

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4
5 Approved

[S 929]

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

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

8 § 58.1-3340. Lien on real estate for taxes and levies assessed thereon; responsibility of purchaser at
9 sale; lien on rents.

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

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

ENROLLED

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