

VIRGINIA ACTS OF ASSEMBLY -- 2018 SESSION

CHAPTER 436

An Act to amend the Code of Virginia by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295.2, relating to real property tax; assessment or exemption of certain property conveyed or owned by a community land trust.

[H 590]

Approved March 23, 2018

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 58.1-3295.2 as follows:

§ 58.1-3295.2. Assessment or exemption of certain real property conveyed or owned by a community land trust.

A. Notwithstanding any other provision of law, in determining the fair market value of structural improvements conveyed by a community land trust as defined in § 55-221.1, subject to a ground lease having a term of at least 90 years, while retaining a preemptive option to purchase such structural improvements at a price determined by a formula that is designed to ensure that the improvements remain affordable in perpetuity to low-income and moderate-income families earning less than 120 percent of the area median income, adjusted for family size, the duly authorized real estate assessor shall consider:

1. Restrictions on the price at which the improvements may be sold, as evidenced by a ground lease or memorandum thereof duly recorded with the land records of the jurisdiction with taxing authority; and

2. The amount of debt incurred by the owner of the improvements as evidenced by a deed of trust or leasehold deed of trust on the improvements or underlying real property owned by the community land trust and that earns no interest and requires no repayment prior to satisfaction of any interest-earning promissory note or a subsequent transfer of the property, whichever comes first.

B. Notwithstanding any other provision of law, in determining the fair market value of real property owned by a community land trust, subject to a ground lease having a term of at least 90 years, while retaining a preemptive option to purchase any structural improvements on the real property at a price determined by a formula that is designed to ensure that the improvements remain affordable to low-income and moderate-income families earning less than 120 percent of the area median income, adjusted for family size, in perpetuity, the duly authorized real estate assessor shall utilize the income approach and, in so doing, shall consider the property's current use, the contract rent, the income restrictions, and provisions of any arms-length contract, including restrictions on the transfer of title or other restraints on the alienation of the real property.