

# VIRGINIA ACTS OF ASSEMBLY -- 2017 SESSION

## CHAPTER 24

*An Act to amend and reenact § 58.1-3221 of the Code of Virginia, relating to real property tax; partial exemption for certain commercial and industrial structures.*

[H 1455]

Approved February 17, 2017

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

**1. That § 58.1-3221 of the Code of Virginia is amended and reenacted as follows:**

**§ 58.1-3221. Partial exemption for certain rehabilitated, renovated or replacement commercial or industrial structures.**

A. The governing body of any county, city or town may, by ordinance, provide for the partial exemption from taxation of real estate on which any structure or other improvement no less than ~~twenty~~ 20 years of age, or ~~fifteen~~ 15 years of age if the structure is located in an area designated as an enterprise zone by the Commonwealth *or as a technology zone by any county, city or town pursuant to § 58.1-3850*, has undergone substantial rehabilitation, renovation or replacement for commercial or industrial use, subject to such conditions as the ordinance may prescribe. The ordinance may, in addition to any other restrictions hereinafter provided, restrict such exemptions to real property located within described zones or districts whose boundaries shall be determined by the governing body. The governing body of a county, city or town may establish criteria for determining whether real estate qualifies for the partial exemption authorized by this provision and may require the structure to be older than ~~twenty~~ 20 years of age, or ~~fifteen~~ 15 years of age if the structure is located in an area designated as an enterprise zone by the Commonwealth, *or as a technology zone by any county, city or town pursuant to § 58.1-3850* or place such other restrictions and conditions on such property as may be prescribed by ordinance. Such ordinance may also provide for the partial exemption from taxation of real estate ~~which~~ *that* has been substantially rehabilitated by complete replacement for commercial and industrial use.

B. The partial exemption provided by the local governing body may not exceed an amount equal to the increase in assessed value resulting from the rehabilitation, renovation or replacement of the commercial or industrial structure as determined by the commissioner of revenue or other local assessing officer or an amount up to ~~fifty~~ 50 percent of the cost of rehabilitation, renovation or replacement as determined by ordinance. The exemption may commence upon completion of the rehabilitation, renovation or replacement, or on January 1 of the year following completion of the rehabilitation, renovation or replacement and shall run with the real estate for a period of no longer than ~~fifteen~~ 15 years. The governing body of a county, city or town may place a shorter time limitation on the length of such exemption, or reduce the amount of the exemption in annual steps over the entire period or a portion thereof, in such manner as the ordinance may prescribe.

C. Nothing in this section shall be construed as to permit the commissioner of the revenue to list upon the land book any reduced value due to the exemption provided in subsection B.

D. The governing body of any county, city or town may assess a fee not to exceed ~~one hundred twenty-five dollars~~ \$125 for residential properties, or ~~two hundred fifty dollars~~ \$250 for commercial, industrial, and/or apartment properties of six units or more, for processing an application requesting the exemption provided by this section. No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the commissioner of the revenue or assessing officer has verified that the rehabilitation, renovation or replacement indicated on the application has been completed.

E. Where rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in subsection A shall not apply when any structure demolished is a registered Virginia landmark or is determined by the Department of Historic Resources to contribute to the significance of a registered historic landmark.