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SENATE BILL NO. 1424**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on General Laws and Technology
on January 29, 2025)

(Patrons Prior to Substitute—Senators VanValkenburg and Sturtevant [SB 1140])

A BILL to amend and reenact §§ 55.1-507, 55.1-1308.2, 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.

Be it enacted by the General Assembly of Virginia:

1. That §§ 55.1-507, 55.1-1308.2, 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.

A. 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, as that term is defined in § 55.1-507, 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.

B. A list of prohibited businesses registered pursuant to this section shall be made publicly available and searchable. If a prohibited business that has not registered with the Secretary of the Commonwealth acquires interest in a single-family home on or after July 1, 2025, pursuant to § 55.1-510, any interested party to the prohibited transaction shall be held harmless from any liability arising from the participation in or execution of a prohibited transaction unless proven to have knowingly and willfully engaged in such prohibited transaction.

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.

"Homebuilder" means an organization engaged solely in the construction or rehabilitation of single-family homes and that does not have an affiliation with and does not conduct business with, by, or on behalf of a prohibited business.

"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.

"Manufactured home park" means the same as such term is defined in § 55.1-1300.

"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 improvement to such real property or real estate in the Commonwealth is a single-family home. "Single-family home" includes real

property or real estate where the only improvement to such real property or real estate is a manufactured home park or a residential single-family home split into two or more dwellings. "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, 2025.

B. Any prohibited business purporting to acquire an interest in a single-family home after July 1, 2025, shall be barred from making a claim against any interested party for restitution of the purchase price paid by such prohibited business in connection with such interest or for any payment relating to the prohibited business's loss or lack of title to such interest. Any lien that has attached to such interest during the prohibited business's purported acquisition of ownership shall remain a valid lien against the interest during such time as the interest is held by the prohibited business, and such lienholder shall retain all rights against the prohibited business and against the secured property, including the right to foreclose.

C. Notwithstanding the provisions of subsections A and B, if the prohibited business has subsequently sold or transferred the interest to a person or entity that is not a prohibited business, title to such interest shall be vested in such person or transferee and shall be valid as if the acquisition of such interest by a prohibited business has not occurred.

D. 1. A prohibited business that acquired an interest in a single-family home in the Commonwealth prior to July 1, 2025, shall register such interest with the Secretary of the Commonwealth. The registration shall be in a form and manner prescribed by the Secretary of the Commonwealth and shall contain the name of the owner, the location of the single-family home, the number of acres of the single-family home by locality, and, if the owner is an agent, trustee, or fiduciary of a prohibited business, the name of any principal for whom such property was purchased or acquired. The registrations shall be made by September 1, 2025.

2. A prohibited business that acquired an interest in a single-family home in the Commonwealth prior to July 1, 2025, and is required to register such interest pursuant to subdivision 1, shall be subject to the following single-family home ownership restrictions:

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

b. On and after July 1, 2027, but before July 1, 2028, a prohibited business shall own no greater than 80 percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.

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

d. On and after July 1, 2029, but before July 1, 2030, a prohibited business shall own no greater than 60 percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.

e. On and after July 1, 2030, but before July 1, 2031, a prohibited business shall own no greater than 50 percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.

f. On and after July 1, 2031, but before July 1, 2032, a prohibited business shall own no greater than 40 percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.

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

h. On and after July 1, 2033, but before July 1, 2034, a prohibited business shall own no greater than 20 percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.

i. On and after July 1, 2034, but before July 1, 2035, a prohibited business shall own no greater than 10 percent of the aggregate interest in single-family homes owned by such prohibited business on June 30, 2026.

j. On and after July 1, 2035, a prohibited business shall own no interest in single-family homes.

3. In complying with the ownership restrictions of subdivision 2, a prohibited business shall sell, transfer, or divest all interests in single-family homes no later than July 1, 2035.

E. Any prohibited business that fails to register or divest as required by this section shall be liable for a civil penalty of \$50,000 for each day of noncompliance, and such civil penalty shall be paid to the Secretary of the Commonwealth. All civil penalties collected pursuant to this subsection shall be deposited into the Virginia Housing Trust Fund established pursuant to § 36-142.

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

G. The Secretary of the Commonwealth shall report any violation of this section to the Attorney General if the Secretary finds that a prohibited business has acquired or holds title to or an interest in a single-family

home in the Commonwealth in violation of this section or has failed to register in violation of this section. If an interest in a single-family home is acquired in violation of this section, a county, city, or town attorney for the locality in which the single-family home is located, the Attorney General, or any person or business that was an interested party to the prohibited transaction or is a subsequent holder of such interest may file an action (i) to eject the prohibited business from possession, (ii) to quiet title to such, or (iii) for any other appropriate action to remove the prohibited business's interest through a judicial proceeding. Any action brought pursuant to this subsection shall be filed in the circuit court where the subject single-family home is located.

§ 55.1-1308.2. Notice of intent to sell; civil penalty.

A. A manufactured home park owner who offers or lists the park for sale to a third party shall provide written notice containing the date on which the notice is sent and the price for which the park is to be offered or listed for sale. Such notice shall be sent to the Department of Housing and Community Development, which shall make the information available on its website within five business days of receipt. Such written notice shall also be given to each tenant of the manufactured home park, in accordance with § 55.1-1202, at least 90 days prior to accepting an offer. A manufactured home park owner shall consider any offers to purchase received during such 90-day notice period. For purposes of this section, "third party" does not include a member of the manufactured park owner's family by blood or marriage or a person or entity that owns a portion of the park at the time of the offer or listing of such manufactured home park. Nothing shall be construed to require any subsequent notice by the manufactured home park owner after the written notice provided in this section.

B. If a manufactured home park owner receives an offer to purchase the park, acceptance of that offer shall be contingent upon the park owner sending written notice of the proposed sale and the purchase price in the real estate purchase contract at least 60 days before the closing date on such purchase contract to the Department of Housing and Community Development, which shall place the information on its website within five business days of receipt. Such written notice shall also be given to each tenant of the manufactured home park. During the 60-day notice period, the park owner shall consider additional offers to purchase the park made by an entity that provides documentation that it represents at least 25 percent of the tenants with a valid lease in the manufactured home park at the time any such offer is made, but shall not be obligated to consider additional offers after the expiration of the 60-day notice period. Nothing shall be construed to require any subsequent notice by the manufactured home park owner after provision of the written notice required by this section.

C. If a manufactured home park owner receives an offer to purchase the park, upon certification to the Department of Housing and Community Development as required under subsections A and B, the offering purchaser shall provide an affidavit of compliance developed by the Department of Housing and Community Development and provided on the Department of Housing and Community Development's website, notarized by a notary public certified to perform such services in the Commonwealth, certifying that the purchaser does not qualify as a prohibited business as such term is defined in § 55.1-507. The deed to the land where the manufactured home park is located shall not be conveyed at the time of sale closing until such affidavit is received by the Department of Housing and Community Development. In no event shall the Department of Housing and Community Development make such completed affidavit of compliance available on its public website.

D. Any purchaser, his agent, or his designee who knowingly makes a false statement, representation, or certification in his affidavit described in subsection C shall, upon discovery, be subject to a civil penalty of not more than \$10,000 per occurrence to be deposited into the Revolving Loan Fund for the Purchase of Manufactured Home Parks pursuant to the appropriation act.

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

A. 1. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not later than 14 days prior to the due date of the taxes, send or cause to be sent by United States mail to each taxpayer assessed with taxes and levies for that year a bill or bills setting forth the amounts due. The treasurer may elect not to send a bill amounting to \$20 or less as shown by an assessment book in such treasurer's office. The treasurer may employ the services of a mailing service or other vendor for fulfilling the requirements of this section. The failure of any such treasurer to comply with this section shall be a Class 4 misdemeanor. Such treasurer shall be deemed in compliance with this section as to any taxes due on real estate if, upon certification by the obligee of any note or other evidence of debt secured by a mortgage or deed of trust on such real estate that an agreement has been made with the obligor in writing within the mortgage or deed of trust instrument that such arrangements be made, he mails the bill for such taxes to the obligee thereof. Upon nonpayment of taxes by either the obligee or obligor, a past-due tax bill will be sent to 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 2025, in addition to all other information currently appearing on real property

183 *tax bills, each such bill required to be sent pursuant to subdivision 1 shall on its face (i) state that certain*
184 *businesses are restricted from acquiring a single-family home pursuant to Chapter 5.1 (§ 55.1-507 et seq.) of*
185 *Title 55.1 and (ii) describe the prohibited business property registration requirements and ownership*
186 *restrictions of § 55.1-510.*

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

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

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

199 E. Beginning with tax year 2006, in addition to all other information currently appearing on tangible
200 personal property tax bills, each such bill required to be sent pursuant to subsection A shall state on its face
201 (i) whether the vehicle is a qualifying vehicle as defined in § 58.1-3523; (ii) a statement indicating the
202 reduced tangible personal property tax rates applied to qualifying vehicles resulting from the
203 Commonwealth's reimbursements for tangible personal property tax relief pursuant to § 58.1-3524, and the
204 locality's tangible personal property tax rate for its general class of tangible personal property, provided that
205 such statement shall not be required for tax bills in any county, city, or town that will not receive any
206 reimbursement pursuant to subsection B of § 58.1-3524; (iii) the vehicle's registration number pursuant to §
207 46.2-604; (iv) the amount of tangible personal property tax levied on the vehicle; and (v) if the locality
208 prorates personal property tax pursuant to § 58.1-3516, the number of months for which a bill is being sent.

209 F. 1. Notwithstanding the provisions of subsection A or the provisions of § 58.1-3330, 58.1-3518, or
210 58.1-3518.1, the treasurer, commissioner of the revenue, or other local tax official, consistent with guidelines
211 promulgated by the Department of Taxation implementing the provisions of subdivision 2 of § 58.1-1820,
212 may convey, with the written consent of the taxpayer, any tax bill or other tax document by electronic means
213 chosen by the taxpayer, including without limitation facsimile transmission or electronic mail (email), in lieu
214 of posting such bill by first-class mail. The treasurer, commissioner of the revenue, or other local tax official
215 conveying a bill or other tax document by means authorized in this subdivision shall maintain a copy (in
216 written form or electronic media) of the bill or document reflecting the date of transmission until such time as
217 the bill has been satisfied or otherwise removed from the books of the treasurer, commissioner of the revenue,
218 or other local tax official by operation of law. Transmission of a bill or tax document pursuant to this
219 subsection shall have the same force and effect for all purposes arising under this subtitle as mailing to the
220 taxpayer by first-class mail on the date of transmission.

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

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

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