

Commission on Local Government

Estimate of Local Fiscal Impact

2002 General Assembly Session

Bill: SB 544, amended
HB 853, amended

Patron: Sen. Mims
Del. May

Date: February 8, 2002

In accordance with the provisions of §§ 30–19.03 through 30–19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced bill:

I. Bill Summary

HB 853 as amended and SB 544 as amended are identical bills. They increase from one to up to twenty-five non-income-producing acres the value of real estate that shall be excluded in determining the combined financial worth limitation for an exemption or deferral of local real estate taxes in the counties, cities, and towns of the Eighth Planning District. Persons at least 65 years of age or permanently and totally disabled are eligible for an exemption or deferral of real estate taxes under local government programs, provided such persons fall below certain income and financial worth limitations.

II. Fiscal Impact Analysis

Under current law, the value of the dwelling and up to one acre of land are excluded from the low-income eligibility requirements for the exemptions or deferrals from real estate taxes authorized by § 58.1-3211 of the Code of Virginia. These bills increase the value of the real estate exclusion from one acre to up to 25 non-income-producing acres for localities in 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).

The fiscal impact of this legislation depends on the extent to which the affected localities have adopted or will adopt ordinances establishing the exemption or deferral program authorized under §58.1-3211 of the Code of Virginia. For those localities that provide such tax breaks for low-income elderly and disabled residents, the bills increase the scope of the exemption or deferral and thereby may cause a slight decrease in revenue to the extent that more residents qualify for a deferral or partial exemption of real estate taxes. However, participation for the affected localities is permissive, not mandatory. Therefore, the legislation does not impose revenue reductions on any localities in the Eighth Planning District.

III. Conclusion

HB 853 as amended and SB 544 as amended will not impose revenue reductions on any localities.