


Council of the District of Columbia
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
Memorandum

1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

TO: Chairperson Phil Mendelson
FROM: Councilmember Kenyan R. McDuffie 
RE: Request to Agendize Measures for the September 19, 2023, Legislative Meeting
DATE: September 14, 2023

This memorandum is to request that the following measures be placed on the agenda for the September 19, 2023 Legislative Meeting:

Emergency and Temporary Legislation

- **The Certified Business Enterprise Program Protection Penalty Emergency Act of 2023**
- **The Certified Business Enterprise Program Protection Penalty Temporary Act of 2023**
- **The Certified Business Enterprise Program Protection Penalty Emergency Declaration Resolution of 2023**

The Certified Business Enterprise Program (“CBE Program”) is intended to give qualifying local and small businesses of the District of Columbia an opportunity to participate in government contracts through subcontracting. These small and local businesses do so by becoming certified by the Department of Small and Local Business Development (“DSLBD”) as a Certified Business Enterprise (“CBE”). Absent a waiver granted by DSLBD, District government contracts awarded to a beneficiary or certified joint venture exceeding \$250,000 require a 35 percent subcontracting set-aside with small businesses certified under the CBE Program. One penalty that DSLBD imposes for not meeting this requirement is up to 10% of the dollar volume of the contract that the beneficiary or certified joint venture was required but failed to subcontract. Due the modest penalties for violating CBE requirements, DSLBD reports that beneficiaries are not consistently complying with the subcontracting requirement. There is a need to pass this legislation via emergency to increase the penalty for violating the subcontracting requirement and ensure that the District’s CBE program achieves its goals.

- **Grace Covenant Church Equitable Real Property Tax Relief Emergency Resolution of 2023**
- **Grace Covenant Church Equitable Real Property Tax Relief Emergency Act of 2023**

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. 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

transferred through the sale as similar operations were continuing as the property changed hands between the two churches. After receiving a tax bill, the Church filed an Application for Exemption from D.C. Real Property Tax form in December 2021. The application was approved by the Office of Tax and Revenue (“OTR”) and the exemption went into effect on January 1, 2022. Because the Church was not eligible for an exemption until the application was filed, OTR could not grant an exemption for prior periods. As a result, there currently remains an unpaid tax liability on the Church property from tax year 2020 through a portion of tax year 2022. On April 28, 2023, Councilmember McDuffie introduced a permanent version of this legislation and on June 28, 2023, the Committee on Business and Economic Development held a hearing on the permanent version (Bill 25-281). The hearing included questioning by Chairman McDuffie to both the witness from the Church and a representative from the Office of the Chief Financial Officer. At this hearing the Office of the Chief Financial Officer supported the legislation. There is a need to pass this legislation via emergency because on October 1, 2023, the Church will accrue more interest and fines on the unpaid tax liability. To ensure that the amount budgeted by the District for this legislation is used in the current fiscal year, the legislation will need to be enacted before October 1.

The draft emergency measures along with their supporting materials are attached. Feel free to contact Daniel Sagrera, Policy Advisor, at dsagrera@dccouncil.gov, with any questions.

Thank you for your consideration of this request.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Office of the Budget Director