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HOUSE BILL NO. 787

Offered January 10, 2018

Prefiled January 9, 2018

A BILL to amend and reenact § 58.1-3379 of the Code of Virginia, relating to real property tax; boards of equalization.

 Patron—Keam

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-3379 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-3379. Hearing complaints and equalizing assessments.**

A. The board shall hear and give consideration to such complaints and shall adjust and equalize such assessments and shall, moreover, be charged with the especial duty of increasing as well as decreasing assessments, whether specific complaint be laid or not, if in its judgment, the same be necessary to equalize and accomplish the end that the burden of taxation shall rest equally upon all citizens of such county or city.

B. In all cases brought before the board, there shall be a presumption that the valuation determined by the assessor is correct, *and the taxpayer shall not be required to show that the assessment is a result of manifest error or disregard of controlling evidence.* The burden of proof on appeal to the board shall be on the taxpayer to rebut the presumption and show by a preponderance of the evidence that the property in question is valued at more than its fair market value or that the assessment is not uniform in its application and that it was not arrived at in accordance with generally accepted appraisal practices, procedures, rules, and standards as prescribed by nationally recognized professional appraisal organizations such as the International Association of Assessing Officers (IAAO) and applicable Virginia law relating to valuation of property. Mistakes of fact, including computation, that affect the assessment shall be deemed not to be in accordance with generally accepted appraisal practice.

However, in any appeal of the assessment of residential property filed by a taxpayer as an owner of real property containing less than four residential units, the assessing officer shall give the required written notice to the taxpayer, or his duly authorized representative, under subsection E of § 58.1-3331, and, upon written request, shall provide the taxpayer or his duly authorized representative copies of the assessment records set out in subsections A, B, and C of § 58.1-3331 pertaining to the assessing officer's determination of fair market value of the property under appeal. The assessing officer shall provide such records within 15 days of a written request by the taxpayer or his duly authorized representative. If the assessing officer fails to do so, the assessing officer shall present the following into evidence prior to the presentation of evidence by the taxpayer at the hearing: (i) copies of the assessment records maintained by the assessing officer under § 58.1-3331, (ii) testimony that explains the methodologies employed by the assessing officer to determine the assessed value of the property, and (iii) testimony that states that the assessed value was arrived at in accordance with generally accepted appraisal practices, procedures, rules, and standards as prescribed by nationally recognized professional appraisal organizations such as the International Association of Assessing Officers (IAAO) and applicable Virginia law regarding the valuation of property. Upon the conclusion of the presentation of the evidence of the assessing officer, the taxpayer shall have the burden of proof by a preponderance of the evidence to rebut such evidence presented by the assessing officer as otherwise provided in this section.

In any appeal of an assessment under this chapter, if the assessment that is the subject of the appeal is an increase of more than 20 percent over the assessment for the same property for the prior tax year, except in cases of buildings constructed in the previous five years, the assessor shall have the burden of proving by a preponderance of the evidence that the assessment is correct.

C. In considering complaints, nothing shall be construed to prohibit consideration of any statement of income and expense or market sales that occurred through December 31, prior to the effective date of the assessment, so long as such information is submitted to the board no later than the locality's deadline for the application for relief. No studies or analyses published after December 31 immediately preceding the effective date of the assessment shall be considered in an appeal filed relating to that assessment.

D. In any case before the board concerning a taxpayer's complaint in which the commissioner of the revenue or other local assessing officer requests the board to increase the assessment after the taxpayer files an appeal to the board on a commercial, multifamily residential, or industrial property, the commissioner or other officer shall provide the taxpayer notice of the request not less than 14 days prior to the hearing of the board. Except as provided herein, if the taxpayer contests the requested increase,

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59 the assessor shall either withdraw the request or shall provide the board an appraisal performed by an
60 independent contractor who is licensed and certified by the Virginia Real Estate Appraiser Board to
61 serve as a general real estate appraiser, which appraisal affirms that such increase in value represents the
62 property's fair market value as of the date of the assessment in dispute. The provisions of this subsection
63 that require that the assessor provide the board with an appraisal shall not apply if (i) the requested
64 increase is based on mistakes of fact, including computation errors, or (ii) the information on which the
65 commissioner or other officer bases the requested increase was available to, but not provided by, the
66 taxpayer in response to a request for information made by the commissioner or other officer at the time
67 the challenged assessment was made.

68 E. The commissioner of the revenue or other local assessing officer of such county or city shall,
69 when requested, attend the meetings of the board, without additional compensation, and shall call the
70 attention of the board to such inequalities in real estate assessments in his county or city as may be
71 known to him.

72 F. Every board of equalization may go upon and inspect any real estate subject to adjustment or
73 equalization by it.