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**SENATE BILL NO. 92**

Offered January 11, 2006

Prefiled January 6, 2006

*A BILL to amend and reenact §§ 23-253.4 and 58.1-3403 of the Code of Virginia, relating to the Virginia Museum of Fine Arts.*

Patron—Watkins

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 23-253.4 and 58.1-3403 of the Code of Virginia are amended and reenacted as follows:**

§ 23-253.4. Authority of trustees generally.

Such trustees are vested with full authority to: (i) manage, control, maintain and operate the Museum, including the contents, furnishings, grounds funds, property and endowments thereof; (ii) charge for admission to the Museum if deemed proper; (iii) employ such persons as may be necessary to manage, control, maintain and operate the same; (iv) suspend or remove at pleasure any person so employed; (v) determine what paintings, statuary and works of art may be kept, housed or exhibited in the Museum; (vi) acquire by purchase, gift, loan or otherwise paintings, statuary and works of art and to exchange or sell the same if not inconsistent with the terms of the purchase, gift, loan or other acquisition thereof; (vii) enter into agreements with organizations interested in art; (viii) adopt a seal; (ix) stimulate and assist in the formation of new organizations; (x) do such other things as they deem proper to promote education in the realm of art throughout the Commonwealth through the Museum, which is hereby constituted and declared an educational institution, an institution of learning, and a public body and instrumentality for the dissemination of education; and (xi) receive and administer on behalf of the Commonwealth gifts, bequests and devises of real and personal property for the endowment of the Museum or for any special purpose designated by the donor.

The trustees are hereby authorized to change the form of investment of any funds, securities or other property, real or personal, provided the same are not inconsistent with the terms of the instrument under which the same was acquired. The trustees may sell, grant and convey any such property, but, in the case of real property, only by and with the written consent of the Governor. The trustees may from time to time confer the honorary degree of patron of arts on any person who has, in their opinion, made an outstanding contribution in the realm of art, but not more than two such degrees shall be conferred in any calendar year.

~~Nothing in this section shall be construed to prohibit the assessment and levying of a service charge pursuant to the provisions of Chapter 34 (§ 58.1-3400 et seq.) of Title 58.1.~~

The *Museum is an educational institution and the* exercise by the Museum of the powers conferred by this chapter shall be deemed and held to be the performance of an essential governmental function.

§ 58.1-3403. Property owned by the Commonwealth.

A. Notwithstanding the provisions of § 58.1-3400, a service charge may be levied on real property owned by the Commonwealth if the value of all such property located within a county, city or town exceeds three percent of the value of all real property located within such county, city or town. For purposes of this section "real property owned by the Commonwealth" shall not include hospitals, educational institutions *(including museums of the Commonwealth)* or public roadways or property held for the future construction of public highways.

Notwithstanding § 58.1-3400 and the provisions of the foregoing paragraph, a service charge may be levied on faculty and staff housing of state educational institutions, and on property of the Virginia Port Authority, regardless of the portion of state-owned property located within the county, city or town.

The service charge may be imposed only if the commissioner of revenue or other assessing officer for such locality, prior to imposing the service charge, publishes and lists all exempt real estate in the land books of such locality, in the same manner as is taxable real estate.

B. The service charge shall be based on the assessed value of the state-owned tax exempt real estate and the amount which the county, city or town expended, in the year preceding the year in which such charge is assessed, for the purpose of furnishing police and fire protection and for collection and disposal of refuse. The cost of public school education shall be included in such amount in determining the service charge imposed on faculty and staff housing of an educational institution. Any amount received from federal or state grants specifically designated for the above-mentioned purposes and assistance provided to localities pursuant to Article 8 (§ 9.1-165 et seq.) of Chapter 1 of Title 9.1 shall not be considered in determining the cost of providing such services for the real estate. The expenditures

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for services not provided for certain real estate shall not be considered in the calculation of the service charge for such real estate, nor shall such expenditures be considered when a service is currently funded by another service charge.

Provided, however, that any amount paid to any locality pursuant to subsection D shall be fully credited against the service charge payable by the Virginia Port Authority under this subsection and subsection A.

C. The service charge rate for state-owned property shall be determined by dividing the expenditures determined pursuant to subsection B of this section by the assessed fair market value, expressed in hundred dollars, of all real estate located within the county, city or town imposing the service charge, including nontaxable property. The resulting rate shall then be applied to the assessed value of the tax exempt property owned by the Commonwealth.

Real estate owned by the United States government or any of its instrumentalities, shall not be included in the assessed value of all property within the county, city or town. For purposes of this section, artistic and historical significance shall not be taken into account in the valuation of exempt real estate.

D. Notwithstanding the provisions of subsections B and C and from such funds as may be appropriated, the service charge for property owned by the Virginia Port Authority and its instrumentalities shall be based on the assessed value of such tax-exempt real estate and the amount of cargo tonnage shipped through such property in the year preceding the year in which such charge is assessed.

The service charge rate for each county, city or town shall be determined by adding:

1. The assessed value of the Virginia Port Authority real property in each county, city, or town divided by the total assessed value of real property owned by the Virginia Port Authority in all counties, cities, or towns; and

2. The Virginia Port Authority cargo tonnage shipped through each county, city, or town divided by the total Virginia Port Authority cargo tonnage shipped through all counties, cities, and towns.

Such service charge rate for each county, city, or town shall then be applied to the product of the total Virginia Port Authority cargo tonnage multiplied by $0.25.

E. In no event shall the service charge rate exceed the real estate tax rate of the county, city or town imposing the service charge.