

**REPORT OF THE
JOINT SUBCOMMITTEE STUDYING
REAL ESTATE TAX PROCEDURES
AND LAND USE
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY OF VIRGINIA**



SENATE DOCUMENT NO. 14

**COMMONWEALTH OF VIRGINIA
RICHMOND
1983**

MEMBERS OF THE JOINT SUBCOMMITTEE

Senator John C. Buchanan, Chairman
Delegate Raymond R. Guest, Jr., Vice-Chairman
Senator Charles J. Colgan
Senator William A. Truban
Delegate C. Richard Cranwell
Delegate A. Ray Hull
Delegate Warren G. Stambaugh
Senator Howard P. Anderson
Senator Richard J. Holland
Senator Eva F. Scott

STAFF

Virginia Division of Legislative Services
John A. Banks, Jr., Director

**Report of the
Joint Subcommittee Studying
Real Estate Tax Procedures
and Land Use
To
The Governor and the General Assembly of Virginia
Richmond, Virginia
January, 1983**

To: Honorable Charles S. Robb, Governor of Virginia

I. INTRODUCTION

The study of real estate tax procedures was created by Senate Joint Resolution No. 59 adopted by the 1982 Session of the Virginia General Assembly.

Senate Joint Resolution No. 59 reads as follows:

WHEREAS, the real estate tax is the most significant source of local revenue; and

WHEREAS, the growth of population, inflation, and increasing financial pressures have forced local governments to increase property taxes to the extent that they have become a heavy burden on owners of real estate; and

WHEREAS, as the rates of tax and the assessments increase, the fairness of the difficult valuation process and the adequacy of appeal mechanisms become more important; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Committees on Finance of the Senate and House of Delegates are requested to study the administration of the real estate tax, including the following subjects:

1. The need for a more diversified classification of real estate for assessment purposes, with more detailed and descriptive specifications;
2. Desirable attributes of real estate assessors, their training and familiarity with factors affecting local real estate values;
3. The possibility of achieving greater uniformity, thoroughness, accuracy and fairness of assessments by more effective gathering and utilization of information;
4. The appropriate degree of state participation in the assessment process;
5. The adequacy of the appeal process, and especially the desirability of expanding the duties of local equalization boards, creating a state equalization board, or permitting taxpayers to join together to pursue their remedies in court; and
6. The role of use assessment in distributing the tax burden.

The subcommittee to conduct the study shall be composed as follows: three members of the Senate Finance Committee, appointed by the Chairman of the Senate Privileges and Elections Committee and four members of the House Finance Committee, appointed by the chairman thereof.

The subcommittee shall complete its work in time to report its findings to the 1983 Session of the General Assembly.

Pursuant to this directive Senators John C. Buchanan, Charles J. Colgan and William A. Truban were appointed from the Senate Finance Committee and Delegates C. Richard Cranwell, Raymond R. Guest, A. Ray Hull, and Warren G. Stambaugh were appointed from the House Finance Committee. At its first meeting the joint subcommittee unanimously selected Senator John C. Buchanan as Chairman and Delegate Raymond R. "Andy" Guest, Jr., as Vice-Chairman. In addition, the joint

subcommittee requested Senator Eva F. Scott, the patron of the study resolution, to sit with the joint subcommittee at its meetings.

The joint subcommittee examined in the course of two public hearings and five regular meetings the entire area of the administration of the real estate tax including the valuation process, the training of assessment personnel, the definition of fair market value, appeal mechanisms and the role of the local board of equalization. In addition, the joint subcommittee explored issues in the land use area and discovered that a Senate study of land use taxation issues had been established pursuant to Senate Resolution No. 28 which was introduced by Senator Colgan. The joint subcommittee invited this subcommittee which consisted of Senator Colgan and Senators Howard P. Anderson and Richard J. Holland to meet with the real estate administration joint subcommittee since both groups were charged with examining land use taxation issues.

II. SCOPE OF STUDY

In the course of the joint subcommittee's two public hearings and five regular meetings the joint subcommittee studied a wide range of topics in the real estate tax procedures and administration areas. The issues considered as well as alternatives discussed are detailed in the following outline.

A. Appraiser/Assessor.

1. No particular training or skill is required for a person to be an appraiser or assessor while working on a local general reassessment.

Alternatives. -Require an appraiser and/or an assessor to pass a written examination administered by the Department of Taxation and be certified by the State Tax Commissioner.

-Require that a certain amount of training be received by assessors. (The Department of Taxation is currently required to provide a continuing education program for assessing officers and members of boards of equalization under § 58-33.1)

-Require the Department of Taxation to keep a register of individuals and firms which are qualified to conduct general reassessments.

B. The General Reassessment.

1. There appears, to some citizens at least, to be a lack of understanding concerning the procedures, policies, and mechanisms involved in the general reassessment of real property (58-758 et. seq.)

Alternatives -Require a locality, before the general reassessment, to hold a public hearing to explain the procedures of the general reassessment and also provide general ranges of local values.

-Require the Department of Taxation to publish an appraisal manual.

-Require the Department of Taxation to publish a procedural manual listing the Code requirements for general reassessments. This would, of course, be updated annually.

-Require that every parcel of property which is reassessed be viewed by the person making the appraisal.

C. Fair Market Value.

1. Some have suggested that the term “fair market value” should be defined as the amount received by the seller rather than that paid by the buyer.

Alternative - Recommend that the term “fair market value” exclude real estate commissions, fees for credit reports, survey fees, attorney fees, etc.

2. Establish a definition of fair market value in the Code.

Alternative -Recommend the definition similar to the one adopted to the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers.

3. With the proliferation of creative financing techniques and the decreased use of standard 30 year, fixed rate mortgages to finance the purchases of real property, it is not possible to simply look at the purchase price of a piece of property to determine fair market value.

Alternative -Require additional disclosures before any real estate transfer is recorded. For example, require disclosure of all financing terms, filled out by buyer or seller and notarized. Access to information could be limited to the offices of the clerk and assessor.

D. Land Use Taxation.

1. Although the Commonwealth adopted a local option program for special assessments for agricultural, horticultural, forest or open space land, since the preservation of such real estate is a matter of vital public interest, some localities exclude certain types of property from the local land use program (§ 58-769.6).

Alternatives - Require localities which enact the local option program of land use assessment to adopt the program for all four classes of land use property.

-Require localities which adopt land use to utilize, for assesment purposes, the recommendations of value as made by the State Land Evaluation Advisory Committee (§ 58-769.11).

2. The Joint Subcommittee has explored abuses in the land use program for forest land in certain rapidly developing areas whereby developers hold forest land for future development into shopping centers, high rises, etc., while paying taxes on the basis of use. Clearly, these individuals are not preserving forest land but are receiving a tax break even though they are subject to pay 5 years of rollback taxes and interest charges at the time the use changes. The problem is to find a solution which will eliminate developers but not hurt legitimate foresters and farmers.

Alternatives - Increase the roll-back period from the present 5 years and/or the interest rate.

-Increase the minimum acreage requirement for forest land from the present 20 acres. As an alternative, the current minimum could be retained for forestland owners which also have agricultural use property but increased for others. (58-769.5)

-Provide that if the owners or agent requests more intensive zoning the roll-back be applied immediately.

-Amend Basic School Age Formula to require use values be used in lieu of true value for property taxed and assessed on the basis of use.

E. Board of Equalization.

1. In certain instances a locality is not required to appoint a Board of Equalization as the first avenue of appeal during a general reassessment of real property (§ 58-895 and §58-898).

Alternative -Require all localities to establish a Board of Equalization during the general reassessment so that taxpayers have at least this avenue of appeal available.

-Should the Board of Equalization be appointed for general reassessments or should the Board be available during interim periods? If the Board is established on a permanent basis should the membership terms be staggered?

-Should the Board continue to be appointed (in most cases) by Circuit Court?

-Require taxpayer to appeal to assessor before appeal to Board of Equalization.

-Should members of Board of Equalization and Board of Assessors continue to be freeholders? (§58-789, §58-899)

2. The Board of Equalization is charged with “equalizing” all assessments brought to their attention and making them uniform (§ 58-904). This charge may be incomplete since they are not charged with equalizing assessments at the correct level. In other words, the Board is not charged with determining correct assessments but rather is charged with comparing two or more similar properties to make sure their assessments are uniform.

Alternative - Require Board of Equalization to not only hear complaints and equalize assessments but also review them for correctness to fair market value and the ranges of value the locality has adopted.

3. The Board of Equalization is a separate, independent Board which passes judgement on the work done by the local assessors and the locality. It should be distinct and separate from these entities and individuals.

Alternative - Require that all members of the Board of Equalization, as well as all staff, if any, not be previously involved with the general reassessment.

4. Currently, Virginia law prohibits property owners of mineral lands from appealing their assessments to the local Board of Equalization (§ 58-915).

Alternative - Provide that property owners of mineral lands have the same appeal procedures as any other taxpayer.

5. Other issues dealing with the composition and tenure of the Board of Equalization

Alternative -Should any qualification be required to serve on Board of Equalization? (example-require at least one person with appraisal background).

-Should Board be required to publish a record of proceedings?

-Should guidelines be established as to how Board of Equalization should operate, for example, require each taxpayer to be heard in person.

F. Further Appeals Procedures.

1. Should there be another avenue of appeal after the Board of Equalization but before the Circuit Court?

Alternative -Create some type of regional appeal board.

-Create Small Claims Court

-Create Arbitration Panel of 3 individuals (one appointed by Board of Supervisors, one by taxpayer, and one jointly agreed to).

F. Other Issues

-Amend Constitution to allow local option homestead exemption for homeowners.

-Amend Constitution to forbid assessment increases of more than 2% per year (until property changes ownership).

-Require that in appraising mobile homes "Blue Book" value be used.

-Amend § 58-1145 to delete the requirement that "...the Commissioner (of the Revenue) shall apply to the appropriate court, in the manner herein provided for relief of the taxpayer."

-Require tax exempt property to seek reapplication every 3 years.

The joint subcommittee discussed all the issues except the "other issues" listed in part F. The joint subcommittee was of the opinion that the issues in part F were more a question of policy, and therefore, were as well as being beyond the scope of real estate tax procedures and administration.

Before presenting the recommendations the joint subcommittee wishes to note that consideration was given to requiring disclosures of financing terms to be made before any real estate transfer is recorded. This was recommended by the Virginia Association of Assessing Officers (VAAO) in order to allow the assessors to attempt to exclude the value of creative financing arrangements which inflate the purchase price. Although the joint subcommittee views this legislation favorably, the joint subcommittee is aware of a number of legislators who are introducing the legislation and is deferring to them.

III. RECOMMENDATIONS

The joint subcommittee is recommending that changes be made in a number of areas and to this end the joint subcommittee is introducing three pieces of legislation.

The first piece of legislation concerns the required training of assessment personnel, a mandatory board of equalization during general reassessments, and allowing owners of mineral lands to appeal their assessment to the board of equalization in the same manner as all other taxpayers.

The joint subcommittee has been studying the requirements for persons to become appraisers and assessors of property in Virginia. The joint subcommittee has found that there is no particular training or skill that is required. Although the joint subcommittee does not wish to have the state dictate mandates to localities, based on the complexity of valuing property and the fact that the property tax is by far the most important revenue source of local governments, the joint subcommittee is of the opinion that there should be some combination of education, training or experience which should be obtained before a person is allowed to assess property. The joint subcommittee also realizes the diversity of needs in the Commonwealth as well as the various levels of required skills for different assessment officials. The joint subcommittee is recommending that the Virginia Department of Taxation be charged with prescribing the required levels of education training and experience to fill the various positions in the assessors office. The Joint Subcommittee notes that currently the Department certifies the local fulltime assessors of localities, and thus, this

recommendation is a logical extension of its current duty.

Another recommendation concerns the local board of equalization. The joint subcommittee notes that approximately 70 localities have no board of equalization available to hear taxpayer complaints regarding reassessments. The joint subcommittee observes that in those localities which have general reassessments conducted by a local board of assessors, if there is no local board of equalization the next level of appeal is the Circuit Court. For most taxpayers, because of the expense involved, this is for all practical purposes not an available avenue of appeal.

For this reason, the joint subcommittee recommends that all localities have a board of equalization. The recommendation provides that if there are no complaints then the board will be deemed to have completed their work. If there are complaints, it is important that taxpayers have this appeals mechanism.

The joint subcommittee has also recommended that the board be appointed by the local circuit court judge while the assessors be appointed by the governing body. In this way, there will be more separation between the assessment and appeal.

The joint subcommittee found in its study that owners of mineral lands are treated differently in terms of appeal procedures. Mineral land owners are prohibited from appealing their assessments to the board of equalization. The joint subcommittee can find no reason why these landowners cannot have the same avenues of appeal as all other land owners and recommends that mineral land owners have access to the local board of equalization.

The second piece of legislation the joint subcommittee is recommending concerns the land use taxation area. The joint subcommittee has explored the abuses in the land use program especially where developers and speculators hold land in land use, receive the land use tax breaks, but with no interest or commitment in retaining the land in its land use category. The problem is that the joint subcommittee does not want to recommend anything that would hurt the legitimate users of the program.

After a discussion of numerous alternatives and consultation with local governments the joint subcommittee is recommending that the present 5 year roll back period be modified to a local option rollback period in each locality with a minimum roll back of 5 years and maximum roll back period of 12 years. In this way localities would have more flexibility in dealing with the abuses in the land use programs. Thus, localities with no serious problems could retain the present 5 year rollback and those with more serious land use abuse problems could increase the rollback period up to a maximum of 12 years. It should be noted that the rollback period would only apply when the land was taken out of its land use category.

The final piece of legislation submitted by the joint subcommittee is a bill which contains some "housekeeping" changes of old language in the Code.

The joint subcommittee recommends this legislation to the 1983 Session.

Respectfully submitted,

Senator John C. Buchanan

Delegate Raymond R. Guest Jr.

Senator Charles J. Colgan

Senator William A. Truban

Delegate C. Richard Cranwell

Delegate A. Ray Hull

Delegate Warren G. Stambaugh

Senator Howard P. Anderson

Senator Richard J. Holland

Senator Eva F. Scott

1983 SESSION

LD6741108

SENATE BILL NO. 271

Offered January 24, 1983

A BILL to amend and reenact §§ 58-763, 58-790, 58-792.02, 58-795.2, 58-812 and 58-817.1 of the Code of Virginia, relating to administration of the property tax generally.

Patrons—Buchanan, Colgan, Truban, and Holland, R. J.; Delegates: Craawell, Stambaugh, and Guest

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58-763, 58-790, 58-792.02, 58-795.2, 58-812 and 58-817.1 are amended and reenacted as follows:

§ 58-763. How assessed value changed; improvements; correction by court or board of equalization.—The value of real estate as ascertained at a general reassessment and the ascertained value of the new grants which may hereafter be entered and assessed shall only be changed to allow the addition of the value of improvements, or a total or partial deduction of the value of such improvements or an addition to or total or partial deduction from the value of the real estate caused by any easement affecting the real estate, except so far as the same are directed to be corrected by a court of competent jurisdiction or by the local board of equalization in the exercise of powers expressly conferred by law. *Routine maintenance shall not be considered as improvements.*

§ 58-790. Assessment of values.—~~The person or persons, or officer or officers, assessors or appraisers~~ designated under the provisions of this article shall, as soon as practicable after being so designated, proceed to ~~examine~~ *ascertain and assess the fair market value* of all lands and lots assessable by ~~him, or them,~~ with the improvements and buildings thereon, ~~within his or their city or county,~~ and shall, upon examination, ascertain and ~~assess the fair market value thereof.~~ *They shall make a physical examination thereof if requested by the taxpayer, and in all other cases where they deem it advisable.*

§ 58-792.02. Public disclosure of certain assessment records.—A. All property appraisal cards or sheets within the custody of a county, city or town assessing officer, except those cards or sheets containing information made confidential by § 58-46, shall be open, after the notice of reassessment is mailed as provided in § 58-792.01, for inspection during the normal office hours of such official by any taxpayer or his duly authorized representative, desiring to review such cards or sheets.

B. Any taxpayer or his duly authorized representative, whose real property has been assessed for taxation, shall upon request, be allowed to examine the working papers used by any such assessing official in arriving at the appraised and assessed value of such person's land and improvements thereon, if any.

C. The assessing officer of the governing body may fix and promulgate a limited period within normal office hours when such records shall be available for inspection *and copying*, but such period of time may not be less than four hours per day on Monday through Friday, except on such days when the office is otherwise closed.

58-795.2. Failure of county or city to comply with law on general reassessment of real

1 estate.—If any county or city shall fail to comply with the provisions of this article
 2 requiring a general reassessment of real estate periodically in such county or city by
 3 omitting such general reassessment in the year required by this article, or by failing to
 4 comply with the provisions of § 58-760 requiring assessment at one hundred percent of fair
 5 market value, the Department of Taxation, on receiving proof of such delinquency, shall so
 6 notify the Comptroller, whereupon the Comptroller shall withhold from such county or city
 7 the payment of its share of the net profits of the operation of the alcoholic beverage
 8 control system as provided for by § 4-22, as amended, until such time as the provisions of
 9 § 58-760 have been complied with in such county or city. Results of the Tax Department's
 10 official assessment sales ratio study showing such county or city to have a sales assessment
 11 ratio lower than seventy percent for the year a general reassessment or annual assessment
 12 is effective shall be ~~conclusive~~ *prima facie* proof that such locality has failed to assess at
 13 ~~one hundred~~ 100 percent.

14 The Department shall notify the Comptroller to pay over the accumulated profits, less a
 15 penalty charge of eight percent ~~per annum~~ *annually* on receipt of the results of an official
 16 assessment sales ratio study showing such county or city to have a sales assessment ratio
 17 higher than seventy percent.

18 § 58-812. Repairs and additions.—Any building and enclosure, as aforesaid, which may
 19 have been increased in value to ~~five hundred dollars~~ *by \$500 or upwards more*, by
 20 repairs or additions thereto, shall be assessed in the same manner as if they were new.

21 § 58-817.1. Property appraisal cards or sheets.—Each county, city or town assessing
 22 officer shall maintain current property appraisal cards or sheets for all parcels of real
 23 estate assessed and assessable by him. Any such assessing officer who maintains such
 24 property appraisal cards or sheets shall include thereon the appraised value of the property
 25 and improvements, if any, and the calculations *and methodology* used in determining the
 26 assessed value of such property and improvements.

27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

Official Use By Clerks	
Passed By The Senate	Passed By The House of Delegates
without amendment <input type="checkbox"/>	without amendment <input type="checkbox"/>
with amendment <input type="checkbox"/>	with amendment <input type="checkbox"/>
substitute <input type="checkbox"/>	substitute <input type="checkbox"/>
substitute w/amdt <input type="checkbox"/>	substitute w/amdt <input type="checkbox"/>
Date: _____	Date: _____
_____ Clerk of the Senate	_____ Clerk of the House of Delegates

1983 SESSION

LD6744108

SENATE BILL NO. 274

Offered January 24, 1983

A BILL to amend and reenact §§ 58-769.15, 58-774.2, 58-776.1, 58-785, 58-786, 58-789, 58-795, 58-895, 58-897, 58-899, 58-903, and 58-915; to amend the Code of Virginia by adding a section numbered 58-33.4; and to repeal §§ 58-774.1, 58-776.4, 58-787, and 58-898 of the Code of Virginia, the amended, added and repealed sections pertaining generally to boards of equalization and the assessment of real property.

Patrons—Buchanan, Colgan, Truban, and Holland, R. J.; Delegates: Cranwell, Stambaugh, and Guest

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58-769.15, 58-774.2, 58-776.1, 58-785, 58-786, 58-789, 58-795, 58-895, 58-897, 58-899, 58-903, and 58-915 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding a section numbered 58-33.4, as follows:

§ 58-33.4. Publication of procedures manual.—The Tax Commissioner shall annually make available to every county and city a general reassessment procedures manual which provides the legal requirements for conducting general reassessments.

§ 58-769.15. Application of other provisions of Title 58.— A. The provisions of Title 58 of the Code of Virginia applicable to local levies and real estate assessment and taxation shall be applicable to assessments and taxation hereunder mutatis mutandis including, without limitation, provisions relating to tax liens, boards of equalization and the correction of erroneous assessments and for such purposes the roll-back taxes shall be considered to be deferred real estate taxes.

B. The circuit court of any city or county which has adopted an ordinance under this chapter, in which the average value in any category for agricultural, horticultural, forest or open space use established pursuant to § 58-769.9 exceeds for that category the recommendations of value of such real estate as made by the State Land Evaluation Advisory Committee, and which has no board of equalization in existence, shall appoint a special board of equalization to review land use assessments on receipt of a petition signed by twenty-five freeholders in the county or city who own property assessed under § 58-769.9. Such board shall be composed of not less than three nor more than five members who shall be freeholders in the county or city and citizens thereof, and shall serve until the end of the tax year in which they were appointed. Any vacancy on such board shall be filled for the unexpired term by the authority making the original appointment. Such board shall have the same authority over assessments made under § 58-769.9 as that prescribed for equalization boards under chapter 19 of this title (§ 58-895 et seq.). The remedies provided in this subsection shall be in addition to those referred to in subsection A.

§ 58-774.2. Mineral lands and minerals to be included in general reassessment of real estate.—Notwithstanding § 58-774, whenever there is a general reassessment of real estate in any county or city, mineral lands and minerals shall be included in the general reassessment, but shall be separately assessed from other real estate, and the

1 ~~court-appointed~~ assessor or assessors shall be governed by the provisions of § 58-774 in
2 making the assessment. Taxes for each year on the mineral lands and minerals assessed
3 under this section shall be extended by the commissioner of the revenue on the basis of
4 the last general reassessment made prior to such year, subject to such changes as may be
5 made by him in performing his annual duties under § 58-774, and in performing such
6 annual duties he shall adjust the assessed values in such manner as to reflect such changes
7 as may have occurred during the preceding year, especially such changes as may have
8 operated to increase or decrease (1) the area and the value of such portion of each tract
9 as is improved and under development, (2) the value of the improvements upon each tract,
10 and (3) the area and value of such portion of each tract as shall not be under
11 development.

12 Every county in which there are mineral lands shall have a general reassessment of
13 real estate in the year prescribed by law, even though the greater part of the area of the
14 county consists of mineral lands.

15 The Department of Taxation shall render advisory aid and assistance of a technical
16 nature to the ~~court-appointed~~ assessor or assessors, in making a general reassessment of
17 mineral lands and minerals, upon request of the governing body of the county or city, or
18 to the commissioner of the revenue, upon his request, provided moneys are available to the
19 Department to defray the cost thereof.

20 § 58-776.1. Annual assessment and reassessment in cities having not more than 30,000
21 population. —The governing body of any city having a population not in excess of thirty
22 thousand ~~30,000~~ may, in lieu of the reassessment provided by general law, by ordinance
23 provide for the annual assessment and reassessment and equalization of assessments of real
24 estate therein, and to that end may appoint a professional real estate assessor certified by
25 the Department of Taxation, or a board of assessors, to assess and from time to time
26 reassess for taxation in such city, and shall prescribe the duties and terms of office of the
27 assessor or assessors. ~~In the event that such city has no board of assessors, it shall have a~~
28 ~~board of equalization to be appointed as provided in chapter 19 (§ 58-805 et seq.) of this~~
29 ~~title.~~

30 § 58-785. Provisions for annual or biennial assessment not repealed.—Nothing contained
31 in this article shall be construed as repealing or amending any provisions of law
32 authorizing or permitting the annual *or biennial* assessment or reassessment of real estate
33 in cities or counties, except as hereinafter expressly provided. *The supervisors, assessors*
34 *and appraisors conducting all such assessments shall have the qualifications prescribed by*
35 *the Department of Taxation for the particular position held, which shall include such*
36 *combination of education, training and experience as deemed necessary for the*
37 *performance of their duties.*

38 § 58-786. By whom reassessment made in cities and counties.—Every such general
39 reassessment of real estate in a city *or county* shall be made by (a) a professional
40 assessor appointed by the governing body, certified as qualified by the Department of
41 Taxation; or (b) a board of assessors of not less than three nor more than five freeholders
42 within the *such city or county*, designated for that purpose by the circuit court of the city
43 or by a judge thereof in vacation. In the event that no board of assessors is appointed
44 under subsection (b), the governing body shall request the circuit court to appoint a board

1 of equalization under chapter 19 (~~§ 58-895 et seq.~~) of this title. In any case, the appointed
 2 by the governing body. The assessors shall be designated on or after the first day of July
 3 in the year immediately preceding the year in which the general reassessment of real
 4 estate is required to be made.

5 § 58-789. Qualifications of assessors and appraisers; removal and appointment of
 6 substitute.— A. Any board of assessors appointed under the authority of this article shall be
 7 freeholders in the county or city for which they serve and shall be selected by the court
 8 ~~or judge appointed by the governing body~~ from the citizens of the county or city. If at any
 9 time the court, or judge in vacation, the governing body is satisfied that any such assessor
 10 appointed under this article will not, or from any cause cannot, perform the duties
 11 devolved on him, the court, or judge in vacation, the governing body may wholly supersede
 12 him and appoint another in his place. In order to be eligible for appointment, each
 13 prospective member of such board shall attend and participate in the basic course of
 14 instruction given by the Department of Taxation under § 58-33.1.

15 B. All supervisors, appraisers, and personnel employed by the board of assessors to
 16 perform the general reassessment shall have the qualifications prescribed by the
 17 Department of Taxation for the particular position held, which shall include such
 18 combinations of education, training and experience as are deemed necessary for the
 19 performance of their duties. The provisions of this article as to the appointment or removal
 20 of such assessors shall apply to any appointments heretofore or hereafter made.

21 § 58-795. Reassessment in towns; appeals of assessments.—In any incorporated town there
 22 may be for town taxation and debt limitation, a general reassessment of the real estate in
 23 any such town in the year designated, and every fourth year thereafter, that the council of
 24 such town shall declare by ordinance or resolution the necessity therefor. Every such
 25 general reassessment of real estate in any such town shall be made by a board or
 26 assessors consisting of three resident freeholders, who hold no official office or position
 27 with the town government, appointed by the council of such town for each general
 28 reassessment and the compensation of the person so designated shall be prescribed by the
 29 council and paid out of the town treasury. The assessors so designated shall assess the
 30 property in accordance with the general law and Constitution of Virginia. If for any cause
 31 the board is unable to complete an assessment within the year for which it is appointed,
 32 the council shall extend the time therefor for three months. Any vacancy in the
 33 membership of the board shall be filled by the council within thirty days after the
 34 occurrence thereof, but such vacancy shall not invalidate any assessment. The assessments
 35 so made shall be open for public inspection after notice of such inspection shall have been
 36 advertised in a newspaper of general circulation within the town at least five days prior to
 37 such date or dates of inspection. Within thirty days after the final date of inspection the
 38 assessors shall file the completed reassessments in the office of the town clerk and at the
 39 same time forward to the Department of Taxation a copy of the recapitulation sheets of
 40 such assessments.

41 Any person, firm, or corporation claiming to be aggrieved by any assessment may
 42 within thirty days after the filing of reassessments in the office of the town clerk, apply to
 43 the town council board of equalization for a correction of such assessment by filing with
 44 the town clerk a written statement setting forth wherein he claims to be aggrieved. The

1 ~~council~~ *board of equalization* of every such town shall, within thirty days of the filing of
2 such complaint, fix a date for a hearing on such application and after giving the applicant
3 at least ten days' notice of the time fixed, shall hear such evidence as may be introduced
4 by interested parties and correct the assessment by increasing or reducing the same. *The*
5 *circuit court having jurisdiction within the town shall, in each tax year immediately*
6 *following the year in which a general reassessment was conducted, appoint for such town*
7 *a board of equalization of real estate assessments made up of three to five citizens of the*
8 *town.*

9 Town taxes for each year on real estate subject to reassessment shall be extended on
10 the basis of the last general reassessment made prior to such year subject to such changes
11 as may have been lawfully made. The town tax assessor shall make changes required by
12 new construction, subdivision and disaster loss. The council of any town may provide by
13 ordinance that it will have a general reassessment of real estate in the town in the year
14 designated by the town council and every year thereafter; the town council may declare
15 the necessity for such general reassessment by such ordinance; in all other respects this
16 section shall be controlling. No county or district levies shall be extended on any
17 assessments made under the provisions of this section.

18 Any town which has failed to conduct a general reassessment within five years shall
19 use only those assessed values assigned by the county.

20 § 58-895. Appointment.—A. The circuit court having jurisdiction within each city *and*
21 *each county other than those counties operating under § 58-897* shall, in each tax year
22 *immediately* following the year a general reassessment or annual or biennial assessment is
23 conducted in such city *or county* , appoint for such city *or county* a board of equalization
24 of real estate assessments ~~unless such assessment or reassessment is made by a board of~~
25 ~~assessors composed of freeholders~~ , *unless such county or city has a permanent board of*
26 *equalization appointed according to law*

27 B. The council of any city ~~not required to have a board of equalization under~~
28 ~~subsection A may establish such board in any year by majority vote.~~ Such board shall be
29 ~~appointed by the circuit court having jurisdiction within such city.~~

30 C. The term of any board of equalization appointed under the authority of this section
31 shall expire six months after the effective date of the assessment for which they were
32 appointed.

33 § 58-897. Appointment in counties with county executive or county manager form of
34 government.—Unless such county has a permanent board of equalization appointed according
35 to law, the board of county supervisors or other governing body of any county operating
36 under the county executive form of government, or the county manager form of
37 organization and government provided for in chapter ~~chapter~~ *Chapter* 13 (§ 15.1-582 et seq) or
38 ~~chapter~~ *Chapter* 14 (§ 15.1-669 et seq.) of Title 15.1 of this Code, shall for the year
39 following any year a general reassessment or annual or biennial assessment is conducted
40 ~~without the use of a board of assessors composed of freeholders, and may in any other~~
41 ~~year, create and appoint for the county a board of equalization of real estate assessments.~~
42 The terms of the members of any board so appointed shall expire on December ~~thirty-first~~
43 ~~31~~ of the year in which they are appointed.

44 § 58-899. Qualifications of members; vacancies.—Every board of equalization shall be

1 composed of not less than three nor more than five members who shall be freeholders in
 2 the county or city for which they are to serve and who shall be selected by the court or
 3 judge from the citizens of the county or city. *No member of the board of assessors shall*
 4 *be eligible for appointment to the board of equalization for the same reassessment.* In
 5 order to be eligible for appointment, each prospective member of such board shall attend
 6 and participate in the basic course of instruction given by the Department of Taxation
 7 under § 58-33.1. Any vacancy occurring on any board of equalization shall be filled for the
 8 unexpired term by the authority making the original appointment.

9 § 58-903. *Sittings; notices thereof.*—Each board of equalization shall sit at and for such
 10 time or times as may be necessary to discharge the duties imposed and to exercise the
 11 powers conferred by this chapter. Of each sitting public notice shall be given at least ten
 12 days beforehand by publication in a newspaper having general circulation in the county or
 13 city and, in a county, also by posting the notice at the courthouse and at each voting
 14 precinct. Such posting shall be done by the sheriff or his deputy. Such notice shall inform
 15 the public that the board shall sit at the place or places and on the days named therein
 16 for the purpose of equalizing real estate assessments in such county or city and for the
 17 purpose of hearing all complaints of inequalities including errors in acreage in such real
 18 estate assessments.

19 The governing body of any county or city may provide by ordinance the date by which
 20 applications must be made by property owners or lessees for relief. Such date shall not be
 21 earlier than thirty days after the termination of the date set by the assessing officer to
 22 hear objections to the assessments as provided in § 58-792.01. Such governing body may
 23 also provide by ordinance the deadline by which all applications must be finally disposed
 24 of by the board of equalization. All such deadlines shall be clearly stated on the notice of
 25 assessment. *If no applications for relief are received by such date, the board of*
 26 *equalization shall be deemed to have discharged its duties.*

27 § 58-915. Chapter not applicable to real estate assessable by Corporation Commission.—
 28 This chapter shall not apply to mineral lands nor to any real estate which is assessable
 29 under the law by the State Corporation Commission.

30 2. That §§ 58-774.1, 58-776.4, 58-787, and 58-898 of the Code of Virginia are repealed.

31 3. That the provisions of this act shall become effective January 1, 1984.

32
33
34
35
36
37
38
39
40
41
42
43
44

Official Use By Clerks	
Passed By The Senate	Passed By The House of Delegates
without amendment <input type="checkbox"/>	without amendment <input type="checkbox"/>
with amendment <input type="checkbox"/>	with amendment <input type="checkbox"/>
substitute <input type="checkbox"/>	substitute <input type="checkbox"/>
substitute w/amdt <input type="checkbox"/>	substitute w/amdt <input type="checkbox"/>
Date: _____	Date: _____
Clerk of the Senate	Clerk of the House of Delegates

1983 SESSION

LD6411108

SENATE BILL NO. 276

Offered January 24, 1983

A BILL to amend and reenact § 58-769.10 of the Code of Virginia, relating to the roll-back tax period.

Patrons—Buchanan, Colgan, Truban, and Holland, R. J.; Delegates: Cranwell, Stambaugh, and Guest

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58-769.10 of the Code of Virginia is amended and reenacted as follows:

§ 58-769.10. Change in use of real estate assessed under ordinance; roll-back taxes.—A. When real estate qualifies for assessment and taxation on the basis of use under an ordinance adopted pursuant to this article, and the use by which it qualified changes, to a nonqualifying use, it shall be subject to additional taxes, hereinafter referred to as roll-back taxes, in an amount equal to the amount, if any, by which the taxes paid or payable on the basis of the valuation, assessment and taxation under such ordinance were exceeded by the taxes that would have been paid or payable on the basis of the valuation, assessment or taxation of other real estate in the taxing locality in the year of the change and in each of the five years immediately preceding the year of the change, plus simple interest on such roll-back taxes at the same interest rate applicable to delinquent taxes in such locality, pursuant to § 58-847 or § 58-964 ; *however, the governing body may extend the roll-back up to a period of twelve years* . If in the tax year in which the change of use occurs, the real estate was not valued, assessed and taxed under such ordinance, the real estate shall be subject to roll-back taxes for such ~~of the five~~ years of the roll-back period immediately preceding in which the real estate was valued, assessed and taxed under such ordinance.

B. In determining roll-back taxes chargeable on real estate which has changed in use, the treasurer shall extend the real estate tax rates for the current and ~~next~~ preceding five years of the roll-back period , or such lesser number of years as the property may have been taxed on its use value, upon the difference between the value determined under § 58-769.9 (d) and the use value determined under § 58-769.9 (a) for each such year.

C. Liability to the roll-back taxes shall attach when a change in use occurs but not when a change in ownership of the title takes place if the new owner continues the real estate in the use for which it is classified under the conditions prescribed in this article and in the ordinance. The owner of any real estate rezoned as provided in subsection D, or liable for roll-back taxes shall, within sixty days following such change in use, or zoning, report such change to the commissioner of the revenue or other assessing officer on such forms as may be prescribed. The commissioner shall forthwith determine and assess the roll-back tax, which shall be assessed against and paid by the owner of the property at the time the change in use which no longer qualifies occurs and shall be paid to the treasurer within thirty days of the assessment.

D. If at any time after July one, nineteen hundred eighty ~~1~~ 1980, the zoning of

1 property taxed under the provisions of this article is changed to a more intensive use at
 2 the request of the owner or his agent, such property shall not be eligible for assessment
 3 and taxation under this article for the years such change is effective or any subsequent tax
 4 year, but it shall not be subject to roll-back taxes until a change in use occurs. When a
 5 change in use occurs, such owner shall be subject to roll-back taxes as provided in
 6 subsection A for those years the property was taxed in accordance with its use.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

Official Use By Clerks	
<p>Passed By The Senate</p> <p>without amendment <input type="checkbox"/></p> <p>with amendment <input type="checkbox"/></p> <p>substitute <input type="checkbox"/></p> <p>substitute w/amdt <input type="checkbox"/></p>	<p style="text-align: center;">Passed By</p> <p>The House of Delegates</p> <p>without amendment <input type="checkbox"/></p> <p>with amendment <input type="checkbox"/></p> <p>substitute <input type="checkbox"/></p> <p>substitute w/amdt <input type="checkbox"/></p>
Date: _____	Date: _____
_____ Clerk of the Senate	_____ Clerk of the House of Delegates

