

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB46

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

2. Patron: Ramadan

3. Committee: -

4. Title: Constitutional amendment; real property tax exemption for spouses of soldiers killed in action.

5. Summary: Constitutional amendment (voter referendum); property tax; exemption for surviving spouse of soldiers killed in action. Provides for a referendum at the November 4, 2014, election to approve or reject an amendment to allow the General Assembly to exempt from taxation the real property of the surviving spouse of a soldier killed in action, where the surviving spouse occupies the real property as his or her principal place of residence and has not remarried. In the event that the referendum is agreed to by voters, the bill also codifies a real property tax exemption to the surviving spouse of soldiers killed in action for tax years beginning on or after January 1, 2015. To qualify for the exemption (i) the surviving spouse cannot remarry, (ii) the surviving spouse must continue to occupy the same real property as his principal residence, and (iii) the assessed value of the real property dwelling must be less than the average assessed value of all dwellings located within the county that are situated on property zoned as single family residential. Counties, cities, and towns shall provide for the exemption on the qualifying dwelling and up to one acre of land upon which the dwelling is situated, unless the locality provides for other exemptions or deferrals of real property taxes of more than one acre of land. If the real property is jointly owned by one or more persons and not all persons qualify for the exemption, then the exemption shall be prorated based on the ownership interest of all joint owners. The surviving spouse shall claim the exemption by filing forms and documentation with the local commissioner of revenue to demonstrate his qualifications. The Commissioner of the Department of Veterans Services shall promulgate rules and regulations governing the administration and implementation of the property tax exemption, to include, but not be limited to, written guidance for surviving spouses and commissioners of the revenue and responding to requests for information.

6. Budget Amendment Necessary: Yes, Item 83 – Electoral Services

7. Fiscal Impact Estimates: Preliminary, see Item 8

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	\$131,158	0	GF

- 8. Fiscal Implications:** The State Board of Elections (SBE) indicates that under the terms of § 30-19.9, Code of Virginia, the State Board is required to run advertisements in state newspapers and prepare posters and pamphlets providing public notice about Constitutional amendments. The estimated one-time costs relating to one amendment is \$131,158. This amount is based on the costs from 2012 of advertising and printing the changes noted in the Constitutional amendments. This amount consists of approximately \$129,403 in newspaper advertising costs and \$1,755 for printing costs of pamphlets and posters.

The Department of Veterans Services does not anticipate a budgetary impact to implement the provisions of this bill.

The Department of Taxation indicates that the impact to local revenues is currently unknown.

- 9. Specific Agency or Political Subdivisions Affected:** State Board of Elections, Department of Veterans Services, all localities

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** None

Date: February 28, 2014

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