

2006 SESSION

INTRODUCED

065319140

HOUSE BILL NO. 1173

Offered January 11, 2006

Prefiled January 11, 2006

A BILL 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.

Patrons—Rapp and Scott, J.M.

Referred to Committee on General Laws

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 operated as affordable housing, as defined by § 42 of the Internal Revenue Code or as determined by the state or the local government in which the real property is located, the duly authorized real estate assessor shall consider an appropriate capitalization rate taking into account restrictions prescribed by any federal, state, or local affordable housing programs including the following factors: (i) the impact of applicable rent restrictions; (ii) affordability requirements; (iii) additional operating expenses associated with the compliance of the applicable requirements; and (iv) restrictions on the transfer of title. The duly authorized real estate assessor shall also consider evidence presented by the property owner of additional risk factors associated with the rental of affordable housing.

B. For property where only a portion of the units are operated as affordable housing, as defined by § 42 of the Internal Revenue Code or as determined by the state or applicable local government, only that portion determined to be affordable housing shall be subject to the provisions of this section.

C. Federal or state income tax credits with respect to affordable housing rental property shall not be considered real property or income attributable to real property.

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