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**HOUSE BILL NO. 2449**

Offered January 13, 2025

Prefiled January 8, 2025

A *BILL to amend the Code of Virginia by adding a section numbered 58.1-3231.1, relating to real property tax; special assessment for land preservation.*

Patron—Webert

Referred to Committee on Finance

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

**1. That the Code of Virginia is amended by adding a section numbered 58.1-3231.1 as follows:**

**§ 58.1-3231.1. Real estate devoted to open-space use that is leased for agricultural purposes.**

*A. As used in this section:*

*"Agricultural use valuation" means the assessed value of real estate devoted to agricultural use.*

*"Open-space use valuation" means the assessed value of real estate devoted to open-space use.*

*"Qualifying leased real estate" means real estate devoted to open-space use that is subject to an active lease with a lessor who is using the property for agricultural purposes.*

*"Valuation difference" means the difference between a property's open-space use valuation and its agricultural use valuation.*

*B. In addition to the special classification of real estate provided by § 58.1-3230, qualifying leased real estate is established and defined as a separate class of property. Any county, city, or town that has adopted an ordinance pursuant to § 58.1-3231 to provide for the use value assessment and taxation of real estate classified in § 58.1-3230 may in such ordinance provide for the use value assessment and taxation of qualifying leased real estate as described in subsection C. The provisions of this section shall apply only to a locality that assesses real estate devoted to open-space use at a higher value than real estate devoted to agricultural use.*

*C. Qualifying leased real estate may be assessed by a locality at a different rate than real estate subject solely to the open-space use tax rate or real estate subject solely to the agricultural use tax rate. Such assessment shall not be lower than the following amounts:*

*For a lease of eight years or more, the agricultural use valuation of such property.*

*For a lease of seven years, the agricultural use valuation plus 30 percent of the valuation difference.*

*For a lease of six years, the agricultural use valuation of such property, plus 40 percent of the valuation difference.*

*For a lease of five years, the agricultural use valuation of such property plus 50 percent of the valuation difference.*

*For a lease of four years, the agricultural use valuation of such property plus 60 percent of the valuation difference.*

*For a lease of three years, the agricultural use valuation of such property plus 70 percent of the valuation difference.*

*For a lease of less than three years, the open-space use valuation.*

*D. A taxpayer shall be required to apply to the commissioner of the revenue or other assessing official in order to qualify for the different use assessment valuation provided by this section. Notwithstanding the provisions of § 58.1-3234, such commissioner or official may require that the taxpayer provide the lease agreement governing the use of the property or other information necessary to determine the eligibility of the property.*

INTRODUCED

HB2449