

VIRGINIA ACTS OF ASSEMBLY -- 2022 SESSION

CHAPTER 672

An Act to amend and reenact § 58.1-3500 of the Code of Virginia and to amend the Code of Virginia by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295.3, relating to property tax; data centers.

[S 513]

Approved April 11, 2022

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3500 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295.3 as follows:

§ 58.1-3295.3. Assessment of real property; data centers.

A. As used in this section:

"Computer equipment and peripherals" means computer equipment and peripherals subject to classification under the provisions of subdivision A 17 of § 58.1-3503 or under the provisions of subdivision A 43 of § 58.1-3506.

"Cost approach" means assessing value by determining the cost to construct a reproduction or suitable replacement of fixtures and deducting physical, functional, and economic depreciation sustained by such fixtures.

"Data center" means the same as such term is defined in subdivision A 43 of § 58.1-3506.

"Fixtures" means all fixtures and equipment used in a data center except computer equipment and peripherals, equipment used for external surveillance and security, and fire and burglar alarm systems.

"Fixtures" includes generators, radiators, exhaust fans, and fuel storage tanks; electrical substations, power distribution equipment, cogeneration equipment, and batteries; chillers, computer room air conditioners, and cool towers; heating, ventilating, and air conditioning systems; water storage tanks, water pumps, and piping; monitoring systems; and transmission and distribution equipment.

B. If fixtures are installed at a data center and taxed under the provisions of this chapter, such fixtures shall be assessed using the cost approach.

§ 58.1-3500. Defined and segregated for local taxation.

Tangible personal property shall consist of all personal property not otherwise classified by (i) § 58.1-1100 as intangible personal property, (ii) § 58.1-3510 as merchants' capital, or (iii) § 58.1-3510.4 as short-term rental property. *"Tangible personal property" does not include fixtures, as defined in § 58.1-3295.3, if such fixtures are taxed in accordance with § 58.1-3295.3.* Such tangible personal property is hereby segregated for and made subject to local taxation only pursuant to Article X, Section 4 of the Constitution of Virginia.