

DEPARTMENT OF TAXATION

2022 Fiscal Impact Statement

1. **Patron** Joseph P. McNamara

3. **Committee** House Finance

4. **Title** Local Taxes; Refund of Surplus Revenues

2. **Bill Number** HB 267

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would allow any locality to return surplus personal property tax revenues to taxpayers.

Under current law, any locality may by ordinance develop a method for returning surplus real property tax revenues to taxpayers in any fiscal year in which the locality reports a surplus.

If enacted during the regular session of the 2022 General Assembly, this bill would become effective July 1, 2022.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates are: Not available. (See Line 8.)

8. Fiscal implications:

Administrative Costs

This bill could result in administrative costs to localities related to the refund of surplus revenues. It would have no impact on state administrative costs.

Revenue Impact

This bill could result in an unknown negative revenue impact to localities. It would have no impact on state revenues.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No

11. Other comments:

Current Law

Under current law, any locality may by ordinance develop a method for returning surplus real property tax revenues to taxpayers in any fiscal year in which the locality reports a surplus.

Proposal

This bill would allow any locality to return surplus personal property tax revenues to taxpayers, in addition to the authority to return surplus real property tax revenue.

If enacted during the regular session of the 2022 General Assembly, this bill would become effective July 1, 2022.

Similar Legislation

Senate Bill 12 is identical to this bill.

Senate Bill 77 would authorize counties, if determined by majority vote of a county's board of supervisors, to conduct a general reassessment of real estate every three years instead of the current four year assessment cycle, with exceptions authorized for specified counties.

Senate Bill 142 would authorize localities to have a special commissioner appointed to, in lieu of a sale at public auction, convey certain real estate having delinquent taxes or liens to a land bank entity or nonprofit designated to carry out the functions of a land bank entity.

House Bill 200 would provide that the property of an organization that is tax exempt by classification shall include the property of a single member limited liability company whose sole member is such an organization.

cc : Secretary of Finance

Date: 1/20/2022 SK
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