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HOUSE BILL NO. 1167

Offered January 14, 2026

Prefiled January 14, 2026

A BILL to amend the Code of Virginia by adding a section numbered 22.1-98.3, relating to public school funding; composite index of local ability-to-pay; calculation; exclusion of certain exempt property.

Patron—Carroll

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-98.3 as follows:

§ 22.1-98.3. Composite index of local ability-to-pay; calculation; exclusion of certain exempt property.

A. As used in this section:

"Excludable exempt real property" means the true value of all real property that was exempt from taxation in the most recent tax year pursuant to § 58.1-3219.5 or 58.1-3219.9.

"Tax year" means the 12-month period beginning in the calendar year for which real property taxes are imposed.

B. On and after July 1, 2026, to calculate the composite index of local ability-to-pay for each school division, after determining and weighting the true value of real property, adjusted gross income, and taxable retail sales in such school division, the Department shall exclude the values of any excludable exempt real property within the school division, before adjusting each school division's share to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.