

VIRGINIA ACTS OF ASSEMBLY -- 1995 SESSION

CHAPTER 143

An Act to amend and reenact § 58.1-3340 of the Code of Virginia, relating to the application of sale proceeds to unpaid taxes.

[S 929]

Approved March 9, 1995

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3340 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3340. Lien on real estate for taxes and levies assessed thereon; responsibility of purchaser at sale; lien on rents.

There shall be a lien on real estate for the payment of taxes and levies assessed thereon prior to any other lien or encumbrance. The lien shall continue to be such prior lien until actual payment shall have been made to the proper officer of the taxing authority. The purchaser at a sale shall cause the proceeds to be applied to the payment of all taxes and levies assessed on real estate, the provisions of § 55-59.4 notwithstanding, ~~and~~. In the case of the purchase of a portion of a tract of land, *the purchaser* shall cause the proceeds to be applied to the payment of taxes and levies assessed on the entire tract, prorated in accordance with the relationship that the purchase price bears to the most recent assessed value of the entire tract. *If the cost per acre of the purchased parcel is less than the assessed value per acre of the entire tract, or if, in the reasonable opinion of the local commissioner of the revenue or other assessing officer, the purchase price is less than the fair market value of the purchased parcel, the local commissioner of the revenue or other assessing officer may require that an appraisal, prepared by a state-certified or state-licensed appraiser, of the purchased parcel be provided, and in such event the proration shall be made in accordance with the relationship that the greater of (i) the appraised value of the purchased parcel or (ii) the purchase price bears to the most recent assessed value of the entire tract.* In the event a proration is necessary, the purchaser's portion of such tract of land shall be relieved of such lien to the extent the proceeds exceed the purchaser's pro rata share of taxes. It shall be the responsibility of the treasurer or other proper officer of the taxing authority to cause the release of the lien. The seller's liability for taxes and levies shall be effectively prorated contractually. The words "taxes" and "levies" as used in this section include the penalties and interest accruing on such taxes and levies in pursuance of law. The lien imposed hereby shall, in addition to existing remedies for the collection of taxes and levies, be enforceable by suit in equity under the provisions of Article 4 (§ 58.1-3965 et seq.) of Chapter 39.

There shall be a further lien upon the rents of such real estate whether the same be in money or in kind, for taxes of the current year.