

SENATE BILL NO. 693

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee for Courts of Justice

on _____)

(Patron Prior to Substitute--Senator Sturtevant)

A BILL to amend and reenact §§ 55.1-507 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 of single-family homes; restrictions; civil penalty; report.

Be it enacted by the General Assembly of Virginia:

1. That §§ 55.1-507 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.

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 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.

CHAPTER 5.1.

FOREIGN ENTITIES AND PROPERTY OWNERSHIP; PROHIBITED BUSINESSES.

§ 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.

26 "Agricultural operation" means any operation devoted to the bona fide production of crops,
27 animals, or fowl, including the production of fruits and vegetables of any kind; meat, dairy, and poultry
28 products; nuts, tobacco, nursery, and floral products; and the production and harvest of products from
29 silvicultural activity.

30 "Department" means the Department of Agriculture and Consumer Services.

31 "Foreign adversary" means any foreign government or nongovernment person determined by the
32 U.S. Secretary of Commerce to have engaged in a long-term pattern or serious instances of conduct
33 significantly adverse to the national security of the United States or security and safety of United States
34 persons, as set forth in 15 C.F.R. § 7.4 or such successor regulation, declaration, or statute as may exist
35 from time to time.

36 "Interest in agricultural land" means any right, title, or interest, direct or indirect, in and to (i)
37 agricultural land or (ii) any entity or other organization that holds any right, title, or interest, direct or
38 indirect, in and to agricultural land. For purposes of this definition, any interest that taken on its own or
39 together with any other interest held in common or under common control does not give the holder of the
40 interest the ability to possess or occupy the agricultural land in any manner or the power or authority to
41 direct the conduct of the agricultural operation being conducted on the agricultural land, shall not be
42 deemed an "interest in agricultural land" for purposes of this chapter.

43 "Interest in a single-family home" means any right, title, or interest, direct or indirect, in and to (i)
44 a single-family home in the Commonwealth or (ii) any entity or other organization that holds any right,
45 title, or interest, direct or indirect, in and to a single-family home in the Commonwealth.

46 "Prohibited business" means any partnership, corporation, or real estate investment trust that
47 manages funds pooled from investors, is a fiduciary to such investors, and has \$50 million or more in net
48 value or assets under management on any day during a taxable year. "Prohibited business" does not include
49 (i) a nonprofit corporation as defined in § 501(c)(3) of the U.S. Internal Revenue Code or (ii) an
50 organization primarily engaged in the construction or rehabilitation of single-family homes.

51 "Single-family home" means real property or real estate where the only substantial improvement
52 to such real property or real estate in the Commonwealth is a single-family home. "Single-family home"

53 does not include (i) real property or real estate where the only substantial improvement to such real
54 property or real estate is a condominium, townhouse, or multifamily community; (ii) any unoccupied
55 single-family home acquired through foreclosure; or (iii) any single-family home that is not rented or
56 leased and is used as the primary residence of any person with an ownership interest in a prohibited
57 business.

58 **§ 55.1-510. Prohibited acquisition of single-family home; registration; civil penalty.**

59 A. Notwithstanding any other provision of law, in order to protect the health, safety, and welfare
60 of all citizens of the Commonwealth, no prohibited business, nor any agent, trustee, or fiduciary thereof,
61 shall acquire any interest in a single-family home in the Commonwealth on or after July 1, 2025.

62 B. Any prohibited business, or any agent, trustee, or fiduciary thereof, that acquires an interest in
63 a single-family home on or after July 1, 2025, in violation of this section shall divest all right, title, and
64 interest in such land no later than January 1, 2026.

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

72 D. Any prohibited business, or any agent, trustee, or fiduciary thereof, that fails to register as
73 required by this section shall be liable for a civil penalty of \$5,000 for each day of noncompliance, and
74 such civil penalty shall be paid to the Secretary of the Commonwealth. All civil penalties collected
75 pursuant to this subsection shall be deposited into the general fund.

76 E. The clerk of any circuit court of any county or city shall report to the Secretary of the
77 Commonwealth if a prohibited business, or any agent, trustee, or fiduciary thereof, purchases or acquires
78 a single-family home in the locality in violation of this section or if the clerk of the circuit court suspects

79 that a single-family home was purchased or acquired in the locality by a prohibited business, or any agent,
80 trustee, or fiduciary thereof.

81 F. The Secretary of the Commonwealth shall report any violation of this section to the Attorney
82 General if the Secretary finds that a prohibited business, or any agent, trustee, or fiduciary thereof, has
83 acquired or holds title to or an interest in a single-family home in the Commonwealth in violation of this
84 section or has failed to register in violation of this section. If an interest in a single-family home is acquired
85 in violation of this section, a county, city, or town attorney for the locality in which the single-family home
86 is located, the Attorney General, or any non-prohibited business person that was a party to the void
87 transaction or is a subsequent holder of such interest may file an action (i) to eject the prohibited business
88 from possession, (ii) to quiet title to such, or (iii) for any other appropriate action to ratify the nullification
89 of the transaction. Any action brought pursuant to this subsection shall be filed in the circuit court where
90 the subject single-family home is located.

91 **§ 58.1-3912. Local tax officials to mail certain tax documents to taxpayers; penalties;**
92 **electronic transmission.**

93 A. 1. The treasurer of every city and county shall, as soon as reasonably possible in each year, but
94 not later than 14 days prior to the due date of the taxes, send or cause to be sent by United States mail to
95 each taxpayer assessed with taxes and levies for that year a bill or bills setting forth the amounts due. The
96 treasurer may elect not to send a bill amounting to \$20 or less as shown by an assessment book in such
97 treasurer's office. The treasurer may employ the services of a mailing service or other vendor for fulfilling
98 the requirements of this section. The failure of any such treasurer to comply with this section ~~shall be~~ is a
99 Class 4 misdemeanor. Such treasurer shall be deemed in compliance with this section as to any taxes due
100 on real estate if, upon certification by the obligee of any note or other evidence of debt secured by a
101 mortgage or deed of trust on such real estate that an agreement has been made with the obligor in writing
102 within the mortgage or deed of trust instrument that such arrangements be made, he mails the bill for such
103 taxes to the obligee thereof. Upon nonpayment of taxes by either the obligee or obligor, a past-due tax bill
104 will be sent to the taxpayer. No governing body shall publish the name of a taxpayer in connection with a

105 tax debt for which a bill was not sent, without first sending a notice of deficiency to his last known address
106 at least two weeks before such publication.

107 2. Beginning with tax year 2025, in addition to all other information currently appearing on real
108 property tax bills, each such bill required to be sent pursuant to subdivision 1 shall on its face (i) state that
109 certain businesses are restricted from acquiring a single-family home pursuant to Chapter 5.1 (§ 55.1-507
110 et seq.) of Title 55.1 and (ii) describe the prohibited business property registration requirements of § 55.1-
111 510.

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

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

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

124 E. Beginning with tax year 2006, in addition to all other information currently appearing on
125 tangible personal property tax bills, each such bill required to be sent pursuant to subsection A shall state
126 on its face (i) whether the vehicle is a qualifying vehicle as defined in § 58.1-3523; (ii) a statement
127 indicating the reduced tangible personal property tax rates applied to qualifying vehicles resulting from
128 the Commonwealth's reimbursements for tangible personal property tax relief pursuant to § 58.1-3524,
129 and the locality's tangible personal property tax rate for its general class of tangible personal property,
130 provided that such statement shall not be required for tax bills in any county, city, or town that will not
131 receive any reimbursement pursuant to subsection B of § 58.1-3524; (iii) the vehicle's registration number

132 pursuant to § 46.2-604; (iv) the amount of tangible personal property tax levied on the vehicle; and (v) if
133 the locality prorates personal property tax pursuant to § 58.1-3516, the number of months for which a bill
134 is being sent.

135 F. 1. Notwithstanding the provisions of subsection A or the provisions of § 58.1-3330, 58.1-3518,
136 or 58.1-3518.1, the treasurer, commissioner of the revenue, or other local tax official, consistent with
137 guidelines promulgated by the Department of Taxation implementing the provisions of subdivision 2 of §
138 58.1-1820, may convey, with the written consent of the taxpayer, any tax bill or other tax document by
139 electronic means chosen by the taxpayer, including without limitation facsimile transmission or ~~electronic~~
140 ~~mail (email)~~ email, in lieu of posting such bill by first-class mail. The treasurer, commissioner of the
141 revenue, or other local tax official conveying a bill or other tax document by means authorized in this
142 subdivision shall maintain a copy (in written form or electronic media) of the bill or document reflecting
143 the date of transmission until such time as the bill has been satisfied or otherwise removed from the books
144 of the treasurer, commissioner of the revenue, or other local tax official by operation of law. Transmission
145 of a bill or tax document pursuant to this subsection shall have the same force and effect for all purposes
146 arising under this subtitle as mailing to the taxpayer by first-class mail on the date of transmission.

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

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

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

154 **2. That the Virginia Housing Commission shall convene a work group to study and make**
155 **recommendations regarding (i) the type of business that shall qualify as a prohibited business; (ii)**
156 **which governmental entity or entities shall provide oversight for the provisions of this act; (iii) which**
157 **land titles or deeds for single-family homes were acquired by prohibited businesses prior to the July**
158 **1, 2024; (iv) a procedure for maintaining and making accessible to the public a registry of prohibited**

159 businesses that held an interest in single-family homes prior to July 1, 2024; and (v) a procedure for
160 notifying the requirements provided by this act to the necessary parties involved in real estate
161 transactions of single-family homes. The work group shall be composed of representatives from the
162 Virginia Land Title Association and other relevant stakeholders. The work group shall make
163 recommendations, including any regulations regarding implementation and administration, and
164 shall submit a report to the Chairmen of the Senate Committee for Courts of Justice and the House
165 Committee for Courts of Justice by November 1, 2024.

166 3. That the provisions of the first enactment of this act shall become effective on July 1, 2025.

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