

109TH CONGRESS
1ST SESSION

H. R. 2595

To authorize the Administrator of General Services and the Secretary of the Interior to convey certain Federal property to the District of Columbia to increase the District's taxable property base as compensation for a structural fiscal imbalance caused by Federal mandates.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2005

Ms. NORTON introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the Administrator of General Services and the Secretary of the Interior to convey certain Federal property to the District of Columbia to increase the District's taxable property base as compensation for a structural fiscal imbalance caused by Federal mandates.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Land Transfer
5 Compensation Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) This Act is based on—

4 (A) the findings of a report prepared by
5 the Government Accountability Office (referred
6 to in this section as the “GAO”) in May 2003,
7 that found that the District of Columbia has a
8 structural fiscal imbalance caused by Federal
9 mandates; and

10 (B) a bill, the District of Columbia Fair
11 Federal Compensation Act of 2005, as intro-
12 duced in this Congress, that authorizes Federal
13 compensation for this structural imbalance.

14 (2) The GAO found that the District’s struc-
15 tural imbalance is the difference between the costs
16 to the District of providing an average level of serv-
17 ices and the District’s total revenue capacity.

18 (3) In addition to the 2003 GAO study, two
19 other studies (McKinsey, March 2002, and Brook-
20 ings, October 2002), also have determined that the
21 District of Columbia has a substantial structural fis-
22 cal imbalance.

23 (4) The District’s structural fiscal imbalance, is
24 exclusively Federal in origin and beyond the ability
25 of the District government to correct through im-
26 proved management or other means.

1 (5) The cost to the District of providing an av-
2 erage level of services significantly exceeds—

3 (A) the national average, as well as the av-
4 erage of all 50 States for providing such serv-
5 ices; and

6 (B) the District's capacity to raise the nec-
7 essary revenue.

8 (6) The gap between the cost for average serv-
9 ices and tax revenue raised in the District is an an-
10 nual structural imbalance of between \$470,000,000
11 and \$1,100,000,000.

12 (7) The causes of the District's fiscal imbal-
13 ance, in part, are—

14 (A) the costs to the District of providing
15 services to the Federal Government;

16 (B) the tax exempt status of more than 40
17 percent of real property in the District, which
18 is either owned or specifically exempted by the
19 Federal Government; and

20 (C) the District's responsibility for the cost
21 of several State functions such as special edu-
22 cation, although the District is a city without
23 the broad tax base of a State.

24 (8) The District, to cover the cost of the struc-
25 tural fiscal imbalance, assumes unique burdens that

1 inhibit economic and population stability and
2 growth, including—

3 (A) a tax burden that ranks among the
4 highest in the country;

5 (B) the highest debt service in the country
6 among all of the State and local jurisdictions;
7 and

8 (C) the inability to make major capital im-
9 provements and investments in schools, roads,
10 and other necessary facilities.

11 (9) According to the GAO, the options available
12 to address the structural imbalance are—

13 (A) to expand the District’s tax base;

14 (B) to provide additional Federal financial
15 support to the District; and

16 (C) to increase the role of the Federal
17 Government in helping the District maintain
18 fiscal balance.

19 (10) The land transfers authorized in this Act
20 would create a significantly new revenue stream that
21 would be equivalent to a partial payment to the Dis-
22 trict for the annual structural imbalance provided
23 for in the District of Columbia Fair Federal Com-
24 pensation Act of 2005, as introduced in this Con-
25 gress.

1 **SEC. 3. PURPOSE.**

2 The purpose of this Act is to provide an efficient
3 mechanism for the conveyance of Federal property to the
4 District of Columbia in order to decrease the structural
5 imbalance by increasing the District's taxable property
6 base and opportunities by the District to pursue economic
7 development.

8 **SEC. 4. CONVEYANCE OF RESERVATION 13 TO DISTRICT OF**
9 **COLUMBIA.**

10 (a) IN GENERAL.—Subject to the requirements of
11 this Act, the Administrator of General Services shall con-
12 vey to the District of Columbia, without consideration, all
13 right, title, and interest of the United States in and to
14 United States Reservation 13, the property consisting of
15 65.73 acres of land in the District of Columbia bounded
16 by Independence Avenue Southeast on the north; 19th
17 Street Southeast on the west; G Street Southeast on the
18 south; and United States Reservation 343 on the east.

19 (b) APPRAISAL.—The Administrator, in consultation
20 with the District of Columbia, shall—

21 (1) not later than 30 days after the date of en-
22 actment of this Act, conduct an appraisal of the
23 property described in subsection (a) based on fair
24 market value; and

1 (2) not later than 180 days after the appraisal
2 is completed, transmit to Congress a report con-
3 taining—

4 (A) the results of the appraisal, including
5 an estimate of all financial benefits to be gen-
6 erated on an annual basis to the District of Co-
7 lumbia; and

8 (B) an assessment of the impact the con-
9 veyance will have in reducing the structural fi-
10 nancial imbalance of the District.

11 **SEC. 5. CONVEYANCE OF POPLAR POINT TO DISTRICT OF**
12 **COLUMBIA.**

13 (a) IN GENERAL.—Subject to the requirements of
14 this Act, the Secretary of the Interior shall convey to the
15 District of Columbia, without consideration, all right, title,
16 and interest of the United States in and to Poplar Point,
17 Anacostia Park, the property in the District of Columbia
18 bounded by the Anacostia River on the west; the Weeks
19 Memorial Bridge on the north; the Anacostia Freeway on
20 the east; and Howard Road and the Frederick Douglas
21 Bridge on the south.

22 (b) APPRAISAL.—The Secretary, in consultation with
23 the District of Columbia, shall—

24 (1) not later than 30 days after the date of en-
25 actment of this Act, conduct an appraisal of the

1 property described in subsection (a), including any
2 improvements thereto, based on fair market value;
3 and

4 (2) not later than 180 days after the appraisal
5 is completed, transmit to Congress a report con-
6 taining—

7 (A) the results of the appraisal, including
8 an estimate of all benefits to be generated on
9 an annual basis to the District of Columbia;
10 and

11 (B) an assessment of the impact the con-
12 veyance will have in reducing the structural fi-
13 nancial imbalance of the District.

14 **SEC. 6. LIMITATIONS ON CONVEYANCES.**

15 (a) IN GENERAL.—A conveyance under section 4 or
16 5 shall contain the covenants required by section 120(h)
17 of the Comprehensive Environmental Response, Com-
18 pensation, and Liability Act of 1980 (42 U.S.C. 9620).

19 (b) LIMITATION ON LIABILITY.—The United States
20 shall not be liable or responsible pursuant to subsection
21 (a) for any additional remedial action—

22 (1) with respect to hazardous substances not
23 existing on the property as of the date of convey-
24 ance, unless the presence of such hazardous sub-

1 stances on the property was caused by the United
2 States; or

3 (2) caused, required, or arising out of actions of
4 the District of Columbia or any of the District's
5 agents, contractors, or assigns.

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