

**DEPARTMENT OF TAXATION
2008 Fiscal Impact Statement**

1. Patron George L. Barker

2. Bill Number SB 424

3. Committee Senate Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. Title Real Property Tax; Relief for Certain
Rehabilitated, Renovated, or Replacement
Real Property

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would provide that a locality may require a taxpayer to demonstrate that he has the right to be legally present in the United States prior to granting the taxpayer real property tax relief under any program providing partial exemptions for structures in redevelopment or conservation areas or rehabilitation districts and partial exemptions and/or tax credits for certain rehabilitated, renovated, or replacement real property.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not available. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. To the extent that a locality uses the authority granted by this bill, this bill may increase local revenue because fewer people may qualify for these property tax relief programs.

9. Specific agency or political subdivisions affected:

All localities.

10. Technical amendment necessary: No.

11. Other comments:

Current Law

Any locality may, by ordinance, provide partial exemptions for (1) new structures or other improvements to real estate located in a redevelopment or conservation area or rehabilitation district; and (2) certain rehabilitated, renovated or replacement residential, hotel or motel or commercial or industrial structures. Any locality may also provide a real

property tax credit on certain rehabilitated, renovated or replacement residential structures. The governing body of any locality may adopt an exemption program, a tax credit program, both, or none of the above. The locality may also establish criteria for qualifying structures or improvements.

Currently, eligibility for such programs does not depend on the person claiming the tax relief demonstrating legal presence in the United States.

Legal Presence

Code of Va. § 46.2-328.1 (Acts of Assembly 2003, Chapter 817) requires any applicant for an original driver's license, permit, or special identification card to provide to the Department of Motor Vehicles ("DMV") valid documentary evidence that the applicant is either (1) a citizen of the United States, (2) a legal permanent resident of the United States, or (3) a conditional resident alien of the United States.

An applicant who presents valid documentary evidence of (1) a valid, unexpired nonimmigrant visa or nonimmigrant visa status for entry into the United States, (2) a pending or approved application for asylum in the United States, (3) entry into the United States in refugee status, (4) a pending or approved application for temporary protected status in the United States, (5) approved deferred action status, or (6) a pending application for adjustment of status to legal permanent residence status or conditional resident status, may be issued a temporary license, permit, or special identification card. Such temporary license, permit, or special identification card is valid only during the period of time of the applicant's authorized stay in the United States or if there is no definite end to the period of authorized stay a period of one year.

The Department of Motor Vehicles ("DMV") allows legal presence to be proven using:

- U.S. birth certificate;
- U.S. passport;
- Virginia driver's license;
- Virginia ID card;
- Certificate of Citizenship;
- Certificate of Naturalization;
- Resident Alien Card; or
- Valid foreign passport with a visa, I-94 or an I-94W with a participating country.

Proposal

This bill would provide that a locality may require a taxpayer to demonstrate that he has the right to be legally present in the United States prior to granting the taxpayer property tax relief under any program providing partial exemptions for structures in redevelopment or conservation areas or rehabilitation districts and partial exemptions and/or tax credits for certain rehabilitated, renovated, or replacement real property.

This bill is silent as to what constitutes "legal presence" and what documentary evidence would be required to prove legal presence.

Similar Legislation

House Bill 184 would place the legal presence requirement on applicants for a partial exemption and/or tax credit for certain rehabilitated, renovated or replacement structures.

House Bill 183 would place the legal presence requirement on applicants for the property tax exemption/deferral program for the elderly or handicapped.

Senate Bill 425 would provide that a locality may require a taxpayer to demonstrate that he has the right to be legally present in the United States prior to granting the taxpayer tax relief under a real property tax exemption or deferral program for the elderly or handicapped and under a deferral program for the increases on property tax bills associated with a reassessment.

cc : Secretary of Finance

Date: 1/18/2008 jkl
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