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SENATE BILL NO. 1224

Offered January 12, 2005

A *BILL to amend and reenact §§ 30-133, as it is currently effective and as it shall become effective, 46.2-623, 58.1-603, 58.1-604, 58.1-604.1, 58.1-605, 58.1-606, 58.1-614, 58.1-3506, as it is currently effective and as it shall become effective, 58.1-3506.1, as it is currently effective and as it shall become effective, and 58.1-3912, as it shall become effective, of the Code of Virginia; to amend the Code of Virginia by adding a section numbered 58.1-3505.1; and to repeal §§ 15.2-1636.20, 58.1-3523, as it is currently effective and as it shall become effective, 58.1-3524, as it is currently effective and as it shall become effective, 58.1-3534, and 58.1-3535 of the Code of Virginia, relating to repealing tangible personal property tax relief reimbursement payments by the Commonwealth to localities and providing tangible personal property tax relief on certain motor vehicles by reducing the state retail sales and use taxes and permitting counties and cities that provide tangible personal property tax relief as authorized to increase their local sales and use tax rate.*

Patron—Bell

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-133, as it is currently effective and as it shall become effective, 46.2-623, 58.1-603, 58.1-604, 58.1-604.1, 58.1-605, 58.1-606, 58.1-614, 58.1-3506, as it is currently effective and as it shall become effective, 58.1-3506.1, as it is currently effective and as it shall become effective, and 58.1-3912, as it shall become effective, of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 58.1-3505.1 as follows:

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

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

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

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

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

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59 any person required to settle his accounts with such officer.

60 ~~FE.~~ Upon the written request of any member of the General Assembly, the Auditor of Public
61 Accounts shall furnish the requested information and provide technical assistance upon any matter
62 requested by such member.

63 ~~GF.~~ In compliance with the provisions of the federal Single Audit Act Amendments of 1996, Public
64 Law 104-156, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public
65 Accounts to audit biennially the accounts pertaining to federal funds received by state departments,
66 officers, boards, commissions, institutions or other agencies.

67 § 46.2-623. Statements in application.

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

76 B. Not later than July 15, 1998, the lessor of a qualifying vehicle, as defined in ~~§ 58.1-3523~~
77 ~~§ 58.1-3505.1~~, shall send a report to the Department for each such qualifying vehicle it was leasing as of
78 July 1, 1998, and has leased between January 1, 1998, and June 30, 1998, containing (i) the name and
79 address of the lessee as it appears in the lease contract; (ii) the social security number of the lessee; and
80 (iii) the registration number of the vehicle as described under Article 1 (§ 46.2-600 et seq.) of Chapter 6
81 of Title 46.2.

82 C. Beginning with August 1998, such lessor shall send a monthly report to the Department, by the
83 fifteenth day of the month ~~or such later day as may be prescribed in the guidelines promulgated under~~
84 ~~§ 58.1-3532~~, listing any changes, additions or deletions to the information provided under subsection B
85 as of the last day of the preceding month.

86 D. The application shall contain such additional information as may be required by the Department.

87 § 58.1-603. Imposition of sales tax.

88 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now
89 imposed by law, a license or privilege tax upon every person who engages in the business of selling at
90 retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of
91 the things or services taxable under this chapter, or who stores for use or consumption in this
92 Commonwealth any item or article of tangible personal property as defined in this chapter, or who
93 leases or rents such property within this Commonwealth, in the amount of three and one-half percent
94 through midnight on July 31, 2004, ~~and~~ four percent beginning on and after August 1, 2004, *through*
95 *midnight on December 31, 2007, and three percent beginning on and after January 1, 2008:*

96 1. Of the gross sales price of each item or article of tangible personal property when sold at retail or
97 distributed in this Commonwealth.

98 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the
99 lease or rental of such property is an established business, or part of an established business, or the
100 same is incidental or germane to such business.

101 3. Of the cost price of each item or article of tangible personal property stored in this
102 Commonwealth for use or consumption in this Commonwealth.

103 4. Of the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations
104 furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

105 5. Of the gross sales of any services which are expressly stated as taxable within this chapter.

106 § 58.1-604. Imposition of use tax.

107 There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a
108 tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of
109 such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount
110 of three and one-half percent through midnight on July 31, 2004, ~~and~~ four percent beginning on and
111 after August 1, 2004, *through midnight on December 31, 2007, and three percent beginning on and*
112 *after January 1, 2008:*

113 1. Of the cost price of each item or article of tangible personal property used or consumed in this
114 Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth
115 and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost
116 price if such property is brought within this Commonwealth for use within six months of its acquisition;
117 but if so brought within this Commonwealth six months or more after its acquisition, such property shall
118 be taxed on the basis of the current market value (but not in excess of its cost price) of such property at
119 the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the
120 cost price or current market value as the duration of time of use within this Commonwealth bears to the

total useful life of such property (but it shall be presumed in all cases that such property will remain within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to the contrary).

2. Of the cost price of each item or article of tangible personal property stored outside this Commonwealth for use or consumption in this Commonwealth.

3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same transaction be taxed more than once under either section.

4. The use tax shall not apply with respect to the use of any article of tangible personal property brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use, while within this Commonwealth.

5. The use tax shall not apply to out-of-state mail order catalog purchases totaling \$100 or less during any calendar year.

§ 58.1-604.1. Use tax on motor vehicles, machinery, tools and equipment brought into Virginia for use in performing contracts.

In addition to the use tax levied pursuant to § 58.1-604 and notwithstanding the provisions of § 58.1-611, a use tax is levied upon the storage or use of all motor vehicles, machines, machinery, tools or other equipment brought, imported or caused to be brought into this Commonwealth for use in constructing, building or repairing any building, highway, street, sidewalk, bridge, culvert, sewer or water system, drainage or dredging system, railway system, reservoir or dam, hydraulic or power plant, transmission line, tower, dock, wharf, excavation, grading, or other improvement or structure, or any part thereof. The rate of tax is three and one-half percent through midnight on July 31, 2004, ~~and four percent beginning on and after August 1, 2004, through midnight on December 31, 2007, and three percent beginning on and after January 1, 2008,~~ on all tangible personal property except motor vehicles, which shall be taxed at the rate of three percent; aircraft, which shall be taxed at the rate of two percent; and watercraft, which shall be taxed at the rate of two percent with a maximum tax of \$1,000.

For purposes of this section the words "motor vehicle" means any vehicle which is self-propelled and designed primarily for use upon the highways, any vehicle which is propelled by electric power obtained from trolley wires but not operated upon rails, and any vehicle designed to run upon the highways which is pulled by a self-propelled vehicle, but shall not include any implement of husbandry, farm tractor, road construction or maintenance machinery or equipment, special mobile equipment or any vehicle designed primarily for use in work off the highway.

The tax shall be computed on the basis of such proportion of the original purchase price of such property as the duration of time of use in this Commonwealth bears to the total useful life thereof. For purposes of this section, the word "use" means use, storage, consumption and "stand-by" time occasioned by weather conditions, controversies or other causes. The tax shall be computed upon the basis of the relative time each item of equipment is in this Commonwealth rather than upon the basis of actual use. In the absence of satisfactory evidence as to the period of use intended in this Commonwealth, it will be presumed that such property will remain in this Commonwealth for the remainder of its useful life, which shall be determined in accordance with the experiences and practices of the building and construction trades.

A transaction taxed under §§ 58.1-604, 58.1-605, 58.1-1402, 58.1-1502, or § 58.1-2402 shall not also be taxed under this section, nor shall the same transaction be taxed more than once under any section.

§ 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes; collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

A. No county, city or town shall impose any local general sales or use tax or any local general retail sales or use tax except as authorized by this section.

B. 1. The council of any city and the governing body of any county may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of such city or county.

2. *The tax authorized under subdivision 1 of this subsection may be levied at a rate of one and one-half percent if the county or city has in effect a valid ordinance exempting at least the first \$7,000 (but less than \$14,000) of value of qualifying vehicles from the local tangible personal property tax pursuant to § 58.1-3505.1. The additional one-half percent tax shall not apply to food purchased for human consumption as defined in § 58.1-611.1.*

3. *The tax authorized under subdivision 1 of this subsection may be levied at a rate of two percent if the county or city has in effect a valid ordinance exempting the first \$14,000 of value of qualifying vehicles from the local tangible personal property tax pursuant to § 58.1-3505.1. The additional one percent tax shall not apply to food purchased for human consumption as defined in § 58.1-611.1.*

4. Such tax shall be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax.

5. *For purposes of this subsection, "value" and "qualifying vehicle" mean the same as those terms*

182 *are defined in § 58.1-3505.1.*

183 C. The council of any city and the governing body of any county desiring to impose a local sales tax
184 under this section may do so by the adoption of an ordinance stating its purpose and referring to this
185 section, and providing that such ordinance shall be effective on the first day of a month at least 60 days
186 after its adoption.

187 A certified copy of ~~such ordinance~~ *the ordinances described herein* shall be forwarded to the Tax
188 Commissioner so that ~~it~~ *they* will be received within five days after ~~its~~ *their* adoption.

189 D. Any local sales tax levied under this section shall be administered and collected by the Tax
190 Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

191 E. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid
192 into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books
193 under the name "Collections of Local Sales Taxes." Such local sales tax moneys shall be credited to the
194 account of each particular city or county levying a local sales tax under this section. The basis of such
195 credit shall be the city or county in which the sales were made as shown by the records of the
196 Department and certified by it monthly to the Comptroller, namely, the city or county of location of
197 each place of business of every dealer paying the tax to the Commonwealth without regard to the city or
198 county of possible use by the purchasers. If a dealer has any place of business located in more than one
199 political subdivision by reason of the boundary line or lines passing through such place of business, the
200 amount of sales tax paid by such a dealer with respect to such place of business shall be ~~treated~~
201 *determined* for the purposes of this section as follows: one-half *of the taxable sales* shall be assignable
202 to each political subdivision where two are involved, one-third where three are involved, and one-fourth
203 where four are involved.

204 F. As soon as practicable after the local sales tax moneys have been paid into the state treasury in
205 any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia
206 in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax
207 moneys, and such payments shall be charged to the account of each such city or county under the
208 special fund created by this section. If errors are made in any such payment, or adjustments are
209 otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall
210 be corrected and adjustments made in the payments for the next six months as follows: one-sixth of the
211 total adjustment shall be included in the payments for the next six months. In addition, the payment
212 shall include a refund of amounts erroneously not paid to the city or county and not previously refunded
213 during the three years preceding the discovery of the error. A correction and adjustment in payments
214 described in this subsection due to the misallocation of funds by the dealer shall be made within three
215 years of the date of the payment error.

216 G. Such payments to counties are subject to the qualification that in any county wherein is situated
217 any incorporated town constituting a special school district and operated as a separate school district
218 under a town school board of three members appointed by the town council, the county treasurer shall
219 pay into the town treasury for general governmental purposes the proper proportionate amount received
220 by him in the ratio that the school age population of such town bears to the school age population of
221 the entire county. If the school age population of any town constituting a separate school district is
222 increased by the annexation of territory since the last preceding school age population census, such
223 increase shall, for the purposes of this section, be added to the school age population of such town as
224 shown by the last such census and a proper reduction made in the school age population of the county
225 or counties from which the annexed territory was acquired.

226 *The amount paid by the county treasurer into the town treasury shall be adjusted as follows:*

227 1. *If the county levies a one percent general retail sales tax, then the amount paid into the town*
228 *treasury shall be computed based on the sales tax revenues generated by such tax;*

229 2. *If the county levies a one and one-half percent general retail sales tax and the town has in effect*
230 *a valid ordinance exempting at least the first \$7,000 of value of qualifying vehicles from the local*
231 *tangible personal property tax pursuant to § 58.1-3505.1, then the amount paid into the town treasury*
232 *shall be computed based on the sales tax revenues generated by such one and one-half percent sales*
233 *tax. If the town has no such ordinance in effect, the amount paid into the town treasury shall be*
234 *computed based on the sales tax revenues generated by a one percent general retail sales tax; and*

235 3. *If the county levies a two percent general retail sales tax and the town has in effect a valid*
236 *ordinance exempting the first \$14,000 of value of qualifying vehicles from the local tangible personal*
237 *property tax pursuant to § 58.1-3505.1, then the amount paid into the town treasury shall be computed*
238 *based on the sales tax revenues generated by such two percent sales tax. If the town has no such*
239 *ordinance in effect exempting at least the first \$7,000 of value of qualifying vehicles, the amount paid*
240 *into the town treasury shall be computed based on the sales tax revenues generated by a one percent*
241 *general retail sales tax. If the town has in effect an ordinance exempting at least the first \$7,000 (but*
242 *less than \$14,000) of value of qualifying vehicles, the amount paid into the town treasury shall be*
243 *computed based on the sales tax revenues generated by a one and one-half percent general retail sales*

tax.

H. ~~One-half~~ 1. Except as provided under this subsection, one-half of such payments to counties are subject to the further qualification, other than as set out in subsection G above, that in any county wherein is situated any incorporated town not constituting a separate special school district which has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the county sales tax ordinance providing for a one percent general retail sales tax, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest statewide school census. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise since the last preceding school age population census, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such census and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

2. The amount paid by the county treasurer into the town treasury under subdivision 1 of this subsection shall be adjusted as follows:

a. If the county levies a one percent general retail sales tax, then the amount paid into the town treasury shall be computed based on one-half of the sales tax revenues generated by such tax;

b. If the county levies a one and one-half percent general retail sales tax and the town has in effect a valid ordinance exempting at least the first \$7,000 of value of qualifying vehicles from the local tangible personal property tax pursuant to § 58.1-3505.1, then the amount paid into the town treasury shall be computed based on one-half of the sales tax revenues generated by such tax. If the town has no such ordinance in effect, the amount paid into the town treasury shall be computed based on one-third of the sales tax revenues generated by such tax; and

c. If the county levies a two percent general retail sales tax and the town has in effect a valid ordinance exempting the first \$14,000 of value of qualifying vehicles from the local tangible personal property tax pursuant to § 58.1-3505.1, then the amount paid into the town treasury shall be computed based on one-half of the sales tax revenues generated by such tax. If the town has no such ordinance in effect exempting at least the first \$7,000 of value of qualifying vehicles, the amount paid into the town treasury shall be computed based on one-quarter of the sales tax revenues generated by such tax. If the town has in effect an ordinance exempting at least the first \$7,000 (but less than \$14,000) of value of qualifying vehicles, the amount paid into the town treasury shall be computed based on three-eighths of the sales tax revenues generated by such tax.

I. Notwithstanding the provisions of subsection H, the board of supervisors of a county may, in its discretion, appropriate funds to any incorporated town not constituting a separate school district within such county which has not complied with the provisions of its charter relating to the elections of its council and mayor, an amount not to exceed the amount it would have received from the tax imposed by this chapter if such election had been held.

J. It is further provided that if any incorporated town which would otherwise be eligible to receive funds from the county treasurer under subsection G or H of this section be located in a county which does not levy a general retail sales tax under the provisions of this law, such town may levy a general retail sales tax at the rate of ~~one percent~~ provided under subsection B to provide revenue for the general fund of the town, subject to all the provisions of this section generally applicable to cities and counties. Any tax levied under the authority of this subsection shall in no case continue to be levied on or after the effective date of a county ordinance imposing a general retail sales tax in the county within which such town is located.

§ 58.1-606. To what extent and under what conditions cities and counties may levy local use tax; collection thereof by Commonwealth and return of revenues to the cities and counties.

A. The council of any city and the governing body of any county ~~which~~ that has levied or may hereafter levy a city or county sales tax under § 58.1-605 may levy a city or county use tax at the rate of ~~one percent~~ a rate prescribed under subsection B of § 58.1-605 to provide revenue for the general fund of such city or county. Such tax shall be equal to the rate of sales tax levied by the county or city pursuant to such section and shall be added to the rate of the state use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall be allowed on a local use tax.

B. The council of any city and the governing body of any county desiring to impose a local use tax under this section may do so in the manner following:

1. If the city or county has previously imposed the local sales tax authorized by § 58.1-605, the local

305 use tax may be imposed by the council or governing body by (i) the adoption of a resolution by a
306 majority of all the members thereof, by a recorded yea and nay vote, *or (ii) the adoption of an*
307 *ordinance, with such resolution or ordinance* stating its purpose and referring to this section, and
308 providing that the local use tax shall become effective on the first day of a month at least 60 days after
309 the adoption of the resolution *or ordinance*. A certified copy of such resolution *or ordinance* shall be
310 forwarded to the Tax Commissioner so that it will be received within five days after its adoption. The
311 resolution authorized by this paragraph may be adopted in the manner stated notwithstanding any other
312 provision of law, including any charter provision.

313 2. If the city or county has not imposed the local sales tax authorized by § 58.1-605, the local use
314 tax may be imposed by ordinance together with the local sales tax in the manner set out in subsections
315 B and C of § 58.1-605.

316 C. Any local use tax levied under this section shall be administered and collected by the Tax
317 Commissioner in the same manner and subject to the same penalties as provided for the state use tax.

318 D. The local use tax authorized by this section shall not apply to transactions to which the sales tax
319 applies, the situs of which for state and local sales tax purposes is the city or county of location of each
320 place of business of every dealer paying the tax to the Commonwealth without regard to the city or
321 county of possible use by the purchasers. However, the local use tax authorized by this section shall
322 apply to tangible personal property purchased without this Commonwealth for use or consumption
323 within the city or county imposing the local use tax, or stored within the city or county for use or
324 consumption, where the property would have been subject to the sales tax if it had been purchased
325 within this Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal
326 property where the place of business of the lessor is without this Commonwealth and such leases or
327 rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state
328 use tax applies.

329 E. Out-of-state dealers who hold certificates of registration to collect the use tax from their customers
330 for remittance to this Commonwealth shall, to the extent reasonably practicable, in filing their monthly
331 use tax returns with the Tax Commissioner, break down their shipments into this Commonwealth by
332 cities and counties so as to show the city or county of destination. If, however, the out-of-state dealer is
333 unable accurately to assign any shipment to a particular city or county, the local use tax on the tangible
334 personal property involved shall be remitted to the Commonwealth by such dealer without attempting to
335 assign the shipment to any city or county.

336 F. Local use tax revenue shall be distributed among the cities and counties for which it is collected,
337 respectively, as shown by the records of the Department, and the procedure shall be the same as that
338 prescribed for distribution of local sales tax revenue under § 58.1-605. The local use tax revenue that is
339 not accurately assignable to a particular city or county shall be distributed monthly by the appropriate
340 state authorities among the cities and counties in this Commonwealth imposing the local use tax ~~upon~~
341 ~~the basis of~~ *on a pro rata basis based upon* taxable retail sales in the respective cities and counties in
342 which the local sales and use tax was in effect in the taxable month involved, as shown by the records
343 of the Department, and computed with respect to taxable retail sales ~~as reflected by the amounts of~~
344 ~~taxed under the local sales tax revenue distributed among~~ in such cities and counties, respectively, in the
345 ~~such month of distribution~~. Notwithstanding any other provision of this section, the Tax Commissioner
346 shall develop a uniform method to distribute local use tax. ~~Any~~ *With the exception of changes in the*
347 *method of local use tax distribution that are a direct result of legislation passed by the General*
348 *Assembly, any* significant changes to the method of local use tax distribution shall be phased in over a
349 five-year period. Distribution information shall be shared with the affected localities prior to
350 implementation of the changes.

351 G. All local use tax revenue shall be used, applied or disbursed by the cities and counties as
352 provided in § 58.1-605 with respect to local sales tax revenue.

353 § 58.1-614. Vending machine sales.

354 A. Notwithstanding the provisions of §§ 58.1-603 and 58.1-604, whenever a dealer makes sales of
355 tangible personal property through vending machines, or in any other manner making collection of the
356 tax impractical, as determined by the Tax Commissioner, such dealer shall be required to report his
357 wholesale purchases for sale at retail from vending machines and shall be required to remit an amount
358 based on four and one-half percent through midnight on July 31, 2004, ~~and~~ five percent beginning on
359 and after August 1, 2004, *through midnight on December 31, 2007, and four percent beginning on and*
360 *after January 1, 2008*, of such wholesale purchases.

361 B. Notwithstanding the provisions of §§ 58.1-605 and 58.1-606, dealers making sales of tangible
362 personal property through vending machines shall report and remit ~~the one percent~~ local sales and use
363 ~~taxes based on the tax rate in effect in the locality but computed on wholesale purchases as~~
364 provided in subsection A of this section.

365 C. The provisions of subsections A and B of this section shall not be applicable to vending machine
366 operators all of whose machines are under contract to nonprofit organizations. Such operators shall

report only the gross receipts from machines selling items for more than 10 cents and shall be required to remit an amount based on a percentage of their remaining gross sales established by the Tax Commissioner to take into account the inclusion of sales tax.

D. Notwithstanding any other provisions in this section, when the Tax Commissioner determines that it is impractical to collect the tax in the manner provided by those sections, such dealer shall be required to remit an amount based on a percentage of gross receipts which takes into account the inclusion of the sales tax.

E. The provisions of this section shall not be applicable to any dealer who fails to maintain records satisfactory to the Tax Commissioner. A dealer making sales of tangible personal property through vending machines shall obtain a certificate of registration under § 58.1-613 in relevant form for each county or city in which he has machines.

§ 58.1-3505.1. *Classification of passenger cars, motorcycles, and pickup or panel trucks used for nonbusiness purposes; partial exemption by governing bodies.*

A. As used in this section:

"Commissioner of the revenue" means the same as that set forth in § 58.1-3100. For purposes of this section, in a county or city that does not have an elected commissioner of the revenue, "commissioner of the revenue" means the officer who is primarily responsible for assessing motor vehicles for the purposes of tangible personal property taxation.

"Leased" means leased by a natural person as lessee and used for nonbusiness purposes.

"Privately owned" means owned by a natural person and used for nonbusiness purposes.

"Qualifying 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 or city in which the vehicle has situs as provided by § 58.1-3511 to be (i) privately owned or (ii) leased pursuant to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In determining whether a vehicle is a qualifying vehicle, the commissioner of the revenue may rely on the registration of the vehicle with the Department of Motor Vehicles pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title 46.2.

"Treasurer" means the same as that set forth in § 58.1-3123, when used with respect to a county or city. When used with respect to a town, "treasurer" means the officer who is primarily responsible for the billing and collection of tangible personal property taxes levied upon motor vehicles by such town, and means the treasurer of the county or counties in which such town is located if such functions are performed for the town by the county treasurer or treasurers.

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

"Value" means the fair market value determined by the method prescribed in § 58.1-3503 and used by the locality in valuing the qualifying vehicle.

B. The governing body of any county, city, or town may, by ordinance duly adopted, exempt from the local tangible personal property tax up to the first \$20,000 of value of qualifying vehicles. Any county, city, or town adopting such ordinance shall provide such tax relief to all qualifying vehicles with a situs in the county, city, or town for tangible personal property tax purposes as determined under § 58.1-3511.

C. If a taxpayer (i) fails to comply with the filing requirements for a qualifying vehicle under §§ 58.1-3518 and 58.1-3518.1 and (ii) is not required to return to the treasurer any payment of tangible personal property tax for such vehicle because of an ordinance adopted pursuant to subsection B, no new or replacement local motor vehicle license for such vehicle, as described in Article 11 (§ 46.2-750 et seq.) of Chapter 6 of Title 46.2 shall be issued until the taxpayer complies with such filing requirements.

D. On or before the date the certified personal property tax book is required by § 58.1-3118 to be provided to the treasurer, the commissioner of the revenue of a locality that provides tangible personal property tax relief as authorized under this section shall identify each qualifying vehicle and its value to the treasurer of the locality. The Commissioner of the Department of Motor Vehicles shall provide to commissioners of the revenue such data or information he has available that is needed by the commissioners of the revenue to identify qualifying vehicles.

§ 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 of *this subsection* 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 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 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. In any county which prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as of the immediately prior January date is transferred during the tax year;
14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire department or (ii) leased by auxiliary 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 regularly used by each auxiliary volunteer fire department or rescue squad member may be specially classified under this section. The auxiliary member 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 an auxiliary member of the volunteer rescue squad or fire department who regularly performs duties for the rescue squad or fire department, and the motor vehicle is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department member and an auxiliary member are members of the same household, that household shall be allowed no more than two special classifications under this subdivision or subdivision 13 of this section. 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;

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

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

17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as certified by the Department of Veterans Services. 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 Services that the veteran has been so designated or classified by the Department of Veterans Services 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 § 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;

551 30. Motor vehicles (i) owned by persons who serve as auxiliary, reserve or special deputy sheriffs or
552 (ii) leased by persons who serve as auxiliary, reserve or special deputy sheriffs if the person is obligated
553 by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of
554 this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve or special deputy sheriff.
555 One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy
556 sheriff duties may be specially classified under this section. In order to qualify for such classification,
557 any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this
558 classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a
559 certification from the governing body that has appointed such auxiliary deputy sheriff or from the
560 official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant
561 is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and
562 it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used
563 for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of
564 revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall
565 be authorized, in his discretion, and for good cause shown and without fault on the part of the member,
566 to accept a certification after the January 31 deadline;

567 31. Forest harvesting and silvicultural activity equipment; and

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

575 B. The governing body of any county, city or town may levy a tax on the property enumerated in
576 subsection A at different rates from the tax levied on other tangible personal property. The rates of tax
577 and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through
578 22, and 24 through 32 of subsection A, not exceed that applicable to the general class of tangible
579 personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23 of subsection A, not
580 exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 8 of subsection A,
581 equal that applicable to real property.

582 *If a county, city, or town has adopted an ordinance providing for local tangible personal property*
583 *tax relief on qualifying vehicles pursuant to § 58.1-3505.1 and has elected to levy a tax on the property*
584 *enumerated in subsection A at different rates as authorized under this subsection, any such qualifying*
585 *vehicle included in a separate class of property in subsection A shall be taxed under such alternative*
586 *tax rates (applicable to the class of property) only on that portion of fair market value that has not*
587 *been exempted from the local tangible personal property tax by the county, city, or town as determined*
588 *pursuant to § 58.1-3505.1.*

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

596 § 58.1-3506.1. (Effective January 1, 2006) Other classification for taxation of certain tangible
597 personal property owned by certain elderly and handicapped persons.

598 A. The governing body of any county, city or town may, by ordinance, levy a tax on one motor
599 vehicle owned and used primarily by or for anyone at least 65 years of age or anyone found to be
600 permanently and totally disabled, as defined in § 58.1-3506.3, at a different rate from the tax levied on
601 other tangible personal property, upon such conditions as the ordinance may prescribe. Such rate shall
602 not exceed the tangible personal property tax on the general class of tangible personal property. For
603 purposes of this article, the term motor vehicle shall include only automobiles and pickup trucks. Any
604 such motor vehicle owned by a husband and wife may qualify if either spouse is 65 or over or if either
605 spouse is permanently and totally disabled. Notwithstanding any other provision of this section or article,
606 for any automobile or pickup truck that is (i) a qualifying vehicle, as such term is defined in
607 § 58.1-3523, and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a
608 payment from the Commonwealth under Chapter 35.1 of this title for providing tangible personal
609 property tax relief, the rate of tax levied pursuant to this article shall not exceed the rates of tax and
610 rates of assessment required under such chapter.

611 B. *If a county, city, or town has adopted an ordinance providing for local tangible personal property*
612 *tax relief on qualifying vehicles pursuant to § 58.1-3505.1 and has elected to levy a tax on motor*

vehicles, as defined herein, at a different rate as authorized under this section, any such motor vehicle that is a qualifying vehicle, as defined in § 58.1-3505.1, shall be taxed under such alternative tax rate only on that portion of fair market value that has not been exempted from the local tangible personal property tax by the county, city, or town as determined pursuant to § 58.1-3505.1.

§ 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~~ that has adopted the urban county executive form of government, and in any county contiguous thereto ~~which~~ that 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~~ that the vehicle is a qualifying vehicle as defined in § 58.1-3523 ~~58.1-3505.1 if the locality has in effect an ordinance that exempts a portion of the value of qualifying vehicles pursuant to such section;~~ (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)~~ (iii) the amount of tangible personal property tax levied on the vehicle; and ~~(v)~~ (iv) if the locality prorates personal property tax pursuant to § 58.1-3516, the number of months for which a bill is being sent.

F. 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.

2. That any county, city, or town scheduled to receive reimbursement payments from the Commonwealth for providing local tangible personal property tax relief for tax year 2007 tangible personal property taxes pursuant to Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1 of the Code of Virginia, as such chapter was in effect on December 31, 2007, shall receive such reimbursement payments over the 12-month period beginning with the month of July 2007 and ending with the month of June 2008, and on the same payment schedule that was used to reimburse the county, city, or town for providing tangible personal property tax relief for tax year 2006.

674 3. That the Tax Commissioner shall develop and publish guidelines for purposes of implementation
675 of the provisions of this act. Such guidelines shall include, but shall not be limited to, a bracket
676 system for the collection of retail sales and use taxes in the Commonwealth on transactions of \$5
677 or less under a four percent, four and one-half percent, and five percent combined state and local
678 retail sales and use tax, as may be applicable in a Virginia jurisdiction. The development of such
679 guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et
680 seq.) of the Code of Virginia.

681 4. That the provisions of this act shall become effective on January 1, 2008, except that (i) any
682 county or city may, on or after November 15, 2007, adopt an ordinance for a local sales tax and
683 use tax at a rate of one and one-half percent or two percent subject to the requirements and
684 conditions of this act for such an ordinance, and (ii) any county, city, or town may, on or after
685 November 15, 2007, adopt an ordinance that provides an exemption from local tangible personal
686 property taxes up to the first \$20,000 of fair market value of qualifying vehicles as such term is
687 defined under this act.

688 5. That §§ 15.2-1636.20, 58.1-3523, as it is currently effective and as it shall become effective,
689 58.1-3524, as it is currently effective and as it shall become effective, 58.1-3534, and 58.1-3535 of
690 the Code of Virginia are repealed effective January 1, 2008.

691 6. That the provisions of this act shall become effective only if a Constitutional amendment to
692 Article X, Section 6 of the Constitution of Virginia authorizing counties, cities, and towns to
693 exempt from the local tangible personal property tax up to the first \$20,000 of fair market value
694 of passenger cars, motorcycles, and pickup or panel trucks used for nonbusiness purposes is
695 ratified by a majority of voters voting on such measure at the election directed by law to be held
696 on the Tuesday after the first Monday in November 2006.