



# Proposed Constitutional Amendments

## To be voted on at the November 6, 2018 Election

### 1 Article X. Bill of Rights. Taxation and Finance. Section 6. Exempt property.

#### BALLOT QUESTION

*Question: Should a county, city, or town be authorized to provide a partial tax exemption for real property that is subject to recurrent flooding, if flooding resiliency improvements have been made on the property?*

#### EXPLANATION

##### Present Law

Generally, the Constitution of Virginia provides that all property shall be taxed. The Constitution of Virginia also sets out specific types of property that may be exempted from taxation. For example, the Constitution of Virginia allows the General Assembly to permit localities to provide a partial exemption from real estate taxes as an incentive for property owners to make substantial improvements to existing structures by renovating, rehabilitating, or replacing those structures.

##### Proposed Amendment

The proposed amendment would authorize the General Assembly to allow localities to provide a partial tax exemption for real property that is subject to recurrent flooding, if improvements have been made on the property to address flooding. The General Assembly and participating localities would be allowed to place restrictions or conditions on qualification for the tax exemption.

A “yes” vote will authorize the General Assembly to allow localities to provide a partial tax exemption for real property that is subject to recurrent flooding, if improvements have been made on the property to address flooding.

A “no” vote will not allow such a tax exemption.

#### Full text of Amendment

[Proposed new language is underlined.]

Amend Section 6 of Article X of the Constitution of Virginia as follows:

### Article X. Taxation and Finance.

#### Section 6. Exempt property.

(a) Except as otherwise provided in this Constitution, the following property and no other shall be exempt from taxation, State and local, including inheritance taxes:

(1) Property owned directly or indirectly by the Commonwealth or any political subdivision thereof, and obligations of the Commonwealth or any political subdivision thereof exempt by law.

(2) Real estate and personal property owned and exclusively occupied or used by churches or religious bodies for religious worship or for the residences of their ministers.

(3) Private or public burying grounds or cemeteries, provided the same are not operated for profit.

(4) Property owned by public libraries or by institutions of learning not conducted for profit, so long as such property is primarily used for literary, scientific, or educational purposes or purposes incidental thereto. This provision may also apply to leasehold interests in such property as may be provided by general law.

(5) Intangible personal property, or any class or classes thereof, as may be exempted in whole or in part by general law.

(6) Property used by its owner for religious, charitable, patriotic, historical, benevolent,

cultural, or public park and playground purposes, as may be provided by classification or designation by an ordinance adopted by the local governing body and subject to such restrictions and conditions as provided by general law.

(7) Land subject to a perpetual easement permitting inundation by water as may be exempted in whole or in part by general law.

(b) The General Assembly may by general law authorize the governing body of any county, city, town, or regional government to provide for the exemption from local property taxation, or a portion thereof, within such restrictions and upon such conditions as may be prescribed, of real estate and personal property designed for continuous habitation owned by, and occupied as the sole dwelling of, persons not less than sixty-five years of age or persons permanently and totally disabled as established by general law. A local governing body may be authorized to establish either income or financial worth limitations, or both, in order to qualify for such relief.

(c) Except as to property of the Commonwealth, the General Assembly by general law may restrict or condition, in whole or in part, but not extend, any or all of the above exemptions.

(d) The General Assembly may define as a separate subject of taxation any property, including real or personal property, equipment, facilities, or devices, used primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the Commonwealth or for the purpose of transferring or storing solar energy, and by general law may allow the governing body of any county, city, town, or regional government to exempt or partially exempt such property from taxation, or by general law may directly exempt or partially exempt such property from taxation.

(e) The General Assembly may define as a separate subject of taxation household goods, personal effects and tangible farm property and products, and by general law may allow the governing body of any county, city, town, or regional government to exempt or partially exempt such property from taxation, or by general law may directly exempt or partially exempt such property from taxation.

(f) Exemptions of property from taxation as established or authorized hereby shall be strictly construed; provided, however, that all property exempt from taxation on the effective date of this section shall continue to be exempt until otherwise provided by the General Assembly as herein set forth.

(g) The General Assembly may by general law authorize any county, city, town, or regional government to impose a service charge upon the owners of a class or classes of exempt property for services provided by such governments.

(h) The General Assembly may by general law authorize the governing body of any county, city, town, or regional government to provide for a partial exemption from local real property taxation, within such restrictions and upon such conditions as may be prescribed, (i) of real estate whose improvements, by virtue of age and use, have undergone substantial renovation, rehabilitation or replacement or (ii) of real estate with new structures and improvements in conservation, redevelopment, or rehabilitation areas.

(i) The General Assembly may by general law allow the governing body of any county, city, or town to exempt or partially exempt from taxation any generating equipment installed after December thirty-one, nineteen hundred seventy-four, for the purpose of converting from oil or natural gas to coal or to wood, wood bark, wood residue, or to any other alternate energy source for manufacturing, and any co-generation equipment installed since such date for use in manufacturing.

(j) The General Assembly may by general law allow the governing body of any county, city, or town to have the option to exempt or partially exempt from taxation any business, occupational or professional license or any merchants' capital, or both.

(k) The General Assembly may by general law authorize the governing body of any county, city, or town to provide for a partial exemption from local real property taxation, within such restrictions and upon such conditions as may be prescribed, of improved real estate subject to recurrent flooding upon which flooding abatement, mitigation, or resiliency efforts have been undertaken.



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**Article X. Taxation and Finance. Section 6-A. Property tax exemption for certain veterans and their surviving spouses and surviving spouses of soldiers killed in action.**

## BALLOT QUESTION

*Question: Shall the real property tax exemption for a primary residence that is currently provided to the surviving spouses of veterans who had a one hundred percent service-connected, permanent, and total disability be amended to allow the surviving spouse to move to a different primary residence and still claim the exemption?*

## EXPLANATION

### Present Law

The Constitution of Virginia currently requires the General Assembly to exempt from taxation the principal place of residence of any veteran who has been determined by the U.S. Department of Veterans Affairs to have a 100 percent service-connected, permanent, and total disability. This tax exemption is also provided to the surviving spouse of such a veteran, so long as the surviving spouse continues to occupy that property as the surviving spouse's principal place of residence.

### Proposed Amendment

The proposed amendment would allow the surviving spouse of any veteran who has been determined by the U.S. Department of Veterans Affairs to have a 100 percent service-connected, permanent, and total disability to continue to claim the tax exemption currently provided, even if the surviving spouse moves to a new principal place of residence that is owned by the surviving spouse.

A "yes" vote will allow these surviving spouses to move to a new principal place of residence that is owned by the surviving spouse and still claim the tax exemption.

A "no" vote will not allow such surviving spouses to move and still claim the tax exemption.

## Full text of Amendment

[Proposed new language is underlined. Deleted old language is ~~stricken~~.]

Amend Section 6-A of Article X of the Constitution of Virginia as follows:

**Article X. Taxation and Finance. Section 6-A. Property tax exemption for certain veterans and their surviving spouses and surviving spouses of soldiers killed in action.**

(a) Notwithstanding the provisions of Section 6, the General Assembly by general law, and within the restrictions and conditions prescribed therein, shall exempt from taxation the real property, including the joint real property of husband and wife, of any veteran who has been determined by the United States Department of Veterans Affairs or its successor agency pursuant to federal law to have a one hundred percent service-connected, permanent, and total disability, and who occupies the real property as his or her principal place of residence. The General Assembly shall also provide this exemption from taxation for real property owned by the surviving spouse of a veteran who was eligible for the exemption provided in this subdivision, so long as the surviving spouse does not remarry ~~and continues to occupy the real property as his or her principal place of residence.~~ This exemption applies to the surviving spouse's principal place of residence without any restriction on the spouse's moving to a different principal place of residence.

(b) Notwithstanding the provisions of Section 6, the General Assembly by general law, and within the restrictions and conditions prescribed therein, may exempt from taxation the real property of the surviving spouse of any member of the armed forces of the United States who was killed in action as determined by the United States Department of Defense, who occupies the real property as his or her principal place of residence. The exemption under this subdivision shall cease if the surviving spouse remarries and shall not be claimed thereafter. This exemption applies regardless of whether the spouse was killed in action prior to the effective date of this subdivision, but the exemption shall not be applicable for any period of time prior to the effective date. This exemption applies to the surviving spouse's principal place of residence without any restriction on the spouse's moving to a different principal place of residence and without any requirement that the spouse reside in the Commonwealth at the time of death of the member of the armed forces.