

PROPOSED CONSTITUTIONAL AMENDMENT
To Be Voted on at the November 2, 2010, Election

Article X, Taxation and Finance.
Section 6, Exempt Property.

BALLOT QUESTION 1:

Question: Shall Section 6 of Article X of the Constitution of Virginia be amended to authorize legislation that will permit localities to establish their own income or financial worth limitations for purposes of granting property tax relief for homeowners not less than 65 years of age or permanently and totally disabled?

EXPLANATION

Present Law

Under the Constitution, the General Assembly may give localities the power to grant full or partial exemptions from real estate taxes to persons 65 years of age or older or for persons permanently and totally disabled. The exemption applies to owner-occupied property used as the sole dwelling of such persons. The exemption is currently available only to such persons who bear "an extraordinary tax burden" in relation to their income and financial worth.

Proposed Amendment

The proposed amendment (i) removes the requirement that tax exemptions are available only to such persons who bear "an extraordinary tax burden," and (ii) gives the General Assembly authority to permit localities to determine their own income or financial worth limitations for tax exemptions for persons 65 years of age or older or for persons permanently and totally disabled.

Article X, Taxation and Finance.
Section 6-A, Property tax exemption for certain veterans.

BALLOT QUESTION 2:

Question: Shall the Constitution be amended to require the General Assembly to provide a real property tax exemption for the principal residence of a veteran, or his or her surviving spouse, if the veteran has a 100 percent service-connected, permanent, and total disability?

EXPLANATION

Present Law

Currently, the Constitution does not grant real estate tax exemptions specifically to veterans. However, the Constitution does allow the General Assembly to give localities the power to grant full or partial exemptions from real estate taxes to persons 65 years of age or older or for persons permanently and totally disabled who "bear an extraordinary tax burden" in relation to their income and financial worth. This exemption applies to owner-occupied property used as the sole dwelling of such persons.

Proposed Amendment

The proposed amendment would require the General Assembly to pass a law exempting from local taxation the principal residence owned and occupied by any veteran with a one hundred percent service-connected, permanent, and total disability. The veteran's surviving spouse could continue to claim the exemption so long as he or she does not remarry and continues to occupy the home as his or her principal residence.

Article X, Taxation and Finance
Section 8, Limit of tax or revenue; Revenue Stabilization Fund.

BALLOT QUESTION 3:

Question: Shall Section 8 of Article X of the Constitution of Virginia be amended to increase the permissible size of the Revenue Stabilization Fund (also known as the "rainy day fund") from 10 percent to 15 percent of the Commonwealth's average annual tax revenues derived from income and retail sales taxes for the preceding three fiscal years?

EXPLANATION

Present Law

The Revenue Stabilization Fund (also known as the "rainy day fund") is used to offset shortfalls in anticipated revenues in any given year, and thus is designed to provide a cushion in the event of an economic downturn. The Constitution currently limits the Fund to 10 percent of the Commonwealth's average annual tax revenues from income and sales taxes for the preceding three fiscal years.

Proposed Amendment

The proposed constitutional amendment increases the maximum size of the Fund from 10 percent to 15 percent of the Commonwealth's average annual tax revenues from income and sales taxes for the preceding three fiscal years.