

# VIRGINIA ACTS OF ASSEMBLY -- 2006 SESSION

## CHAPTER 688

*An Act to amend the Code of Virginia by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295, relating to real estate assessments; affordable housing.*

[H 1173]

Approved April 5, 2006

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295 as follows:**

*§ 58.1-3295. Assessment of real property; affordable housing.*

*A. In determining the fair market value of real property containing more than four residential units operated in whole or in part as affordable rental housing, in accordance with the provisions of (i) 26 U.S.C. § 42, 26 U.S.C. § 142(d), 24 CFR § 983, 24 CFR § 236, 24 CFR § 241(f), 24 CFR § 221(d)(3), or any successors thereto; (ii) applicable state law; or (iii) local ordinances adopted by the locality wherein such real property is located, the duly authorized real estate assessor shall consider:*

*1. The rent and the impact of applicable rent restrictions;*

*2. The operating expenses and expenditures and the impact of any such additional expenses or expenditures; and*

*3. Restrictions on the transfer of title or other restraints on alienation of the real property.*

*The duly authorized real estate assessor shall also consider evidence presented by the property owner of other restrictions imposed by law that impact the variables set forth in this subsection.*

*B. Federal or state income tax credits with respect to affordable housing rental property within the purview of subsection A shall not be considered real property or income attributable to real property.*

*C. For property where only a portion of the units are operated as affordable housing, as defined in § 42 of the Internal Revenue Code or as required by state law or applicable local ordinance, only the portion determined to be affordable housing shall be subject to this section.*

**2. That the provisions of this act shall be applicable to the assessment and taxation of qualifying real properties beginning January 1, 2007, or the beginning of the next general reassessment cycle of the locality in which the subject property is located.**