

20103269D

HOUSE BILL NO. 363

Offered January 8, 2020

Prefiled January 2, 2020

A BILL to amend the Code of Virginia by adding in Title 58.1 a chapter numbered 35.2, consisting of sections numbered 58.1-3537 and 58.1-3538, relating to state subsidy of property tax exemptions for disabled veterans and surviving spouses.

Patrons—Cole, M.L. (By Request), Avoli, Cole, J.G. and Walker; Senators: Chase, Morrissey and Peake

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 58.1 a chapter numbered 35.2, consisting of sections numbered 58.1-3537 and 58.1-3538, as follows:

CHAPTER 35.2.**STATE SUBSIDY OF PROPERTY TAX EXEMPTIONS FOR DISABLED VETERANS AND SURVIVING SPOUSES.****§ 58.1-3537. Definitions.**

"Auditor" means the Auditor of Public Accounts.

"Eligible locality" means a locality in which more than one percent of its taxable real estate is exempt from taxation for the taxable year pursuant to the property tax exemptions for disabled veterans and surviving spouses.

"Property tax exemptions for disabled veterans and surviving spouses" means the real property tax exemptions provided by localities pursuant to the provisions of Articles 2.3 (§ 58.1-3219.5 et seq.) and 2.4 (§ 58.1-3219.9 et seq.) of Chapter 32.

"State subsidy" means the amount of real estate tax revenue foregone by an eligible locality for a taxable year as a result of the property tax exemptions for disabled veterans and surviving spouses. However, the state subsidy shall exclude the amount of foregone real estate tax revenue attributable to one percent of its real estate that is tax exempt for the taxable year pursuant to the property tax exemptions for disabled veterans and surviving spouses.

§ 58.1-3538. State subsidy of certain real property tax exemptions.

A. For taxable years beginning on and after January 1, 2020, the Commonwealth shall reimburse eligible localities for providing property tax exemptions for disabled veterans and surviving spouses as set forth in this chapter.

B. Any locality may apply for certification as an eligible locality for a taxable year to the Auditor by providing documentation that more than one percent of such locality's taxable real estate was exempt from taxation pursuant to the property tax exemptions for disabled veterans and surviving spouses. The application process shall be conducted using forms, required documentation, and deadlines prescribed by the Auditor. If a locality that otherwise would qualify as an eligible locality fails to adhere to the required forms, documentation, and deadlines prescribed by the Auditor, the Auditor may determine that such locality is not an eligible locality for the taxable year.

C. The Auditor shall publish annually a list of localities certified as eligible localities and the percentage of tax exempt real estate in such localities. The Auditor shall certify annually such information in writing to the Governor and to the Chairmen of the Senate Committee on Finance and the House Committee on Appropriations and shall certify the amount of the state subsidy to be provided to such localities. The Governor shall include in the Budget Bill, as defined in § 2.2-1509, a proposed appropriation of the amount of the state subsidy to be provided to localities certified as eligible localities.

D. The state subsidy to each eligible locality for taxable year 2020 shall be paid by the Commonwealth over the 12-month period beginning with the month of July 2020 and ending with the month of June 2021, as provided in the general appropriation act. For all tax years subsequent to taxable year 2020, reimbursements shall be paid over the same 12-month period. All state subsidies shall be made by check issued by the State Treasurer to the treasurer of the eligible locality on warrant of the Comptroller.

E. The Department shall provide to the commissioner of revenue and treasurer of each locality such data or information it has available that is needed for the commissioner of revenue and treasurer to comply with the provisions of this chapter. Such data or information shall be made available in a manner that will allow for compliance with the provisions of this chapter.

INTRODUCED

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