DEPARTMENT OF TAXATION
2002 Fiscal Impact Statement

1. Patron May

2. Bill Number HB 853

House of Origin:
X **Introduced**
_____ **Substitute**
_____ **Engrossed**

3. Committee House Finance

4. Title Real Property Tax: Increase in Acreage Exclusion for Exemption/Deferral Program

Second House:
_____ **In Committee**
_____ **Substitute**
_____ **Enrolled**

5. Summary/Purpose:

This bill would increase from one acre to twenty-five acres of non-income producing property, the value of real estate that shall be excluded in determining the combined financial worth limitation for a deferral or exemption of real estate taxes owed by persons sixty-five years or older, or by those who are permanently and totally disabled. The change would apply only to localities within the Eighth Planning District (Northern Virginia).

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Unknown (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. Those localities within the Eighth Planning District which have, or will adopt, an ordinance granting the exemption or deferral program pursuant to Code of Virginia § 58.1-3211 may experience a slight decline in revenue to the extent that more residents qualify for a deferral or partial exemption of real estate taxes.

9. Specific agency or political subdivisions affected:

Localities within the Eighth Planning District (Arlington County, Fairfax County, Loudoun County, Prince William County and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park)

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 or 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 none of the above.

Chapter 428 of the 2001 Acts of Assembly increased the maximum combined financial worth limitation for eligible participants in the Eighth Planning District from $195,000 to $240,000. This bill would increase the acreage limitation for qualifying participants from one acre to twenty-five acres of non-income producing property.

This bill is identical to SB 544

cc: Secretary of Finance

Date: 1/15/02/SLR
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