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SENATE BILL NO. 95

Offered January 12, 2000

A BILL to amend and reenact §§ 58.1-3506 and 58.1-3609 of the Code of Virginia and to amend the Code of Virginia by adding in Article 3 of Chapter 36 of Title 58.1 a section numbered 58.1-3622, relating to local tax exemptions.

Patrons—Puckett, Houck, Marye, Miller, Y.B., Puller and Reynolds; Delegate: Stump

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3506 and 58.1-3609 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Article 3 of Chapter 36 of Title 58.1 a section numbered 58.1-3622 as follows:

§ 58.1-3506. Other classifications of tangible personal property for taxation.

A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter:

1. Boats or watercraft weighing five tons or more;

2. Aircraft having a maximum passenger seating capacity of no more than fifty which are owned and operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;

3. All other aircraft not included in subdivision A 2 and flight simulators;

4. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;

5. Tangible personal property used in a research and development business;

6. Heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting equipment and ditch and other types of diggers;

7. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment shall include, without limitation, such equipment purchased by firms engaged in the business of generating electricity or steam, or both;

8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in § 36-85.3;

9. Computer hardware used by businesses primarily engaged in providing data processing services to other nonrelated or nonaffiliated businesses;

10. Privately owned pleasure boats and watercraft, eighteen feet and over, used for recreational purposes only;

11. Privately owned vans with a seating capacity for twelve or more persons used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;

12. Motor vehicles specially equipped to provide transportation for physically handicapped individuals;

13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department member, or leased by each volunteer rescue squad member or volunteer fire department member if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer rescue squad member or volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief or head of the volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department who regularly responds to calls or regularly performs other duties for the rescue squad or fire department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer fire department member is identified. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other

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60 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
61 the part of the member, to accept a certification after the January 31 deadline. In any county which
62 prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may
63 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately
64 prior January date is transferred during the tax year;

65 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire
66 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department
67 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor
68 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue
69 squad member may be specially classified under this section. The auxiliary member shall furnish the
70 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
71 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire
72 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle
73 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department
74 member and an auxiliary member are members of the same household, that household shall be allowed
75 only one special classification under this subdivision or subdivision 13 of this section. The certification
76 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;
77 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion,
78 and for good cause shown and without fault on the part of the member, to accept a certification after the
79 January 31 deadline;

80 15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound
81 persons or provide transportation to senior or handicapped citizens in the community to carry out the
82 purposes of the nonprofit organization;

83 16. Privately owned camping trailers and motor homes as defined in § 46.2-100 which are used for
84 recreational purposes only;

85 17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,
86 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as
87 certified by the Department of Veterans' Affairs. In order to qualify, the veteran shall provide a written
88 statement to the commissioner of revenue or other assessing officer from the Department of Veterans'
89 Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to
90 meet the requirements of this section, and that his disability is service-connected. For purposes of this
91 section, a person is blind if he meets the provisions of § 46.2-739;

92 18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police
93 officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons
94 who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms
95 of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is
96 regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially
97 classified under this section. In order to qualify for such classification, any auxiliary police officer who
98 applies for such classification shall identify the vehicle for which this classification is sought, and shall
99 furnish the commissioner of revenue or other assessing officer with a certification from the governing
100 body which has appointed such auxiliary police officer or from the official who has appointed such
101 auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who
102 regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for
103 which the classification is sought is the vehicle which is regularly used for that purpose. The
104 certification shall be submitted by January 31 of each year to the commissioner of revenue or other
105 assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in
106 his discretion, and for good cause shown and without fault on the part of the member, to accept a
107 certification after the January 31 deadline;

108 19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer
109 levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created
110 pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in
111 manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District,
112 provided that such business personal property is put into service within the District on or after July 1,
113 1999;

114 20. Motor vehicles which use clean special fuels as defined in § 58.1-2101;

115 21. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is
116 properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned
117 for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within
118 the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals
119 which are found in the wild, or in a wild state, and are native to a foreign country;

120 22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and
121 used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and which is

used by that organization for the purpose of maintaining or using the open or common space within a residential development;

23. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;

24. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 18 of § 58.1-3503;

25. Programmable computer equipment and peripherals employed in a trade or business;

~~26. Tangible personal property of Habitat for Humanity and local affiliates or subsidiaries thereof;~~

26. Privately owned pleasure boats and watercraft, motorized and under eighteen feet, used for recreational purposes only; and

27. Privately owned pleasure boats and watercraft, nonmotorized and under eighteen feet, used for recreational purposes only.

B. The governing body of any county, city or town may levy a tax on the property enumerated in subsection A at different rates from the tax levied on other tangible personal property. The rates of tax and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through 22, and 24 through 28 27 of subsection A, not exceed that applicable to the general class of tangible personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.

§ 58.1-3609. Post-1971 property exempt from taxation by classification.

A. The real and personal property of an organization classified in §§ 58.1-3610 through ~~58.1-3621~~ 58.1-3622 and used by such organization for a religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purpose as set forth in Article X, Section 6 (a) (6) of the Constitution of Virginia, the particular purpose for which such organization is classified being specifically set forth within each section, shall be exempt from taxation, so long as such organization is operated not for profit and the property so exempt is used in accordance with the purpose for which the organization is classified.

B. Exemptions of property from taxation under this article shall be strictly construed in accordance with Article X, Section 6 (f) of the Constitution of Virginia.

~~§ 58.1-3622. Habitat for Humanity and local affiliates or subsidiaries thereof.~~

Habitat for Humanity and local affiliates or subsidiaries thereof are hereby classified as charitable and benevolent organizations.