

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB1965

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

2. Patron: Helsel

3. Committee: Passed Both Houses

4. Title: Fort Monroe Authority; payments to the City of Hampton in lieu of real property taxes.

5. Summary: Provides that, for real estate leased by the Fort Monroe Authority (the Authority) to a private owner, such real estate shall be taxed by the City of Hampton as if it were privately owned and billed directly to the lessee. However, if the lease term is less than 20 years, Hampton shall bill the Authority. The bill provides that the Authority and its lessees may use existing procedures for contesting assessments and taxes. Current law provides that land owned by the Authority is subject to a fee in lieu of real property taxes, but is silent on the treatment of land leased by the Authority to a private party. The bill contains technical amendments.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See Item 8.

8. Fiscal Implications: This bill provides the ability for the City of Hampton (City) to collect real estate taxes from long-term leaseholders at Fort Monroe with lease terms of 20 years or more when such leases are provided to the City by the Fort Monroe Authority (FMA). Currently, the City bills FMA approximately \$1,289,013 for the payment in lieu of taxes (PILOT) fee and FMA's payment is limited to \$983,960 as authorized in the Appropriation Act thereby leaving a balance of \$305,053. This bill would allow the City to collect real estate taxes directly from long-term leaseholders, reducing the balance of the unpaid PILOT fee. As additional long-term leases are signed for which FMA advises the City and the City collects real estate taxes, FMA anticipates that the PILOT fee will be progressively reduced below the \$983,960 cap. Under the provisions of this bill, leases for a cumulative term of less than 20 years will be billed and collected from FMA, subject to those leases being provided to the City by FMA.

9. Specific Agency or Political Subdivisions Affected: Fort Monroe Authority; City of Hampton; Circuit Court of the City of Hampton.

10. Technical Amendment Necessary: No.

11. Other Comments: None.