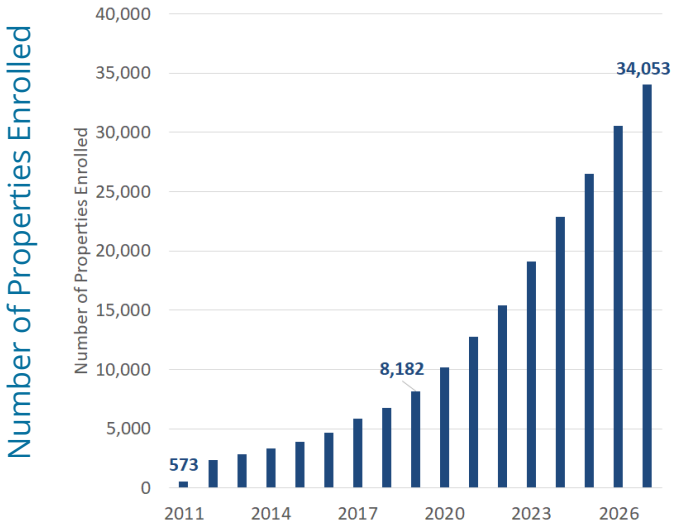
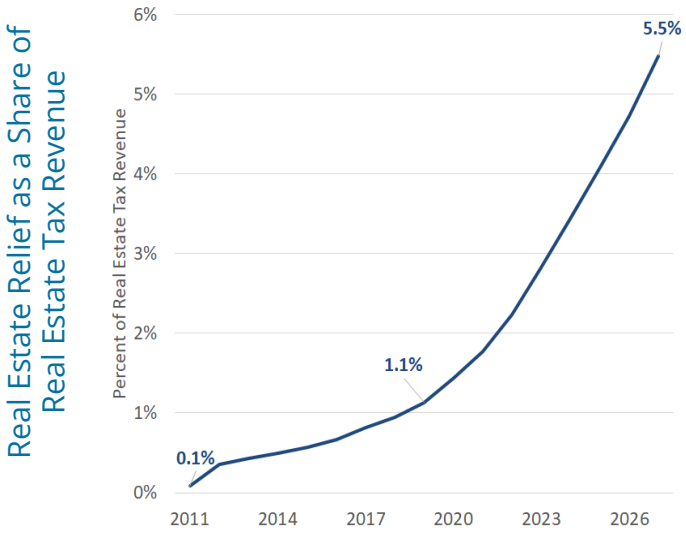
Disabled Veterans Real Estate Tax Exemption Program LOCAL IMPACTS

In 2010, Virginians approved a constitutional amendment requiring a real estate property tax exemption for veterans with a 100% service-connected disability rating. The number of properties enrolled in this exemption has increased quickly and has far exceeded initial estimates.





JURISDICTION	Increase in # People with 100% Service-Connected Disability (2015 -2025)	Percent of Veterans with SCD Rating of 100% (2024)	Number of Properties Enrolled in D.V. Exemption Programs (2026)	Tax Rate Equivalency of D.V. Property Tax Exemption 2025	2027
Chesapeake	861%	19%	6,538	6.7 ¢	8.2 ¢
Gloucester	417%	11%	621	1.9 ¢	2.5 ¢
Franklin*	324%	8%	73	2.6 ¢	3.8 ¢
Hampton	349%	15%	2,768	5.9 ¢	8.2 ¢
Isle of Wight	965%	15%	887	3.6 ¢	5.7 ¢
James City	600%	14%	1,574	3.2 ¢	3.9 ¢
Newport News	326%	15%	2,072	3.1 ¢	4.5 ¢
Norfolk	414%	11%	2,873	3.7 ¢	3.9 ¢
Poquoson	748%	14%	311	6.3 ¢	8.9 ¢
Portsmouth*	401%	13%	791	2.4 ¢	2.8 ¢
Southampton	224%	8%	151	1.2 ¢	1.6 ¢
Suffolk	976%	23%	2,673	5.9 ¢	8.1 ¢
Surry*	356%	7%	65	1.1 ¢	1.2 ¢
Virginia Beach	538%	15%	7,581	3.4 ¢	5.0 ¢
Williamsburg	471%	10%	89	1.0 ¢	1.2 ¢
York	755%	17%	1,616	4.0 ¢	5.3 ¢
Hampton Roads	542%	15%	30,683	4.1 ¢	5.5 ¢
Virginia	463%	12%			
United States	275%	10%			

*Portsmouth reflects HRPDC estimates Surry and Franklin enrollment reflects 2025 values; their 2027 equivalency reflects 2026 values.

As written, Virginia's property tax exemptions has no impact on state revenues. While all 50 states offer some form of property tax relief to disabled veterans, Virginia is one of a few states that take no financial responsibility for the exemption, while mandating that localities provide a full exemption for disabled veterans.

Illustrative Examples of the Impacts on Local Governments

Norfolk

In FY 2026, over $11.1 million in disabled veteran real estate tax exemptions were provided (3.8 cents on the real estate tax rate). This $11.1 million would provide for over 100 police or fire personnel and/or fund debt service for various infrastructure improvements that would enhance the quality of life of Norfolk residents.

Hampton

For the period FY12 through FY27 (projected), we have provided $69.5 million in tax relief to residents for the Disabled Veterans Real Estate Tax Exemption Programs. The current annual impact is $13.7 million, which is the equivalent of 8.2 cents on the tax rate. This amount would be sufficient to issue $100 million in bonds to support flood mitigation, education and/or other critical services. Alternatively, it could be used to provide tax relief for the entire population, reducing our tax rate from $1.14 to $1.06.

Virginia Beach

Annual enrollment growth has been more than 20% per year, which makes the sustainability of the program a great concern. Year over year growth in exemption programs is more than $10 million. For context, each penny of VB's real estate tax rate generates $9.2 million. This means that VB is losing more than an additional one penny in tax revenue each year.

York County

The impact of these exemptions is substantial, representing more than five cents on the County's real estate tax rate. This loss of revenue has contributed to deferred capital investments in both County and school infrastructure and has limited the County's ability to remain competitive in recruiting and retaining employees.

Chesapeake

The forgone revenue from this exemption could fund the debt service for the construction of a high school and two fire stations. The revenue equivalent from this exemption equates to the combined operating budgets of the City's Parks, Recreation, and Tourism Department, Economic Development Department, and Procurement Office.