

VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

CHAPTER 608

An Act to amend and reenact § 58.1-3221 of the Code of Virginia, relating to real estate tax exemption for certain rehabilitated property.

[S 233]

Approved April 10, 1994

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3221 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3221. Exemption for certain rehabilitated commercial or industrial real estate.

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 structure no less than twenty-five years of age, *or fifteen years of age if the structure is located in an area designated as an enterprise zone by the Commonwealth*, has been substantially rehabilitated 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 fifteen years of age if the structure is located in an area designated as an enterprise zone by the Commonwealth*, 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 real estate which has been substantially rehabilitated by complete replacement for commercial and industrial use. Such replacement structures may exceed the total square footage of the replaced structures by no more than 110 percent in areas designated as enterprise zones by the Commonwealth, and by no more than 100 percent in all other areas.*

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 *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 *or replacement* as determined by ordinance. The exemption may commence upon completion of the rehabilitation *or replacement*, or on January 1 of the year following completion of the rehabilitation 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 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 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 landmark.