

20105028D

HOUSE BILL NO. 1520

Offered January 8, 2020

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 32 of Title 58.1 a section numbered 58.1-3228.2, relating to real property tax; homestead tax relief.*

Patron—McQuinn

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 32 of Title 58.1 a section numbered 58.1-3228.2 as follows:

§ 58.1-3228.2. Homestead tax relief.

A. For purposes of this section, "homestead" means real property owned by and occupied as the sole dwelling of the taxpayer, provided that the real property's tax levy in the current year has increased at least 25 percent over the tax levy on the property for the entire year in which the taxpayer purchased the property and occupied it as his sole dwelling.

B. In addition to the deferral of a portion of real estate tax increases authorized under § 58.1-3219, a locality may adopt, by ordinance, a homestead tax relief program for real property taxes on a homestead, including the terms and conditions of the program, subject to the limitations and conditions of this section. If a locality adopts such program, a taxpayer may elect to defer all or any portion of 95 percent of the amount by which the real property tax levied on his homestead increased from the year of purchase to the current year and, subject to the provisions of subsection C, the same amount for taxes accruing in subsequent tax years.

C. The deferred amount shall be subject to simple interest computed at a rate established by the governing body, not to exceed five percent each year. The accumulated amount of taxes deferred and interest shall be paid to the county, city, or town by the owner upon the sale or transfer of the homestead, or from the estate of the decedent within one year after the death of the owner. If the homestead is owned jointly and all such owners applied and qualified for the deferral program established by ordinance, the death of one of the joint owners shall not disqualify the survivor or survivors from participating in the deferral program. All accumulated deferred taxes and interest shall be paid within one year of the date of death of the last qualifying owner. The accumulated amount of tax deferred and interest shall constitute a lien upon the homestead.

D. The provisions of Article 2.1 (§ 58.1-3219 et seq.) shall apply mutatis mutandis, unless any such provisions are inapplicable.

INTRODUCED

HB1520