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SENATE BILL NO. 693

Offered January 19, 2024

A BILL to amend and reenact §§ 55.1-507 and 58.1-3912 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 5.1 of Title 55.1 a section numbered 55.1-510, relating to prohibited acquisition of residential land; restrictions; civil penalty.

Patrons—Sturtevant and Surovell

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 55.1-507 and 58.1-3912 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 5.1 of Title 55.1 a section numbered 55.1-510 as follows:

§ 55.1-507. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Agricultural land" means real estate in the Commonwealth used or zoned in a manner that would permit the use of the real estate for an agricultural operation.

"Agricultural operation" means any operation devoted to the bona fide production of crops, animals, or fowl, including the production of fruits and vegetables of any kind; meat, dairy, and poultry products; nuts, tobacco, nursery, and floral products; and the production and harvest of products from silvicultural activity.

"Department" means the Department of Agriculture and Consumer Services.

"Foreign adversary" means any foreign government or nongovernment person determined by the U.S. Secretary of Commerce to have engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons, as set forth in 15 C.F.R. § 7.4 or such successor regulation, declaration, or statute as may exist from time to time.

"Interest in agricultural land" means any right, title, or interest, direct or indirect, in and to (i) agricultural land or (ii) any entity or other organization that holds any right, title, or interest, direct or indirect, in and to agricultural land. For purposes of this definition, any interest that taken on its own or together with any other interest held in common or under common control does not give the holder of the interest the ability to possess or occupy the agricultural land in any manner or the power or authority to direct the conduct of the agricultural operation being conducted on the agricultural land, shall not be deemed an "interest in agricultural land" for purposes of this chapter.

"Interest in residential land" means any right, title, or interest, direct or indirect, in and to (i) residential land in the Commonwealth or (ii) any entity or other organization that holds any right, title, or interest, direct or indirect, in and to residential land in the Commonwealth.

"Prohibited business" means any partnership, corporation, or real estate investment trust that manages funds pooled from investors, is a fiduciary to such investors, and has \$50 million or more in net value or assets under management on any day during a taxable year.

"Residential land" means real property or real estate where the only substantial improvement to such real property or real estate in the Commonwealth is a single-family home. Such term does not include (i) real property or real estate where the only substantial improvement to such real property or real estate is a condominium, townhouse, or multifamily community; (ii) any unoccupied single-family home acquired through foreclosure; or (iii) any single-family home that is not rented or leased and is used as the primary residence of any person with an ownership interest in a prohibited business.

§ 55.1-510. Prohibited acquisition of residential land; registration; civil penalty.

A. Notwithstanding any other provision of law, in order to protect the health, safety, and welfare of all citizens of the Commonwealth, on and after July 1, 2024, no prohibited business, nor any agent, trustee, or fiduciary thereof, shall acquire any interest in residential land in the Commonwealth.

B. Any prohibited business, or any agent, trustee, or fiduciary thereof that holds an interest in residential land in violation of this section shall divest all right, title, and interest in such land no later than January 1, 2025.

C. A prohibited business, or any agent, trustee, or fiduciary thereof, that holds an interest in residential land in the Commonwealth in compliance with subsection A on or after July 1, 2024, shall register such interest with the Secretary of the Commonwealth. The registration shall be in a form and manner prescribed by the Secretary of the Commonwealth and shall contain the name of the owner, the location of the residential land, the number of acres of the residential land by locality, and, if the owner is an agent, trustee, or fiduciary of a prohibited business, the name of any principal for whom such land was purchased or acquired. The registrations shall be made by September 1, 2024.

59 *D. Any prohibited business, or any agent, trustee, or fiduciary thereof, that fails to register as required by*
 60 *this section shall be liable for a civil penalty of \$5,000 for each day of noncompliance, and such civil penalty*
 61 *shall be paid to the Secretary of the Commonwealth. All civil penalties collected pursuant to this subsection*
 62 *shall be deposited into the general fund.*

63 *E. The clerk of any circuit court of any county or city shall report to the Secretary of the Commonwealth if*
 64 *a prohibited business, or any agent, trustee, or fiduciary thereof, purchases or acquires residential land in*
 65 *the locality in violation of this section or if the clerk of the circuit court suspects that residential land was*
 66 *purchased or acquired in the locality by a prohibited business, or any agent, trustee, or fiduciary thereof.*

67 *F. The Secretary of the Commonwealth shall report any violation of this section to the Attorney General if*
 68 *the Secretary finds that a prohibited business, or any agent, trustee, or fiduciary thereof, has acquired or*
 69 *holds title to or an interest in residential land in the Commonwealth in violation of this section or has failed*
 70 *to register in violation of this section. If an interest in residential land is acquired in violation of this section,*
 71 *a county, city, or town attorney for the locality in which the residential land is located, the Attorney General,*
 72 *or any non-prohibited business person that was a party to the void transaction or is a subsequent holder of*
 73 *such interest may file an action (i) to eject the prohibited business from possession, (ii) to quiet title to such*
 74 *residential land, or (iii) for any other appropriate action to ratify the nullification of the transaction. Any*
 75 *action brought pursuant to this subsection shall be filed in the circuit court where the subject residential land*
 76 *is located.*

77 **§ 58.1-3912. Local tax officials to mail certain tax documents to taxpayers; penalties; electronic**
 78 **transmission.**

79 *A. 1. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not*
 80 *later than 14 days prior to the due date of the taxes, send or cause to be sent by United States mail to each*
 81 *taxpayer assessed with taxes and levies for that year a bill or bills setting forth the amounts due. The treasurer*
 82 *may elect not to send a bill amounting to \$20 or less as shown by an assessment book in such treasurer's*
 83 *office. The treasurer may employ the services of a mailing service or other vendor for fulfilling the*
 84 *requirements of this section. The failure of any such treasurer to comply with this section shall be a Class 4*
 85 *misdemeanor. Such treasurer shall be deemed in compliance with this section as to any taxes due on real*
 86 *estate if, upon certification by the obligee of any note or other evidence of debt secured by a mortgage or*
 87 *deed of trust on such real estate that an agreement has been made with the obligor in writing within the*
 88 *mortgage or deed of trust instrument that such arrangements be made, he mails the bill for such taxes to the*
 89 *obligee thereof. Upon nonpayment of taxes by either the obligee or obligor, a past-due tax bill will be sent to*
 90 *the taxpayer. No governing body shall publish the name of a taxpayer in connection with a tax debt for which*
 91 *a bill was not sent, without first sending a notice of deficiency to his last known address at least two weeks*
 92 *before such publication.*

93 *2. Beginning with tax year 2025, in addition to all other information currently appearing on real property*
 94 *tax bills, each such bill required to be sent pursuant to subdivision 1 shall on its face (i) state that certain*
 95 *businesses are restricted from acquiring residential land pursuant to Chapter 5.1 (§ 55.1-507 et seq.) of Title*
 96 *55.1 and (ii) describe the prohibited business property registration requirements of § 55.1-510.*

97 *B. The governing body of any county, city or town may attach to or mail with all real estate and tangible*
 98 *personal property tax bills; prepared for taxpayers in such locality; information indicating how the tax rate*
 99 *charged upon such property and revenue derived therefrom is apportioned among the various services and*
 100 *governmental functions provided by the locality.*

101 *C. Notwithstanding the provisions of subsection A of this section, in any county which has adopted the*
 102 *urban county executive form of government, and in any county contiguous thereto which has adopted the*
 103 *county executive form of government, tangible personal property tax bills shall be mailed not later than 30*
 104 *days prior to the due date of such taxes.*

105 *D. Notwithstanding the provisions of subsection A of this section, any county and town, the governing*
 106 *bodies of which mutually agree, shall be allowed to send, to each taxpayer assessed with taxes, by United*
 107 *States mail no later than 14 days prior to the due date of the taxes, a single real property tax bill and a single*
 108 *tangible personal property tax bill.*

109 *E. Beginning with tax year 2006, in addition to all other information currently appearing on tangible*
 110 *personal property tax bills, each such bill required to be sent pursuant to subsection A shall state on its face*
 111 *(i) whether the vehicle is a qualifying vehicle as defined in § 58.1-3523; (ii) a statement indicating the*
 112 *reduced tangible personal property tax rates applied to qualifying vehicles resulting from the*
 113 *Commonwealth's reimbursements for tangible personal property tax relief pursuant to § 58.1-3524, and the*
 114 *locality's tangible personal property tax rate for its general class of tangible personal property, provided that*
 115 *such statement shall not be required for tax bills in any county, city, or town that will not receive any*
 116 *reimbursement pursuant to subsection B of § 58.1-3524; (iii) the vehicle's registration number pursuant to §*
 117 *46.2-604; (iv) the amount of tangible personal property tax levied on the vehicle; and (v) if the locality*
 118 *prorates personal property tax pursuant to § 58.1-3516, the number of months for which a bill is being sent.*

119 *F. 1. Notwithstanding the provisions of subsection A or the provisions of § 58.1-3330, 58.1-3518, or 58.1-*

120 3518.1, the treasurer, commissioner of the revenue, or other local tax official, consistent with guidelines
121 promulgated by the Department of Taxation implementing the provisions of subdivision 2 of § 58.1-1820,
122 may convey, with the written consent of the taxpayer, any tax bill or other tax document by electronic means
123 chosen by the taxpayer, including without limitation facsimile transmission or ~~electronic mail (email)~~ *email*,
124 in lieu of posting such bill by first-class mail. The treasurer, commissioner of the revenue, or other local tax
125 official conveying a bill or other tax document by means authorized in this subdivision shall maintain a copy
126 (in written form or electronic media) of the bill or document reflecting the date of transmission until such
127 time as the bill has been satisfied or otherwise removed from the books of the treasurer, commissioner of the
128 revenue, or other local tax official by operation of law. Transmission of a bill or tax document pursuant to
129 this subsection shall have the same force and effect for all purposes arising under this subtitle as mailing to
130 the taxpayer by first-class mail on the date of transmission.

131 2. The treasurer, commissioner of the revenue, or other local taxing official also may convey, with the
132 consent of the taxpayer, any tax bill or other document by permitting the taxpayer to access his information
133 online from a database on the locality's or official's website.

134 3. Consent of the taxpayer under this subsection may be obtained from the taxpayer electronically, subject
135 to reasonable verification of the taxpayer's identity.

136 G. Any solid waste disposal fee imposed by a county may be attached to, mailed with, or stated on the
137 appropriate real estate tax bill.

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