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SENATE BILL NO. 1424

Offered January 16, 2025

A BILL to amend and reenact §§ 55-507 and 58.1-3912 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-408.1 and by adding in Chapter 5.1 of Title 55.1 a section numbered 55.1-510, relating to prohibited acquisition and ownership of single-family homes; restrictions; civil penalty; report.

Patrons—VanValkenburg and Sturtevant

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 55-507 and 58.1-3912 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 2.2-408.1 and by adding in Chapter 5.1 of Title 55.1 a section numbered 55.1-510 as follows:

§ 2.2-408.1. *Registration of property owned by prohibited businesses; report.*

The Secretary of the Commonwealth shall be responsible for the registration of any prohibited business, as that term is defined in § 55.1-507, that owns an interest in a single-family home in the Commonwealth pursuant to § 55.1-510. The Secretary of the Commonwealth shall report on the registrations received and any penalties for noncompliance assessed in accordance with § 55.1-510 by December 1 of each year to the Governor and the General Assembly.

CHAPTER 5.1.

FOREIGN ENTITIES AND PROHIBITED BUSINESSES; PROPERTY OWNERSHIP.

§ 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 a single-family home" means any right, title, or interest, direct or indirect, in and to (i) a single-family home in the Commonwealth or (ii) any entity or other organization that holds any right, title, or interest, direct or indirect, in and to a single-family home in the Commonwealth.

"Prohibited business" means any partnership, corporation, or real estate investment trust that manages funds pooled from investors and has an aggregate of \$50 million or more in net value or assets under management on any day during a taxable year. "Prohibited business" does not include (i) a nonprofit corporation as defined in § 501(c)(3) of the Internal Revenue Code or (ii) a homebuilder.

"Single-family home" 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. "Single-family home" 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 single-family home; 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, no prohibited business shall acquire any interest in a single-family home in the Commonwealth on or after July 1, 2026.

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59 *B. 1. A prohibited business that acquired an interest in a single-family home in the Commonwealth prior*
60 *to July 1, 2026, shall register such interest with the Secretary of the Commonwealth. The registration shall be*
61 *in a form and manner prescribed by the Secretary of the Commonwealth and shall contain the name of the*
62 *owner, the location of the single-family home, the number of acres of the single-family home by locality, and,*
63 *if the owner is an agent, trustee, or fiduciary of a prohibited business, the name of any principal for whom*
64 *such property was purchased or acquired. The registrations shall be made by September 1, 2026.*

65 *2. A prohibited business that acquired an interest in a single-family home in the Commonwealth prior to*
66 *July 1, 2026, and is required to register such interest pursuant to subdivision 1, shall be subject to the*
67 *following single-family home ownership restrictions:*

68 *a. On and after July 1, 2027, but before July 1, 2028, a prohibited business shall own no greater than 90*
69 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

70 *b. On and after July 1, 2028, but before July 1, 2029, a prohibited business shall own no greater than 80*
71 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

72 *c. On and after July 1, 2029, but before July 1, 2030, a prohibited business shall own no greater than 70*
73 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

74 *d. On and after July 1, 2030, but before July 1, 2031, a prohibited business shall own no greater than 60*
75 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

76 *e. On and after July 1, 2031, but before July 1, 2032, a prohibited business shall own no greater than 50*
77 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

78 *f. On and after July 1, 2032, but before July 1, 2033, a prohibited business shall own no greater than 40*
79 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

80 *g. On and after July 1, 2033, but before July 1, 2034, a prohibited business shall own no greater than 30*
81 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

82 *h. On and after July 1, 2034, but before July 1, 2035, a prohibited business shall own no greater than 20*
83 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

84 *i. On and after July 1, 2035, but before July 1, 2036, a prohibited business shall own no greater than 10*
85 *percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.*

86 *j. On and after July 1, 2036, a prohibited business shall own no interest in single-family homes.*

87 *3. In complying with the ownership restrictions of subdivision 2, a prohibited business shall sell, transfer,*
88 *or divest all interests in single-family homes no later than July 1, 2036.*

89 *C. Any prohibited business that fails to register or divest as required by this section shall be liable for a*
90 *civil penalty of \$50,000 for each day of noncompliance, and such civil penalty shall be paid to the Secretary*
91 *of the Commonwealth. All civil penalties collected pursuant to this subsection shall be deposited into the*
92 *general fund.*

93 *D. The clerk of any circuit court of any county or city shall report to the Secretary of the Commonwealth*
94 *if a prohibited business purchases or acquires a single-family home in the locality in violation of this section,*
95 *if the clerk of the circuit court suspects that a single-family home was purchased or acquired in the locality*
96 *by a prohibited business, or if the clerk obtains any information related to noncompliance with this section.*

97 *E. The Secretary of the Commonwealth shall report any violation of this section to the Attorney General if*
98 *the Secretary finds that a prohibited business has acquired or holds title to or an interest in a single-family*
99 *home in the Commonwealth in violation of this section or has failed to register in violation of this section. If*
100 *an interest in a single-family home is acquired in violation of this section, a county, city, or town attorney for*
101 *the locality in which the single-family home is located, the Attorney General, or any person or business that*
102 *was a party to the void transaction or is a subsequent holder of such interest may file an action (i) to eject the*
103 *prohibited business from possession, (ii) to quiet title to such, or (iii) for any other appropriate action to*
104 *ratify the nullification of the transaction. Any action brought pursuant to this subsection shall be filed in the*
105 *circuit court where the subject single-family home is located.*

106 **§ 58.1-3912. Local tax officials to mail certain tax documents to taxpayers; penalties; electronic**
107 **transmission.**

108 *A. 1. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not*
109 *later than 14 days prior to the due date of the taxes, send or cause to be sent by United States mail to each*
110 *taxpayer assessed with taxes and levies for that year a bill or bills setting forth the amounts due. The treasurer*
111 *may elect not to send a bill amounting to \$20 or less as shown by an assessment book in such treasurer's*
112 *office. The treasurer may employ the services of a mailing service or other vendor for fulfilling the*
113 *requirements of this section. The failure of any such treasurer to comply with this section shall be a Class 4*
114 *misdemeanor. Such treasurer shall be deemed in compliance with this section as to any taxes due on real*
115 *estate if, upon certification by the obligee of any note or other evidence of debt secured by a mortgage or*
116 *deed of trust on such real estate that an agreement has been made with the obligor in writing within the*
117 *mortgage or deed of trust instrument that such arrangements be made, he mails the bill for such taxes to the*
118 *obligee thereof. Upon nonpayment of taxes by either the obligee or obligor, a past-due tax bill will be sent to*
119 *the taxpayer. No governing body shall publish the name of a taxpayer in connection with a tax debt for which*

a bill was not sent, without first sending a notice of deficiency to his last known address at least two weeks before such publication.

2. *Beginning with tax year 2026, in addition to all other information currently appearing on real property tax bills, each such bill required to be sent pursuant to subdivision 1 shall on its face (i) state that certain businesses are restricted from acquiring a single-family home pursuant to Chapter 5.1 (§ 55.1-507 et seq.) of Title 55.1 and (ii) describe the prohibited business property registration requirements and ownership restrictions of § 55.1-510.*

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

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

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

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

F. 1. Notwithstanding the provisions of subsection A or the provisions of § 58.1-3330, 58.1-3518, or 58.1-3518.1, the treasurer, commissioner of the revenue, or other local tax official, consistent with guidelines promulgated by the Department of Taxation implementing the provisions of subdivision 2 of § 58.1-1820, may convey, with the written consent of the taxpayer, any tax bill or other tax document by electronic means chosen by the taxpayer, including without limitation facsimile transmission or electronic mail (email), in lieu of posting such bill by first-class mail. The treasurer, commissioner of the revenue, or other local tax official conveying a bill or other tax document by means authorized in this subdivision shall maintain a copy (in written form or electronic media) of the bill or document reflecting the date of transmission until such time as the bill has been satisfied or otherwise removed from the books of the treasurer, commissioner of the revenue, or other local tax official by operation of law. Transmission of a bill or tax document pursuant to this subsection shall have the same force and effect for all purposes arising under this subtitle as mailing to the taxpayer by first-class mail on the date of transmission.

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

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

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

2. That the provisions of this act shall become effective on July 1, 2026.