

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [S 73]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding in Article 7 of Chapter 32 of Title 58.1 a**
8 **section numbered 58.1-3295.1 as follows:**9 *§ 58.1-3295.1. Assessment of real property; residential rental apartments.*10 *A. Notwithstanding any other provision of law, general or special, in any appeal of the real property*
11 *assessment of real property defined below as residential rental apartments in excess of four units filed*
12 *by a taxpayer pursuant to § 58.1-3379, the board of equalization shall consider:*13 *1. The actual gross income generated from such real property and any resultant loss in income*
14 *attributable to vacancies, collection losses, and rent concessions;*15 *2. The actual operating expenses and expenditures and the impact of any additional expenses or*
16 *expenditures; and*17 *3. Any other evidence relevant to determining fair market value of such real property.*18 *B. Real property subject to this section shall be limited to residential rental apartments containing*
19 *more than four units. Individual attached or detached single-family dwelling units, regardless of whether*
20 *such dwelling units are rented, shall not be subject to this section.*21 *C. For real property governed by this section, where only a portion of the real property is operated*
22 *as residential rental apartments, the portion of such real property not operated as residential rental*
23 *apartments shall not be subject to this section.*24 *D. The valuation of residential rental apartments governed by this section shall be made by the*
25 *board using the income approach in accordance with this section, except when (i) such real property*
26 *has been sold since the previous assessment, in which case the board may consider the sales price of*
27 *such property; (ii) improvements on such real property are being constructed or renovated, in which*
28 *case the board may consider the market value of such property; or (iii) the value arrived at by the*
29 *income approach is not otherwise in accordance with generally accepted appraisal practices and*
30 *standards prescribed by the International Association of Assessing Officers (IAAO), in which case the*
31 *board may consider the market value of such property.*32 **2. That the provisions of this act shall become effective for assessments for tax years beginning on**
33 **or after January 1, 2012.**34 **3. That an emergency exists and this act is in force from its passage.**

ENROLLED

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