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HOUSE JOINT RESOLUTION NO. 614

Offered January 23, 1995

Establishing a joint subcommittee to examine how to reduce Virginia's reliance on the local real property tax and to reduce the disparity in funding for elementary/secondary education.

Patrons—Brickley, Callahan, DeBoer and Parrish; Senators: Barry and Colgan

Referred to Committee on Rules

WHEREAS, Virginia's localities are dependent on the real property tax for more than half of all locally generated revenues; and

WHEREAS, elementary/secondary education is the major category of expenditure for Virginia's localities; and

WHEREAS, many residents believe the real property tax is an especially burdensome tax because of rapidly escalating assessments, the difficulty of valuing property accurately, the varying intervals between general reassessments, and the fact that many times the high value of real property is not correlated with high income which must be used to pay real property taxes; and

WHEREAS, there is a great deal of disparity in real property values in Virginia with the result that there is a corresponding disparity in the ability to finance a quality system of public education; and

WHEREAS, many citizens and localities would prefer to have a more varied mix of tax options; and

WHEREAS, in a statewide referendum last year the citizens in Michigan voted by a two-to-one margin to dramatically reduce their property tax and to increase the sales and use tax by two percent along with a menu of other changes to bring greater equity to their local tax structure as well as their financing of elementary/secondary education; and

WHEREAS, a number of other states are adopting innovative approaches to reduce the reliance on the real property tax and reduce the disparity in funding for education; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to examine ways to reduce the local real estate tax burden and to reduce the disparity in elementary/secondary education spending. The study shall specifically include the Michigan Public School Finance Reform Program to see if the program, or part of the program would be helpful to Virginia in its efforts to reduce the local reliance on the real property tax and to reduce the disparity in elementary/secondary school funding.

The joint subcommittee shall be composed of seven members as follows: four members of the House Finance Committee to be appointed by the Speaker of House; and three members of the Senate Finance Committee to be appointed by the Senate Committee on Privileges and Elections.

The direct costs of the study shall not exceed \$5,250.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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