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HOUSE BILL NO. 1036

Offered January 9, 2008

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A BILL to amend and reenact §§ 15.2-2503, 58.1-3321, 58.1-3330, and 58.1-3912 of the Code of Virginia, relating to property tax rates; assessments; and bills.

Patron—Frederick

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-2503, 58.1-3321, 58.1-3330, and 58.1-3912 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-2503. Time for preparation and approval of budget; contents.

All officers and heads of departments, offices, divisions, boards, commissions, and agencies of every locality shall, on or before the first day of April of each year, prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year for his department, office, division, board, commission or agency. If such person does not submit an estimate in accordance with this section, the clerk of the governing body or other designated person or persons shall prepare and submit an estimate for that department, office, division, board, commission or agency.

The governing body shall prepare and approve a budget for informative and fiscal planning purposes only, containing a complete itemized and classified plan of all contemplated expenditures and all estimated revenues and borrowings for the locality for the ensuing fiscal year. The governing body shall approve the budget and fix a tax rate for the budget year no later than the date on which the fiscal year begins. *However, notwithstanding any other law, general or special, the governing body shall fix a tax rate at least 30 days prior to approving the budget. The tax rate shall be fixed only after a public notice and a public hearing, and such notice and hearing shall precede the notice and public hearing associated with the budget by at least 30 days.*

§ 58.1-3321. Effect on rate when assessment results in tax increase; public hearings.

A. When any annual assessment, biennial assessment or general reassessment of real property by a county, city or town would result in an increase of 1 percent or more in the total real property tax levied, such county, city, or town shall reduce its rate of levy for the forthcoming tax year so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies, unless subsection B of this section is complied with, which rate shall be determined by multiplying the previous year's total real property tax levies by 101 percent and dividing the product by the forthcoming tax year's total real property assessed value. An additional assessment or reassessment due to the construction of new or other improvements, including those improvements and changes set forth in § 58.1-3285, to the property shall not be an annual assessment or general reassessment within the meaning of this section, nor shall the assessed value of such improvements be included in calculating the new tax levy for purposes of this section. Special levies shall not be included in any calculations provided for under this section.

B. The governing body of a county, city, or town may, after conducting a public hearing, which shall ~~not be held at the same time as at least 30 days prior to~~ the annual budget hearing, increase the rate above the reduced rate required in subsection A ~~above~~ if any such increase is deemed to be necessary by such governing body.

Notice of the public hearing shall be given at least 30 days before the date of such hearing by the publication of a notice in (i) at least one newspaper of general circulation in such county or city and (ii) a prominent public location at which notices are regularly posted in the building where the governing body of the county, city, or town regularly conducts its business. Any such notice shall be at least the size of one-eighth page of a standard size or a tabloid size newspaper, and the headline in the advertisement shall be in a type no smaller than 18-point. The notice described in clause (i) shall not be placed in that portion, if any, of the newspaper reserved for legal notices and classified advertisements. The notice described in clauses (i) and (ii) shall be in the following form and contain the following information, in addition to such other information as the local governing body may elect to include:

NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

The (name of the county, city or town) proposes to increase property tax levies.

1. Assessment Increase: Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by percent.

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59 2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same
60 amount of real estate tax as last year, when multiplied by the new total assessed value of real estate
61 with the exclusions mentioned above, would be \$. . . . per \$100 of assessed value. This rate will be
62 known as the "lowered tax rate."

63 3. Effective Rate Increase: The (name of the county, city or town) proposes to adopt a tax rate of \$.
64 per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate
65 would be \$. . . . per \$100, or. . . . percent. This difference will be known as the "effective tax rate
66 increase."

67 Individual property taxes may, however, increase at a percentage greater than or less than the above
68 percentage.

69 4. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other
70 revenues, the total budget of (name of county, city or town) will exceed last year's by. . . . percent.

71 A public hearing on the increase will be held on (date and time) at (meeting place).

72 C. All hearings shall be open to the public. The governing body shall permit persons desiring to be
73 heard an opportunity to present oral testimony within such reasonable time limits as shall be determined
74 by the governing body.

75 D. The provisions of this section shall not be applicable to the assessment of public service
76 corporation property by the State Corporation Commission.

77 E. Notwithstanding other provisions of general or special law, the tax rate for taxes due on or before
78 June 30 of each year, may be fixed on or before April 15 of that tax year.

79 § 58.1-3330. Notice of change in assessment.

80 A. Whenever in any county, city or town there is a reassessment of real estate, or any change in the
81 assessed value of any real estate, notice shall be given by mail directly to each property owner, as
82 shown by the land books of the county, city or town whose assessment has been changed. Such notice
83 shall be sent by postpaid mail at least fifteen days prior to the date of a hearing to protest such change
84 to the address of the property owner as shown on such land books. The governing body of the county,
85 city or town shall require the officer of such county, city or town charged with the assessment of real
86 estate to send such notices or it shall provide funds or services to the persons making such reassessment
87 so that such persons can send such notices.

88 B. Every notice shall, among other matters, show the magisterial or other district, if any, in which
89 the real estate is located, the amount and the new and immediately prior appraised value of land, the
90 new and immediately prior appraised value of improvements, and the new and immediately prior
91 assessed value of each if different from the appraised value. It shall further set out the time and place at
92 which persons may appear before the officers making such reassessment or change and present
93 objections thereto. In counties that have elected by ordinance to prepare land and personal property
94 books in alphabetical order as authorized by § 58.1-3301 B, such notice may omit reference to districts,
95 as provided herein.

96 The following requirements shall apply to any notice of change in assessment other than one in
97 which the change arises solely from the construction or addition of new improvements to the real estate.
98 ~~If the tax rate that will apply to the new assessed value has been established, then the~~ The notice shall
99 ~~set out such the tax rate that will apply to the new assessed value, the previous year's tax rate, the total~~
100 ~~amount of the new tax levy, and the percentage change in the new tax levy from the immediately prior~~
101 ~~one, and the tax rate that would yield the same amount of real property tax revenue that was generated~~
102 ~~by the real property in the previous year. If the tax rate that will apply to the new assessed value has~~
103 ~~not been established, then the notice shall set out the time and place of the next meeting of the local~~
104 ~~governing body at which public testimony will be accepted on any real estate tax rate changes. If this~~
105 ~~meeting will be more than 60 days from the date of the reassessment notice, then instead of the date of~~
106 ~~the meeting, the notice shall include information on when the date of the meeting will be set and where~~
107 ~~it will be publicized.~~

108 C. Any person other than the owner who receives such reassessment notice, shall transmit the notice
109 to such owner, at his last known address, immediately on receipt thereof, and shall be liable to such
110 owner in an action at law for liquidated damages in the amount of twenty-five dollars, in the event of a
111 failure to so transmit the notice. Mailing such notice to the last known address of the property owner
112 shall be deemed to satisfy the requirements of this section.

113 D. Notwithstanding the provisions of this section, if the address of the taxpayer as shown on the tax
114 record is in care of a lender, the lender shall upon request furnish the county, city or town a list of such
115 property owners, together with their current addresses as they appear on the books of the lender, or the
116 parties may by agreement permit the lender to forward such notices to the property owner, with the cost
117 of postage to be paid by the county, city or town.

118 § 58.1-3912. Treasurers to mail certain bills to taxpayers; penalties; electronic transmission.

119 A. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not
120 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~~ *each* county, city or town ~~may~~ *shall* 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.~~ *how the specific amount in each tax bill has been apportioned in the current fiscal year among the highest three categories of expenditures of the locality for the applicable year, with the remaining amount captured in a category entitled "other."*

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.

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.

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

2. That the provisions of this act shall become effective on January 1, 2009.