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HOUSE BILL NO. 692

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 9, 2018)

(Patron Prior to Substitute—Delegate Marshall)

A *BILL to amend and reenact § 15.2-6407 of the Code of Virginia, relating to Virginia Regional Industrial Facilities Act; revenue sharing; composite index.*

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-6407 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-6407. Revenue sharing agreements.

A. Notwithstanding the requirements of Chapter 34 (§ 15.2-3400 et seq.) of this title, the member localities may agree to a revenue and economic growth-sharing arrangement with respect to tax revenues and other income and revenues generated by any facility owned by an authority. Such member localities may be located in any jurisdiction participating in the Appalachian Region Interstate Compact or a similar agreement for interstate cooperation for economic and workforce development authorized by law. The obligations of the parties to any such agreement shall not be construed to be debt within the meaning of Article VII, Section 10 of the Constitution of Virginia. Any such agreement shall be approved by a majority vote of the governing bodies of the member localities reaching such an agreement but shall not require any other approval.

B. *With any such revenue and economic growth-sharing arrangement entered into by localities, the Department of Taxation's calculation of true values as applied to the Commonwealth's composite index of local ability-to-pay shall take into account an agreement whereby a portion of real property tax revenue is initially paid to one locality and redistributed to another locality. Such calculation shall properly apportion the percentage of tax revenue ultimately received by each locality. Each participating locality shall include in reports to the Department of Taxation of its taxable real estate the apportioned fair market value of the property upon which such revenue sharing is based. The Department of Taxation shall collect annually, from each participating locality, the taxable real estate value used to determine and apportion the fair market value of the property adjustments upon which such revenue sharing is based.*

2. That the provisions of this act shall become effective on July 1, 2020.