

**Testimony on behalf of the
Urban Housing Alliance
concerning institutionalization of an
Annual-Triennial Real Property Reassessment Tax Policy
before the Tax Revision Commission
Mayor Tony Williams, Chair**

June 24, 2013

Thank you, Mr. Chairman. My name is _____. I'm a member of Urban Housing Alliance, which is concerned about fairness for homeowners and fighting the displacement of low and moderate income residents.

The Context of my testimony must relate to our present circumstances and the Commission's enabling legislation:

Last week the mayor noted that we have 63 cranes in the air now. Clearly, economic growth is not at issue. Although, the Council let vocational education get shut down around a decade ago, when it knew that there would be a huge amount of new construction in DC.

In regard to the Council's findings (in the DC Code, Section 47-461), I'll paraphrase that "the Council found:

- (1) "Many District residents and businesses are already overburdened by current taxation levels."
- (2) It was noted that "the health of the District's tax base requires maintaining a "competitive tax burden between the District and neighboring jurisdictions;"
- (3) "Present tax policies and laws" need evaluation with respect to equitability;
- (4) New revenue sources must be explored as substitutes and evaluated carefully in terms of their equity;
- (5) Lastly, there have been studies since 1998 and they show that the District's residents are being overtaxed.

For example, according to FY2010 Census Bureau data, DC's poverty rate is 19.9%, third highest in the nation, and yet the per capita state and local taxes

amount to \$8,315, the second highest in the nation. This level of taxation is twice the national average (\$4,105), more than double Virginia's taxation and nearly twice Maryland's (\$4,851).

I'm sure the Commission members are acquainted with these data. My point is that the negative impacts are much greater for DC's poor people.

This point is affirmed when you recognize that the District also had the highest United States per capita personal income at \$71,044. While this is twice the U.S. average of \$40,584, it does mean that the poor in DC need more property tax relief to be able to fight displacement.

Therefore, I urge the Commission to advocate for Mayor Williams' prior recommendation, a little more than a decade ago, that residential property assessments be calculated triennially and only commercial properties be subjected to an annual reassessment. This hybrid tax policy could be phased in so that the fiscal impact and the administrative adjustment would be mitigated.

However, my view is that this should be done because it is simply the right thing to do. The \$400 million that Mayor Gray has indicated is an unanticipated windfall really represents taxpayers funds that were improperly taken.

Lastly, also, I urge the Commission to advocate for the Urban Housing Alliance's "Homeowners' Bill of Rights". This matter is essential for homeowners to have a level playing field in making their property assessment appeals.

Thank you for your attention. Are there any questions?

and Campbell Johnson, Chair
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