

**DEPARTMENT OF TAXATION  
2017 Fiscal Impact Statement**

1. **Patron** Richard H. Stuart
3. **Committee** Senate Finance
4. **Title** Real Property Tax; Deferral; Stafford County

2. **Bill Number** SB 1248  
**House of Origin:**  
  X   **Introduced**  
      **Substitute**  
      **Engrossed**
- Second House:**  
      **In Committee**  
      **Substitute**  
      **Enrolled**

**5. Summary/Purpose:**

This bill would authorize Stafford County to adopt, by ordinance, a program allowing deferral of real property tax for a taxpayer's sole occupied dwelling where that dwelling has seen at least a five percent increase in assessed value over the previous year's assessment, and the increase is due to improvements made by Stafford County to real property that, together with any adjacent property owned by Stafford County, is adjacent to the taxpayer's real estate.

Under current law, localities are authorized to adopt, by ordinance, a deferral program allowing deferral of all or any portion of the real property tax that exceeds at least 105 percent of the real estate tax on such property owned by the taxpayer in the previous year. Localities may designate whether the deferral is allowed only for a taxpayer's sole occupied dwelling or all property.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Not Available** (See Line 8.)

**8. Fiscal implications:**

If Stafford County enacts the deferral program authorized by this bill, it may incur administrative costs administering the program and it may experience a deferral of revenues.

This bill would have no impact on state revenues.

9. **Specific agency or political subdivisions affected:** Stafford County.

10. **Technical amendment necessary:** No.

## 11. Other comments:

Under current law, localities are authorized to adopt, by ordinance, a program allowing deferral of all or any portion of the real property tax that exceeds at least 105 percent of the real estate tax on such property owned by the taxpayer in the previous year. In doing so, localities are also authorized to designate whether the deferral is allowed only for a taxpayer's sole occupied dwelling or all of the taxpayer's property.

The deferred amount shall be subject to interest set by the locality but not to exceed the rate established by § 6621 of the Internal Revenue Code. The deferred amount and interest shall be due to the locality upon the sale or transfer of the property or from the estate of the last surviving decedent owner within one year of that owner's death.

The deferral program does not apply to real estate which participates in the tax relief or deferral program for the elderly or totally disabled pursuant to § 58.1-3210, or persons who are delinquent on any portion of real estate taxes for which deferral is sought, or property assessed on the basis of use value pursuant to § 58.1-3230.

### Proposal

This bill would authorize Stafford County to adopt, by ordinance, a program allowing deferral of real property tax for a taxpayer's sole occupied dwelling where that dwelling has seen at least a five percent increase in assessed value over the previous year's assessment, and the increase is due to improvements made by Stafford County to real property that, together with any adjacent property owned by Stafford County, is adjacent to the taxpayer's real estate.

The bill would also require that the taxpayer be notified when the assessed value of the real property has been increased and to what extent the taxes are attributable to the improvements made by Stafford County. The notification would also have to explain the taxpayer's rights under the local ordinance. The taxpayer would then be permitted to defer all or any of the tax specified in the notice for that tax year and/or all subsequent years. The deferred amount shall be subject to an interest rate set by the locality but not to exceed the rate established by § 6621 of the Internal Revenue Code. The deferred amount and interest shall be due to the locality upon the sale or transfer of the property or from the estate of the last surviving decedent owner within one year of that owner's death.

The deferral program would not apply to real estate which participates in the tax relief or deferral program for the elderly or totally disabled pursuant to § 58.1-3210, or persons who are delinquent on any portion of real estate taxes for which deferral is sought, or property assessed on the basis of use value pursuant to § 58.1-3230.

### Similar Legislation

**House Bill 2219** is identical to this bill.

cc : Secretary of Finance

Date: 1/17/2017 VB  
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