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HOUSE JOINT RESOLUTION NO. 64

Offered January 10, 2024

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Requesting the Department of Housing and Community Development to study creating a revenue sharing program for localities hosting data center infrastructure for data centers located in other localities. Report.

Patron—Webert

Referred to Committee on Rules

WHEREAS, data centers contribute significant tax revenues, particularly property tax revenues, to the localities in which they are located; and

WHEREAS, localities that do not host data centers, but are adjacent to those that do, host critical infrastructure related to such data centers in such other localities; and

WHEREAS, such localities that do not host data centers (i) do not receive substantial tax revenues from data centers in adjacent localities and (ii) may lose tax revenue or experience decreased property values as a result of hosting data center infrastructure; and

WHEREAS, a revenue sharing program would compensate localities for such impacts; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Housing and Community Development be requested to study creating a revenue sharing program for localities hosting data center infrastructure for data centers located in other localities.

In conducting its study, the Department of Housing and Community Development shall (i) examine the amount of tax revenues generated by data centers in the Commonwealth and the value of tax incentives provided to data centers; (ii) determine the scope of infrastructure, whether in the form of utilities, transportation, or other infrastructure, in localities not hosting data centers for the benefit of data centers located in another locality; (iii) determine the amount of lost tax revenue, impairments to property values, or other detrimental impacts on such localities not hosting data centers; (iv) provide policy options for a revenue sharing program between localities hosting data centers and those hosting only data center infrastructure or other funding mechanisms to remediate the effects of hosting such infrastructure in localities that do not host data centers; and (v) research other policy options for remediating such effects.

Technical assistance shall be provided to the Department of Housing and Community Development by the State Corporation Commission and the Department of Taxation. In addition, the Department of Housing and Community Development shall consult with representatives of localities in conducting its study. All agencies of the Commonwealth shall provide assistance to the Department of Housing and Community Development for this study, upon request.

The Department of Housing and Community Development shall complete its meetings by October 1, 2024, and shall submit to the Chairmen of the House Committee on Finance and the Senate Committee on Finance and Appropriations an executive summary and a report of its findings and recommendations for publication as a House or Senate document no later than November 1, 2024. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later November 1, 2024, and shall be posted on the General Assembly's website.

INTRODUCED

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