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HOUSE BILL NO. 2449
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Finance
on _____)
(Patron Prior to Substitute—Delegate Webert)

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.

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 the valuation difference as defined in subsection A. In determining such valuation, the locality may, by ordinance, establish a process through which owners of qualifying leased real estate that agree to longer lease terms may be assessed at reduced valuations.

D. A taxpayer shall be required to apply to the commissioner of the revenue or other local assessing official in order to qualify for the different use assessment valuation provided by this section.

31 *E. Nothing in this section shall be construed as authorizing the commissioner of the revenue to require a*
32 *detailed lease from the owner or lessee of real estate devoted to open space. However, the commissioner of*
33 *the revenue or other local assessing official may require that the owner of real estate devoted to open space*
34 *complete an affidavit signed by the owner and lessee attesting to the length of the lease, providing the parcel*
35 *numbers subject to the provisions of the lease, and certifying that such leased real property is being used for*
36 *agricultural purposes.*