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HOUSE BILL NO. 2128

Offered January 13, 2025

Prefiled January 7, 2025

A BILL to amend and reenact § 15.2-907.1 of the Code of Virginia, relating to derelict buildings; civil penalties.

Patrons—Walker, Glass and Phillips

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-907.1 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-907.1. Authority to require removal, repair, etc., of buildings that are declared to be derelict; civil penalty.

Any locality that has a real estate tax abatement program in accordance with this section may, by ordinance, provide that:

1. The owners of property therein shall at such time or times as the governing body may prescribe submit a plan to demolish or renovate any building that has been declared a "derelict building." For purposes of this section, "derelict building" shall mean means a residential or nonresidential building or structure, whether or not construction has been completed, that might endanger the public's health, safety, or welfare and for a continuous period in excess of six months, it has been (i) vacant, (ii) boarded up in accordance with the building code, and (iii) not lawfully connected to electric service from a utility service provider or not lawfully connected to any required water or sewer service from a utility service provider.

2. If a building qualifies as a derelict building pursuant to the ordinance, the locality shall notify the owner of the derelict building that the owner is required to submit to the locality a plan, within 90 days, to demolish or renovate the building to address the items that endanger the public's health, safety, or welfare as listed in a written notification provided by the locality. Such plan may be on a form developed by the locality and shall include a proposed time within which the plan will be commenced and completed. The plan may include one or more adjacent properties of the owner, whether or not all of such properties may have been declared derelict buildings. The plan shall be subject to approval by the locality. The locality shall deliver the written notice to the address listed on the real estate tax assessment records of the locality. Written notice sent by first-class mail, with the locality obtaining a U.S. Postal Service Certificate of Mailing shall constitute delivery pursuant to this section.

3. If a locality delivers written notice and the owner of the derelict building has not submitted a plan to the locality within 90 days as provided in subdivision 2, the locality may exercise such remedies as provided in this section or as otherwise provided by law; for residential property, such. Such remedy may include imposition of a civil penalty not exceeding \$500 per month until such time as the owner has submitted a plan in accordance with this section; however, the total civil penalty imposed shall not exceed the cost to demolish the derelict building. Any such civil penalty shall be paid into the treasury of the locality.

4. The owner of a building may apply to the locality and request that such building be declared a derelict building for purposes of this section.

5. The locality, upon receipt of the plan to demolish or renovate the building, at the owner's request, shall meet with the owner submitting the plan and provide information to the owner on the land use and permitting requirements for demolition or renovation.

6. If the property owner's plan is to demolish the derelict building, the building permit application of such owner shall be expedited. If the owner has completed the demolition within 90 days of the date of the building permit issuance, the locality shall refund any building and demolition permit fees. This section shall not supersede any ordinance adopted pursuant to § 15.2-2306 relative to historic districts.

7. If the property owner's plan is to renovate the derelict building, and no rezoning is required for the owner's intended use of the property, the site plan or subdivision application and the building permit, as applicable, shall be expedited. The site plan or subdivision fees may be refunded, all or in part, but in no event shall the site plan or subdivision fees exceed the lesser of 50 percent of the standard fees established by the ordinance for site plan or subdivision applications for the proposed use of the property, or \$5,000 per property. The building permit fees may be refunded, all or in part, but in no event shall the building permit fees exceed the lesser of 50 percent of the standard fees established by the ordinance for building permit applications for the proposed use of the property, or \$5,000 per property.

8. Prior to commencement of a plan to demolish or renovate the derelict building, at the request of the property owner, the real estate assessor shall make an assessment of the property in its current derelict condition. On the building permit application, the owner shall declare the costs of demolition, or the costs of

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59 materials and labor to complete the renovation. At the request of the property owner, after demolition or
60 renovation of the derelict building, the real estate assessor shall reflect the fair market value of the demolition
61 costs or the fair market value of the renovation improvements, and reflect such value in the real estate tax
62 assessment records. The real estate tax on an amount equal to the costs of demolition or an amount equal to
63 the increase in the fair market value of the renovations shall be abated for a period of not less than 15 years,
64 and is transferable with the property. The abatement of taxes for demolition shall not apply if the structure
65 demolished is a registered Virginia landmark or is determined by the Department of Historic Resources to
66 contribute to the significance of a registered historic district. However, if the locality has an existing tax
67 abatement program for less than 15 years, as of July 1, 2009, the locality may provide for a tax abatement
68 period of not less than five years.

69 9. Notwithstanding the provisions of this section, the locality may proceed to make repairs and secure the
70 building under § 15.2-906, or the locality may proceed to abate or remove a nuisance under § 15.2-900. In
71 addition, the locality may exercise such remedies as may exist under the Uniform Statewide Building Code
72 and may exercise such other remedies available under general and special law.