

SUPPORT [HB 282](#)

Topic: Split land value tax for certain Virginia localities

Bill Patron: Delegate Callsen

OVERVIEW:

Authorizes Charlottesville, Falls Church, Fredericksburg, and Newport News to levy a tax on the improvements to real property at a different rate than the tax imposed upon the land on which it is located. The rate levied on the improvements to real property shall not be zero and shall not exceed the rate of tax on the land on which it is located. HB282 now incorporates [HB72](#) (Del. Cole) and [HB261](#) (Del. Simonds). [HB 10](#) (McNamara) would have enabled split land value tax statewide.

REASONS TO SUPPORT:

- This bill enables several localities to tax buildings at a lower rate than land, which can spur the development of housing in sites already connected to existing infrastructure.
- We build infrastructure to facilitate development. But, if infrastructure is well-designed and implemented, it inflates the price of nearby land. This can push development (particularly affordable development) away to cheaper but more remote sites.
- If a locality reduces the tax rate applied to building values while increasing the rate applied to land values, it creates an imperative to develop high-value sites while making that development more affordable. These sites tend to be urban infill sites near existing infrastructure amenities, like transit.
- By promoting infill development and reducing sprawl, the land value return tax shift reduces the pressure to prematurely develop rural areas at the urban fringe. This helps protect rural areas for agriculture, recreation and conservation.
- The traditional property tax allows owners of vacant lots and parking lots to pay a much smaller tax compared to their neighbors with buildings. But it costs a community about the same to provide streets, sewers and other infrastructure to adjacent properties, regardless of whether they are developed or vacant.
- Allowing localities to increase the return of community-created land values provides a more equitable way to fund infrastructure. By shifting the property tax burden onto land values, property owners are more likely to pay taxes in proportion to the benefits that they receive from public goods and services.



Stewart Schwartz, Executive Director
stewart@smartergrowth.net
703-599-6437



Virginia Conservation Network
Fatima Kamara, Land Use & Transportation
Campaign & Policy Manager
fatima@vcnva.org
Fatima: (757) 309-6647

This position was taken by Virginia Conservation Network (VCN)'s Legislative Committee and Board of Directors and is supported by Virginia's conservation community. For a complete list of VCN positions, visit www.vcnva.org/bill-tracker. VCN is committed to building a powerful, diverse, and highly-coordinated conservation movement focused on protecting our Commonwealth's natural resources today and for tomorrow.