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**HOUSE BILL NO. 53**

Offered January 11, 2012

Prefiled December 19, 2011

*A BILL to amend and reenact §§ 58.1-3524 and 58.1-3912 of the Code of Virginia, relating to tangible personal property tax relief for qualifying motor vehicles.*

Patron—Albo

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That §§ 58.1-3524 and 58.1-3912 of the Code of Virginia are amended and reenacted as follows:**

§ 58.1-3524. Tangible personal property tax relief; local tax rates on vehicles qualifying for tangible personal property tax relief.

A. For tax year 2006 and all tax years thereafter, counties, cities, and towns shall be reimbursed by the Commonwealth for providing the required tangible personal property tax relief as set forth herein.

B. For tax year 2006 and all tax years thereafter, the Commonwealth shall pay a total of \$950 million for each such tax year in reimbursements to localities for providing the required tangible personal property tax relief on qualifying vehicles in subsection C. No other amount shall be paid to counties, cities, and towns for providing tangible personal property tax relief on qualifying vehicles. Each county's, city's, or town's share of the \$950 million for each such tax year shall be determined pro rata based upon the actual payments to such county, city, or town pursuant to this chapter for tax year 2005 as compared to the actual payments to all counties, cities, and towns pursuant to this chapter for tax year 2005, as certified in writing by the Auditor of Public Accounts no later than March 1, 2006, to the Governor and to the chairmen of the Senate Committee on Finance and the House Committee on Appropriations. The amount reimbursed to a particular county, city, or town for tax year 2006 for providing tangible personal property tax relief shall be the same amount reimbursed to such county, city, or town for each subsequent tax year.

The reimbursement to each county, city, or town for tax year 2006 shall be paid by the Commonwealth over the 12-month period beginning with the month of July 2006 and ending with the month of June 2007, as provided in the general appropriation act. For all tax years subsequent to tax year 2006, reimbursements shall be paid over the same 12-month period. All reimbursement payments shall be made by check issued by the State Treasurer to the respective treasurer of the county, city, or town on warrant of the Comptroller.

C. For tax year 2006 ~~2013~~ and all tax years thereafter, each county, city, or town that will receive a reimbursement from the Commonwealth pursuant to subsection B shall provide tangible personal property tax relief on qualifying vehicles by reducing its local tax rate on qualifying vehicles as follows:

1. The local governing body of each county, city, or town shall fix or establish its tangible personal property tax rate for its general class of tangible personal property, which rate shall also be applied to that portion of the value of each qualifying vehicle that is in excess of \$20,000;

2. After fixing or establishing its tangible personal property tax rate for its general class of tangible personal property, the local governing body of the county, city, or town shall fix or establish one or more reduced tax rates (lower than the rate applied to the general class of tangible personal property) that shall be applied solely to that portion of the value of each qualifying vehicle that is not in excess of \$20,000. No other tangible personal property tax rate shall be applied to that portion of the value of each qualifying vehicle that is not in excess of \$20,000. Such reduced tax rate or rates shall be set at an effective tax rate or rates such that (i) the revenue to be received from such reduced tax rate or rates on that portion of the value of qualifying vehicles not in excess of \$20,000 plus (ii) the revenue to be received on that portion of the value of qualifying vehicles in excess of \$20,000 plus (iii) the Commonwealth's reimbursement is approximately equal to the total revenue that would have been received by the county, city, or town from its tangible personal property tax had the tax rate for its general class of tangible personal property been applied to 100 percent of the value of all qualifying vehicles apportioning such reimbursement approximately in an equal dollar amount among all qualifying vehicles with a property tax situs in the county, city, or town. In no case, however, shall the reimbursement apportioned to a qualifying vehicle exceed the tangible personal property tax on the vehicle.

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 shall identify each qualifying vehicle and its value to the treasurer of the locality.

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59 E. The provisions of this section are mandatory for any county, city, or town that will receive a  
60 reimbursement pursuant to subsection B.

61 § 58.1-3912. Treasurers to mail certain bills to taxpayers; penalties; electronic transmission.

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

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

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

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

88 E. Beginning with tax year 2006, in addition to all other information currently appearing on tangible  
89 personal property tax bills, each such bill required to be sent pursuant to subsection A shall state on its  
90 face (i) whether the vehicle is a qualifying vehicle as defined in § 58.1-3523; (ii) a statement indicating  
91 the reduced tangible personal property tax rates applied to qualifying vehicles resulting from the  
92 Commonwealth's reimbursements for tangible personal property tax relief pursuant to § 58.1-3524, and  
93 the locality's tangible personal property tax rate for its general class of tangible personal property that is  
94 apportioned to the qualifying vehicle, provided that such statement shall not be required for tax bills in  
95 any county, city, or town that will not receive any reimbursement pursuant to subsection B of  
96 § 58.1-3524; (iii) the vehicle's registration number pursuant to § 46.2-604; (iv) the amount of tangible  
97 personal property tax levied on the vehicle; and (v) if the locality prorates personal property tax  
98 pursuant to § 58.1-3516, the number of months for which a bill is being sent.

99 F. Notwithstanding the provisions of subsection A, the treasurer, consistent with guidelines  
100 promulgated by the Department of Taxation implementing the provisions of subdivision 2 of  
101 § 58.1-1820, may convey, with the written consent of the taxpayer, any tax bill by electronic means  
102 chosen by the taxpayer, including without limitation facsimile transmission or electronic mail (e-mail), in  
103 lieu of posting such bill by first-class mail. The treasurer conveying a bill by means authorized in this  
104 subsection shall maintain a copy (in written form or electronic media) of the bill reflecting the date of  
105 transmission until such time as the bill has been satisfied or otherwise removed from the treasurer's  
106 books by operation of law. Transmission of a bill pursuant to this subsection shall have the same force  
107 and effect for all purposes arising under this subtitle as mailing to the taxpayer by first-class mail on the  
108 date of transmission.

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

111 2. That the provisions of this act shall be effective for tax year 2013 and all tax years thereafter.  
112 For purposes of this enactment, "tax year" means the same as that term is defined under  
113 § 58.1-3523 of the Code of Virginia.