

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-3606 of the Code of Virginia, relating to real property tax; exemption for*
 3 *religious buildings; rebuilding structure.*

4 [H 2302]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-3606 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-3606. Property exempt from taxation by classification.**

9 A. Pursuant to the authority granted in Article X, Section 6 (a)(6) of the Constitution of Virginia to
 10 exempt property from taxation by classification, the following classes of real and personal property shall be
 11 exempt from taxation:

12 1. Property owned directly or indirectly by the Commonwealth, or any political subdivision thereof.

13 2. *a.* Real property and personal property owned by churches or religious bodies, including (i) an
 14 incorporated church or religious body and (ii) a corporation mentioned in § 57-16.1, and exclusively occupied
 15 or used for religious worship or for the residence of the minister of any church or religious body, and such
 16 additional adjacent land reasonably necessary for the convenient use of any such property. Real property
 17 exclusively used for religious worship shall also include the following: (a) property used for outdoor worship
 18 activities; (b) property used for ancillary and accessory purposes as allowed under the local zoning ordinance,
 19 the dominant purpose of which is to support or augment the principal religious worship use; ~~and~~ (c) *property*
 20 *on which a new structure is being built to replace or rebuild a church or other building for religious worship,*
 21 *with the intention that such structure will be exclusively occupied or used for religious worship or for the*
 22 *residence of the minister of any church or religious body; and (d) property used as required by federal, state,*
 23 *or local law.*

24 *b.* *For property exempt pursuant to clause (c) of subdivision a, the taxpayer shall be required to*
 25 *demonstrate to the satisfaction of the locality that (i) the property was exempt pursuant to clause (c) of*
 26 *subdivision a prior to the rebuilding or replacement of the structure; (ii) construction of the replacement or*
 27 *rebuilt structure will commence no later than six months after discontinuation of the former use of the*
 28 *property; (iii) the property will be used for no other purpose during the construction of such building; (iv) a*
 29 *reasonable timeline exists for completion of the structure and construction is proceeding at an appropriate*
 30 *pace; and (v) after completion, the property will be exclusively occupied or used for religious worship or for*
 31 *the residence of the minister of any church or religious body.*

32 3. Nonprofit private or public burying grounds or cemeteries.

33 4. Property owned by public libraries, law libraries of local bar associations when the same are used or
 34 available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical
 35 associations when the same are used or available for use by state health officials, incorporated colleges or
 36 other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily
 37 used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to
 38 industrial schools which sell their products to other than their own employees or students.

39 5. Property belonging to and actually and exclusively occupied and used by the Young Men's Christian
 40 Associations and similar religious associations, including religious mission boards and associations, orphan
 41 or other asylums, reformatories, hospitals and nunneries, conducted not for profit but exclusively as charities
 42 (which shall include hospitals operated by nonstock corporations not organized or conducted for profit but
 43 which may charge persons able to pay in whole or in part for their care and treatment).

44 6. Parks or playgrounds held by trustees for the perpetual use of the general public.

45 7. Buildings with the land they actually occupy, and the furniture and furnishings therein belonging to any
 46 benevolent or charitable organization and used by it exclusively for lodge purposes or meeting rooms,
 47 together with such additional adjacent land as may be necessary for the convenient use of the buildings for
 48 such purposes.

49 8. Property of any nonprofit corporation organized to establish and maintain a museum.

50 B. Property, belonging in one of the classes listed in subsection A of this section, which was exempt from
 51 taxation on July 1, 1971, shall continue to be exempt from taxation under the rules of statutory construction
 52 applicable to exempt property prior to such date.

53 **2. That the provisions of this act shall be applicable to tax years on and after January 1, 2023.**

ENROLLED

HB2302ER