

# 2026 SESSION

INTRODUCED

26104122D

1 **HOUSE BILL NO. 1167**

2 Offered January 14, 2026

3 Prefiled January 14, 2026

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

6 Patron—Carroll

7 \_\_\_\_\_  
8 Committee Referral Pending  
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10 **Be it enacted by the General Assembly of Virginia:**

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

12 *§ 22.1-98.3. Composite index of local ability-to-pay; calculation; exclusion of certain exempt property.*

13 *A. As used in this section:*

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

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

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

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