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HOUSE BILL NO. 2066

Offered January 12, 2005

Prefiled January 11, 2005

A BILL to amend and reenact §§ 3.1-1111 as it is currently effective, 30-133, 46.2-623, 58.1-320, 58.1-3506, 58.1-3506.1, as it shall become effective, and 58.1-3912, as it is currently effective and as it shall become effective, of the Code of Virginia; to amend the Code of Virginia by adding in Article 5 of Chapter 36 of Title 58.1 a section numbered 58.1-3667; and to repeal § 15.2-1636.20, Chapter 35.1 (§§ 58.1-3523 through 58.1-3536) of Title 58.1, and § 58.1-3916.01 of the Code of Virginia, relating to replacing car tax reimbursements to localities with a portion of the state income tax.

Patrons—Rust, Black, Albo and Lingamfelter

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 3.1-1111 as it is currently effective, 30-133, 46.2-623, 58.1-320, 58.1-3506, 58.1-3506.1, as it shall become effective, and 58.1-3912, as it is currently effective and as it shall become effective, of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Article 5 of Chapter 36 of Title 58.1 a section numbered 58.1-3667, as follows:

§ 3.1-1111. Tobacco Indemnification and Community Revitalization Fund; tax credits for technology industries in tobacco-dependent localities.

A. (Effective until January 1, 2006) Money received by the Commonwealth pursuant to the Master Settlement Agreement shall be deposited into the state treasury subject to the special nonreverting funds established by subsection B and by §§ 3.1-1109.1 and 32.1-360. ~~However, in no case shall the amount received by the Endowment and Fund be included in general fund revenue calculations for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536.~~

A. (Effective January 1, 2006) Money received by the Commonwealth pursuant to the Master Settlement Agreement shall be deposited into the state treasury subject to the special nonreverting funds established by subsection B and by §§ 3.1-1109.1 and 32.1-360.

B. There is created in the state treasury a special nonreverting fund to be known as the Tobacco Indemnification and Community Revitalization Fund. The Fund shall be established on the books of the Comptroller. Subject to the sale of all or any portion of the Commission Allocation, 50 percent of the annual amount received by the Commonwealth from the Master Settlement Agreement shall be paid into the state treasury and credited to the Fund. In the event of such sale (i) the Commission Allocation shall be paid in accordance with the agreement for the period of sale and (ii) the Fund shall receive the amounts withdrawn from the Endowment in accordance with § 3.1-1109.1. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes described in this chapter; however, starting with the fiscal year beginning July 1, 2000, through December 31, 2009, the Commission may deposit moneys from the Fund into the Technology Initiative in Tobacco-Dependent Localities Fund, established under § 58.1-439.15, for purposes of funding the tax credits provided in §§ 58.1-439.13 and 58.1-439.14 and the grants provided in § 58.1-439.17. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written authorization signed by the chairman of the Commission or his designee. The Fund shall also consist of other moneys received by the Commission, from any source, for the purpose of implementing the provisions of this chapter.

C. The obligations of the Commission shall not be a debt or grant or loan of credit of the Commonwealth of Virginia, and the Commonwealth shall not be liable thereon, nor shall such obligations be payable out of any funds other than those credited to the Fund.

§ 30-133. Duties and powers generally.

A. The Auditor of Public Accounts shall audit all the accounts of every state department, officer, board, commission, institution or other agency handling any state funds. In the performance of such duties and the exercise of such powers he may employ the services of certified public accountants, provided the cost thereof shall not exceed such sums as may be available out of the appropriation provided by law for the conduct of his office.

B. The Auditor of Public Accounts shall review the information required in § 2.2-1501 to determine that state agencies are providing and reporting appropriate information on financial and performance measures, and the Auditor shall review the accuracy of the management systems used to accumulate and

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59 report the results. The Auditor shall report annually to the General Assembly the results of such audits
60 and make recommendations, if indicated, for new or revised accountability or performance measures to
61 be implemented for the agencies audited.

62 C. The Auditor of Public Accounts shall prepare, by November 1, a summary of the results of all of
63 the audits and other oversight responsibilities performed for the most recently ended fiscal year. The
64 Auditor of Public Accounts shall present this summary to the Senate Finance, House Appropriations and
65 House Finance Committees on the day the Governor presents to the General Assembly the Executive
66 Budget in accordance with §§ 2.2-1508 and 2.2-1509 or at the direction of the respective Chairman of
67 the Senate Finance, House Appropriations or House Finance Committees at one of their committee
68 meetings prior to the meeting above.

69 D. (Effective until January 1, 2006) As part of his normal oversight responsibilities, the Auditor of
70 Public Accounts shall incorporate into his audit procedures and processes a review process to ensure that
71 the Commonwealth's payments for qualifying vehicles, as defined in § 58.1-3523, are consistent with the
72 provisions of §§ 58.1-3525 and 58.1-3526. The Auditor of Public Accounts shall report to the Governor
73 and the Chairman of the Senate Finance Committee annually any material failure by a locality or the
74 Commonwealth to comply with the provisions of Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1.

75 D. (Effective January 1, 2006) As part of his normal oversight responsibilities, the Auditor of Public
76 Accounts shall incorporate into his audit procedures and processes a review process to ensure that the
77 Commonwealth's payments to counties, cities, and towns under Chapter 35.1 (§ 58.1-3523 et seq.) of
78 Title 58.1 are consistent with the provisions of § 58.1-3524. The Auditor of Public Accounts shall report
79 to the Governor and the Chairman of the Senate Finance Committee annually any material failure by a
80 locality or the Commonwealth to comply with the provisions of Chapter 35.1 of Title 58.1.

81 E.D. The Auditor of Public Accounts when called upon by the Governor shall examine the accounts
82 of any institution maintained in whole or in part by the Commonwealth and, upon the direction of the
83 Comptroller, shall examine the accounts of any officer required to settle his accounts with him; and
84 upon the direction of any other state officer at the seat of government he shall examine the accounts of
85 any person required to settle his accounts with such officer.

86 F.E. Upon the written request of any member of the General Assembly, the Auditor of Public
87 Accounts shall furnish the requested information and provide technical assistance upon any matter
88 requested by such member.

89 G.F. In compliance with the provisions of the federal Single Audit Act Amendments of 1996, Public
90 Law 104-156, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public
91 Accounts to audit biennially the accounts pertaining to federal funds received by state departments,
92 officers, boards, commissions, institutions or other agencies.

93 § 46.2-623. Statements in application.

94 A. Every application for a certificate of title shall contain (i) a statement of the applicant's title and
95 of all liens or encumbrances on the vehicle and the names and addresses of all persons having any
96 interest in the vehicle and the nature of every interest in the vehicle; (ii) the Social Security number, if
97 any, of the owner and, if the application is in the name of an employer for a business vehicle, the
98 employer's identification number assigned by the United States Internal Revenue Service; and (iii) a
99 brief description of the vehicle to be registered, including the name of the maker, the vehicle
100 identification or serial number and, when registering a new vehicle, the date of sale by the manufacturer
101 or dealer to the person first operating the vehicle.

102 B. Not later than July 15, 1998, the lessor of a qualifying vehicle, as defined in § 58.1-3523, shall
103 send a report to the Department for each such qualifying vehicle it was leasing as of July 1, 1998, and
104 has leased between January 1, 1998, and June 30, 1998, containing (i) the name and address of the
105 lessee as it appears in the lease contract; (ii) the social security number of the lessee; and (iii) the
106 registration number of the vehicle as described under Article 1 (§ 46.2-600 et seq.) of Chapter 6 of Title
107 46.2.

108 C. Beginning with August 1998, such lessor shall send a monthly report to the Department, by the
109 fifteenth day of the month or such later day as may be prescribed in the guidelines promulgated under
110 § 58.1-3532, listing any changes, additions or deletions to the information provided under subsection B
111 as of the last day of the preceding month.

112 D.B. The application shall contain such additional information as may be required by the Department.
113 § 58.1-320. Imposition of tax.

114 A. A tax is hereby annually imposed on the Virginia taxable income for each taxable year of every
115 individual as follows:

116 Two percent on income not exceeding \$3,000;

117 Three percent on income in excess of \$3,000, but not in excess of \$5,000;

118 Five percent on income in excess of \$5,000, but not in excess of \$12,000 for taxable years beginning
119 before January 1, 1987;

120 Five percent on income in excess of \$5,000 but not in excess of \$14,000 for taxable years beginning

January 1, 1987, through December 31, 1987;

Five percent on income in excess of \$5,000 but not in excess of \$15,000 for taxable years beginning January 1, 1988, through December 31, 1988;

Five percent on income in excess of \$5,000 but not in excess of \$16,000 for taxable years beginning January 1, 1989, through December 31, 1989;

Five percent on income in excess of \$5,000 but not in excess of \$17,000 for taxable years beginning January 1, 1990;

Five and three-quarters percent on income in excess of \$12,000 for taxable years beginning before January 1, 1987;

Five and three-quarters percent on income in excess of \$14,000 for taxable years beginning January 1, 1987, through December 31, 1987;

Five and three-quarters percent on income in excess of \$15,000 for taxable years beginning January 1, 1988, through December 31, 1988;

Five and three-quarters percent on income in excess of \$16,000 for taxable years beginning January 1, 1989, through December 31, 1989; and

Five and three-quarters percent on income in excess of \$17,000 for taxable years beginning on and after January 1, 1990.

B. An amount equal to 17.5% of the total individual income tax revenue actually collected by the Department of Taxation in the immediately preceding fiscal year shall be distributed no later than September 1 each year, beginning September 1, 2007, to every county, city, and town based on each county's, city's, and town's share of total Virginia taxable income.

§ 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 50 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 and silvicultural activity 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, 18 feet and over, used for recreational purposes only;

11. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons, including the driver, 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

182 volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department
183 who regularly responds to calls or regularly performs other duties for the rescue squad or fire
184 department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer
185 fire department member is identified. The certification shall be submitted by January 31 of each year to
186 the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other
187 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
188 the part of the member, to accept a certification after the January 31 deadline. In any county which
189 prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may
190 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately
191 prior January date is transferred during the tax year;

192 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire
193 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department
194 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor
195 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue
196 squad member may be specially classified under this section. The auxiliary member shall furnish the
197 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
198 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire
199 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle
200 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department
201 member and an auxiliary member are members of the same household, that household shall be allowed
202 no more than two special classifications under this subdivision or subdivision 13 of this section. The
203 certification shall be submitted by January 31 of each year to the commissioner of revenue or other
204 assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in
205 his discretion, and for good cause shown and without fault on the part of the member, to accept a
206 certification after the January 31 deadline;

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

210 16. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as
211 defined in § 46.2-1900, which are used for recreational purposes only, and privately owned trailers as
212 defined in § 46.2-100 that are designed and used for the transportation of horses except those trailers
213 described in subdivision A 11 of § 58.1-3505;

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

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

237 19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer
238 levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created
239 pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in
240 manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District,
241 provided that such business personal property is put into service within the District on or after July 1,
242 1999;

243 20. Motor vehicles which use clean special fuels as defined in § 46.2-749.3;

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 18 feet, used for recreational purposes only;

27. Privately owned pleasure boats and watercraft, nonmotorized and under 18 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 is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall state that the vehicle for which the classification is sought is the vehicle that 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;

31. Forest harvesting and silvicultural activity equipment; and

32. Equipment used primarily for research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or environmental purposes but not for human cloning purposes as defined in § 32.1-162.21 or for products or purposes related to human embryo stem cells. For purposes of this section, biotechnology equipment means equipment directly used in activities associated with the science of living things.

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 32 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.

C. (Effective January 1, 2006) Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is defined in § 58.1-3523, (i) included in any separate class of property in subsection A and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 of this title for providing tangible personal property tax relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle at a rate not to exceed the rates of tax and rates of assessment required under such chapter.

305 § 58.1-3506.1. (Effective January 1, 2006) Other classification for taxation of certain tangible
306 personal property owned by certain elderly and handicapped persons.

307 The governing body of any county, city or town may, by ordinance, levy a tax on one motor vehicle
308 owned and used primarily by or for anyone at least 65 years of age or anyone found to be permanently
309 and totally disabled, as defined in § 58.1-3506.3, at a different rate from the tax levied on other tangible
310 personal property, upon such conditions as the ordinance may prescribe. Such rate shall not exceed the
311 tangible personal property tax on the general class of tangible personal property. For purposes of this
312 article, the term motor vehicle shall include only automobiles and pickup trucks. Any such motor
313 vehicle owned by a husband and wife may qualify if either spouse is 65 or over or if either spouse is
314 permanently and totally disabled. Notwithstanding any other provision of this section or article, for any
315 automobile or pickup truck that is (i) a qualifying vehicle, as such term is defined in § 58.1-3523, and
316 (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from
317 the Commonwealth under Chapter 35.1 of this title for providing tangible personal property tax relief,
318 the rate of tax levied pursuant to this article shall not exceed the rates of tax and rates of assessment
319 required under such chapter.

320 § 58.1-3912. (Effective until January 1, 2006) Treasurers to mail certain bills to taxpayers; penalties;
321 electronic transmission.

322 A. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not
323 later than fourteen days prior to the due date of the taxes, send or cause to be sent by United States
324 mail to each taxpayer assessed with taxes and levies for that year a bill or bills setting forth the amounts
325 due. The treasurer may elect not to send a bill amounting to twenty dollars or less as shown by an
326 assessment book in such treasurer's office. The treasurer may employ the services of a mailing service or
327 other vendor for fulfilling the requirements of this section. The failure of any such treasurer to comply
328 with this section shall be a Class 4 misdemeanor. Such treasurer shall be deemed in compliance with
329 this section as to any taxes due on real estate if, upon certification by the obligee of any note or other
330 evidence of debt secured by a mortgage or deed of trust on such real estate that an agreement has been
331 made with the obligor in writing within the mortgage or deed of trust instrument that such arrangements
332 be made, he mails the bill for such taxes to the obligee thereof. Upon nonpayment of taxes by either the
333 obligee or obligor, a past-due tax bill will be sent to the taxpayer. No governing body shall publish the
334 name of a taxpayer in connection with a tax debt for which a bill was not sent, without first sending a
335 notice of deficiency to his last known address at least two weeks before such publication.

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

340 C. Notwithstanding the provisions of subsection A of this section, in any county which has adopted
341 the urban county executive form of government, and in any county contiguous thereto which has
342 adopted the county executive form of government, tangible personal property tax bills shall be mailed
343 not later than thirty days prior to the due date of such taxes.

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

348 E. Beginning with tax year 1999, in addition to all other information currently appearing on tangible
349 personal property tax bills, each such bill required to be sent pursuant to subsection A shall state on its
350 face (i) whether the vehicle is a qualifying vehicle as defined in § 58.1-3523; (ii) a deduction for the
351 amount to be paid by the Commonwealth as determined by § 58.1-3524; (iii) the vehicle's registration
352 number pursuant to § 46.2-604; (iv) the amount of tangible personal property tax levied on the vehicle;
353 and (v) if the locality prorates personal property tax pursuant to § 58.1-3516, the number of months for
354 which a bill is being sent.

355 EE. Beginning with tax year 1999 and through the end of tax year 2002, the treasurer shall include a
356 statement, prepared by the Department, with or as part of the tangible personal property tax bills for
357 such qualifying vehicles. The statement shall explain how the deduction for the percentage of the
358 reimbursable amount was calculated, how the deduction shall be calculated in future years, and the
359 taxpayer's liability for tangible personal property taxes on qualifying vehicles.

360 GF. Notwithstanding the provisions of subsection A, the treasurer, consistent with guidelines
361 promulgated by the Department of Taxation implementing the provisions of subdivision 2 of
362 § 58.1-1820, may convey, with the written consent of the taxpayer, any tax bill by electronic means
363 chosen by the taxpayer, including without limitation facsimile transmission or electronic mail (e-mail), in
364 lieu of posting such bill by first-class mail. The treasurer conveying a bill by means authorized in this
365 subsection shall maintain a copy (in written form or electronic media) of the bill reflecting the date of
366 transmission until such time as the bill has been satisfied or otherwise removed from the treasurer's

books by operation of law. Transmission of a bill pursuant to this subsection shall have the same force and effect for all purposes arising under this subtitle as mailing to the taxpayer by first-class mail on the date of transmission.

§ 58.1-3912. (Effective January 1, 2006) Treasurers to mail certain bills to taxpayers; penalties; electronic transmission.

A. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not later than 14 days prior to the due date of the taxes, send or cause to be sent by United States mail to each taxpayer assessed with taxes and levies for that year a bill or bills setting forth the amounts due. The treasurer may elect not to send a bill amounting to \$20 or less as shown by an assessment book in such treasurer's office. The treasurer may employ the services of a mailing service or other vendor for fulfilling the requirements of this section. The failure of any such treasurer to comply with this section shall be a Class 4 misdemeanor. Such treasurer shall be deemed in compliance with this section as to any taxes due on real estate if, upon certification by the obligee of any note or other evidence of debt secured by a mortgage or deed of trust on such real estate that an agreement has been made with the obligor in writing within the mortgage or deed of trust instrument that such arrangements be made, he mails the bill for such taxes to the obligee thereof. Upon nonpayment of taxes by either the obligee or obligor, a past-due tax bill will be sent to the taxpayer. No governing body shall publish the name of a taxpayer in connection with a tax debt for which a bill was not sent, without first sending a notice of deficiency to his last known address at least two weeks before such publication.

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

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

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

E. Beginning with tax year 2006, in addition to all other information currently appearing on tangible personal property tax bills, each such bill required to be sent pursuant to subsection A shall state on its face (i) whether the vehicle is a qualifying vehicle as defined in § 58.1-3523; (ii) a statement indicating the reduced tangible personal property tax rates applied to qualifying vehicles resulting from the Commonwealth's reimbursements for tangible personal property tax relief pursuant to § 58.1-3524, and the locality's tangible personal property tax rate for its general class of tangible personal property, provided that such statement shall not be required for tax bills in any county, city, or town that will not receive any reimbursement pursuant to subsection B of § 58.1-3524; (iii) the vehicle's registration number pursuant to § 46.2-604; (iv) the amount of tangible personal property tax levied on the vehicle; and (v) if the locality prorates personal property tax pursuant to § 58.1-3516, the number of months for which a bill is being sent.

FE. Notwithstanding the provisions of subsection A, the treasurer, consistent with guidelines promulgated by the Department of Taxation implementing the provisions of subdivision 2 of § 58.1-1820, may convey, with the written consent of the taxpayer, any tax bill by electronic means chosen by the taxpayer, including without limitation facsimile transmission or electronic mail (e-mail), in lieu of posting such bill by first-class mail. The treasurer conveying a bill by means authorized in this subsection shall maintain a copy (in written form or electronic media) of the bill reflecting the date of transmission until such time as the bill has been satisfied or otherwise removed from the treasurer's books by operation of law. Transmission of a bill pursuant to this subsection shall have the same force and effect for all purposes arising under this subtitle as mailing to the taxpayer by first-class mail on the date of transmission.

§ 58.1-3667. *Motor vehicles used for nonbusiness purposes.*

Pursuant to Article X, Section 6 (a) (8) of the Constitution of Virginia, motor vehicles used for nonbusiness purposes are exempt from taxation.

For purposes of this section, "motor vehicle" means any passenger car, motorcycle, and pickup or panel truck, as those terms are defined in § 46.2-100, that is determined by the commissioner of the revenue of the county, city, or town in which the vehicle has situs as provided by § 58.1-3511 to be (i) owned by a natural person or (ii) leased by a natural person pursuant to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In making this determination the commissioner of revenue may rely on the registration of such vehicle with the Department of Motor

428 *Vehicles pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title 46.2.*

429 *For purposes of this section "used for nonbusiness purposes" means the preponderance of use is for*
430 *other than business purposes. The preponderance of use for other than business purposes shall be*
431 *deemed not to be satisfied if: (i) the motor vehicle is expensed on the taxpayer's federal income tax*
432 *return pursuant to Internal Revenue Code § 179, (ii) more than 50 percent of the basis for depreciation*
433 *of the motor vehicle is depreciated for federal income tax purposes, or (iii) the allowable expense of*
434 *total annual mileage in excess of 50 percent is deductible for federal income tax purposes or reimbursed*
435 *pursuant to an arrangement between an employer and employee.*

436 **2. That § 15.2-1636.20, Chapter 35.1 (§ 58.1-3523 through 58.1-3536) of Title 58.1, and**
437 **§ 58.1-3916.01 of the Code of Virginia are repealed.**

438 **3. That the provisions of this act shall become effective: (i) on January 1, 2007, and (ii) only if a**
439 **Constitutional amendment to Article X, Section 6 of the Constitution of Virginia making motor**
440 **vehicles used for nonbusiness purposes exempt from taxation is ratified by a majority of voters**
441 **voting on such measure at the election directed by law to be held on the Tuesday after the first**
442 **Monday in November, 2006.**