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HOUSE JOINT RESOLUTION NO. 122

Offered January 9, 2008

Prefiled January 8, 2008

Proposing an amendment to Section 6 of Article X of the Constitution of Virginia, relating to property tax exemptions, including tax relief for certain homeowners.

Patron—Loupassi

Referred to Committee on Privileges and Elections

RESOLVED by the House of Delegates, the Senate concurring, a majority of the members elected to each house agreeing, That the following amendment to the Constitution of Virginia be, and the same hereby is, proposed and referred to the General Assembly at its first regular session held after the next general election of members of the House of Delegates for its concurrence in conformity with the provisions of Section 1 of Article XII of the Constitution of Virginia, namely:

Amend Section 6 of Article X of the Constitution of Virginia as follows:

ARTICLE X

TAXATION AND FINANCE

Section 6. Exempt property.

(a) Except as otherwise provided in this Constitution, the following property and no other shall be exempt from taxation, State and local, including inheritance taxes:

(1) Property owned directly or indirectly by the Commonwealth or any political subdivision thereof, and obligations of the Commonwealth or any political subdivision thereof exempt by law.

(2) Real estate and personal property owned and exclusively occupied or used by churches or religious bodies for religious worship or for the residences of their ministers.

(3) Private or public burying grounds or cemeteries, provided the same are not operated for profit.

(4) Property owned by public libraries or by institutions of learning not conducted for profit, so long as such property is primarily used for literary, scientific, or educational purposes or purposes incidental thereto. This provision may also apply to leasehold interests in such property as may be provided by general law.

(5) Intangible personal property, or any class or classes thereof, as may be exempted in whole or in part by general law.

(6) Property used by its owner for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes, as may be provided by classification or designation by an ordinance adopted by the local governing body and subject to such restrictions and conditions as provided by general law.

(7) Land subject to a perpetual easement permitting inundation by water as may be exempted in whole or in part by general law.

(b) The General Assembly may by general law authorize the governing body of any county, city, town, or regional government to provide for the exemption from local property taxation, or a portion thereof, within such restrictions and upon such conditions as may be prescribed, of real estate and personal property designed for continuous habitation owned by, and occupied as the sole dwelling of, persons not less than sixty-five years of age or persons permanently and totally disabled as established by general law who are deemed by the General Assembly to be bearing an extraordinary tax burden on said property in relation to their income and financial worth.

(c) Except as to property of the Commonwealth, the General Assembly by general law may restrict or condition, in whole or in part, but not extend, any or all of the above exemptions.

(d) The General Assembly may define as a separate subject of taxation any property, including real or personal property, equipment, facilities, or devices, used primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the Commonwealth or for the purpose of transferring or storing solar energy, and by general law may allow the governing body of any county, city, town, or regional government to exempt or partially exempt such property from taxation, or by general law may directly exempt or partially exempt such property from taxation.

(e) The General Assembly may define as a separate subject of taxation household goods, personal effects and tangible farm property and products, and by general law may allow the governing body of any county, city, town, or regional government to exempt or partially exempt such property from taxation, or by general law may directly exempt or partially exempt such property from taxation.

(f) Exemptions of property from taxation as established or authorized hereby shall be strictly construed; provided, however, that all property exempt from taxation on the effective date of this section

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59 shall continue to be exempt until otherwise provided by the General Assembly as herein set forth.

60 (g) The General Assembly may by general law authorize any county, city, town, or regional
61 government to impose a service charge upon the owners of a class or classes of exempt property for
62 services provided by such governments.

63 (h) The General Assembly may by general law authorize the governing body of any county, city,
64 town, or regional government to provide for a partial exemption from local real property taxation, within
65 such restrictions and upon such conditions as may be prescribed, (i) of real estate whose improvements,
66 by virtue of age and use, have undergone substantial renovation, rehabilitation or replacement or (ii) of
67 real estate with new structures and improvements in conservation, redevelopment, or rehabilitation areas.

68 (i) The General Assembly may by general law allow the governing body of any county, city, or town
69 to exempt or partially exempt from taxation any generating equipment installed after December
70 thirty-one, nineteen hundred seventy-four, for the purpose of converting from oil or natural gas to coal
71 or to wood, wood bark, wood residue, or to any other alternate energy source for manufacturing, and
72 any co-generation equipment installed since such date for use in manufacturing.

73 (j) The General Assembly may by general law allow the governing body of any county, city, or town
74 to have the option to exempt or partially exempt from taxation any business, occupational or
75 professional license or any merchants' capital, or both.

76 (k) *The governing body of each county, city, and town shall provide real property tax relief as*
77 *provided in this subsection for residential property that is designed for continuous habitation and is*
78 *occupied as the primary dwelling of the individual owners. Beginning in the sixth year of the owners'*
79 *continuous ownership and occupation of the dwelling, when any assessment of real property by a*
80 *county, city, or town results in an increase greater than five percent in the immediately previous*
81 *assessed value of such dwelling, then the locality shall compute the real estate taxes for the individual*
82 *on such dwelling based on an assessed value of 105 percent of the immediately previous assessed value.*
83 *Any individuals who have owned and occupied such dwelling for six or more years on the effective date*
84 *of this section, shall begin being covered under this subsection on the next assessment of the dwelling.*
85 *That portion of an assessment due to the construction of new or other improvements, or to rezoning*
86 *shall not be included in calculating the five percent increase.*

87 *When all owners of a dwelling receiving the benefits under this subsection (i) cease living there as*
88 *their primary dwelling, (ii) transfer the ownership of the dwelling, or (iii) die and their estates transfer*
89 *the ownership of the dwelling, then, at that time the taxes on the dwelling shall be computed based on*
90 *fair market value until another owner has occupied the dwelling for five years.*