

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

5 [H 590]

6 Approved

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

8 **1. That the Code of Virginia is amended by adding in Article 7 of Chapter 32 of Title 58.1 a**  
9 **section numbered 58.1-3295.2 as follows:**

10 **§ 58.1-3295.2. Assessment or exemption of certain real property conveyed or owned by a**  
11 **community land trust.**

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

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

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

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

ENROLLED

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