

DEPARTMENT OF TAXATION 2001 Fiscal Impact Statement

1. **Patron** Black

3. **Committee** Senate Finance

4. **Title** Real Property Tax: Exemption for Qualified
Elderly and Handicapped Individuals
Living in Certain Localities

2. **Bill Number** HB 1987

House of Origin:

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

Second House:

☒ **In Committee**

☐ **Substitute**

☐ **Enrolled**

5. Summary/Purpose:

This bill would authorize certain localities to increase to \$60,000 the maximum income limit for purposes of obtaining an exemption or deferral of real property taxes for qualified elderly and handicapped persons. The authority to increase the maximum income limit would apply to any county having a population between 80,000 and 90,000, according to the 1990 United States Census, or any town with a population greater than 15,000 that is located within such county.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not Available. (See line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. It potentially would have some impact on local revenues, as more taxpayers may become eligible for an exemption or deferral of real property taxes.

9. Specific agency or political subdivisions affected:

All counties having a population between 80,000 and 90,000 according to the 1990 United States Census. Loudoun County is the only locality that satisfies the county population criteria established by this bill.

10. Technical amendment necessary: No.

11. Other comments:

The exemption/deferral programs for the elderly and handicapped provide tax relief for persons sixty-five years of age and older and for those who are permanently and totally disabled. At local option, localities may elect to adopt an exemption program, a deferral program, a combination of both, or neither.

Income and net financial worth tests were incorporated in the exemption/deferral program to direct tax relief to those whose income and financial worth are sufficiently low to merit such relief. This bill would raise the maximum income limit in the identified counties and towns for elderly and handicapped requesting an exemption or deferral of property taxes to \$60,000.

Other Legislation

Senate Bill 939 would authorize certain localities to increase from \$52,000 to \$80,000 the maximum income limitation for purposes of obtaining an exemption or deferral of real property taxes for qualified elderly or permanently disabled persons. The same localities would also be authorized to increase the maximum combined financial worth limitation from \$195,000 to \$300,000.

cc: Secretary of Finance

Date: 2/7/01/slr

Document: S:\2001leg\WorkInProgress\OTPwork\House Bills\hb1987FE161.doc