

# VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

## CHAPTER 424

*An Act to amend and reenact §§ 58.1-3220, 58.1-3220.1 and 58.1-3221 of the Code of Virginia, relating to exemptions from real estate taxes.*

[H 879]

Approved April 7, 1994

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

**1. That §§ 58.1-3220, 58.1-3220.1 and 58.1-3221 of the Code of Virginia are amended and reenacted as follows:**

§ 58.1-3220. Partial exemption for certain rehabilitated, renovated or replacement residential structures.

A. The governing body of any county, city or town may, by ordinance, provide for the partial exemption from taxation of real estate on which ~~a~~ *any* structure ~~or other improvement~~ no less than twenty-five years of age has ~~been substantially rehabilitated~~ *undergone substantial rehabilitation, renovation or replacement* for residential use, subject to such conditions as the ordinance may prescribe. The ordinance may, in addition to any other restrictions hereinafter provided, restrict such exemptions to real property located within described zones or districts whose boundaries shall be determined by the governing body. The governing body of a county, city or town may establish criteria for determining whether real estate qualifies for the partial exemption authorized by this provision and may require such structures to be older than twenty-five years of age, or place such other restrictions and conditions on such property as may be prescribed by ordinance. Such ordinance may also provide for the partial exemption from taxation of multifamily residential units which have been substantially rehabilitated by replacement for multifamily use. Such replacement structures may exceed the total square footage of the replaced structures by no more than thirty percent.

B. The partial exemption provided by the local governing body may be an amount equal to the increase in assessed value resulting from the rehabilitation ~~or~~, renovation *or replacement* of the structure as determined by the commissioner of revenue or other local assessing officer or an amount up to fifty percent of the cost of the rehabilitation, *renovation or replacement*, as determined by ordinance. The exemption may commence upon completion of the rehabilitation, *renovation or replacement* or on January 1 of the year following completion of the rehabilitation, *renovation or replacement* and shall run with the real estate for a period of no longer than ten years. The governing body of a county, city or town may place a shorter time limitation on the length of such exemption, or reduce the amount of the exemption in annual steps over the entire period or a portion thereof, in such manner as the ordinance may prescribe.

C. Nothing in this section shall be construed as to permit the commissioner of the revenue to list upon the land book any reduced value due to the exemption provided in subsection B.

D. The governing body of any county, city or town may assess a fee not to exceed ~~twenty~~ *fifty* dollars for processing an application requesting the exemption provided by this section. No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the commissioner of the revenue or assessing officer has verified that the rehabilitation, *renovation or replacement* indicated on the application has been completed.

E. Where rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in subsection A shall not apply when any structure demolished is a registered Virginia landmark or is determined by the Department of Historic Resources to contribute to the significance of a registered historic district.

§ 58.1-3220.1. Partial exemption for certain rehabilitated, renovated or replacement hotel or motel structures.

A. The governing body of any county, city or town may, by ordinance, provide partial exemption from taxation of real estate on which a hotel or motel no less than thirty-five years of age has ~~been substantially rehabilitated~~ *undergone substantial rehabilitation, renovation or replacement* for residential use, subject to such conditions as the ordinance may prescribe. The ordinance may, in addition to any other restrictions hereinafter provided, restrict such exemptions to real property located within described zones or districts whose boundaries shall be determined by the governing body. The governing body of a county, city or town may establish criteria for determining whether real estate qualifies for the exemption authorized by this provision and may require such structures to be older than thirty-five years of age, or place such other restrictions and conditions on such property as may be prescribed by ordinance.

B. The ~~term~~ "partial exemption" ~~shall be stated in the ordinance as either provided by the local governing body may not exceed either an amount equal to ninety percent of the total assessed value of the rehabilitated or, renovated or replaced structure or an amount equal to the increase in assessed value~~

resulting from the rehabilitation ~~or~~, renovation *or replacement* of the structure as determined by the commissioner of the revenue or other local assessing officer, *as established by ordinance*. The partial exemption may commence upon completion of the rehabilitation, *renovation or replacement* or on January 1 of the year following completion of the rehabilitation, *renovation or replacement* and shall run with the real estate for a period of no longer than twenty-five years. The governing body of a county, city or town may place a shorter time limitation on the length of such exemption, or reduce the amount of the exemption in annual steps over the entire period or a portion thereof, in such manner as the ordinance may prescribe.

C. Nothing in this section shall be construed as to permit the commissioner of the revenue to list upon the land book any reduced value due to the exemption provided in subsection B.

D. The governing body of any county, city or town may assess a fee for processing an application requesting the exemption provided by this section. No property shall be eligible for such partial exemption unless the appropriate building permits have been acquired and the commissioner of the revenue or assessing officer has verified that the rehabilitation, *renovation or replacement* indicated on the application has been completed.

E. Where rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in subsection A shall not apply when any structure demolished is a registered Virginia landmark or is determined by the Department of Historic Resources to contribute to the significance of a registered historic district.

§ 58.1-3221. Partial exemption for certain rehabilitated, renovated or replacement commercial or industrial structures.

A. The governing body of any county, city or town may, by ordinance, provide for the partial exemption from taxation of real estate on which ~~a any structure or other improvement~~ no less than twenty-five years of age has ~~been substantially rehabilitated~~ *undergone substantial rehabilitation, renovation or replacement* for commercial or industrial use, subject to such conditions as the ordinance may prescribe. The ordinance may, in addition to any other restrictions hereinafter provided, restrict such exemptions to real property located within described zones or districts whose boundaries shall be determined by the governing body. The governing body of a county, city or town may establish criteria for determining whether real estate qualifies for the partial exemption authorized by this provision and may require the structure to be older than twenty-five years of age, or place such other restrictions and conditions on such property as may be prescribed by ordinance.

B. The partial exemption provided by the local governing body may not exceed an amount equal to the increase in assessed value resulting from the rehabilitation, *renovation or replacement* of the commercial or industrial structure as determined by the commissioner of revenue or other local assessing officer or an amount up to fifty percent of the cost of rehabilitation, *renovation or replacement* as determined by ordinance. The exemption may commence upon completion of the rehabilitation, *renovation or replacement* or on January 1 of the year following completion of the rehabilitation, *renovation or replacement* and shall run with the real estate for a period of no longer than ten years. The governing body of a county, city or town may place a shorter time limitation on the length of such exemption, or reduce the amount of the exemption in annual steps over the entire period or a portion thereof, in such manner as the ordinance may prescribe.

C. Nothing in this section shall be construed as to permit the commissioner of the revenue to list upon the land book any reduced value due to the exemption provided in subsection B.

D. The governing body of any county, city or town may assess a fee not to exceed ~~twenty~~ *fifty* dollars for processing an application requesting the exemption provided by this section. No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the commissioner of the revenue or assessing officer has verified that the rehabilitation, *renovation or replacement* indicated on the application has been completed.

E. *Where rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in subsection A shall not apply when any structure demolished is a registered Virginia landmark or is determined by the Department of Historic Resources to contribute to the significance of a registered historic district.*