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HOUSE BILL NO. 1868

House Amendments in [ ] - January 27, 2025

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

Patron Prior to Engrossment—Delegate Feggans

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3219.9 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3219.9. Exemption from taxes on property of surviving spouses of members of the armed forces who died in the line of duty.

A. Pursuant to subdivision (b) of § 6-A of Article X of the Constitution of Virginia, and for tax years beginning on or after January 1, 2015, the General Assembly hereby exempts from taxation the real property described in subsection B of the surviving spouse (i) of any member of the armed forces of the United States who died in the line of duty with a Line of Duty determination from the U.S. Department of Defense, including such a death that was the [ ] result of suicide, and (ii) who occupies the real property as his principal place of residence. However, no county, city, or town shall be liable for any interest on any refund due to the surviving spouse for taxes paid prior to the surviving spouse's filing of the affidavit or written statement required by § 58.1-3219.10. If the surviving spouse acquires the property after January 1, 2015, then the exemption shall begin on the date of acquisition, and the previous owner may be entitled to a refund for a pro rata portion of real property taxes paid pursuant to § 58.1-3360.

B. Those dwellings in the locality with assessed values in the most recently ended tax year that are not in excess of the average assessed value for such year of a dwelling situated on property that is zoned as single family residential shall qualify for a total exemption from real property taxes under this article. If the value of a dwelling is in excess of the average assessed value as described in this subsection, then only that portion of the assessed value in excess of the average assessed value shall be subject to real property taxes, and the portion of the assessed value that is not in excess of the average assessed value shall be exempt from real property taxes. Single family homes, condominiums, town homes, manufactured homes as defined in § 46.2-100 whether or not the wheels and other equipment previously used for mobility have been removed, and other types of dwellings of surviving spouses, whether or not the land on which the single family home, condominium, town home, manufactured home, or other type of dwelling of a surviving spouse is located is owned by someone other than the surviving spouse, that (i) meet this requirement and (ii) are occupied by such persons as their principal place of residence shall qualify for the real property tax exemption. If the land on which the single family home, condominium, town home, manufactured home, or other type of dwelling is located is not owned by the surviving spouse, then the land is not exempt.

For purposes of determining whether a dwelling, or a portion of its value, is exempt from county and town real property taxes, the average assessed value shall be such average for all dwellings located within the county that are situated on property zoned as single family residential.

C. The surviving spouse of a member of the armed forces who died in the line of duty shall qualify for the exemption so long as the surviving spouse does not remarry. The exemption applies without any restriction on the spouse's moving to a different principal place of residence.

D. A county, city, or town shall provide for the exemption from real property taxes (i) the qualifying dwelling, or the portion of the value of such dwelling and land that qualifies for the exemption pursuant to subsection B, and (ii) except land not owned by the surviving spouse, the land, not exceeding one acre, upon which it is situated. However, if a county, city, or town provides for an exemption from or deferral of real property taxes of more than one acre of land pursuant to Article 2 (§ 58.1-3210 et seq.), then the county, city, or town shall also provide an exemption for the same number of acres pursuant to this section. A real property improvement other than a dwelling, including the land upon which such improvement is situated, made to such one acre or greater number of acres exempt from taxation pursuant to this subsection shall also be exempt from taxation so long as the principal use of the improvement is (i) to house or cover motor vehicles or household goods and personal effects as classified in subdivision A 14 of § 58.1-3503 and as listed in § 58.1-3504 and (ii) for other than a business purpose.

E. For purposes of this exemption, real property of any surviving spouse of a member of the armed forces who died in the line of duty includes real property (i) held by a surviving spouse as a tenant for life, (ii) held in a revocable inter vivos trust over which the surviving spouse holds the power of revocation, or (iii) held in an irrevocable trust under which the surviving spouse possesses a life estate or enjoys a continuing right of use or support. The term does not include any interest held under a leasehold or term of years.

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

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