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1 **SENATE BILL NO. 138**
2 Offered January 11, 2006
3 Prefiled January 10, 2006
4 *A BILL to amend the Code of Virginia by adding a section numbered 58.1-3200.01, relating to fair*
5 *market value for assessing real property.*
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Patron—O'Brien

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8 Referred to Committee on Finance
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10 **Be it enacted by the General Assembly of Virginia:**
11 **1. That the Code of Virginia is amended by adding a section numbered 58.1-3200.01 as follows:**
12 *§ 58.1-3200.01. Fair market value defined.*
13 *A. For purposes of this section:*
14 *"Assessment area" means a residential subdivision, residential development, commercial development,*
15 *industrial area, or other area in which properties have similar qualities and characteristics such that it*
16 *would be appropriate to treat all property located in the assessment area as comparables for real*
17 *property assessment purposes, as determined by the local assessing officer.*
18 *"Percentage change in the average sales price" means the percentage increase or decrease in the*
19 *average selling price for real property in the two most recent tax years for which information is*
20 *available.*
21 *B. Except as otherwise specifically provided under the Code of Virginia:*
22 *1. The fair market value for purposes of assessing real property shall be the actual sales price of the*
23 *real property if the property was sold in an arms-length transaction in the immediately preceding tax*
24 *year.*
25 *2. If the real property was not so sold in the immediately preceding tax year, the fair market value*
26 *of such property shall be determined by applying the percentage change in the average sales price for*
27 *the real property located in the same assessment area, unless such property was improved in the*
28 *immediately preceding tax year, in which case the fair market value of such property shall be*
29 *determined by applying the percentage change in the average sales price and adding thereto the value*
30 *of the improvements.*