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HOUSE JOINT RESOLUTION NO. 451

Offered January 13, 2025

Prefiled January 7, 2025

Requesting the Department of Housing and Community Development to study the potential tax implications of allowing local governing bodies to implement a land value tax. Report.

Patron—Shin

Referred to Committee on Rules

WHEREAS, the Code of Virginia authorizes the governing bodies of the Cities of Fairfax, Poquoson, Richmond, and Roanoke to levy a tax on improvements to real property as a class of property separate from the land on which such improvements are located; and

WHEREAS, the levy upon such improvements is known as a land value tax; and

WHEREAS, a land value tax is a levy on the value of land without regard to buildings, personal property, and other improvements upon it; and

WHEREAS, a land value tax is intended to encourage development and discourage speculative land investment; and

WHEREAS, the citizens of the Commonwealth may benefit from the implementation of a land value tax system; 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 the potential tax implications that may result from each of the governing bodies of the Cities of Fairfax, Poquoson, Richmond, and Roanoke levying a land value tax and the potential tax implications that may result from allowing all local governing bodies to implement a land value tax.

In conducting its study, the Department of Housing and Community Development shall (i) determine the revenue that the localities in the Commonwealth receive from taxes paid on real property, (ii) determine the potential revenue changes from allowing counties, cities, and towns located in Virginia to implement a land value tax, (iii) investigate whether a land value tax system would create economic benefits or stressors for citizens of the Commonwealth, (iv) identify other states that have implemented a land value tax and examine the impact on such states' revenue changes therefrom, and (v) examine any constitutional challenges a land value tax system may raise.

Technical assistance shall be provided to the Department of Housing and Community Development by the local commissioners of the revenue and any other stakeholders deemed appropriate. 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 November 30, 2025, and shall submit to the Governor and the General Assembly an executive summary and a report of its findings and recommendations for publication as a House or Senate document. 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 than the first day of the 2026 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

INTRODUCED

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