

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** HB692

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** Marshall

**3. Committee:** Local Government

**4. Title:** Virginia Regional Industrial Facilities Act; revenue sharing; composite index.

**5. Summary:** Requires the Department of Taxation's calculation of true values as applied to the Commonwealth's composite index of local ability-to-pay to take into account an arrangement by localities entered into pursuant to the Virginia Regional Industrial Facilities Act whereby a portion of tax revenue is initially paid to one locality and redistributed to another locality. The bill requires such calculation to properly apportion the percentage of tax revenue ultimately received by each locality. The bill has a delayed effective date of July 1, 2020.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Indeterminate. See Item 8.

**8. Fiscal Implications:** There is no fiscal impact to the Department of Taxation or the Department of Education to implement the provisions of this bill.

Modifying the Department of Taxation's calculation of true values of real estate will affect composite index of local ability-to-pay values in future biennia, which will affect state funding under Direct Aid to Public Education. Any actual fiscal impact is indeterminate at this time.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, Department of Taxation, local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None