

985458424

**HOUSE BILL NO. 719**  
**FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
(Proposed by Senator Chichester  
on March 6, 1998)

(Patron Prior to Substitute—Delegate Reid)

*A BILL to amend and reenact §§ 2.1-155, 46.2-208, 46.2-623, 58.1-3912, and 58.1-3916 of the Code of Virginia; and to amend the Code of Virginia by adding in Article 6 of Chapter 16 of Title 15.2 a section numbered 15.2-1636.1, by adding in Title 58.1 a chapter numbered 35.1, consisting of sections numbered 58.1-3523 through 58.1-3536, and by adding a section numbered 58.1-3916.01, relating to the tangible personal property tax; filing dates.*

Whereas, the General Assembly finds that the reduction in the burden of the tangible personal property tax on the first \$20,000 of value of all passenger cars, motorcycles, and pickup or panel trucks used for non-business purposes is in the best interests of the Commonwealth and its citizens; and

Whereas, it is the intent of the General Assembly to reduce the burden of this tax on the citizens of the Commonwealth by reimbursing taxpayers, or paying counties, cities, and towns, all or a portion of the tangible personal property tax levied on such vehicles, and to implement such program over a period of time until the Commonwealth is paying to localities 100 percent of the tax levied on the first \$20,000 of value of such vehicles; now, therefore,

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.1-155, 46.2-208, 46.2-623, 58.1-3912, and 58.1-3916 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 6 of Chapter 16 of Title 15.2 a section numbered 15.2-1636.1, by adding in Title 58.1 a chapter numbered 35.1, consisting of sections numbered 58.1-3523 through 58.1-3536, and by adding a section numbered 58.1-3916.01 as follows:**

§ 2.1-155. Duties and powers generally.

The Auditor of Public Accounts shall audit all the accounts of every state department, officer, board, commission, institution or other agency in any manner handling 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. *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 Chairmen of the Senate Finance Committee, the House Appropriations Committee, and the House 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.*

If the Auditor of Public Accounts shall at any time discover any unauthorized, illegal, irregular, or unsafe handling or expenditure of state funds, or if at any time it shall come to his knowledge that any unauthorized, illegal, or unsafe handling or expenditure of state funds is contemplated but not consummated, in either case he shall forthwith lay the facts before the Governor, the Joint Legislative Audit and Review Commission and the Comptroller.

In compliance with the provisions of the federal Single Audit Act of 1984, Public Law 98-502, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public Accounts to biennially audit the accounts pertaining to federal funds received by state departments, officers, boards, commissions, institutions or other agencies.

§ 15.2-1636.1. *Payments to towns under the Personal Property Tax Relief Act of 1998.*

*Towns shall be reimbursed for the administrative costs associated with the implementation of Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1. The Compensation Board shall approve and reimburse such costs that it deems fair and reasonable. The manner of submitting and preparing estimates for such costs and for reimbursements shall be as directed by the Compensation Board.*

§ 46.2-208. Records of Department; when open for inspection; release of privileged information.

A. All records in the office of the Department containing the specific classes of information outlined below shall be considered privileged records:

1. Personal information, including all data defined as "personal information" in § 2.1-379;
2. Driver information, including all data that relates to driver's license status and driver activity; and
3. Vehicle information, including all descriptive vehicle data and title, registration, and vehicle activity data.

B. The Commissioner shall release such information only under the following conditions:

1. Notwithstanding other provisions of this section, medical data included in personal data shall be

SENATE SUBSTITUTE

HB719S1

60 released only to a physician as provided in § 46.2-322.

61 2. Insurance data may be released as specified in §§ 46.2-372, 46.2-380, and 46.2-706.

62 3. Notwithstanding other provisions of this section, information disclosed or furnished shall be  
63 assessed a fee as specified in § 46.2-214.

64 4. When the person requesting the information is (i) the subject of the information, (ii) the parent or  
65 guardian of the subject of the information, (iii) the authorized representative of the subject of the  
66 information, or (iv) the owner of the vehicle that is the subject of the information, the Commissioner  
67 shall provide him with the requested information and a complete explanation of it. Requests for such  
68 information need not be made in writing or in person and may be made orally or by telephone, provided  
69 that the Department is satisfied that there is adequate verification of the requester's identity. When so  
70 requested in writing by (i) the subject of the information, (ii) the parent or guardian of the subject of the  
71 information, (iii) the authorized representative of the subject of the information, or (iv) the owner of the  
72 vehicle that is the subject of the information, the Commissioner shall verify and, if necessary, correct the  
73 personal information provided and furnish driver and vehicle information in the form of an abstract of  
74 the record.

75 5. On the written request of any insurance carrier, surety, or representative of an insurance carrier or  
76 surety, the Commissioner shall furnish such insurance carrier, surety, or representative an abstract of the  
77 record of any person subject to the provisions of this title. The abstract shall include any record of any  
78 conviction of a violation of any provision of any statute or ordinance relating to the operation or  
79 ownership of a motor vehicle or of any injury or damage in which he was involved and a report of  
80 which is required by § 46.2-372. No such report of any conviction or accident shall be made after sixty  
81 months from the date of the conviction or accident unless the Commissioner or court used the  
82 conviction or accident as a reason for the suspension or revocation of a driver's license or driving  
83 privilege, in which case the revocation or suspension and any conviction or accident pertaining thereto  
84 shall not be reported after sixty months from the date that the driver's license or driving privilege has  
85 been reinstated. This abstract shall not be admissible in evidence in any court proceedings.

86 6. On the written request of any business organization or its agent, in the conduct of its business, the  
87 Commissioner shall compare personal information supplied by the business organization or agent with  
88 that contained in the Department's records and, when the information supplied by the business  
89 organization or agent is different from that contained in the Department's records, provide the business  
90 organization or agent with correct information as contained in the Department's records. Personal  
91 information provided under this subdivision shall be used solely for the purpose of pursuing remedies  
92 which require locating an individual.

93 7. The Commissioner shall provide vehicle information to any business organization or agent on such  
94 business' or agent's written request. Disclosures made under this subdivision shall not include any  
95 personal information and shall not be subject to the limitations contained in subdivision 6 of this  
96 subsection.

97 8. On the written request of any motor vehicle rental or leasing company or its designated agent, the  
98 Commissioner shall (i) compare personal information supplied by the company or agent with that  
99 contained in the Department's records and, when the information supplied by the company or agent is  
100 different from that contained in the Department's records, provide the company or agent with correct  
101 information as contained in the Department's records and (ii) provide the company or agent with driver  
102 information in the form of an abstract of any person subject to the provisions of this title. Such abstract  
103 shall include any record of any conviction of a violation of any provision of any statute or ordinance  
104 relating to the operation or ownership of a motor vehicle or of any injury or damage in which the  
105 subject of the abstract was involved and a report of which is required by § 46.2-372. No such abstract  
106 shall include any record of any conviction or accident more than sixty months after the date of such  
107 conviction or accident unless the Commissioner or court used the conviction or accident as a reason for  
108 the suspension or revocation of a driver's license or driving privilege, in which case the revocation or  
109 suspension and any conviction or accident pertaining thereto shall cease to be included in such abstract  
110 after sixty months from the date on which the driver's license or driving privilege was reinstated. No  
111 abstract released under this subdivision shall be admissible in evidence in any court proceedings.

112 9. On the request of any federal, state, or local governmental entity, law-enforcement officer, attorney  
113 for the Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, the Commissioner  
114 shall (i) compare personal information supplied by the governmental entity, officer, attorney for the  
115 Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, with that contained in the  
116 Department's records and, when the information supplied by the governmental entity, officer, attorney  
117 for the Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, is different from that  
118 contained in the Department's records, provide the governmental entity, officer, attorney for the  
119 Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, with correct information as  
120 contained in the Department's records and (ii) provide driver and vehicle information in the form of an  
121 abstract of the record showing all convictions, accidents, driver's license suspensions or revocations, and

122 other appropriate information as the governmental entity, officer, attorney for the Commonwealth, or  
123 court, or the authorized agent of any of the foregoing, may require in order to carry out its official  
124 functions.

125 10. On request of the driver licensing authority in any other state or foreign country, the  
126 Commissioner shall provide whatever classes of information the requesting authority shall require in  
127 order to carry out its official functions.

128 11. On the written request of any employer, prospective employer, or authorized agent of either, and  
129 with the written consent of the individual concerned, the Commissioner shall (i) compare personal  
130 information supplied by the employer, prospective employer, or agent with that contained in the  
131 Department's records and, when the information supplied by the employer, prospective employer, or  
132 agent is different from that contained in the Department's records, provide the employer, prospective  
133 employer, or agent with correct information as contained in the Department's records and (ii) provide the  
134 employer, prospective employer, or agent with driver information in the form of an abstract of an  
135 individual's record showing all convictions, accidents, driver's license suspensions or revocations, and  
136 any type of driver's license that the individual currently possesses, provided that the individual's position  
137 or the position that the individual is being considered for involves the operation of a motor vehicle.

138 12. On the written request of any member of or applicant for membership in a volunteer fire  
139 company or volunteer rescue squad, the Commissioner shall (i) compare personal information supplied  
140 by the volunteer fire company or volunteer rescue squad with that contained in the Department's records  
141 and, when the information supplied by the volunteer fire company or volunteer rescue squad is different  
142 from that contained in the Department's records, provide the volunteer fire company or volunteer rescue  
143 squad with correct information as contained in the Department's records and (ii) provide driver  
144 information in the form of an abstract of the member's or applicant's record showing all convictions,  
145 accidents, license suspensions or revocations, and any type of driver's license that the individual  
146 currently possesses. Such abstract shall be provided free of charge if the request is accompanied by  
147 appropriate written evidence that the person is a member of or applicant for membership in a volunteer  
148 fire company or volunteer rescue squad and the abstract is needed by a volunteer fire company or  
149 volunteer rescue squad to establish the qualifications of the member or applicant to operate equipment  
150 owned by the volunteer fire company or volunteer rescue squad.

151 13. On the written request of any person who has applied to be a volunteer with a Virginia affiliate  
152 of Big Brothers/Big Sisters of America, the Commissioner shall (i) compare personal information  
153 supplied by a Virginia affiliate of Big Brothers/Big Sisters of America with that contained in the  
154 Department's records and, when the information supplied by a Virginia affiliate of Big Brothers/Big  
155 Sisters of America is different from that contained in the Department's records, provide the Virginia  
156 affiliate of Big Brothers/Big Sisters of America with correct information as contained in the  
157 Department's records and (ii) provide driver information in the form of an abstract of the applicant's  
158 record showing all convictions, accidents, license suspensions or revocations, and any type of driver's  
159 license that the individual currently possesses. Such abstract shall be provided free of charge if the  
160 request is accompanied by appropriate written evidence that the person has applied to be a volunteer  
161 with a Virginia affiliate of Big Brothers/Big Sisters of America.

162 14. On the written request of any person who has applied to be a volunteer with a court-appointed  
163 special advocate program pursuant to § 9-173.8, the Commissioner shall provide an abstract of the  
164 applicant's record showing all convictions, accidents, license suspensions or revocations, and any type of  
165 driver's license that the individual currently possesses. Such abstract shall be provided free of charge if  
166 the request is accompanied by appropriate written evidence that the person has applied to be a volunteer  
167 with a court-appointed special advocate program pursuant to § 9-173.8.

168 15. Upon the request of any employer, prospective employer, or authorized representative of either,  
169 the Commissioner shall (i) compare personal information supplied by the employer, prospective  
170 employer, or agent with that contained in the Department's records and, when the information supplied  
171 by the employer, prospective employer, or agent is different from that contained in the Department's  
172 records, provide the employer, prospective employer, or agent with correct information as contained in  
173 the Department's records and (ii) provide driver information in the form of an abstract of the driving  
174 record of any individual who has been issued a commercial driver's license, provided that the  
175 individual's position or the position that the individual is being considered for involves the operation of  
176 a commercial motor vehicle. Such abstract shall show all convictions, accidents, license suspensions,  
177 revocations, or disqualifications, and any type of driver's license that the individual currently possesses.

178 16. Upon the receipt of a completed application and payment of applicable processing fees, the  
179 Commissioner may enter into an agreement with any governmental authority or business to exchange  
180 information specified in this section by electronic or other means.

181 17. Upon the request of an attorney representing a person in a motor vehicle accident, the  
182 Commissioner shall provide vehicle information, including the owner's name and address, to the

183 attorney.

184 18. Upon the request, in the course of business, of any authorized representative of an insurance  
185 company or of any not-for-profit entity organized to prevent and detect insurance fraud, the  
186 Commissioner shall provide all vehicle information, including the owner's name and address, descriptive  
187 data and title, registration, and vehicle activity data to such person.

188 19. Upon the request of an officer authorized to issue criminal warrants, for the purpose of issuing a  
189 warrant for arrest for unlawful disposal of trash or refuse in violation of § 33.1-346, the Commissioner  
190 shall provide vehicle information, including the owner's name and address.

191 20. Upon written request of the compliance agent of a private security services business, as defined  
192 in § 9-183.1, which is licensed by the Department of Criminal Justice Services, the Commissioner shall  
193 provide the name and address of the owner of the vehicle under procedures determined by the  
194 Commissioner.

195 C. Whenever the Commissioner issues an order to suspend or revoke the driver's license or driving  
196 privilege of any individual, he may notify the National Driver Register Service operated by the United  
197 States Department of Transportation and any similar national driver information system and provide  
198 whatever classes of information the authority may require.

199 D. Accident reports may be inspected under the provisions of §§ 46.2-379 and 46.2-380.

200 E. Whenever the Commissioner takes any licensing action pursuant to the provisions of the Virginia  
201 Commercial Driver's License Act (§ 46.2-341.1 et seq.), he may provide information to the Commercial  
202 Driver License Information System, or any similar national commercial driver information system,  
203 regarding such action.

204 F. In addition to the foregoing provisions of this section, vehicle information may also be inspected  
205 under the provisions of §§ 43-33, 43-34, 46.2-633, and 46.2-1200.1 through 46.2-1237.

206 G. The Department may promulgate regulations to govern the means by which personal, vehicle, and  
207 driver information is requested and disseminated.

208 H. Driving records of any person accused of an offense involving the operation of a motor vehicle  
209 shall be provided by the Commissioner upon request to any person acting as counsel for the accused. If  
210 such counsel is from the public defender's office or has been appointed by the court, such records shall  
211 be provided free of charge.

212 § 46.2-623. Statements in application.

213 A. Every application for a certificate of title shall contain (i) a statement of the applicant's title and  
214 of all liens or encumbrances on the vehicle and the names and addresses of all persons having any  
215 interest in the vehicle and the nature of every interest in the vehicle. ~~The application shall also contain;~~  
216 (ii) the Social Security number, if any, of the owner and, if the application is in the name of an  
217 employer for a business vehicle, the employer's identification number assigned by the United States  
218 Internal Revenue Service.

219 ~~Every application for a certificate of title shall contain; and~~ (iii) a brief description of the vehicle to  
220 be registered, including the name of the maker, the vehicle identification or serial number and, when  
221 registering a new vehicle, the date of sale by the manufacturer or dealer to the person first operating the  
222 vehicle.

223 B. *Not later than July 15, 1998, the lessor of a qualifying vehicle, as defined in § 58.1-3523, shall*  
224 *send a report to the Department for each such qualifying vehicle it was leasing as of July 1, 1998, and*  
225 *has leased between January 1, 1998, and June 30, 1998, containing (i) the name and address of the*  
226 *lessee as it appears in the lease contract; (ii) the Social Security number of the lessee; and (iii) the*  
227 *registration number of the vehicle as described under Article 1 (§ 46.2-600 et seq.) of this chapter.*

228 C. *Beginning with August 1998, such lessor shall send a monthly report to the Department, by the*  
229 *fifteenth day of the month or such later day as may be prescribed in the guidelines promulgated under*  
230 *§ 58.1-3532, listing any changes, additions or deletions to the information provided under subsection B*  
231 *as of the last day of the preceding month.*

232 D. The application shall contain ~~whatever~~ such additional information as may be required by the  
233 Department.

#### 234 CHAPTER 35.1.

#### 235 PERSONAL PROPERTY TAX RELIEF ACT OF 1998.

236 § 58.1-3523. Definitions.

237 As used in this chapter:

238 "Commissioner" means the Commissioner of the Department of Motor Vehicles.

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

243 "Department" means the Department of Motor Vehicles.

244 "Effective tax rate" means the tax rate imposed by a locality on tangible personal property on the

245 applicable class of tangible personal property multiplied by the assessment ratio.  
 246 "Leased" means leased by a natural person as lessee and used for non-business purposes.  
 247 "Payment value amount" means the first \$20,000 of value of each qualifying vehicle; however, if the  
 248 condition established in § 58.1-3534 has not occurred, the payment value amount means the first  
 249 \$15,000 of value of each qualifying vehicle.  
 250 "Percentage amount" means the portion of the reimbursable amount to be reimbursed or paid by the  
 251 Commonwealth.  
 252 "Privately owned" means owned by a natural person and used for non-business purposes.  
 253 "Qualifying vehicle" means any passenger car, motorcycle, and pickup or panel truck, as those terms  
 254 are defined in § 46.2-100, that is determined by the commissioner of the revenue of the county or city in  
 255 which the vehicle has situs as provided by § 58.1-3511 to be (i) privately owned or (ii) leased pursuant  
 256 to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In  
 257 determining whether a vehicle is a qualifying vehicle, the commissioner of revenue may rely on the  
 258 registration of such vehicle with the Department pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title  
 259 46.2.  
 260 "Reimbursable amount" means the value of a qualifying vehicle, up to the payment value amount,  
 261 multiplied by the effective tax rate in effect in the locality on July 1, 1997.  
 262 "Tangible personal property tax" means the tax levied pursuant to Article 1 (§ 58.1-3500 et seq.) of  
 263 Chapter 35 of this title.  
 264 "Treasurer" means the same as that set forth in § 58.1-3123, when used herein with respect to a  
 265 county or city. When used herein with respect to a town, "treasurer" means the officer who is primarily  
 266 responsible for the billing and collection of tangible personal property taxes levied upon motor vehicles  
 267 by such town, and means the treasurer of the county or counties in which such town is located if such  
 268 functions are performed for the town by the county treasurer or treasurers.  
 269 "Used for non-business purpose" means the preponderance of use is for other than business  
 270 purposes. The preponderance of use for other than business purposes shall be deemed not to be satisfied  
 271 if: (i) the motor vehicle is expensed on the taxpayer's federal income tax return pursuant to Internal  
 272 Revenue Code § 179; (ii) more than fifty percent of the basis for depreciation of the motor vehicle is  
 273 depreciated for federal income tax purposes; or (iii) the allowable expense of total annual mileage in  
 274 excess of fifty percent is deductible for federal income tax purposes or reimbursed pursuant to an  
 275 arrangement between an employer and employee.  
 276 "Value" means the fair market value determined by the method prescribed in § 58.1-3503 and used  
 277 by the locality as of July 1, 1997, in valuing the qualifying vehicle.  
 278 § 58.1-3524. Reimbursement of tangible personal property taxes; deduction on tangible personal  
 279 property tax bills.  
 280 A. For any tax year beginning in calendar year 1998, the Commonwealth shall directly reimburse  
 281 taxpayers for tangible personal property tax levies paid on each qualifying vehicle, as provided in  
 282 § 58.1-3525, a percentage amount equal to the greater of (i) fifteen percent of the reimbursable amount  
 283 for the qualifying vehicle or (ii) the lesser of ten dollars or the tangible personal property tax levied on  
 284 the qualified vehicle.  
 285 B. Subject to the conditions of subsections C and D and § 58.1-3535, the Commonwealth shall pay to  
 286 treasurers for each qualifying vehicle, as provided in § 58.1-3526, the following percentage amounts:  
 287 1. For any tax year beginning in calendar year 1999, the greater of (i) thirty percent of the  
 288 reimbursable amount for the qualifying vehicle or (ii) the lesser of twenty dollars or the tangible  
 289 personal property tax levied on the qualified vehicle;  
 290 2. For any tax year beginning in calendar year 2000, the greater of (i) fifty percent of the  
 291 reimbursable amount for the qualifying vehicle or (ii) the lesser of forty dollars or the tangible personal  
 292 property tax levied on the qualified vehicle;  
 293 3. For any tax year beginning in calendar year 2001, the greater of (i) seventy percent of the  
 294 reimbursable amount for the qualifying vehicle or (ii) the lesser of eighty dollars or the tangible  
 295 personal property tax levied on the qualified vehicle; and  
 296 4. For any tax year beginning in calendar year 2002 or thereafter, 100 percent of the reimbursable  
 297 amount for the qualifying vehicle.  
 298 C. Notwithstanding the schedule set forth in subsection B, the percentage amount for each qualifying  
 299 vehicle to be paid by the Commonwealth for a tax year shall not be increased at the beginning of any  
 300 calendar year above the percentage amount paid by the Commonwealth in the preceding tax year if:  
 301 1. Actual general fund revenues for a fiscal year, including transfers but not balances, are less than  
 302 the projected general fund revenues, as reported in the general appropriation act in effect at that time,  
 303 by one-half of one percent or more of the amount of actual general fund revenues for such fiscal year;  
 304 2. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393  
 305 indicates that general fund revenues, excluding transfers and balances, for any fiscal year will be less

306 *than five percent greater than general fund revenues for the immediately preceding fiscal year; or*

307 *3. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393*  
308 *indicates that total general fund revenues available for appropriation, including transfers, for either of*  
309 *the fiscal years covered by the general appropriation act in effect at that time will be less than the*  
310 *general fund appropriations for such fiscal year or years.*

311 *D. If the percentage amount remains the same for consecutive tax years, the percentage amount to*  
312 *be used in the following tax year shall remain the same unless none of the conditions described in*  
313 *subsection C has occurred, in which event the amount to be paid by the Commonwealth for the*  
314 *immediately following tax year shall be equal to the next highest percentage amount listed in subsection*  
315 *B.*

316 *E. The percentage amount as determined under subdivisions B 1 through B 4 shall appear as a*  
317 *deduction on the tangible personal property tax bill for qualifying vehicles, as provided by subsection E*  
318 *of § 58.1-3912. However:*

319 *1. If the General Assembly changes the percentage amount as described under subsection B for the*  
320 *current tax year and a locality has already mailed its tangible personal property tax bills for qualifying*  
321 *vehicles for the year that the percentage amount is changed, the locality shall take the following action:*

322 *a. If the percentage amount is decreased for the current tax year and the taxpayer has paid the*  
323 *assessment, the locality may issue an additional assessment for the amount of the difference between the*  
324 *percentage amount for the tax year reflected on the original assessment and the percentage amount for*  
325 *the tax year as modified by the General Assembly in the current year.*

326 *b. If the percentage amount is increased for the current tax year and the taxpayer has paid the*  
327 *assessment, the locality shall issue a refund to the taxpayer for the amount of the difference between the*  
328 *percentage amount for the tax year reflected on the original assessment and the percentage amount for*  
329 *the tax year as modified by the General Assembly in the current tax year. Such refunds shall be issued*  
330 *by the treasurer no later than thirty days after receipt of the payment from the Commonwealth pursuant*  
331 *to § 58.1-3526.*

332 *2. If the General Assembly changes the percentage amount as described under subsection B before a*  
333 *locality has mailed its tangible personal property tax bills for qualifying vehicles, the locality shall take*  
334 *the following action:*

335 *a. If the percentage amount is decreased for the current tax year, the locality may adjust each*  
336 *taxpayer's tangible personal property tax bill to reflect the changes made by the General Assembly to*  
337 *the percentage amount.*

338 *b. If the percentage amount is increased for the current tax year, the locality shall adjust each*  
339 *taxpayer's tangible personal property tax bill to reflect the changes made by the General Assembly to*  
340 *the percentage amount.*

341 *§ 58.1-3525. Reimbursement to taxpayers for tax year 1998 levies.*

342 *A. For tax year 1998 tangible personal property tax levies paid on qualifying vehicles, the*  
343 *Commonwealth shall reimburse to the taxpayer the amount specified in subsection A of § 58.1-3524. If*  
344 *such amount is less than one dollar, the Commonwealth shall not make a reimbursement to the*  
345 *taxpayer.*

346 *B. Reimbursements shall be made according to the following schedule:*

347 *1. The reimbursement relating to tax year 1998 levies paid by taxpayers between January 1, 1998,*  
348 *and June 30, 1998, shall be sent to taxpayers by United States mail on or before November 15, 1998.*

349 *a. On or before July 31, 1998, the commissioner of revenue shall certify the value of each qualifying*  
350 *vehicle to the treasurer of the locality.*

351 *b. On or before August 31, 1998, the treasurer shall certify to the Department, in the manner*  
352 *prescribed by the Department, the amount as determined under subsection A of § 58.1-3524 to be*  
353 *reimbursed to each taxpayer.*

354 *c. On or before September 30, 1998, after a review of the certifications submitted by the treasurers,*  
355 *the Commissioner shall certify the amount to be reimbursed to each taxpayer and shall make a written*  
356 *request to the Comptroller for payment.*

357 *2. The reimbursement relating to tax year 1998 levies paid by taxpayers between July 1, 1998, and*  
358 *December 31, 1998, shall be sent to taxpayers by United States mail on or before May 15, 1999.*

359 *a. On or before January 31, 1999, the commissioner of revenue shall certify the value of each*  
360 *qualifying vehicle to the treasurer of the locality.*

361 *b. On or before February 28, 1999, the treasurer shall certify to the Department, in the manner*  
362 *prescribed by the Department, the amount as determined under subsection A of § 58.1-3524 to be*  
363 *reimbursed to each taxpayer.*

364 *c. On or before March 31, 1999, after a review of the certifications submitted by the treasurers, the*  
365 *Commissioner shall certify the amount to be reimbursed to each taxpayer and shall make a written*  
366 *request to the Comptroller for payment.*

367 *3. The reimbursement relating to tax year 1998 levies paid by taxpayers after December 31, 1998,*

368 shall be sent by United States mail to taxpayers within 100 days of payment.  
369 a. Within thirty days of payment, the commissioner of revenue shall certify the value of each  
370 qualifying vehicle to the treasurer of the locality.  
371 b. Within thirty days of receipt of such certification, the treasurer shall certify to the Department, in  
372 the manner prescribed by the Department, the amount as determined under subsection A of § 58.1-3524  
373 to be reimbursed to each taxpayer.  
374 c. After a review of the certifications submitted by the treasurers and within thirty days of receipt of  
375 a treasurer's certification, the Commissioner shall certify the amount to be reimbursed to each taxpayer  
376 and shall make a written request to the Comptroller for payment.  
377 In each instance, the treasurer shall also include the commissioner of revenue's certification along  
378 with any certification he is required to send to the Department.  
379 C. If (i) the situs for the assessment and taxation of a qualifying vehicle, as determined pursuant to  
380 § 58.1-3511, changes in tax year 1998 and (ii) the county, city, or town in which the qualifying vehicle  
381 first had situs in tax year 1998 levied a tangible personal property tax on such vehicle for all twelve  
382 months of tax year 1998, the reimbursement under this section shall be made only for tangible personal  
383 property taxes paid to such county, city, or town.  
384 D. Payments to taxpayers under this section shall be made by the State Treasurer on warrants issued  
385 by the Comptroller.  
386 E. The reimbursement provided under this section for a qualifying vehicle which is leased shall be  
387 paid directly to the lessee of such vehicle.  
388 § 58.1-3526. Payment to treasurers for tax year 1999 and thereafter.  
389 A. For tax year 1999 and tax years thereafter, the Commonwealth shall pay to treasurers the amount  
390 specified in subdivisions B 1 through B 4 of § 58.1-3524 for each qualifying vehicle, if the conditions of  
391 this section are satisfied.  
392 B. As provided by subsection E of § 58.1-3912, the treasurer shall include such amount as a  
393 deduction on the face of tangible personal property tax bills for qualifying vehicles and shall clearly  
394 designate such deduction as an amount to be paid by the Commonwealth. In addition to tangible  
395 personal property taxes levied on property other than qualifying vehicles, the taxpayer shall pay to the  
396 treasurer any payment due for the difference between tangible personal property taxes levied on a  
397 qualifying vehicle and such deduction. Within the certified personal property tax book provided to the  
398 treasurer pursuant to § 58.1-3118, the commissioner of the revenue shall identify each qualifying vehicle  
399 and its value, as defined in this chapter.  
400 C. Except as provided by § 58.1-3528, upon full payment of the tangible personal property tax levied  
401 on a qualifying vehicle, less the amount of the deduction as described in subsection B of this section,  
402 the treasurer shall make a request to the Commonwealth for payment of the amount equal to the amount  
403 specified in subdivisions B 1 through B 4 of § 58.1-3524 for the qualifying vehicle. Such request shall  
404 include a summary of the information appearing on the related tangible personal property tax bill. The  
405 summary information to be included in the request and the form of such request shall be prescribed by  
406 the Comptroller. Upon receipt of such information, the Comptroller shall issue the proper warrant for  
407 payment by the State Treasurer. If the Comptroller determines that a treasurer is unable to provide the  
408 summary information, he shall issue a warrant for payment to such treasurer in an amount equal to the  
409 estimate made by the Department under § 58.1-3529. Provided that the request for payment is received  
410 by the deadlines established and in the format prescribed by the Comptroller, he shall issue the warrant  
411 for payment no later than two business days after the receipt of the request from the treasurer.  
412 D. 1. If a taxpayer is required to make a payment for the difference between the tangible personal  
413 property tax levied on a qualifying vehicle and the deduction as described in subsection B, the amount  
414 as determined under subdivisions B 1 through B 4 of § 58.1-3524 for such qualifying vehicle shall be  
415 paid by the Commonwealth to the treasurer at such times as is consistent with the treasurer's receipt of  
416 tangible personal property tax payments on qualifying vehicles as of January 1, 1998.  
417 2. Except as provided in subdivision D 3, if a taxpayer is not required to return to the treasurer any  
418 payment of tangible personal property tax for a qualifying vehicle, the amount as determined under  
419 subdivisions B 1 through B 4 of § 58.1-3524 for such qualifying vehicle shall be paid by the  
420 Commonwealth to the treasurer over a four-week period. There shall be one equal payment in each  
421 week. The first payment shall be made four weeks prior to the county, city, or town's due date for  
422 tangible personal property taxes on qualifying vehicles as of January 1, 1998. However, the Comptroller  
423 shall not issue a warrant for payment unless he has received the certification described in  
424 § 58.1-3916.01.  
425 3. If (i) a taxpayer is not required to return to the treasurer any payment of tangible personal  
426 property tax for a qualifying vehicle and (ii) the tangible personal property tax levy on such vehicle has  
427 been made as authorized under § 58.1-3516, the amount as determined under subdivisions B 1 through  
428 B 4 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer at

429 such times as is consistent with the treasurer's receipt of tangible personal property tax payments on  
430 qualifying vehicles as of January 1, 1998.

431 E. In addition to the summary information described in subsection C, the treasurer shall send  
432 detailed information on tangible personal property tax bills for qualifying vehicles to the Department.  
433 The Department shall prescribe the information required, its format, and its due date.

434 § 58.1-3527. Reconciliation of amounts paid to counties, cities, and towns.

435 For tax years 1999 and tax years thereafter, the Department and each treasurer shall reconcile the  
436 amount paid by the Commonwealth to such treasurer. The Department may use the information  
437 described in subsections C and E of § 58.1-3526 and any other source or data it deems appropriate in  
438 making such a reconciliation. If the Department determines that the correct amount has not been paid  
439 to such treasurer, the Department shall (i) for any underpayments, make a written request to the  
440 Comptroller to make a payment for any underpayment; or (ii) for any overpayment, direct the  
441 Comptroller to reduce the respective county, city, or town's next payment or payments, in the current or  
442 succeeding years, under § 58.1-3526 accordingly. The guidelines promulgated under § 58.1-3532 shall  
443 establish procedures for such reconciliations.

444 § 58.1-3528. Interest; Commonwealth to make payments when taxes paid in full.

445 A. Payments to taxpayers and treasurers under this chapter shall not include interest.

446 B. The Commonwealth shall not make the reimbursement to a taxpayer, as provided under  
447 § 58.1-3525, unless the tangible personal property taxes for the related qualifying vehicle have been  
448 paid in full.

449 C. The Commonwealth shall not make the reimbursement to a treasurer, as provided under  
450 subsection C of § 58.1-3526, unless the tangible personal property taxes for the related qualifying  
451 vehicle less the amount of the deduction described in subsection B of § 58.1-3526, if in excess of five  
452 dollars, have been paid in full.

453 D. Notwithstanding the provisions of subsection C of this section, if a treasurer has entered into an  
454 agreement with a taxpayer under which such taxpayer is allowed to satisfy the tangible personal  
455 property tax liability on a qualifying vehicle in installment payments, except as provided under  
456 § 58.1-3916, the Commonwealth shall pay the respective amount specified in subdivisions B 1 through B  
457 4 of § 58.1-3524 for such vehicle to the treasurer if the taxpayer has paid at least fifty percent of such  
458 tangible personal property tax liability.

459 § 58.1-3529. Estimate of payments to be made by the Commonwealth.

460 On November 1 of each year, the Department shall estimate the amount to be paid by the  
461 Commonwealth under this chapter for the upcoming tax year and shall provide a report to the Governor  
462 and the chairmen of the Senate Finance Committee and the House Appropriations Committee of the  
463 same. Upon the request of the Comptroller, the Department shall also make an estimate of the amount  
464 to be paid by the Commonwealth in any tax year to an individual county, city, or town and shall report  
465 the estimated amount to the Comptroller.

466 § 58.1-3530. Payments to taxpayers subject to Setoff Debt Collection Act.

467 Any amount to be reimbursed to a taxpayer for tax year 1998 levies paid on qualifying vehicles  
468 pursuant to § 58.1-3525 shall be subject to the Setoff Debt Collection Act (§ 58.1-520 et seq.).

469 § 58.1-3531. Full payment of tangible personal property tax on qualifying vehicles not made.

470 Beginning in tax year 1999, notwithstanding any other provision of law, general and special,  
471 including the provisions of the charter of any city or town:

472 1. If a taxpayer fails to make the payment described in subsection B of § 58.1-3526 by its due date  
473 or fails to comply with the filing requirements for qualifying vehicles under §§ 58.1-3518 and  
474 58.1-3518.1, no interest may be imposed on any amount to be paid by the Commonwealth as determined  
475 under subdivisions B 1 through B 4 of § 58.1-3524. In calculating penalties to be imposed on the  
476 taxpayer for failure to make the payment described in subsection B of § 58.1-3526 by its due date or for  
477 failure of the taxpayer to comply with the filing requirements for qualifying vehicles under §§ 58.1-3518  
478 and 58.1-3518.1, the treasurer may take into consideration the full amount of the tangible personal  
479 property tax levied including any amount to be paid by the Commonwealth as determined under  
480 subdivisions B 1 through B 4 of § 58.1-3524 and any other relevant information.

481 2. If a taxpayer (i) fails to comply with the filing requirements for a qualifying vehicle under  
482 §§ 58.1-3518 and 58.1-3518.1 and (ii) is not required to return to the treasurer any payment of tangible  
483 personal property tax for such vehicle, no new or replacement local motor vehicle license for such  
484 vehicle, as described in Article 11 (§ 46.2-750 et seq.) of Chapter 6 of Title 46.2, shall be issued until  
485 the taxpayer complies with such filing requirements.

486 § 58.1-3532. Department to promulgate guidelines.

487 The Department shall promulgate guidelines for the use of local governments in administering the  
488 provisions of this chapter. In preparing such guidelines, the Department shall not be subject to the  
489 provisions of the Administrative Process Act (§ 9-6.14:1 et seq.) for guidelines promulgated on or before  
490 July 1, 2001, but shall cooperate with and seek the counsel of local officials and interested groups. Such

491 guidelines shall be available for distribution to local governments on July 1, 1998. Thereafter, the  
492 guidelines shall be updated annually.

493 § 58.1-3533. *Personal Property Tax Relief Fund.*

494 A. There is hereby created on the books of the Comptroller in the Department of the Treasury a  
495 special nonreverting fund which shall be known as the Personal Property Tax Relief Fund. The Fund  
496 shall consist of such funds as may be appropriated by the General Assembly from time to time. These  
497 funds shall be used exclusively for the payments to taxpayers and treasurers described in this chapter.

498 B. The Commissioner shall annually, on or before November 1, make and deliver to the Governor,  
499 the Secretary of Finance, and the chairmen of the Senate Finance Committee and the House  
500 Appropriations Committee a certificate stating the sum necessary to fund the payments to taxpayers and  
501 treasurers described in this chapter. Following the delivery of such certificate, the Commissioner shall  
502 provide to the chairmen of the Senate Finance Committee and the House Appropriations Committee  
503 such data and information as shall be requested relating to the determination of such sum.

504 C. Subject to the provisions of § 58.1-3535, if the funds appropriated to the Fund are insufficient, or  
505 projected to be insufficient, to make payments to taxpayers or treasurers in the first year of a biennium,  
506 the Governor is authorized to transfer moneys from the second year to the first year to effect the  
507 payment.

508 D. Subject to the provisions of § 58.1-3535, if the funds appropriated to the Fund are insufficient, or  
509 projected to be insufficient, to make payments to treasurers in the second year of a biennium, the  
510 Governor is hereby directed to submit to the presiding officer of each house of the General Assembly, at  
511 its next regularly scheduled session, printed copies of a budget including the sum, if any, required to  
512 restore the Fund to a level sufficient to make payments to treasurers for the purpose set forth in this  
513 chapter.

514 § 58.1-3534. *Increase in payment value amount.*

515 A. The payment value amount shall increase to the first \$20,000 of value of each qualifying vehicle  
516 effective for tax years beginning in and after the calendar year following the date that the Comptroller  
517 certifies to the Governor and the chairmen of the Senate Finance Committee and the House  
518 Appropriations Committee that the amount certified by the Commissioner pursuant to subsection B of  
519 § 58.1-3533 as being necessary to fund payments to treasurers in the following year at 100 percent of  
520 the reimbursable amount, based on a payment value amount of the first \$15,000 of value of each  
521 qualifying vehicle, is less than four percent of the amount of total general fund revenues available for  
522 appropriation, excluding balances, for such period as stated in the budget bill submitted pursuant to  
523 subsection A of § 2.1-399 or any amendments to a general appropriation act submitted pursuant to  
524 subsection B of § 2.1-399.

525 B. The increase in the payment value amount described in subsection A shall not occur before a year  
526 during which the reimbursement amount has been 100 percent of the reimbursable amount for qualifying  
527 vehicles. In addition, such increase shall not occur if any of the conditions described in subsection C of  
528 § 58.1-3524 has occurred.

529 § 58.1-3535. *Limitation on payments to treasurers.*

530 A. The Governor shall not submit any budget bill pursuant to subsection A of § 2.1-399 or any  
531 amendments to a general appropriation act pursuant to subsection B of § 2.1-399 for fiscal year  
532 2000-2001 or any fiscal year thereafter that proposes the appropriation of an amount that exceeds seven  
533 and three-quarters percent of the amount of total general fund revenues available for appropriation,  
534 excluding balances, for payments to treasurers pursuant to § 58.1-3526 in any fiscal year.

535 B. If a general fund revenue forecast provided by the Governor in December of any year pursuant to  
536 § 2.1-393 indicates that the appropriation of funds for payments to treasurers at the level stated in the  
537 Commissioner's certificate made pursuant to subsection B of § 58.1-3533 would exceed such seven and  
538 three-quarters percent limitation, then the percentage amount determined under subsection B of  
539 § 58.1-3524 shall be reduced to a percentage of the reimbursable amount of each qualifying vehicle, to  
540 be determined by the Department, that would require the amount to be paid by the Commonwealth to  
541 treasurers for payments to treasurers to not exceed such seven and three-quarters percent limitation.  
542 Upon determining such reduced percentage, the Department shall notify treasurers of the reduced  
543 percentage.

544 C. For any tax year corresponding to the fiscal year for which the percentage of payment is reduced  
545 as provided in subsection B, the Commonwealth shall pay to treasurers the reduced percentage of the  
546 reimbursable amount of each qualifying vehicle, if the conditions of subsections B through E of  
547 § 58.1-3526 are satisfied.

548 D. Treasurers shall include the product obtained by multiplying the reduced percentage by the  
549 reimbursable amount for the qualifying vehicle as a deduction on tangible personal property tax bills  
550 for such tax year. However, if the percentage for the current tax year is reduced after a locality has  
551 mailed its tangible personal property tax bills for qualifying vehicles for such tax year, the locality may

552 *issue an additional assessment for the amount of the difference between the percentage amount for the*  
553 *tax year reflected on the original assessment and the reduced amount of the deduction. If the percentage*  
554 *for the current tax year is reduced before a locality has mailed its tangible personal property tax bills*  
555 *for qualifying vehicles for such tax year, the locality may adjust each taxpayer's tangible personal*  
556 *property tax bill to reflect the reduced amount of the deduction.*

557 *§ 58.1-3536. Department to furnish information to commissioners of revenue.*

558 *The Department shall provide to the commissioners of revenue such data or information it has*  
559 *available which is needed for the commissioners of revenue to comply with the provisions of this*  
560 *chapter. Such data or information shall be made available in a manner which will allow for compliance*  
561 *with the provisions of this chapter.*

562 *§ 58.1-3912. Treasurers to mail certain bills to taxpayers; penalties.*

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

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

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

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

589 *E. Beginning with tax year 1999, in addition to all other information currently appearing on tangible*  
590 *personal property tax bills, each such bill shall state on its face (i) whether the vehicle is a qualifying*  
591 *vehicle as defined in § 58.1-3523; (ii) a deduction for the amount to be paid by the Commonwealth as*  
592 *determined by § 58.1-3524; (iii) the vehicle's registration number pursuant to § 46.2-604; (iv) whether*  
593 *the vehicle is registered to (a) a natural person or (b) a business, including a sole proprietorship; (v)*  
594 *the amount of tangible personal property tax levied on the vehicle; and (vi) if the locality prorates*  
595 *personal property tax pursuant to § 58.1-3516, the number of months for which a bill is being sent.*

596 *F. Beginning with tax year 1999 and through the end of tax year 2002, the treasurer shall include a*  
597 *statement, prepared by the Department, with or as part of the tangible personal property tax bills for*  
598 *such qualifying vehicles. The statement shall explain how the deduction for the percentage amount was*  
599 *calculated, how the deduction shall be calculated in future years, and the taxpayer's liability for*  
600 *tangible personal property taxes on qualifying vehicles.*

601 *§ 58.1-3916. Counties, cities and towns may provide dates for filing returns, set penalties, interest,*  
602 *etc.*

603 *Notwithstanding provisions contained in §§ 58.1-3518, 58.1-3900, 58.1-3913, 58.1-3915 and*  
604 *58.1-3918, the governing body of any county, city or town may provide by ordinance the time for filing*  
605 *local license applications and annual returns of taxable tangible personal property, machinery and tools*  
606 *and merchants' capital. The governing body may also by ordinance establish due dates for the payment*  
607 *of local taxes; may provide that payment be made in a single installment or in two equal installments*  
608 *for real estate, local license, machinery and tools and merchants' capital; may offer options, which may*  
609 *include coupon books and payroll deductions, which allow the taxpayer to determine whether to pay the*  
610 *tangible personal property tax through monthly, bimonthly, quarterly, or semiannual installments or in a*  
611 *lump sum, provided such taxes are paid in full by the final due date; may provide by ordinance*  
612 *penalties for failure to file such applications and returns and for nonpayment in time; may provide for*  
613 *payment of interest on delinquent taxes; and may provide for the recovery of reasonable attorney's or*

614 collection agency's fees actually contracted for, not to exceed twenty percent of the delinquent taxes and  
615 other charges so collected.

616 No tax assessment or tax bill shall be deemed delinquent and subject to the collection procedures  
617 prescribed herein during the pendency of any administrative appeal under § 58.1-3980, so long as the  
618 appeal is filed within ninety days of the date of the assessment, and for thirty days after the date of the  
619 final determination of the appeal, provided that nothing in this paragraph shall be construed to preclude  
620 the assessment or refund, following the final determination of such appeal, of such interest as otherwise  
621 may be provided by general law as to that portion of a tax bill which has remained unpaid or was  
622 overpaid during the pendency of such appeal and is determined in such appeal to be properly due and  
623 owing.

624 Interest may commence not earlier than the first day following the day such taxes are due by  
625 ordinance to be filed, at a rate not to exceed ten percent per year. The governing body may impose  
626 interest at a rate not to exceed the rate of interest established pursuant to § 6621 of the Internal Revenue  
627 Code of 1954, as amended, or ten percent annually, whichever is greater, for the second and subsequent  
628 years of delinquency. No penalty for failure to pay a tax or installment shall exceed ten percent of the  
629 tax past due on such property or, in the case of delinquent tangible personal property tax more than 30  
630 days past due, twenty-five percent of the tax past due on such tangible personal property, or in any case,  
631 the sum of ten dollars, whichever is the greater; provided, however, that the penalty shall in no case  
632 exceed the amount of tax due. No penalty for failure to file a return shall be greater than ten percent of  
633 the tax assessable on such return or ten dollars, whichever is greater; provided, however, that the penalty  
634 shall in no case exceed the amount of the tax assessable. The assessment of such penalty shall not be  
635 deemed a defense to any criminal prosecution for failing to make return of taxable property as may be  
636 required by law or ordinance. Penalty for failure to file an application or return may be assessed on the  
637 day after such return or application is due; penalty for failure to pay any tax may be assessed on the  
638 day after the first installment is due. Any such penalty when so assessed shall become a part of the tax.

639 No penalty for failure to pay any tax shall be imposed for any assessment made later than two weeks  
640 prior to the day on which the taxes are due, if such assessment is made thereafter through the fault of a  
641 local official, and if such assessment is paid within two weeks after the notice thereof is mailed.

642 In the event a transfer of real property ownership occurs after January 1 of a tax year and a real  
643 estate tax bill has been mailed pursuant to §§ 58.1-3281 and 58.1-3912, the treasurer or other  
644 appropriate local official designated by ordinance of the local governing body in jurisdictions not having  
645 a treasurer, upon ascertaining that a property transfer has occurred, may invalidate a bill sent to the prior  
646 owner and reissue the bill to the new owner as permitted by § 58.1-3912, and no penalty for failure to  
647 pay any tax for any such assessment shall be imposed if the tax is paid within two weeks after the  
648 notice thereof is mailed.

649 Penalty and interest for failure to file a return or to pay a tax shall not be imposed if such failure  
650 was not the fault of the taxpayer, or was the fault of the commissioner of revenue or the treasurer, as  
651 the case may be. The failure to file a return or to pay a tax due to a medically determinable physical or  
652 mental impairment on the date the return or tax is due shall be presumptive proof of lack of fault on the  
653 taxpayer's part, provided the return is filed or the taxes are paid within thirty days of the due date;  
654 however, this provision shall not apply if there is a committee, legal guardian or other fiduciary  
655 handling the individual's affairs. The treasurer shall make determinations of fault relating exclusively to  
656 failure to pay a tax, and the commissioner of the revenue shall make determinations of fault relating  
657 exclusively to failure to file a return. In jurisdictions not having a treasurer or commissioner of the  
658 revenue, the governing body may delegate to the appropriate local tax officials the responsibility to  
659 make the determination of fault.

660 The governing body may further provide for reasonable extensions of time, not to exceed ninety  
661 days, for the payment of real estate taxes and for filing returns on tangible personal property, machinery  
662 and tools and merchants' capital, and the business, professional, and occupational license tax, whenever  
663 good cause exists. The official granting such extension shall keep a record of every such extension. If  
664 any taxpayer who has been granted an extension of time for filing his return fails to file his return  
665 within the extended time, his case shall be treated the same as if no extension had been granted.

666 This section shall be the sole authority for local ordinances setting due dates of local taxes and  
667 penalty and interest thereon, and shall supersede the provisions of any charter or special act.

668 *§ 58.1-3916.01. Billing and due dates for personal property tax on qualifying vehicles.*

669 *Notwithstanding any changes a county, city, or town may adopt regarding its billing date or due*  
670 *date for tangible personal property tax or any proration ordinance which may be adopted pursuant to*  
671 *§ 58.1-3516 or § 58.1-3516.1, payment by the Commonwealth for qualifying vehicles as defined in*  
672 *§ 58.1-3523 to any county, city, or town shall be made in accordance with the provisions of § 58.1-3526*  
673 *at such times as is consistent with each locality's billing date or due date in effect on January 1, 1998,*  
674 *for tangible personal property tax. The treasurer shall certify such billing dates and due dates in effect*

675 *on January 1, 1998, to the Comptroller by January 1, 1999.*

676 **2. That the provisions of this act amending § 58.1-3916 of the Code of Virginia shall apply to**  
677 **ordinances in effect on and after July 1, 1997, including without limitation any ordinance adopted**  
678 **by the governing body of a county, city or town between July 1, 1997, and the effective date of**  
679 **this act.**