

2012 SESSION

SENATE SUBSTITUTE

12104695D

SENATE BILL NO. 73

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on January 25, 2012)

(Patron Prior to Substitute—Senator Watkins)

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.

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 of more than four residential units.

A. Notwithstanding any other provision of law, in any appeal of the real property assessment filed by a taxpayer as an owner of real property containing more than four residential units pursuant to §§ 58.1-3379 or 58.1-3984, and upon request of such taxpayer, the fair market value of real property shall be determined by evidence that shows:

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;

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

3. Any other evidence relevant to determining fair market value of the property presented by the property owner.

B. For real property where only a portion of the units are operated as residential rental housing containing more than four residential units, 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. 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.

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