rehabilitation of a qualified supermarket for which building permits are issued on or after the effective date of the Supermarket Tax Exemption Act of 2000. For the purposes of this paragraph, "substantial rehabilitation" means a capital investment within any 24-month period in a qualified supermarket that exceeds 50% of the adjusted basis of the building as calculated for District income tax purposes.

"(2) "Qualified supermarket" means a supermarket located in a priority development area as defined in § 1-2295.20.

"(3)(A) "Supermarket" means a self-service retail establishment, independently owned or part of a corporation operating a chain of retail establishments under the same trade name, that:

"(i) Is licensed as a grocery store under § 47-2827;

"(ii) Offers for sale a full line of meat, seafood, fruits, vegetables, dairy products, dry groceries, household products, and sundries; and

"(iii) Occupies the address under a certificate of occupancy with the use declared as a grocery store.

"(B) The term "supermarket" shall include related service departments, such as a kitchen, bakery, pharmacy, or flower shop, of a retail establishment that meets the criteria set forth in subparagraph (A) of this paragraph."

(b) Section 47-3802 is amended to read as follows:

"§ 47-3802. Tax exemption.

"The development of a qualified supermarket shall be eligible for:

"(1) A 10-year real property tax exemption under § 47-1002(23);

"(2) A 10-year exemption from the license fee under § 47-2827(b);

"(3) A 10-year personal property tax exemption as provided under § 47-1508(a)(9); and

"(4) A sales and use tax exemption on the purchase of all building materials related to the development of a qualified supermarket as provided under §§ 47-2005(28) and 47-2206.

(c)(1) The table of contents for Chapter 38 is amended by striking the section designation "47-3803. Tax and license incentives." and inserting the section designation "47-3803. Repealed." in its place.

(2) Section 47-3803 is repealed.

Sec. 3. Conforming amendments.

Title 47 of the District of Columbia Code is amended as follows:

(a) Section 47-1002(23) of the District of Columbia code is amended to read as follows:

"(23)(A) Subject to the provisions of subparagraph (B) of this paragraph, the development of a qualified supermarket, as defined in § 47-3801.

"(B) The real property tax exemption granted by subparagraph (A) of this paragraph shall apply only:

"(i) For 10 consecutive real property tax years beginning with the tax year in which a certificate of occupancy was issued for the development;

"(ii) During the time that the real property is used as a supermarket;

"(iii) In the case of the development of a qualified supermarket, on real property not owned by the supermarket, if the owner of the real property leases the land or structure to the supermarket at a fair market rent reduced by the amount of the real property tax exemption; and

"(iv) During the time that the supermarket is in compliance with the requirements of Subchapter III of Chapter 11 of Title 1;".

(b) Section 47-1508(a) is amended by adding a new paragraph (9) to read as follows:

"(9)(A) The personal property of a qualified supermarket, as defined in §47-3801(2), which is a development, as defined in § 47-3801(1), for the first 10 years for which the tax imposed by this chapter would otherwise be due.

"(B) The exemption granted by subparagraph (A) of this paragraph shall apply only:

(i) During the time that the real property is used as a supermarket;

(ii) In the case of the development of a qualified supermarket on real property not owned by the supermarket, if the owner of the real property leases the land or structure to the supermarket at a fair market rent reduced by the amount of the real property tax exemption provided by § 47-1002(23); and

(iii) During the time that the supermarket development is in compliance with the requirements of Subchapter III of Chapter 11 of Title I."

(c) Section 47-2005 is amended as follows:

(1) Paragraph (26) is amended by striking the phrase "; and " at the end of the paragraph and inserting a semi-colon in its place.

(2) Paragraph (27) is amended by striking the period at the end of the paragraph and inserting the phrase "; and" in its place.

(3) A new paragraph (28) is added to read as follows:

"(28) Sales of building materials related to the development of a qualified supermarket, as defined under § 47-3801."

(d) Section 47-2827(b)(3) is amended to read as follows:

"(3)(A) Subject to the provisions of subparagraph (B) of this paragraph, a grocery store that is a development of a qualified supermarket as defined in § 47-3801, shall be exempt from the license fee imposed by this subsection for the first 10 years beginning after the date of issuance of the final certificate of occupancy for the supermarket.

"(B) The license fee exemption granted by subparagraph (A) of this paragraph shall apply only:

(i) During the time that the real property is used as a supermarket;

(ii) In the case of the development of a qualified supermarket on real property not owned by the supermarket, if the owner of the real property leases the land or structure to the supermarket at a fair market rent reduced by the amount of the real property tax exemption provided by § 47-1002(23); and

(iii) During the time that the supermarket development is in compliance with the requirements of Subchapter III of Chapter 11 of Title I."

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

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Sec. 5. Effective date.

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), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia