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HOUSE BILL NO. 1229

Offered January 26, 1998

A BILL to amend the Code of Virginia by adding in Subtitle III of Title 58.1 a chapter numbered 39.1, consisting of a section numbered 58.1-3994, relating to the Personal Property Tax Relief Program.

Patrons—Tate, Abbitt, Bennett, Clement, Day, Jackson, Phillips and Stump

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Subtitle III of Title 58.1 a chapter numbered 39.1, consisting of a section numbered 58.1-3994, as follows:

CHAPTER 39.1.**PERSONAL PROPERTY TAX RELIEF PROGRAM.**

§ 58.1-3994. Personal property tax relief to localities.

A. Upon passage of the 1998-2000 budget bill that includes funding for a personal property tax relief plan, such funds set aside in the personal property tax relief program shall be used for tax relief to localities.

B. Funds from the relief fund shall be provided to each locality by multiplying the median tangible personal property rate as determined by the rates in effect on January 1, 1998, for counties, cities and towns, as appropriate, by the following exemption amounts for each passenger car, motorcycle, and pickup or panel truck which is privately owned in the locality:

<i>Calendar Year</i>	<i>Amount</i>
<i>1999</i>	<i>\$3,000</i>
<i>2000</i>	<i>\$5,000</i>
<i>2001</i>	<i>\$10,000</i>
<i>2002 and thereafter</i>	<i>\$20,000</i>

C. The calculation provided for in subsection B shall be performed by the Department of Taxation on or before May 30 of each year, and each locality shall receive its share on or before June 15 each year.

D. Each locality shall use the amount provided by this section to provide tangible personal property tax relief pursuant to a plan established by the locality. The personal property tax relief plan shall be submitted to the Department of Taxation annually on or before May 30 each year.

E. A locality by local ordinance, may use the funds for purposes other than tangible personal property tax relief, but only if such locality holds two public hearings, one of which must be held after 6 p.m. , prior to adopting such ordinance. Notice of such public hearings shall be published at least three times in block ads in a newspaper of general circulation in the locality.

INTRODUCED

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