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SENATE JOINT RESOLUTION NO. 443

Offered January 19, 2001

Establishing a select committee to study the fiscal impact of the Personal Property Tax Relief Act of 1998 and its long-range impact on the state General Fund.

Patron—Colgan

Referred to Committee on Rules

WHEREAS, the 1998 General Assembly enacted the Personal Property Tax Relief Act of 1998 (§ 58.1-3523 et seq.), which began to phase out the personal property tax on the first \$20,000 value of automobiles and other vehicles over a five-year period; and

WHEREAS, section 58.1-3524 provides for an incremental increase of the amount of the Commonwealth's contribution toward the reimbursable amount until the amount of the Commonwealth's contribution reaches an amount equal to 100 percent of the reimbursable amount for taxable years beginning in calendar year 2002, provided that certain conditions are met; and

WHEREAS, this reimbursement program is entering its fourth year, and the impact on the general fund is approaching one billion dollars; and

WHEREAS, concerns have been raised over the effect of the loss of general fund dollars on other state programs; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a select committee be established to study the fiscal impact of the Personal Property Tax Relief Act of 1998 and its long-range impact on the state General Fund. The select committee shall be composed of 12 legislative members as follows: five members of the Senate, one of whom shall be the Chairman of the Senate Committee on Finance and four additional members, who shall be members of the Senate Committee on Finance, to be appointed by the Senate Committee on Privileges and Elections; and seven members of the House of Delegates, two of whom shall be the Co-chairmen of the House Committee on Finance, two of whom shall be the Co-chairmen of the House Committee on Appropriations, and three additional members, who shall be members of the House Committee on Appropriations or the House Committee on Finance, to be appointed by the Speaker of the House in accordance with the principles of proportional representation contained in the Rules of the House of Delegates.

In conducting its study, the select committee shall study and recommend to the Governor and the General Assembly (i) whether additional revenues will be needed to replace the revenues committed to the personal property tax reimbursement, and if so source of such revenues; or (ii) whether the Commonwealth has the financial resources to continue to reimburse the localities for the loss of personal property tax revenues without the need for additional revenue sources.

The direct costs of this study shall not exceed \$18,000.

The Senate Committee on Finance and the House Committee on Appropriations shall provide staff support for the study. Technical assistance shall be provided by the Department of Taxation. All agencies of the Commonwealth shall provide assistance to the select committee, upon request.

The select committee shall complete its work in time to submit its written findings and recommendations to the Governor and the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents by December 15, 2001.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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