

**DEPARTMENT OF TAXATION
2024 Fiscal Impact Statement**

1. **Patron** A.C. Cordoza

3. **Committee** House Finance

4. **Title** Real Property Tax. Permanent and Total
Disability, Definition

2. **Bill Number** HB 1156

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would broaden the definition of “permanently and totally disabled” for purposes of the real property tax exemption for individuals with disabilities to also include individuals who are legally blind and individuals who have uncorrectable vision loss that interferes with daily activities.

Under current law, the definition of “permanently and totally disabled” includes a person unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.

If enacted during the regular session of the 2024 General Assembly this bill would become effective July 1, 2024.

6. **Budget amendment necessary:** No.

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

8. Fiscal implications:

Administrative Costs

This bill may have an unknown impact on local administrative costs. This bill would have no impact on state administrative costs.

Revenue Impact

To the extent that this bill expands the definition of “permanently and totally disabled” for purposes of the real property tax exemption for individuals with disabilities, the bill may have a negative impact to local revenues. This bill would have no impact on state revenues.

9. Specific agency or political subdivisions affected:

All localities.

Individuals who are legally blind or that have uncorrectable vision loss that interferes with daily activities.

10. Technical amendment necessary: No.

11. Other comments:

Exemption for Individuals with Disabilities

The *Constitution of Virginia* grants the General Assembly the authority to allow localities to exempt from local property tax real property designed for continuous habitation, owned by, and occupied as the sole dwelling of persons permanently and totally disabled. Under the *Constitution*, the General Assembly has the authority to restrict or condition this exemption but may not expand it.

Pursuant to this constitutional authority, Virginia law authorizes localities to adopt exemption and deferral programs for handicapped to provide tax relief for persons who are permanently and totally disabled. The governing body of any locality may elect to adopt an exemption program, a deferral program, a combination of both, or none of the above. Localities that provide such programs may exempt or defer the real property taxes of the qualifying dwelling and the land, not exceeding ten acres, upon which it is situated.

Permanently and Totally Disabled Definition

The current definition of “permanently and totally disabled” includes only a person unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.

Proposal

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cc : Secretary of Finance

Date: 1/28/2024 KS
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