

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: SB1089

House of Origin	☐ Introduced	☒ Substitute	☐ Engrossed
Second House	☐ In Committee	☐ Substitute	☐ Enrolled

2. Patron: Locke

3. Committee: Local Government

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.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill provides the ability for the City of Hampton to tax long-term leaseholders of 20 years or more in lieu of the Fort Monroe Authority (FMA) continuing to pay a payment in lieu of taxes (PILOT) fee. Currently, the City of Hampton bills the FMA approximately \$1,289,013 for the 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 provides for such time when enough FMA property transfers to long-term leaseholders of 20 years or more for the City of Hampton to collect \$305,053 in real estate taxes. Under the provisions of this bill, leases for a cumulative term of less than 20 years will be billed and collected from the 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: This bill is the companion to HB1965.