



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1913

PRINTERS NO. 3211

PRIME SPONSOR: Culver

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0

SUMMARY: House Bill 1913, Printer's Number 3211, creates a freestanding act authorizing the abatement or exemption of real estate taxes by political subdivisions of property damaged by Hurricane Irene or Tropical Storm Lee; reassessment of properties retroactive to August 1, 2011; and a limited moratorium on the increase of certain real estate taxes.

ANALYSIS: This legislation creates the Real Estate Tax Abatement for Properties Damaged by Hurricane Irene or Tropical Storm Lee Act authorizing local taxing authorities to provide for abatement and a moratorium of real estate taxes. Specifically, a local taxing authority may, by ordinance or resolution, abate real estate taxes imposed for tax year 2011 if the real property was damaged or destroyed by Hurricane Irene or Tropical Storm Lee. The amount of the abated real estate tax shall be directly proportional to the damage to the property as measured by a reduction in the assessed valuation of the property. The amount of real estate tax abated, credited or refunded shall not exceed \$30,000 for any single property.

Furthermore, a taxing authority may, by ordinance or resolution, exempt from real property taxation the assessed valuation of reconstruction or repairs to properties damaged or destroyed by Hurricane Irene or Tropical Storm Lee. The exemption shall be limited to the difference between the assessed valuation prior to the damages and any increase in valuation of the property due to the actual cost of reconstruction or repairs to the original structure. The exemption shall apply to 100% of the eligible assessment in the first year; 50% in the second year; and 25% in the third year. The exemption from taxation shall terminate upon the sale, transfer, conveyance or exchange of the property.

The act shall take effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds. As the provisions of this legislation are optional, any impact on local real estate tax revenues will be a decision of the local taxing authority through the adoption of an ordinance or resolution providing for the abatement or exemption.

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House Appropriations Committee (R)

DATE: March 26, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.