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HOUSE BILL NO. 1188

Offered January 14, 2002

A BILL to amend and reenact §§ 15.2-949, 38.2-2217.1, 46.2-695, 46.2-749.10, 46.2-1167, 46.2-1401, 46.2-1404, 46.2-1405, 46.2-1407, 46.2-2000.1, and 58.1-3506 of the Code of Virginia, relating to definitions applicable to shared ride taxi systems, notice to insurance companies of vanpool use of certain vehicles, fees for registration of small rented ridesharing vehicles, license plates of ridesharing vehicles, fees for safety inspections for vehicles designed to transport no more than fifteen persons, including the driver; exemption of vehicles designed to transport no more than fifteen persons, including the driver, from certain laws; certain benefits received by drivers of ridesharing vehicles not to be considered income; local governments not to require licensure of vehicles operated under a ridesharing agreement; certain ridesharing vehicles not to be deemed commercial vehicles or buses or subject to regulation as such; certain ridesharing vehicles to constitute a separate class of property for purposes of local taxation.

Patron—Darner

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-949, 38.2-2217.1, 46.2-695, 46.2-749.10, 46.2-1167, 46.2-1401, 46.2-1404, 46.2-1405, 46.2-1407, 46.2-2000.1, and 58.1-3506 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-949. Shared ride taxi systems, etc.

As used herein, "shared ride taxi system" means a transportation system which employs taxicab-type vehicles or other motor vehicles which can carry no more than six passengers, and which attempts to arrange for use of such vehicles by more than one passenger per trip.

Notwithstanding any other provision of law to the contrary, any locality which is a member of any transportation district may, with the concurrence of the transportation district commission that there is a need for a shared ride taxi system and the unavailability of adequate existing public transportation or public transportation proposed to be available within a reasonable period of time, construct, finance, purchase, operate, maintain or contract for a shared ride taxi system ~~or a ridesharing arrangement as defined in § 46.2-1188~~ to be operated in such locality for the health, safety, welfare, comfort and convenience of the public. Such system may be financed from general revenues or funds received from the United States government, from the Commonwealth or any other source. Such system or the equipment and property needed for such system may also be constructed or purchased from proceeds of bonds which may be issued pursuant to the Public Finance Act (§ 15.2-2600 et seq.). Rates may be charged for the use of the system in such amount as the governing body of the locality deems reasonable, and different rates may be charged to different reasonable classifications of users.

The need for a shared ride taxi system and the unavailability of adequate existing or proposed public transportation may be based on the lack of such system or on the lack of such system at such user rates as will promote the health, safety, welfare, comfort and convenience of the public. Contracts may be made with existing or proposed shared ride taxi systems, both publicly and privately owned, for the subsidy of all users or groups of users.

In the administration of this section, private carriers are preferred over public ownership or operation; therefore, before any such locality undertakes to establish and operate its own transportation system which uses taxis or other similar vehicles, it shall first make a bona fide attempt to enter into contracts with existing privately owned taxi businesses. If such locality cannot reach a reasonable agreement within an equitable period of time, then it may by ordinance proceed to establish and operate its own system.

In lieu of establishing a shared ride taxi system, such a locality may provide financial subsidies, low-interest or interest-free loans, or tax incentives to assist with the capital costs involved in the establishment of nonprofit vanpools meeting the definition of ridesharing arrangements set forth in § 46.2-1400.

Any such locality shall have all powers necessary or convenient to carry out any of the foregoing powers.

§ 38.2-2217.1. Insurers required to renew motor vehicle liability coverage for vanpools; exceptions.

A. As used in this section, "vanpooling" means the type of joint arrangement described in subdivision 6 5 of § 46.2-2000.1 *and § 46.2-1400* where such motor vehicles are used to transport commuters to and from their places of employment on a regular basis. "Motor vehicle" as used in this

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59 section shall mean any motor vehicle designed to transport not less than ten nor more than fifteen
60 passengers, *including the driver*, in fixed seats.

61 B. ~~No~~ If an insurer as defined in § 38.2-2212 who issues or renews a policy of motor vehicle liability
62 insurance to an insured who intends to use a vehicle for vanpooling which was not so used at the time
63 the policy was issued or last renewed has received by certified mail thirty days' written notice that the
64 insured intends to use the vehicle for vanpooling, the insurer shall not cancel or refuse to renew a
65 policy of liability insurance coverage for such motor vehicles vehicle used in vanpooling as defined in
66 subsection A of this section for a period of one year following July 1, 1986, except for one or both of
67 the following specified reasons:

68 1. The named insured fails to discharge when due any payment of the premium for the policy or any
69 installment thereof; or

70 2. The driving record of the named insured or any regular driver is such that it substantially
71 increases the risk.

72 C. ~~Notwithstanding any provision of this section, on and after July 1, 1986, no insurer who issues or~~
73 ~~renews a policy of motor vehicle liability insurance to an insured who intends to use a vehicle for~~
74 ~~vanpooling which was not so used at the time the policy was issued or last renewed shall be subject to~~
75 ~~the provisions of this section unless the insurer has received by certified mail thirty days' written notice~~
76 ~~that the insured intends to use the vehicle for vanpooling.~~

77 § 46.2-695. Small rented ridesharing vehicles.

78 The fees required by subdivisions A 8 and A 9 of § 46.2-694 to be paid for registration of motor
79 vehicles used for rent or hire shall not be required for the operation of any motor vehicle with a normal
80 seating capacity of not more than ~~twelve~~ fifteen adults including the driver while used (i) not for profit
81 in transporting persons who, as a common undertaking, bear or agree to bear all or a part of the actual
82 costs of such operation in a ridesharing arrangement, as defined in § 46.2-1400, or (ii) by a lessee
83 renting or hiring such vehicle for such purpose for a period of twelve months or longer under a written
84 lease or agreement. For the purposes of § 46.2-694, every such motor vehicle shall be treated as a
85 private motor vehicle for which the fee for the annual registration card and license plates for such
86 vehicle shall be fifteen dollars. If, however, the vehicles weigh more than 4,000 pounds, the fee shall be
87 ~~twenty dollars~~ the same as for a private passenger car of the same weight.

88 § 46.2-749.10. Special license plates for ridesharing vehicles.

89 On receipt of an application therefor, the Commissioner shall issue special license plates for display
90 on ~~ride-sharing~~ ridesharing vehicles. License plates shall be issued under this section only for privately
91 owned or leased motor vehicles (i) with seating for ~~fewer than sixteen~~ no more than fifteen adult
92 persons including the driver and (ii) participating in ~~ride-sharing~~ ridesharing arrangements. The cost for
93 such special license plates shall be the same as for the regular license plates for vehicles described in
94 § 46.2-695.

95 § 46.2-1167. Charges for inspection and reinspection; exemption.

96 A. Each official safety inspection station may charge no more than:

97 1. ~~Thirty~~ Fifty dollars for each inspection of any (i) tractor truck, (ii) truck that has a gross vehicle
98 weight rating of 26,000 pounds or more, or (iii) motor vehicle that is used to transport passengers and
99 has a seating capacity of more than ~~sixteen~~ fifteen passengers, including the driver; if performed prior to
100 July 1, 2002; and fifty dollars for any such inspection performed on or after July 1, 2002;

101 2. Five dollars for each inspection of any motorcycle; and

102 3. Ten dollars for each inspection of any other vehicle.

103 No such charge shall be mandatory, however, and no such charge shall be made unless the station
104 has previously contracted therefor.

105 B. Each official safety inspection station may charge one dollar for each reinspection of a vehicle
106 rejected by the station, as provided in § 46.2-1158, if the vehicle is submitted for reinspection within the
107 validity period of the rejection sticker. If a rejected vehicle is not submitted to the same station within
108 the validity period of the rejection sticker or is submitted to another official safety inspection station, an
109 amount no greater than that permitted under subsection A of this section may be charged for the
110 inspection.

111 § 46.2-1401. Motor carrier laws do not apply.

112 The following laws and regulations of the Commonwealth shall not apply to any ridesharing
113 arrangement using a motor vehicle with a seating capacity for not more than ~~sixteen~~ fifteen persons,
114 including the driver:

115 1. Laws and regulations containing insurance requirements that are specifically applicable to motor
116 carriers or commercial vehicles;

117 2. Laws imposing a greater standard of care on motor carriers or commercial vehicles than that
118 imposed on other drivers or owners of motor vehicles;

119 3. Laws and regulations with equipment requirements and special accident reporting requirements that
120 are specifically applicable to motor carriers or commercial vehicles; and

4. Laws imposing a tax on fuel purchased in another state by a motor carrier or road user taxes on commercial buses.

§ 46.2-1404. Ridesharing payments or transit reduced fares are not income.

Money and other benefits, other than salary, received by a driver in a ridesharing arrangement using a motor vehicle with a seating capacity for not more than ~~sixteen~~ fifteen persons, including the driver, shall not constitute income for the purpose of Chapter 3 (§ 58.1-300 et seq.) of Title 58.1 imposing taxes on income. *Regular payments by riders toward a capital recovery fund not exceeding the cost of the vehicle or used to pay for leasing the vehicle shall be considered reimbursement for eligible expenses of operation.* Neither shall the difference in the amount between discount and full transit fares constitute income for the purpose of Chapter 3 of Title 58.1 imposing taxes on income.

§ 46.2-1405. Municipal licenses and taxes.

No county, city, or town may impose a tax on or require a license, including business licenses or gross receipts taxes, for a ridesharing arrangement using a motor vehicle with a seating capacity for not more than ~~sixteen~~ fifteen persons, including the driver.

§ 46.2-1407. Certain ridesharing vehicles are not commercial vehicles or buses.

A motor vehicle used in a ridesharing arrangement that has a seating capacity for not more than ~~sixteen~~ fifteen persons, including the driver, shall not be a "bus" under those portions of this title relating to equipment requirements or rules of the road.

A motor vehicle used in a ridesharing arrangement that has a seating capacity for not more than ~~sixteen~~ fifteen persons, including the driver, shall not be a "bus" or "commercial vehicle" under the portions of this title relating to registration.

§ 46.2-2000.1. (Effective July 1, 2002) Vehicles excluded from operation of chapter.

This chapter shall not be construed to include:

1. Motor vehicles employed solely in transporting school children and teachers;
2. Taxicabs, or other motor vehicles performing bona fide taxicab service, having a seating capacity of not more than six passengers, excluding the driver, while operating in a county, city, or town which has or adopts an ordinance regulating and controlling taxicabs and other vehicles performing a bona fide taxicab service, and not operating on a regular route or between fixed termini;

3. Motor vehicles owned or operated by or on behalf of hotels while used exclusively for the transportation of hotel patronage between hotels and local railroad or other common carrier stations;

4. Motor vehicles owned and operated by the United States, the District of Columbia, or any state, or any municipality or any other political subdivision of this Commonwealth, including passenger-carrying motor vehicles while being operated under an exclusive contract with the United States;

5. Any motor vehicle ~~while transporting~~ *designed with a seating capacity for and used to transport* not more than fifteen passengers, ~~excluding~~ *including* the driver, if the driver and the passengers are engaged in a share-the-ride undertaking and if they share not more than the expenses of operation of the vehicle. Regular payments, toward a capital recovery fund *not exceeding the cost of the vehicle* or used to pay for leasing the vehicle are to be considered eligible expenses of operation;

6. Unless otherwise provided, motor vehicles while used exclusively in the transportation of passengers within the corporate limits of incorporated cities or towns, and motor vehicles used exclusively in the regular transportation of passengers within the boundaries of such cities or towns and adjacent counties where such vehicles are being operated by such county or pursuant to a contract with the board of supervisors of such county;

7. Motor vehicles while operated under the exclusive regulatory control of a transportation district commission acting pursuant to Chapter 45 (§ 15.2-4500 et seq.) of Title 15.2;

8. Motor vehicles used for the transportation of passengers by nonprofit, nonstock corporations funded solely by federal, state or local subsidies, the use of which motor vehicles are restricted as to regular and irregular routes to contracts with four or more counties and, at the commencement of the operation, no certificated carrier provides the same or similar services within such counties.

§ 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;

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

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

191 8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in
192 § 36-85.3;

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

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

197 11. Privately owned vans with a seating capacity ~~for twelve or more~~ *of not less than seven nor more*
198 *than fifteen* persons, *including the driver*, used exclusively pursuant to a ridesharing arrangement as
199 defined in § 46.2-1400;

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

202 13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department
203 or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is
204 obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One
205 motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department
206 member, or leased by each volunteer rescue squad member or volunteer fire department member if the
207 member is obligated by the terms of the lease to pay tangible personal property tax on the motor
208 vehicle, may be specially classified under this section, provided the volunteer rescue squad member or
209 volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the
210 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
211 volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department
212 who regularly responds to calls or regularly performs other duties for the rescue squad or fire
213 department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer
214 fire department member is identified. The certification shall be submitted by January 31 of each year to
215 the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other
216 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
217 the part of the member, to accept a certification after the January 31 deadline. In any county which
218 prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may
219 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately
220 prior January date is transferred during the tax year;

221 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire
222 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department
223 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor
224 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue
225 squad member may be specially classified under this section. The auxiliary member shall furnish the
226 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
227 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire
228 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle
229 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department
230 member and an auxiliary member are members of the same household, that household shall be allowed
231 only one special classification under this subdivision or subdivision 13 of this section. The certification
232 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;
233 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion,
234 and for good cause shown and without fault on the part of the member, to accept a certification after the
235 January 31 deadline;

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

239 16. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as
240 defined in § 46.2-1900, which are used for recreational purposes only;

241 17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,
242 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as
243 certified by the Department of Veterans' Affairs. In order to qualify, the veteran shall provide a written

statement to the commissioner of revenue or other assessing officer from the Department of Veterans' Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to meet the requirements of this section, and that his disability is service-connected. For purposes of this section, a person is blind if he meets the provisions of § 46.2-739;

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

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

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

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

22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and 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, except for subdivision A 17, of § 58.1-3503;

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

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

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

28. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes only;

29. Tangible personal property used in the provision of Internet services. For purposes of this subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers;

30. Motor vehicles (i) owned by persons who serve as auxiliary, reserve or special deputy sheriffs or (ii) leased by persons who serve as auxiliary, reserve or special deputy sheriffs if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve or special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant

305 is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and
306 it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used
307 for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of
308 revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall
309 be authorized, in his discretion, and for good cause shown and without fault on the part of the member,
310 to accept a certification after the January 31 deadline; and

311 31. Forest harvesting and silvicultural activity equipment.

312 B. The governing body of any county, city or town may levy a tax on the property enumerated in
313 subsection A at different rates from the tax levied on other tangible personal property. The rates of tax
314 and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through
315 22, and 24 through 31 of subsection A, not exceed that applicable to the general class of tangible
316 personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable
317 to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.