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SENATE BILL NO. 299

Offered January 9, 2008

Prefiled January 8, 2008

A BILL to amend and reenact § 58.1-3295 of the Code of Virginia, relating to affordable rental housing.

Patron—Whipple

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-3295 of the Code of Virginia is amended and reenacted 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.

Notwithstanding any other provision of this section, the duly authorized real estate assessor shall apply the variables in subdivisions 1 through 3 in determining the fair market value for the following real property: (a) real property containing more than four residential units with one or more of such units operated as affordable rental housing for each of the 12 months of the most recently ended tax year in accordance with the definition of or criteria for affordable rental housing established by the county, city, or town, provided that during such year all building code violations relating to the real property have been abated or remedied, or (b) real property containing more than four residential units with one or more of such units designated by the county, city, or town for such tax year as committed for affordable rental housing. The real estate assessor shall apply the variables in subdivisions 1 through 3 only to those residential units that are operated or designated as affordable rental housing pursuant to clause (a) or (b). In any case in which a building code violation occurs in the most recently ended tax year and such violation has not been abated or remedied, and but for such violation the duly authorized real estate assessor would have been required to apply the variables in subdivisions 1 through 3 in valuing the real property, the variables in subdivisions 1 through 3 shall apply for purposes of determining the fair market value of the property if such building code violation is abated or remedied within the 90 days following the last day of the tax year.

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.

D. For purposes of this section, "tax year" means the 12-month period beginning in the calendar year for which real property taxes are imposed.

INTRODUCED

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