Department of Planning and Budget
2013 Fiscal Impact Statement

1. **Bill Number:** HB2038

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

2. **Patron:** Jones

3. **Committee:** General Laws

4. **Title:** Fess in lieu of real property taxes; Fort Monroe.

5. **Summary:** Modifies the method of determining the amount of fees in lieu of real property taxes owed by the Fort Monroe Authority (FMA) by ensuring that properties at Fort Monroe that would be taxed by the City of Hampton if privately held will be charged a fee in lieu of taxes, but that properties at Fort Monroe that would not be taxed by the City if privately held will be exempt from the fee. The bill also permits FMA to appeal the assessed value of its property used in calculating the fee.

6. **Budget Amendment Necessary**: No. See item 8, below.

7. **Fiscal Impact Estimates:** Indeterminate. See item 8, below.

8. **Fiscal Implications:** The fiscal impact of the proposed legislation is indeterminate. The fiscal impact will depend on the City of Hampton's calculation of the assessed value of the properties at Fort Monroe owned or leased by FMA, and the outcome of any appeal FMA may seek. However, language in HB1500/SB800, as introduced, caps the amount the authority may pay to the City of Hampton in lieu of taxes at $562,540 in FY 2013 and $983,960 in FY 2014.

   The Code directs FMA to pay an annual fee to the City of Hampton for services provided by the City. HB1500/SB800, as introduced, includes appropriations, from the general fund, for the authority in FY 2013 and FY 2014. Also, language in the introduced budget bill provides for the authority to pay an amount up to $562,540 in FY 2013 and $983,960 in FY 2014 to the City of Hampton for the Payment In Lieu of Taxes (PILOT) fee.

   The amount of the PILOT fee specified in HB1500/SB800, as introduced, is based on previous valuations of the reversionary property at Fort Monroe, adjusted for comparables, and exemptions allowed under § 58.1-3606, Code of Virginia, property already taxed by the City, property currently used by the City, and previously exempted property.

   Under the provisions of this bill, the same exemptions would apply. However, the City's valuation of the non-exempt property may differ from the authority's valuation of the non-

exempt property, as used in determining the payment amount specified in budget bill language. The City's valuation, or assessment, of the non-exempt property is the basis of the calculation of the PILOT fee. While this bill gives the authority the right to appeal any such assessment of property it owns, leases, or any other property for which the authority is responsible for paying the PILOT fee, until the assessment and appeals process are complete, the fiscal impact of the proposed legislation is indeterminate.

9. **Specific Agency or Political Subdivisions Affected:** City of Hampton, Fort Monroe Authority.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.

Date: 1/27/13
Document: G:/tmw/2013 Session/Legislation/HB2038.docx