

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 58.1-3221.6 and 58.1-3970.1 of the Code of Virginia, relating to*
3 *administration of blighted and derelict properties in certain localities.*

4 [H 1969]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That §§ 58.1-3221.6 and 58.1-3970.1 of the Code of Virginia are amended and reenacted as**
8 **follows:**

9 **§ 58.1-3221.6. Classification of blighted and derelict properties in certain localities.**

10 A. For the purposes of this section:

11 "Blighted property" means the same as that term is defined in § 36-3.

12 "Derelict building" means the same as that term is defined in § 15.2-907.1.

13 "Qualifying locality" means a locality with a score of ~~107~~ 100 or higher on the fiscal stress index, as
14 published by the Department of Housing and Community Development in July 2019 using the revised
15 data for fiscal year ~~2017~~ 2020.

16 B. In a qualifying locality, blighted properties, along with the land such properties are located on, are
17 declared to be a separate class of property and shall constitute a separate classification for local taxation
18 of real property.

19 C. In a qualifying locality, derelict buildings, along with the land such properties are located on, are
20 declared to be a separate class of property and shall constitute a separate classification for local taxation
21 of real property.

22 D. The governing body of a qualifying locality may, by ordinance, levy a tax on the property
23 enumerated in subsection B at a rate different than that levied on other real property. The rate of tax
24 imposed on such property may exceed the rate applicable to the general class of real property by up to
25 five percent, but shall not be less than the rate applicable to the general class of real property.

26 E. The governing body of a qualifying locality may, by ordinance, levy a tax on the property
27 enumerated in subsection C at a rate different than that levied on other real property. The rate of tax
28 imposed on the property enumerated in subsection C may exceed the rate applicable to the general class
29 of real property by up to 10 percent, but shall not be less than the rate applicable to the general class of
30 real property.

31 F. Any tax levied pursuant to subsection D or E shall be imposed on a property upon a
32 determination by the real estate assessor of the locality that such property constitutes either a blighted
33 property or derelict structure, respectively. Such tax shall continue to be imposed until it has been
34 determined by the real estate assessor of the locality that such property no longer constitutes a blighted
35 property or derelict structure.

36 G. Any person aggrieved by the application of this section may appeal the determination by the real
37 estate assessor as an erroneous assessment in accordance with Article 5 (§ 58.1-3980 et seq.) of Chapter
38 39.

39 **§ 58.1-3970.1. Appointment of special commissioner to execute title to certain real estate with**
40 **delinquent taxes or liens to localities.**

41 A. Except as provided in subsection B, in any proceedings under this article for the sale of a parcel
42 or parcels of real estate which meet all of the following: (i) each parcel has delinquent real estate taxes
43 or the locality has a lien against the parcel for removal, repair or securing of a building or structure;
44 removal of trash, garbage, refuse, litter; or the cutting of grass, weeds or other foreign growth, (ii) each
45 parcel has an assessed value of \$75,000 or less, and (iii) such taxes and liens, together, including
46 penalty and accumulated interest, exceed 50 percent of the assessed value of the parcel or such taxes
47 alone exceed 25 percent of the assessed value of the parcel, the locality may petition the circuit court to
48 appoint a special commissioner to execute the necessary deed or deeds to convey the real estate to the
49 locality in lieu of the sale at public auction. After notice as required by this article, service of process,
50 and upon answer filed by the owner or other parties in interest to the bill in equity, the court shall allow
51 the parties to present evidence and arguments, ore tenus, prior to the appointment of the special
52 commissioner. Any surplusage accruing to a locality as a result of the sale of the parcel or parcels after
53 the receipt of the deed shall be payable to the beneficiaries of any liens against the property and to the
54 former owner, his heirs or assigns in accordance with § 58.1-3967. No deficiency shall be charged
55 against the owner after conveyance to the locality.

56 B. For a parcel or parcels of real estate in the Cities of Norfolk, Richmond, Hopewell, Newport

57 News, Petersburg, Fredericksburg, Hampton, and Martinsville a locality with a score of 100 or higher
58 on the fiscal stress index, as published by the Department of Housing and Community Development in
59 July 2020, all of the provisions of subsection A shall apply except (i) that the percentage of taxes and
60 liens, together, including penalty and accumulated interest, and the percentage of taxes alone set forth in
61 clause (iii) of subsection A shall exceed 35 percent and 15 percent, respectively, of the assessed value of
62 the parcel or parcels or (ii) that the percentage of taxes and liens, together, including penalty and
63 accumulated interest, and the percentage of taxes alone set forth in clause (iii) of subsection A shall
64 exceed 20 percent and 10 percent, respectively, of the assessed value of the parcel or parcels, and each
65 parcel has an assessed value of \$150,000 or less, provided that under this clause the property is not an
66 occupied dwelling, and the locality enters into an agreement for sale of the parcel to a nonprofit
67 organization to renovate or construct a single-family dwelling on the parcel for sale to a person or
68 persons to reside in the dwelling whose income is below the area median income.

69 C. For sales by a nonprofit organization pursuant to subsection B, such sales may include either (i)
70 both the land and the structural improvements on a property or (ii) only the structural improvements of
71 a property and not the land the structural improvements are located on. A sale of only the structural
72 improvements is permissible only if (a) the structural improvements are subject to a ground lease with a
73 community land trust, as that term is defined in § 55.1-1200; (b) the structural improvements are subject
74 to a ground lease that has a term of at least 90 years; and (c) the community land trust retains a
75 preemptive option to purchase such structural improvements at a price determined by a formula that is
76 designed to ensure that the improvements remain affordable in perpetuity to low-income and
77 moderate-income families earning less than 120 percent of the area median income, adjusted for family
78 size.