

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-3216 of the Code of Virginia, relating to recapture of deferred real*
 3 *estate taxes.*

[S 228]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-3216 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-3216. Deferral programs; taxes to be lien on property.**9 *A. For purposes of this section:*

10 *"Nonqualified transfer" means a transfer in ownership of the real estate by gift or otherwise not for*
 11 *bona fide consideration, other than (i) a transfer by the qualified owner to a spouse, including without*
 12 *limitation a transfer creating a tenancy for life or joint lives; (ii) a transfer by the qualified owner or*
 13 *the qualified owner and his spouse to a revocable inter vivos trust over which the qualified owner, or*
 14 *the qualified owner and his spouse, hold the power of revocation; or (iii) a transfer to an irrevocable*
 15 *trust under which a qualified owner alone or in conjunction with his spouse possesses a life estate or an*
 16 *estate for joint lives, or enjoys a continuing right of use or support.*

17 *"Qualified owner" means the owner of the real property who qualifies for a tax deferral by county,*
 18 *city, or town ordinance.*

19 *B. In the event of a deferral of real estate taxes granted by ordinance, the accumulated amount of*
 20 *taxes deferred shall be paid to the county, city, or town concerned by the vendor, transferor, executor,*
 21 *or administrator: (i) upon the sale of the ~~dwelling~~, real estate; (ii) upon a nonqualified transfer of the*
 22 *real estate; or (iii) from the estate of the decedent within one year after the death of the last qualified*
 23 *owner thereof who qualifies for tax deferral by the provisions of this section and by the county, city or*
 24 *town ordinance. Such deferred real estate taxes shall be paid without penalty, except that any ordinance*
 25 *establishing a combined program of exemptions and deferrals, or deferrals only, may provide for interest*
 26 *not to exceed eight percent per annum year on any amount so deferred, and such taxes and interest, if*
 27 *applicable, shall constitute a lien upon the said real estate as if it had been assessed without regard to*
 28 *the deferral permitted by this article. Any such lien shall, to the extent that it exceeds in the aggregate*
 29 *ten 10 percent of the price for which such real estate may be sold, be inferior to all other liens of*
 30 *record.*

ENROLLED

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