



## HOUSE SELECT COMMITTEE PROPERTY TAX REDUCTION AND REFORM

### Responses to Questions from January 14, 2026 Meeting

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#### **Q1. What is the cost of property tax abatements for economic development programs? | Requested by Rep. Blust**

Section 2 of Article V of the State Constitution provides that only the General Assembly may classify property for taxation, which includes exempting property from the tax base. Therefore, local governments are prohibited from creating property tax abatements for economic development. Instead, local governments often provide cash incentives for economic development calculated on the basis of some metric which closely resembles the taxes actually paid by a business. These incentives are generally payable to the business only when certain public purpose goals are met, such as job creation and meeting specific wage standards. FRD is unable to determine the costs associated with local economic development incentives because there is no comprehensive, state-wide source that contains information about these programs.

Staff Contact: Alannah Knight, Fiscal Research Division

#### **Q2. Do other state constitutions contain uniformity clauses? | Requested by Rep. Cervania**

A vast majority of state constitutions, roughly 47-48, have some form of uniformity provision. While the uniformity provisions contained in those state constitutions can be broadly grouped into various categories, the phrasing and application of these provisions vary considerably among the states because the scope of each state's uniformity clause is subject to judicial interpretation.

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