

THE OFFICE OF TAX AND REVENUE

NOTICE OF EMERGENCY AND PROPOSED RULEMAKING

The Office of Tax and Revenue ("OTR"), pursuant to the authority set forth in D.C. Official Code § 47-1335 (2001), section 155 of the District of Columbia Appropriations Act, 2001 (P.L. 106-522, D.C. Official Code §1-204.24c) (2001), and the Office of the Chief Financial Officer Financial Management and Control Order No. 00-5, effective June 7, 2000, hereby gives notice of the adoption on an emergency basis of an amendment to Chapter 3 of Title 9 of the District of Columbia Municipal Regulations (DCMR), Real Property Taxes, by adding a new section 340, ("Conflict of Interest").

The new amendment to Chapter 3 of Title 9 DCMR prohibits specified District of Columbia government employees, contractors and certain elected officials from registering for, bidding on, or participating in the District of Columbia annual real property tax lien sale. This rulemaking is necessary to ensure a fair, impartial, and complete tax sale that complies with constitutional due process; to preserve the peace, safety, and welfare of the District; and to incorporate changes made to the Real Property Tax Sales Registration Form. The intent of this rulemaking is to prohibit specified District government employees and elected officials, contractors, and their families or business associates, with knowledge obtained from their public duties involving tax administration or economic development from participating in real property tax sales. It is necessary to prohibit such employees because they have knowledge not available to the general public which may permit them to purchase tax sale properties most likely to appreciate in value. Such purchases would create an actual or apparent conflict of interest. It would also be improper to permit employees, who work directly or indirectly with attaching a tax or other lien on property, to buy that property at a tax sale. This regulation will help to ensure a sufficient and proper revenue stream to support the health, welfare and safety of the citizens of the District of Columbia.

The emergency rulemaking is necessary to ensure the continued health, welfare and safety of the District government. The emergency regulation was adopted and became effective on June 21, 2006. The emergency regulation shall expire within 120 days from the date of adoption or upon publication of a Notice of Final Rulemaking in the D.C. Register, whichever occurs first.

OTR also gives notice of its intent to take final rulemaking action to adopt these regulations in not less than thirty (30) days from the date of publication of this notice in the D.C. Register.

Chapter 3 of Title 9 DCMR is amended to add a new section 340 to read as follows:

340 Conflict of Interests.

340.1 District of Columbia government employees and contractors, or the family members or business associates of District government employees and contractors, under the following classifications or employed in the following offices or positions, shall not be permitted to register for or bid on properties at any tax sale:

- (a) Executive Service employees as described in D.C. Official Code § 1.610.51 (2001);
- (b) Office of the City Administrator;
- (c) Office of the Deputy Mayor for Planning and Economic Development, and the following subordinate organizations thereunder: Department of Consumer and Regulatory Affairs, Department of Housing and Community Development, and the Office of Planning;
- (d) Office of the Chief Financial Officer; and
- (e) Mayor, Councilmember, Advisory Neighborhood Commissioner, or a staff member thereof.

340.2 For purposes of this section, "family member" means a person as defined in D.C. Official Code § 32-501 (4) (2001) or D.C. Official Code § 32-701 (7) (2001).

340.3 For purposes of this section, the term "business associate" means:

- (a) An organization in which the employee, elected official, or contractor serves as an officer, director, trustee, or employee; or
- (b) Any person or organization with whom the employee, elected official, or contractor is negotiating employment or has any arrangement concerning prospective employment.

Persons desiring to comment on this proposed regulation should submit comments in writing to Ms. Tracy Perry, Assistant General Counsel, Office of Tax and Revenue, 941 N. Capitol Street, NE, 4th Floor, Washington, DC 20002, not later than thirty (30) days after publication of this notice in the D.C. Register. Copies of this rule and related information may be obtained by writing to the person and address stated herein.