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**HOUSE BILL NO. 2480**

Offered January 14, 2009

Prefiled January 14, 2009

*A BILL to amend and reenact § 58.1-3221.3 of the Code of Virginia, relating to real property tax on commercial property in localities embraced by the Northern Virginia Transportation Authority or the Hampton Roads Transportation Authority.*

Patrons—Hugo and Vanderhye

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-3221.3 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of such property by certain localities included in the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority.

A. Beginning January 1, 2008, and solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities that are embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority, all real property used for or zoned to permit commercial or industrial uses is hereby declared to be a separate class of real property for local taxation. Such classification of real property shall exclude all residential uses and all multifamily residential uses, including but not limited to single family residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

B. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality embraced by the Northern Virginia Transportation Authority may, by ordinance, annually impose on all real property in the locality specially classified in subsection A: an amount of real property tax, in addition to such amount otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses; and (ii) the governing body of any locality embraced by the Hampton Roads Transportation Authority may, by ordinance, annually impose on all real property in the locality specially classified in subsection A: an amount of real property tax, in addition to such amount otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be subject to the following conditions:

(1) Upon appropriation, all revenues generated from the additional real property tax imposed shall be used exclusively for transportation purposes that benefit the locality imposing the tax; and

(2) The additional real property tax imposed shall be levied, administered, enforced, and collected in the same manner as set forth in Subtitle III of Title 58.1 for the levy, administration, enforcement, and collection of local taxes. In addition, the local assessor shall separately assess and set forth upon the locality's land book the fair market value of that portion of property that is defined as a separate class of real property for local taxation in accordance with the provisions of this section.

C. Beginning January 1, 2008, in lieu of the authority set forth in subsections A and B above and solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority, all real property used for or zoned to permit commercial or industrial uses is hereby declared to be a separate class of real property for local taxation. Such classification of real property shall exclude all residential uses and all multifamily residential uses, including but not limited to single family residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

D. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality embraced by the Northern Virginia Transportation Authority may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property located in special regional transportation tax districts specially classified in subsection C within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of

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59 assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all  
60 real property used for or zoned to permit commercial or industrial uses; and, (ii) the governing body of  
61 any locality embraced by the Hampton Roads Transportation Authority may, by ordinance, create within  
62 its boundaries, one or more special regional transportation tax districts and, thereafter, may, by  
63 ordinance, impose upon the real property specially classified in subsection C within such special regional  
64 transportation tax districts: an amount of real property tax, in addition to such amounts otherwise  
65 authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may,  
66 by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit  
67 commercial or industrial uses. The authority granted in this subsection shall be subject to the following  
68 conditions:

69 (1) Notwithstanding any other provisions of law to the contrary, upon appropriation, all revenues  
70 generated from the additional real property taxes imposed in accordance with subsection C and this  
71 subsection shall be used for transportation purposes that benefit the special regional transportation tax  
72 district to which such revenue is attributable solely for (i) new road construction and (ii) new public  
73 transit construction, and the operating costs directly related thereto;

74 (2) Any local ordinance adopted in accordance with the provisions of subsection C and this  
75 subsection shall include the requirement that the additional real property taxes so authorized are to be  
76 imposed annually in accordance with applicable law;

77 (3) Any locality that imposes the additional real property taxes set forth in subsections A and B shall  
78 not be permitted to also impose the additional real property taxes set forth in subsection C and this  
79 subsection. In addition, any locality electing to impose the additional real property taxes on all real  
80 property located in such locality that is specially classified in subsections A and B must do so in the  
81 manner prescribed in subsections A and B and not by creation of a special transportation tax district as  
82 set forth in subsection C and this subsection. The creation of such special regional transportation tax  
83 districts shall not, however, affect the authority of a locality to establish tax districts pursuant to other  
84 provisions of law;

85 (4) The total revenues generated from the additional real property taxes imposed in accordance with  
86 subsection C and this subsection shall not be less than 85% of the revenues estimated to be generated  
87 when imposing the additional real property taxes in accordance with subsections A and B at the rate of  
88 \$0.25 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation  
89 Authority and at the rate of \$0.10 per \$100 of assessed value in any locality embraced by the Hampton  
90 Roads Transportation Authority; and

91 (5) The additional real property taxes imposed pursuant to subsection C and this subsection shall be  
92 levied, administered, enforced, and collected, in the same manner as set forth in Subtitle III of Title 58.1  
93 for the levy, administration, enforcement, and collection of all local taxes. In addition, the local assessor  
94 shall separately assess and set forth upon the locality's land book the fair market value of that portion of  
95 property that is defined as separate class of real property for local taxation in accordance with the  
96 provisions of this section.