

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB 2145

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Joannou

3. Committee Senate Local Government

4. Title Local service charges by Virginia Port Authority

5. Summary/Purpose:

Property owned by state agencies is exempt from local property taxes. However, localities in which the value of state-owned property exceeds three percent of the value of all the real property located in the locality are authorized to levy a service charge on agencies that own property in their jurisdictions. The service charge is intended to cover the agency's proportional share of the locality's cost of providing police and fire protection and collecting and disposing of solid waste.

An exception to this provision is the Virginia Port Authority (VPA). Localities in which the VPA owns facilities are also subject to a service charge based on the tonnage shipped through the facilities in each locality. Any service charge based on tonnage shall be a credit against the service charge based on the property values. However, § 62.1-145 of the Code of Virginia provides that the service charge based on cargo tonnage shall be paid from the general fund. Because the General Assembly has not provided VPA with a general fund appropriation for this purpose, the agency has not been able to pay the tonnage service charge. It has paid, from its special fund revenues, the service charges based on property values to those localities in which it has facilities.

The provisions dealing with VPA service charges are found in two separate titles of the Code of Virginia, Titles 58.1 and 62.1. The proposed legislation would clarify this issue by including in §62.1-145 a provision that service charges based on property values are to be paid from Authority revenues.

6. No Fiscal Impact:

See Item 8.

7. Budget amendment necessary: No

8. Fiscal implications:

Because the proposed bill makes no substantial changes in the service charge provisions affecting the VPA, it would have no fiscal impact.

9. Specific agency or political subdivisions affected:

Virginia Port Authority
Norfolk
Portsmouth

10. Technical amendment necessary: No

11. Other comments: None.

Date: 01/28/05 / jmh

Document: HB2145E.doc (DPB F:\JMH\2005Session\FIS\HB2145E.doc)

cc: Secretary of Transportation