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HOUSE JOINT RESOLUTION NO. 2

Offered January 11, 2012

Prefiled November 21, 2011

Directing the Joint Legislative Audit and Review Commission to study the local fiscal impact and taxation of property owned by counties, cities, towns, and local authorities that is physically located in a different county, city, or town. Report.

Patron—Wright

Referred to Committee on Rules

WHEREAS, Article X, Section 6 (a) (1) of the Constitution of Virginia exempts property of counties, cities, and towns from local property taxes; and

WHEREAS, Article X, Section 6 (c) of the Constitution of Virginia authorizes the General Assembly to restrict or condition the tax exemption for property of counties, cities, and towns; and

WHEREAS, §§ 58.1-3203, 58.1-3603, and 58.1-3663 of the Code of Virginia, among other things, provide for limited local property taxes on real property owned by a local governmental entity that is physically located in a different county, city, or town; and

WHEREAS, § 58.1-3502 of the Code of Virginia, among other things, allows for local tangible personal property taxes on leased personal property owned by a local governmental entity that is physically located in a different county, city, or town; and

WHEREAS, § 58.1-3400 of the Code of Virginia authorizes counties, cities, and towns to impose service charges upon tax-exempt real property within the locality that is owned by a different county, city, town, or local authority; and

WHEREAS, the local fiscal impact attributable to the tax exemption for local government property that is physically located in a different county, city, or town may be substantial; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the local fiscal impact and taxation of property owned by counties, cities, towns, and local authorities that is physically located in a different county, city, or town. The Joint Legislative Audit and Review Commission (JLARC) shall examine (i) the extent to which counties, cities, towns, and local authorities own property that is physically located in a different county, city, or town, (ii) the fiscal impact attributable to the tax exemption for local government property that is physically located in a different county, city, or town, and (iii) alternatives to current laws that provide for limited taxation or service charges upon such property.

All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2013, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2014 Regular Session of the General Assembly. The executive summary shall state whether JLARC intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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