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1 **HOUSE BILL NO. 2737**

2 Offered January 17, 2025

3 *A BILL to amend and reenact § 58.1-3219.9 of the Code of Virginia, relating to real property tax exemption;*
4 *surviving spouses of members of the armed forces who died in the line of duty.*

5 Patron—Tata

6 Referred to Committee on Finance

7 **Be it enacted by the General Assembly of Virginia:**8 **1. That § 58.1-3219.9 of the Code of Virginia is amended and reenacted as follows:**9 **§ 58.1-3219.9. (For contingent effective date, see Acts 2024, c. 583, cl. 3) Exemption from taxes on**
10 **property of surviving spouses of members of the armed forces who died in the line of duty.**11 A. Pursuant to subdivision (b) of § 6-A of Article X of the Constitution of Virginia, and for tax years
12 beginning on or after January 1, 2015, the General Assembly hereby exempts from taxation the real property
13 described in subsection B of the surviving spouse (i) of any member of the armed forces of the United States
14 who died in the line of duty with a Line of Duty determination from the U.S. Department of Defense and (ii)
15 who occupies the real property as his principal place of residence. However, no county, city, or town shall be
16 liable for any interest on any refund due to the surviving spouse for taxes paid prior to the surviving spouse's
17 filing of the affidavit or written statement required by § 58.1-3219.10. If the surviving spouse acquires the
18 property after January 1, 2015, then the exemption shall begin on the date of acquisition, and the previous
19 owner may be entitled to a refund for a pro rata portion of real property taxes paid pursuant to § 58.1-3360.20 B. 1. Those dwellings in the locality with assessed values in the most recently ended tax year that are not
21 in excess of the average assessed value for such year of a dwelling situated on property that is zoned as single
22 family residential shall qualify for a total exemption from real property taxes under this article. If the value of
23 a dwelling is in excess of the average assessed value as described in this subsection, then only that portion of
24 the assessed value in excess of the average assessed value shall be subject to real property taxes, and the
25 portion of the assessed value that is not in excess of the average assessed value shall be exempt from real
26 property taxes. Single family homes, condominiums, town homes, manufactured homes as defined in §
27 46.2-100 whether or not the wheels and other equipment previously used for mobility have been removed,
28 and other types of dwellings of surviving spouses, whether or not the land on which the single family home,
29 condominium, town home, manufactured home, or other type of dwelling of a surviving spouse is located is
30 owned by someone other than the surviving spouse, that (i) meet this requirement and (ii) are occupied by
31 such persons as their principal place of residence shall qualify for the real property tax exemption. If the land
32 on which the single family home, condominium, town home, manufactured home, or other type of dwelling is
33 located is not owned by the surviving spouse, then the land is not exempt.34 For purposes of determining whether a dwelling, or a portion of its value, is exempt from county and town
35 real property taxes, the average assessed value shall be such average for all dwellings located within the
36 county that are situated on property zoned as single family residential.37 2. *Notwithstanding the provisions of subdivision 1, for tax years beginning on and after January 1, 2025,*
38 *the governing body of a locality may by ordinance provide up to a total exemption from real property taxes*
39 *under this article for dwellings situated on property that is zoned as single family residential of any assessed*
40 *value for such year.*41 C. The surviving spouse of a member of the armed forces who died in the line of duty shall qualify for the
42 exemption so long as the surviving spouse does not remarry. The exemption applies without any restriction
43 on the spouse's moving to a different principal place of residence.44 D. A county, city, or town shall provide for the exemption from real property taxes (i) the qualifying
45 dwelling, or the portion of the value of such dwelling and land that qualifies for the exemption pursuant to
46 subsection B, and (ii) except land not owned by the surviving spouse, the land, not exceeding one acre, upon
47 which it is situated. However, if a county, city, or town provides for an exemption from or deferral of real
48 property taxes of more than one acre of land pursuant to Article 2 (§ 58.1-3210 et seq.), then the county, city,
49 or town shall also provide an exemption for the same number of acres pursuant to this section. A real
50 property improvement other than a dwelling, including the land upon which such improvement is situated,
51 made to such one acre or greater number of acres exempt from taxation pursuant to this subsection shall also
52 be exempt from taxation so long as the principal use of the improvement is (i) to house or cover motor
53 vehicles or household goods and personal effects as classified in subdivision A 14 of § 58.1-3503 and as
54 listed in § 58.1-3504 and (ii) for other than a business purpose.55 E. For purposes of this exemption, real property of any surviving spouse of a member of the armed forces
56 who died in the line of duty includes real property (i) held by a surviving spouse as a tenant for life, (ii) held

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59 in a revocable inter vivos trust over which the surviving spouse holds the power of revocation, or (iii) held in
60 an irrevocable trust under which the surviving spouse possesses a life estate or enjoys a continuing right of
61 use or support. The term does not include any interest held under a leasehold or term of years.

62 F. 1. In the event that (i) a surviving spouse is entitled to an exemption under this section by virtue of
63 holding the property in any of the three ways set forth in subsection E and (ii) one or more other persons have
64 an ownership interest in the property that permits them to occupy the property, then the tax exemption for the
65 property that otherwise would have been provided shall be prorated by multiplying the amount of the
66 exemption by a fraction that has 1 as a numerator and has as a denominator the total number of all people
67 having an ownership interest that permits them to occupy the property.

68 2. In the event that the principal residence is jointly owned by two or more individuals including the
69 surviving spouse, and no person is entitled to the exemption under this section by virtue of holding the
70 property in any of the three ways set forth in subsection E, then the exemption shall be prorated by
71 multiplying the amount of the exemption by a fraction that has as a numerator the percentage of ownership
72 interest in the dwelling held by the surviving spouse, and as a denominator, 100 percent.