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SENATE BILL NO. 73

Offered January 11, 2012

Prefiled January 5, 2012

A *BILL to amend the Code of Virginia by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295.1, relating to assessment of real property; residential rental housing.*

Patron—Watkins

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 7 of Chapter 32 of Title 58.1 a section numbered 58.1-3295.1 as follows:

§ 58.1-3295.1. Assessment of real property; residential rental housing.

A. Notwithstanding any other provision of law, in determining the fair market value of real property operated in whole or in part as residential rental housing, the duly authorized real estate assessor shall consider:

1. The actual gross income generated from such residential rental housing and any resultant loss in income attributable to vacancies, collection losses, and rent concessions; and

2. The actual operating expenses and expenditures and the impact of any additional expenses or expenditures.

The duly authorized real estate assessor shall also consider any evidence relevant to determining fair market value of the property presented by the property owner.

B. For property where only a portion of the units are operated as residential rental housing, as defined by state law or applicable local ordinance, only the portion determined to be residential rental housing shall be subject to this section.

C. Notwithstanding the exception in § 58.1-3294 for an owner of four or fewer residential units, the duly authorized real estate assessor may require the owner to furnish to such assessor, board, or department statements of the income and expenses attributable over a specified period of time to each such parcel of real estate in the manner required by § 58.1-3294 and to comply with all provisions of § 58.1-3294 applicable to properties with more than four residential rental housing units.

D. Notwithstanding any other provision of this section or other law the real property governed by this section that is generating income as residential rental housing shall be assessed using the income approach based on the requirements of this section.

2. That the provisions of this act shall become effective for assessments for tax years beginning on or after January 1, 2012.

3. That an emergency exists and this act is in force from its passage.

INTRODUCED

SB73