

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 58.1-3220 and 58.1-3221 of the Code of Virginia, relating to*
 3 *exemptions or abatement of real estate taxes on certain residential and commercial property.*

4 [H 2341]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That §§ 58.1-3220 and 58.1-3221 of the Code of Virginia are amended and reenacted as follows:**

8 § 58.1-3220. Partial exemption for certain rehabilitated, renovated or replacement residential
 9 structures.

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

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

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

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

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

44 § 58.1-3221. Partial exemption for certain rehabilitated, renovated or replacement commercial or
 45 industrial structures.

46 A. The governing body of any county, city or town may, by ordinance, provide for the partial
 47 exemption from taxation of real estate on which any structure or other improvement no less than
 48 ~~twenty-five~~ *twenty* years of age, or fifteen years of age if the structure is located in an area designated
 49 as an enterprise zone by the Commonwealth, has undergone substantial rehabilitation, renovation or
 50 replacement for commercial or industrial use, subject to such conditions as the ordinance may prescribe.
 51 The ordinance may, in addition to any other restrictions hereinafter provided, restrict such exemptions to
 52 real property located within described zones or districts whose boundaries shall be determined by the
 53 governing body. The governing body of a county, city or town may establish criteria for determining
 54 whether real estate qualifies for the partial exemption authorized by this provision and may require the
 55 structure to be older than ~~twenty-five~~ *twenty* years of age, or fifteen years of age if the structure is
 56 located in an area designated as an enterprise zone by the Commonwealth, or place such other

57 restrictions and conditions on such property as may be prescribed by ordinance. Such ordinance may
58 also provide for the partial exemption from taxation of real estate which has been substantially
59 rehabilitated by complete replacement for commercial and industrial use. Such replacement structures
60 may exceed the total square footage of the replaced structures by no more than 110 percent in areas
61 designated as enterprise zones by the Commonwealth, and by no more than 100 percent in all other
62 areas.

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

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

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

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