

985320713

**SENATE BILL NO. 19**

Offered January 14, 1998

Prefiled January 5, 1998

*A BILL to amend and reenact §§ 46.2-752, 46.2-754, 58.1-603, 58.1-604, 58.1-614, 58.1-627, 58.1-628, 58.1-638, 58.1-3503, 58.1-3504, 58.1-3506, 58.1-3511, 58.1-3516, and 58.1-4022 of the Code of Virginia; to amend the Code of Virginia by adding in Article 5 of Chapter 36 of Title 58.1 a section numbered 58.1-3665; and to repeal Article 1.01 (§§ 58.1-3506.1 through 58.1-3506.8) of Chapter 35 of Title 58.1 of the Code of Virginia, relating to the tangible personal property tax, the retail sales and use tax, and the distribution of lottery revenues.*

---

 Patron—Miller, K.G.
 

---

Referred to the Committee on Finance

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

**1. That §§ 46.2-752, 46.2-754, 58.1-603, 58.1-604, 58.1-614, 58.1-627, 58.1-628, 58.1-638, 58.1-3503, 58.1-3504, 58.1-3506, 58.1-3511, 58.1-3516, and 58.1-4022 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Article 5 of Chapter 36 of Title 58.1 a section numbered 58.1-3665, as follows:**

§ 46.2-752. Taxes and license fees imposed by counties, cities, and towns; limitations on amounts; disposition of revenues; requiring evidence of payment of personal property taxes; prohibiting display of licenses after expiration; failure to display valid local license required by other localities.

A. Except as provided in § 46.2-755, counties, cities, and towns may levy and assess taxes and charge license fees on motor vehicles, trailers, and semitrailers. However, none of these taxes and license fees shall be assessed or charged by any county on vehicles owned by residents of any town located in the county when such town constitutes a separate school district if the vehicles are already subject to town license fees and taxes. The amount of the license fee or tax imposed by any county, city, or town on any motor vehicle, trailer, or semitrailer shall not be greater than the amount of the license tax imposed by the Commonwealth on the motor vehicle, trailer, or semitrailer. The license fees and taxes shall be imposed in such manner, on such basis, for such periods, and subject to proration for fractional periods of years, as the proper local authorities may determine. Local licenses may be issued free of charge for any or all of the following:

1. Vehicles powered by clean special fuels as defined in § 58.1-2101, including dual-fuel and bi-fuel vehicles,

2. Vehicles owned by volunteer rescue squads,

3. Vehicles owned by volunteer fire departments,

4. Vehicles owned or leased by active members of volunteer rescue squads,

5. Vehicles owned or leased by active members of volunteer fire departments,

6. Vehicles owned or leased by auxiliary police officers,

7. Vehicles owned or leased by volunteer police chaplains,

8. Vehicles owned by surviving spouses of persons qualified to receive special license plates under § 46.2-739,

9. Vehicles owned or leased by auxiliary deputy sheriffs,

10. Vehicles owned by persons qualified to receive special license plates under § 46.2-739,

11. Vehicles owned by any of the following who served at least ten years in the locality: former members of volunteer rescue squads, former members of volunteer fire departments, former auxiliary police officers, former volunteer police chaplains, and former volunteer special police officers appointed under § 15.1-144. In the case of active members of volunteer rescue squads and volunteer fire departments, applications for such licenses shall be accompanied by written evidence, in a form acceptable to the locality, of their active membership, and no member shall be issued more than one such license free of charge, or

12. All vehicles having a situs for the imposition of licensing fees under this section in the locality.

The governing body of any county, city, or town issuing licenses free of charge under this subsection may by ordinance provide for (i) the limitation, restriction, or denial of such free issuance to an otherwise qualified applicant and (ii) the grounds for such limitation, restriction, or denial.

The situs for the imposition of licensing fees under this section shall in all cases, except as hereinafter provided, be the county, city, or town in which the motor vehicle, trailer, or semitrailer is normally garaged, stored, or parked. If it cannot be determined where the personal property is normally garaged, stored, or parked, the situs shall be the domicile of its owner. In the event the owner of the

INTRODUCED

SB19

60 motor vehicle *not exempt from taxation under § 58.1-3665* is a full-time student attending an institution  
61 of higher education, the situs shall be the domicile of such student, provided the student has presented  
62 sufficient evidence that he has paid a personal property tax on the motor vehicle in his domicile.

63 B. The revenue derived from all county, city, or town taxes and license fees imposed on motor  
64 vehicles, trailers, or semitrailers shall be applied to general county, city, or town purposes.

65 C. A county, city, or town may require that no motor vehicle, trailer, or semitrailer shall be locally  
66 licensed until the applicant has produced satisfactory evidence that all personal property taxes on the  
67 motor vehicle, trailer, or semitrailer to be licensed have been paid *or that the motor vehicle is exempt*  
68 *from taxation under § 58.1-3665* and satisfactory evidence that any delinquent motor vehicle, trailer, or  
69 semitrailer personal property taxes owing have been paid which have been properly assessed or are  
70 assessable against the applicant by the county, city, or town. A county, city, or town may also provide  
71 that no motor vehicle license shall be issued unless the tangible personal property taxes properly  
72 assessed or assessable by that locality on any tangible personal property used or usable as a dwelling  
73 titled by the Department of Motor Vehicles and owned by the taxpayer have been paid. Any county and  
74 any town within any such county may by agreement require that all personal property taxes assessed by  
75 either the county or the town on any vehicle be paid before licensure of such vehicle by either the  
76 county or the town.

77 C1. Any county having a population of at least 24,000, but no more than 24,600, may, by ordinance  
78 or resolution adopted after public notice and hearing and, in the case of a county, with the consent of  
79 the treasurer, require that no license may be issued under this section unless the applicant has produced  
80 satisfactory evidence that all fees, including delinquent fees, payable to such county or local solid waste  
81 authority, for the disposal of solid waste pursuant to the Virginia Water and Sewer Authorities Act  
82 (§ 15.1-1239 et seq.), have been paid in full. For purposes of this subsection, all fees, including  
83 delinquent fees, payable to a county for waste disposal services described herein, shall be paid to the  
84 treasurer of such county.

85 D. The Counties of Arlington, Fairfax, Loudoun, and Prince William and towns within them and any  
86 city may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction unless  
87 all fines owed to the jurisdiction by the owner of the vehicle, trailer, or semitrailer for violation of the  
88 jurisdiction's ordinances governing parking of vehicles have been paid. The provisions of this subsection  
89 shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

90 E. If in any county imposing license fees and taxes under this section, a town therein imposes like  
91 fees and taxes on vehicles of owners resident in the town, the owner of any vehicle subject to the fees  
92 or taxes shall be entitled, on the owner's displaying evidence that he has paid the fees or taxes, to  
93 receive a credit on the fees or taxes imposed by the county to the extent of the fees or taxes he has paid  
94 to the town. Nothing in this section shall deprive any town now imposing these licenses and taxes from  
95 increasing them or deprive any town not now imposing them from hereafter doing so, but subject to the  
96 limitations provided in subsection D of this section. The governing body of any county and the  
97 governing body of any town in that county wherein each imposes the license tax herein provided may  
98 provide mutual agreements so that not more than one license plate or decal in addition to the state plate  
99 shall be required.

100 F. Notwithstanding the provisions of subsection E of this section, in a consolidated county wherein a  
101 tier-city exists, the tier-city may, in accordance with the provisions of the agreement or plan of  
102 consolidation, impose license fees and taxes under this section in addition to those fees and taxes  
103 imposed by the county, provided that the combined county and tier-city rates do not exceed the  
104 maximum provided in subsection A of this section. No credit shall be allowed on the fees or taxes  
105 imposed by the county for fees or taxes paid to the tier-city, except as may be provided by the  
106 consolidation agreement or plan. The governing body of any county and the governing body of any  
107 tier-city in said county wherein each imposes the license tax herein may provide by mutual agreement  
108 that no more than one license plate or decal in addition to the state license plate shall be required.

109 G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or  
110 operator of a motor vehicle, trailer, or semitrailer to fail to obtain and display the local license required  
111 by any ordinance of the county, city or town in which the vehicle is registered or to display upon a  
112 motor vehicle, trailer, or semitrailer any such local license after its expiration date. The ordinance may  
113 provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a  
114 Class 4 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality  
115 where such vehicle is registered, authorize the issuance by local law-enforcement officers of citations,  
116 summonses, parking tickets, or uniform traffic summonses for violations. Any such ordinance may also  
117 provide that a violation of the ordinance by the registered owner of the vehicle may not be discharged  
118 by payment of a fine except upon presentation of satisfactory evidence that the required license has been  
119 obtained.

120 H. Except as provided by subsections E and F, no vehicle shall be subject to taxation under the  
121 provisions of this section in more than one jurisdiction.

I. Purchasers of new or used motor vehicles shall be allowed at least a ten-day grace period, beginning with the date of purchase, during which to pay license fees charged by local governments under authority of this section.

J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew any vehicle registration of any applicant therefor who owes to such county, city or town any delinquent tangible personal property tax levied with respect to such vehicle in excess of \$50. Before being issued any vehicle registration or renewal of such license or registration by the Commissioner, the applicant must first satisfy all such delinquent taxes and present evidence satisfactory to the Commissioner that all such delinquent taxes have been paid in full. The Commissioner shall charge a reasonable fee to cover the costs of such enforcement action, and the treasurer or director of finance may add the cost of this fee to the delinquent tax bill. The treasurer or director of finance of any county, city, or town seeking to collect delinquent taxes through the withholding of registration or renewal thereof by the Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided for in his agreement with the Commissioner and supply to the Commissioner information necessary to identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of registration at least thirty days prior to the expiration date of a current vehicle registration. For the purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the records of the Department of Motor Vehicles shall be deemed sufficient.

K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for the regional enforcement of local motor vehicle license requirements. The governing body of each participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer, or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor. Any such ordinance may also provide that a violation of the ordinance by the owner of the vehicle may not be discharged by payment of a fine except upon presentation of satisfactory evidence that the required license has been obtained.

§ 46.2-754. Local motor vehicle licenses in Arlington County.

Arlington County may by ordinance require the owner of any motor vehicle, trailer, or semitrailer to obtain and display a license from the county licensing authority designated by the ordinance. The ordinance may also require that the license be obtained only after showing satisfactory evidence that all personal property taxes on the motor vehicle *except those exempted by § 58.1-3665*, trailer, or semitrailer have been paid, and that any delinquent personal property taxes assessed or assessable against the vehicle have been paid. The ordinance may also prohibit the display of the license after its expiration date and may prescribe the form of the license. This license requirement shall be imposed in such manner, on such basis, for such period, and subject to proration for fractional periods of years as the governing body requires.

The situs for the imposition of the license requirement under the ordinance shall be the locality in which the vehicle is normally garaged, stored, or parked. If it cannot be determined where it is normally garaged, stored, or parked, the situs shall be the domicile of its owner.

The ordinance may provide that no motor vehicle, trailer, or semitrailer may be licensed by the county unless all fines owed by the owner of the vehicle for violation of the county's parking ordinances have been paid.

The ordinance may provide that a violation of such ordinance constitutes a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor.

§ 58.1-603. Imposition of sales tax.

There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a license or privilege tax upon every person who engages in the business of selling at retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of the things or services taxable under this chapter, or who stores for use or consumption in this Commonwealth any item or article of tangible personal property as defined in this chapter, or who leases or rents such property within this Commonwealth, in the amount of ~~three and one-half~~ four percent:

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

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

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

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

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

§ 58.1-604. Imposition of use tax.

There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount of ~~three and one-half~~ *four* percent:

1. Of the cost price of each item or article of tangible personal property used or consumed in this Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this Commonwealth for use within six months of its acquisition; but if so brought within this Commonwealth six months or more after its acquisition, such property shall be taxed on the basis of the current market value (but not in excess of its cost price) of such property at the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the cost price or current market value as the duration of time of use within this Commonwealth bears to the total useful life of such property (but it shall be presumed in all cases that such property will remain within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to the contrary).

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

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

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

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

§ 58.1-614. Vending machine sales.

A. Notwithstanding the provisions of §§ 58.1-603 and 58.1-604, whenever a dealer makes sales of tangible personal property through vending machines, or in any other manner making collection of the tax impractical, as determined by the Tax Commissioner, such dealer shall be required to report his wholesale purchases for sale at retail from vending machines and shall be required to remit an amount based on ~~four and one-half~~ *five* percent of such wholesale purchases.

B. Notwithstanding the provisions of §§ 58.1-605 and 58.1-606, dealers making sales of tangible personal property through vending machines shall report and remit the one percent local sales and use tax computed as provided in subsection A of this section.

C. The provisions of subsections A and B of this section shall not be applicable to vending machine operators all of whose machines are under contract to nonprofit organizations. Such operators shall report only the gross receipts from machines selling items for more than ten cents and shall be required to remit an amount based on a percentage of their remaining gross sales established by the Tax Commissioner to take into account the inclusion of sales tax.

D. Notwithstanding any other provisions in this section or § 58.1-628, when the Tax Commissioner determines that it is impractical to collect the tax in the manner provided by those sections, such dealer shall be required to remit an amount based on a percentage of gross receipts which takes into account the inclusion of the sales tax.

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

§ 58.1-627. Bracket system for state tax.

The ~~following~~ *Tax Department shall prepare and distribute tables providing* brackets of prices ~~shall~~ *to be used for the collection of the state tax imposed by this chapter.*

\$0.00	to	\$0.14	<del>no tax</del>
.15	to	.42	<del>1¢ tax</del>
.43	to	.71	<del>2¢ tax</del>

244				
245	.72	to	.99	3¢ tax
246				
247	1.00	to	1.28	4¢ tax
248				
249	1.29	to	1.57	5¢ tax
250				
251	1.58	to	1.85	6¢ tax
252				
253	1.86	to	2.14	7¢ tax
254				
255	2.15	to	2.42	8¢ tax
256				
257	2.43	to	2.71	9¢ tax
258				
259	2.72	to	2.99	10¢ tax
260				
261	3.00	to	3.28	11¢ tax
262				
263	3.29	to	3.57	12¢ tax
264				
265	3.58	to	3.85	13¢ tax
266				
267	3.86	to	4.14	14¢ tax
268				
269	4.15	to	4.42	15¢ tax
270				
271	4.43	to	4.71	16¢ tax
272				
273	4.72	to	5.00	17¢ tax
274				
275				

On transactions over five dollars, the tax shall be computed at three and one-half percent, one-half cent or more being treated as one cent. If a dealer can show to the satisfaction of the Tax Commissioner that more than eighty-five percent of the total dollar volume of his gross taxable sales during the taxable month was from individual sales at prices of ten cents or less each, and that he was unable to adjust his prices in such manner as to prevent the economic incidence of the sales tax from falling on him, the Tax Commissioner shall determine the proper tax liability of the dealer based on that portion of the dealer's gross taxable sales which was from sales at prices of eleven cents or more.

§ 58.1-628. Bracket system for combined state and local tax.

The following Tax Department shall prepare and distribute tables providing brackets of prices shall to be used for the collection of the combined state and local tax.

286				
287	\$0.00	to	\$0.11	no tax
288				
289	.12	to	.33	1¢ tax
290				
291	.34	to	.55	2¢ tax
292				
293	.56	to	.77	3¢ tax
294				
295	.78	to	.99	4¢ tax
296				
297	1.00	to	1.22	5¢ tax
298				
299	1.23	to	1.44	6¢ tax
300				

301	1.45	to	1.66	7¢ tax
302				
303	1.67	to	1.88	8¢ tax
304				
305	1.89	to	2.11	9¢ tax
306				
307	2.12	to	2.33	10¢ tax
308				
309	2.34	to	2.55	11¢ tax
310				
311	2.56	to	2.77	12¢ tax
312				
313	2.78	to	2.99	13¢ tax
314				
315	3.00	to	3.22	14¢ tax
316				
317	3.23	to	3.44	15¢ tax
318				
319	3.45	to	3.66	16¢ tax
320				
321	3.67	to	3.88	17¢ tax
322				
323	3.89	to	4.11	18¢ tax
324				
325	4.12	to	4.33	19¢ tax
326				
327	4.34	to	4.55	20¢ tax
328				
329	4.56	to	4.77	21¢ tax
330				
331	4.78	to	5.00	22¢ tax
332				
333				

On transactions over five dollars, the tax shall be computed at four and one-half percent, one half cent or more being treated as one cent. The foregoing bracket system shall not relieve the dealer from the duty and liability to remit an amount equal to four and one-half percent of his gross taxable sales as provided in this chapter. If the dealer, however, can show to the satisfaction of the Tax Commissioner that more than eighty-five percent of the total dollar volume of his gross taxable sales during the taxable month was from individual sales at prices of ten cents or less each and that he was unable to adjust his prices in such manner as to prevent the economic incidence of the sales tax from falling on him, the Tax Commissioner shall determine the proper tax liability of the dealer based on that portion of the dealer's gross taxable sales which was from sales at prices of eleven cents or more.

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as hereinafter provided; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as hereinafter provided; and an aggregate of 8.4 percent shall be set aside as the Commonwealth Mass Transit Fund as hereinafter provided. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in

the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Fund to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

From July 1, 1995, through June 30, 2000, any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: sixty percent to MWAA, up to a maximum annual amount of two million dollars, and forty percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-95.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however, shall receive less than \$50,000 nor more than \$2 million per year from this provision.

b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWAA.

c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports on a discretionary basis.

4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass Transit Fund.

a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be paid to any local governing body, transportation district commission or public service corporation for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section may be used to support a maximum of fifty percent of the public transportation administrative costs and up to eighty percent of the costs of ridesharing programs borne by the locality. These amounts may be used to support up to ninety-five percent of the local or nonfederal share of capital project costs for public transportation and ridesharing equipment, facilities, and associated costs. Capital costs may include debt service payments on local or agency transit bonds. Further, these amounts may be used to support a maximum of ninety-five percent of the costs borne by the locality for the purchase of fuels, lubricants, tires and maintenance parts and supplies for public transportation. The term "borne by the locality" shall mean the local share eligible for state assistance consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance received by the locality.

c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth Transportation Board as follows:

(1) Funds for special programs, which shall include ridesharing, experimental transit, and technical assistance, shall not exceed 1.5 percent of the Fund.

(2) The Board may allocate these funds to any locality or planning district commission to finance up to eighty percent of the local share of all costs associated with the development, implementation, and continuation of ridesharing programs.

(3) Funds allocated for experimental transit projects may be paid to any local governing body, transportation district commission, or public corporation or may be used directly by the Department of

421 Rail and Public Transportation for the following purposes:

422 (a) To finance up to ninety-five percent of the capital costs related to the development,  
423 implementation and promotion of experimental public transportation and ridesharing projects approved  
424 by the Board.

425 (b) To finance up to ninety-five percent of the operating costs of experimental mass transportation  
426 and ridesharing projects approved by the Board for a period of time not to exceed twelve months.

427 (c) To finance up to ninety-five percent of the cost of the development and implementation of any  
428 other project designated by the Board where the purpose of such project is to enhance the provision and  
429 use of public transportation services.

430 d. Funds allocated for public transportation promotion and operation studies may be paid to any local  
431 governing body, planning district commission, transportation district commission, or public transit  
432 corporation, or may be used directly by the Department of Rail and Public Transportation for the  
433 following purposes and aid of public transportation services:

434 (1) At the approval of the Board to finance a program administered by the Department of Rail and  
435 Public Transportation designed to promote the use of public transportation and ridesharing throughout  
436 Virginia.

437 (2) To finance up to fifty percent of the local share of public transportation operations planning and  
438 technical study projects approved by the Board.

439 e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same  
440 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for  
441 the purposes specified in subdivision 4 b.

442 f. The remaining twenty-five percent shall be distributed for capital purposes on the basis of  
443 ninety-five percent of the nonfederal share for federal projects and ninety-five percent of the total costs  
444 for nonfederal projects. In the event that total capital funds available under this paragraph are  
445 insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit  
446 property in the same proportion that such capital expenditure bears to the statewide total of capital  
447 projects.

448 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission to the  
449 Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of  
450 Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

451 a. Local payments of WMATA rail transit bonds shall be paid first and apportioned to each locality  
452 using the WMATA capital formula.

453 b. The remaining funds shall be apportioned by calculating twenty-five percent of the capital and  
454 operating costs and seventy-five percent of the capital and operating subsidies applied to each locality.  
455 Capital costs may include twenty percent of annual local bus capital expenses.

456 Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and  
457 reliable source of revenue as defined by Public Law 96-184.

458 B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed  
459 among the counties and cities of this Commonwealth in the manner hereafter in this section provided in  
460 subsections C and D.

461 C. The localities' share of the net revenue distributable under this section among the counties and  
462 cities shall be apportioned by the Comptroller and distributed among them by warrants of the  
463 Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month  
464 during which the net revenue was received into the state treasury. The distribution of the localities' share  
465 of such net revenue shall be computed with respect to the net revenue received into the state treasury  
466 during each month, and such distribution shall be made as soon as practicable after the close of each  
467 such month.

468 D. The net revenue so distributable among the counties and cities shall be apportioned and  
469 distributed upon the basis as certified to the Comptroller by the Department of Education, of the number  
470 of children in each county and city according to the most recent statewide census of school population  
471 taken by the Department of Education pursuant to § 22.1-284, as adjusted in the manner hereinafter  
472 provided. No special school population census, other than a statewide census, shall be used as the basis  
473 of apportionment and distribution except that in any calendar year in which a statewide census is not  
474 reported, the Department of Education shall adjust such school population figures by the same percent of  
475 annual change in total population estimated for each locality by The Center for Public Service. The  
476 revenue so apportionable and distributable is hereby appropriated to the several counties and cities for  
477 maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the  
478 operation of the public schools, which shall be considered as funds raised from local resources. In any  
479 county, however, wherein is situated any incorporated town constituting a school division, the county  
480 treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest  
481 payments, or other expenses incurred in the operation of the public schools, the proper proportionate  
482 amount received by him in the ratio that the school population of such town bears to the school



population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last preceding school population census, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such census and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

*E. The revenue generated by a one-half percent sales and use tax rate shall be distributed among the counties, cities and towns of this Commonwealth on a per capita basis as provided in this subsection. The localities' share of the net revenue distributable under this section among the counties, cities, and towns shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month. The distribution shall be made by the Comptroller in such a manner that each county, city or town receives the same proportion of net revenues available as the population of that county, city or town bears to the total population of all counties, cities and towns. For the purposes of this section, the term "population" means either the population according to the latest United States decennial census or the latest population estimate of the Weldon Cooper Center for Public Service, whichever is more recent.*

*F. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.*

*F. G. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.*

§ 58.1-3503. General classification of tangible personal property.

A. Tangible personal property is classified for valuation purposes according to the following separate categories which are not to be considered separate classes for rate purposes:

1. Farm animals, except as exempted under § 58.1-3505.

2. Farm machinery, except as exempted under § 58.1-3505.

3. Automobiles, except those described in subdivisions 7, 8 and 9 of this subsection and in subdivision A 8 of § 58.1-3504, which shall be valued by means of a recognized pricing guide or if the model and year of the individual automobile are not listed in the recognized pricing guide, the individual vehicle may be valued on the basis of percentage or percentages of original cost. In using a recognized pricing guide, the commissioner shall use either of the following two methods. The commissioner may use all applicable adjustments in such guide to determine the value of each individual automobile, or alternatively, if the commissioner does not utilize all applicable adjustments in valuing each automobile, he shall use the base value specified in such guide which may be either average retail, wholesale, or loan value, so long as uniformly applied within classifications of property. If the model and year of the individual automobile are not listed in the recognized pricing guide, the taxpayer may present to the commissioner proof of the original cost, and the basis of the tax for purposes of the motor vehicle sales and use tax as described in § 58.1-2405 shall constitute proof of original cost. If such percentage or percentages of original cost do not accurately reflect fair market value, or if the taxpayer does not supply proof of original cost, then the commissioner may select another method which establishes fair market value.

4. Trucks of less than two tons, which may be valued by means of a recognized pricing guide or, if the model and year of the individual truck are not listed in the recognized pricing guide, on the basis of a percentage or percentages of original cost.

5. Trucks and other vehicles, as defined in § 46.2-100, except those exempted under § 58.1-3665 or described in subdivisions 4, and 6 through 10 of this subsection, which shall be valued by means of either a recognized pricing guide using the lowest value specified in such guide or a percentage or percentages of original cost.

6. Manufactured homes, as defined in § 36-85.3, which may be valued on the basis of square footage of living space.

7. Antique motor vehicles, as defined in § 46.2-100, which may be used for general transportation purposes as provided in subsection C of § 46.2-730.

8. Taxicabs.

9. Motor vehicles with specially designed equipment for use by the handicapped, which shall not be valued in relation to their initial cost, but by determining their actual market value if offered for sale on the open market.

10. Motorcycles, campers and other recreational vehicles, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.

544 145. Boats weighing under five tons and boat trailers, which shall be valued by means of a  
545 recognized pricing guide or a percentage or percentages of original cost.

546 146. Boats or watercraft weighing five tons or more, which shall be valued by means of a percentage  
547 or percentages of original cost.

548 147. Aircraft, which shall be valued by means of a recognized pricing guide or a percentage or  
549 percentages of original cost.

550 148. Household goods and personal effects, except as exempted under § 58.1-3504.

551 149. Tangible personal property used in a research and development business, which shall be valued  
552 by means of a percentage or percentages of original cost.

553 1610. Programmable computer equipment and peripherals used in business which shall be valued by  
554 means of a percentage or percentages of original cost to the taxpayer, or by such other method as may  
555 reasonably be expected to determine the actual fair market value.

556 1711. All tangible personal property employed in a trade or business other than that described in  
557 subdivisions 1 through 1610 of this subsection, which shall be valued by means of a percentage or  
558 percentages of original cost.

559 1812. All other tangible personal property.

560 B. Methods of valuing property may differ among the separate categories, so long as each method  
561 used is uniform within each category, is consistent with requirements of this section and may reasonably  
562 be expected to determine actual fair market value as determined by the commissioner of revenue or  
563 other assessing official; however, assessment ratios shall only be used with the concurrence of the local  
564 governing body. A commissioner of revenue shall upon request take into account the condition of the  
565 property. The term "condition of the property" includes, but is not limited to, technological obsolescence  
566 of property where technological obsolescence is an appropriate factor for valuing such property. The  
567 commissioner of revenue shall make available to taxpayers on request a reasonable description of his  
568 valuation methods. Such commissioner, or other assessing officer, or his authorized agent, when using a  
569 recognized pricing guide as provided for in this section, may automatically extend the assessment if the  
570 pricing information is stored in a computer.

571 § 58.1-3504. Classification of certain household goods and personal effects for taxation; governing  
572 body may exempt.

573 A. Notwithstanding any provision of § 58.1-3503, household goods and personal effects are hereby  
574 defined as separate items of taxation and classified as follows:

575 1. Bicycles.

576 2. Household and kitchen furniture, including gold and silver plates, plated ware, watches and clocks,  
577 sewing machines, refrigerators, automatic refrigerating machinery of any type, vacuum cleaners and all  
578 other household machinery, books, firearms and weapons of all kinds.

579 3. Pianos, organs, and all other musical instruments; phonographs, record players, and records to be  
580 used therewith; and radio and television instruments and equipment.

581 4. Oil paintings, pictures, statuary, curios, articles of virtu and works of art.

582 5. Diamonds, cameos or other precious stones and all precious metals used as ornaments or jewelry.

583 6. Sporting and photographic equipment.

584 7. Clothing and objects of apparel.

585 8. ~~Antique motor vehicles as defined in § 46.2-100 which may not be used for general transportation~~  
586 ~~purposes.~~

587 9. All other tangible personal property used by an individual or a family or household incident to  
588 maintaining an abode.

589 The classification above set forth shall apply only to such property owned and used by an individual  
590 or by a family or household incident to maintaining an abode.

591 The governing body of any county, city or town may, by ordinance duly adopted, exempt from  
592 taxation all of the above classes of household goods and personal effects.

593 B. Notwithstanding any provision set forth above, household appliances in residential rental property  
594 used by an individual or by a family or household incident to maintaining an abode shall be deemed to  
595 be fixtures and shall be assessed as part of the real property in which they are located.

596 For purposes of this subsection, "household appliances" shall mean all major appliances customarily  
597 used in a residential home and which are the property of the owner of the real estate, including, without  
598 limitation, refrigerators, stoves, ranges, microwave ovens, dishwashers, trash compactors, clothes dryers,  
599 garbage disposals and air conditioning units.

600 § 58.1-3506. Other classifications of tangible personal property for taxation.

601 A. The items of property set forth below are each declared to be a separate class of property and  
602 shall constitute a classification for local taxation separate from other classifications of tangible personal  
603 property provided in this chapter:

604 1. Boats or watercraft weighing five tons or more;

605 2. Aircraft having a maximum passenger seating capacity of no more than fifty which are owned and

operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;

3. All other aircraft not included in subdivision A 2 and flight simulators;

4. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;

5. Tangible personal property used in a research and development business;

65. Heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting equipment and ditch and other types of diggers;

76. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment shall include, without limitation, such equipment purchased by firms engaged in the business of generating electricity or steam, or both;

87. Vehicles without motive power, used or designed to be used as manufactured homes as defined in § 36-85.3;

98. Computer hardware used by businesses primarily engaged in providing data processing services to other nonrelated or nonaffiliated businesses;

109. Privately owned pleasure boats and watercraft used for recreational purposes only;

110. Privately owned vans with a seating capacity for twelve or more persons used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;

111. Motor vehicles, *except those exempted under § 58.1-3665*, specially equipped to provide transportation for physically handicapped individuals;

13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department member, or leased by each volunteer rescue squad member or volunteer fire department member if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer rescue squad member or volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief or head of the volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department who regularly responds to calls or regularly performs other duties for the rescue squad or fire department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer fire department member is identified. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline. In any county which prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as of the immediately prior January date is transferred during the tax year;

14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue squad member may be specially classified under this section. The auxiliary member shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief or head of the volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire department who regularly performs duties for the rescue squad or fire department, and the motor vehicle is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department member and an auxiliary member are members of the same household, that household shall be allowed only one special classification under this subdivision or subdivision 13 of this section. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

12. Motor vehicles, *except those exempted under § 58.1-3665*, owned by a nonprofit organization and used to deliver meals to homebound persons or provide transportation to senior or handicapped citizens in the community to carry out the purposes of the nonprofit organization;

667 16. Privately owned camping trailers and motor homes as defined in § 46.2-100 which are used for  
668 recreational purposes only;

669 17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,  
670 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as  
671 certified by the Department of Veterans' Affairs. In order to qualify the veteran shall provide a written  
672 statement to the commissioner of revenue or other assessing officer from the Department of Veterans'  
673 Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to  
674 meet the requirements of this section, and that his disability is service-connected. For purposes of this  
675 section a person is blind if he meets the provisions of § 46.2-739;

676 18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police  
677 officers pursuant to Article 4 (§ 15.1-159.2 et seq.) of Chapter 3 of Title 15.1 or (ii) leased by persons  
678 who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms  
679 of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is  
680 regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially  
681 classified under this section. In order to qualify for such classification any auxiliary police officer who  
682 applies for such classification shall identify the vehicle for which this classification is sought, and shall  
683 furnish the commissioner of revenue or other assessing officer with a certification from the governing  
684 body which has appointed such auxiliary police officer or from the official who has appointed such  
685 auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who  
686 regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for  
687 which the classification is sought is the vehicle which is regularly used for that purpose. The  
688 certification shall be submitted by January 31 of each year to the commissioner of revenue or other  
689 assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in  
690 his discretion, and for good cause shown and without fault on the part of the member, to accept a  
691 certification after the January 31 deadline;

692 1913. Machines and tools owned by a commercial air carrier which uses such machines and tools in  
693 a commercial airline maintenance, repair, and rebuilding facility, which has an assessed value of at least  
694 \$100,000,000 and which is located on or contiguous to an airport;

695 2014. Motor vehicles, *except those exempted under § 58.1-3665*, which use clean special fuels as  
696 defined in § 58.1-2101;

697 2115. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is  
698 properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned  
699 for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within  
700 the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals  
701 which are found in the wild, or in a wild state, and are native to a foreign country;

702 2216. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned  
703 and used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and which  
704 is used by that organization for the purpose of maintaining or using the open or common space within a  
705 residential development;

706 2317. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more  
707 used to transport property for hire by a motor carrier engaged in interstate commerce;

708 2418. All tangible personal property employed in a trade or business other than that described in  
709 subdivisions A 1 through A 4810 of § 58.1-3503;

710 2520. Programmable computer equipment and peripherals employed in a trade or business; and

711 2621. Tangible personal property of Habitat for Humanity and local affiliates or subsidiaries thereof.

712 B. The governing body of any county, city or town may levy a tax on the property enumerated in  
713 subsection A at different rates from the tax levied on other tangible personal property. The rates of tax  
714 and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 95, 8 through 48, 20  
715 through 22, 24, 2512, 14, 15, 16, 18, 19 and 2620 of subsection A, not exceed that applicable to the  
716 general class of tangible personal property, (ii) for purposes of subdivisions A 54, A 76, A 4913, and A  
717 2317, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 87,  
718 equal that applicable to real property.

719 § 58.1-3511. Situs for assessment; nonresident exception; refund of tax paid to city or county;  
720 apportioned assessment.

721 A. The situs for the assessment and taxation of tangible personal property, merchants' capital and  
722 machinery and tools shall in all cases be the county, district, town or city in which such property may  
723 be physically located on the tax day. However, the situs for purposes of assessment of motor vehicles  
724 *not exempted under § 58.1-3665*, travel trailers, boats and airplanes as personal property shall be the  
725 county, district, town or city where the vehicle is normally garaged, docked or parked. Any person  
726 domiciled in another state, whose motor vehicle is principally garaged or parked in this Commonwealth  
727 during the tax year, shall not be subject to a personal property tax on such vehicle upon a showing of  
728 sufficient evidence that such person has paid a personal property tax on the vehicle in the state in which

he is domiciled *or that the motor vehicle is exempt under § 58.1-3665*. In the event it cannot be determined where such personal property, described herein, is normally garaged, stored or parked, the situs shall be the domicile of the owner of such personal property. However, in the event the owner of the motor vehicle *not exempted under § 58.1-3665* is a full-time student attending an institution of higher education, the situs shall be the domicile of such student, provided the student has presented sufficient evidence that he has paid a personal property tax on the motor vehicle in his domicile. Any person who shall pay a personal property tax on a motor vehicle to a county or city in this Commonwealth and a similar tax on the same vehicle in the state of his domicile may apply to such county or city for a refund of such tax payment. Upon a showing of sufficient evidence that such person has paid the tax for the same year in the state in which he is domiciled, the county or city may refund the amount of such payment.

B. The assessment of motor vehicles, travel trailers, boats or airplanes operating over interstate routes, in the rendition of a common, contract or other private carrier service which are subject to property taxation in any other state on the basis of an apportioned assessment, shall be apportioned in the same percentage as the total number of miles traveled in the Commonwealth by such vehicle bears to the total number of miles traveled by such vehicle.

§ 58.1-3516. Proration of personal property tax.

A. The governing body of any county, city or town may provide by ordinance for the levy and collection of personal property tax on motor vehicles *not exempted under § 58.1-3665*, trailers, semitrailers, and boats which have acquired a situs within such locality after the tax day for the balance of the tax year. Such tax shall be prorated on a monthly basis. Such ordinance may exclude boats or motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce, or both, from the property subject to proration of the personal property tax. For purposes of proration, a period of more than one-half of a month shall be counted as a full month and a period of less than one-half of a month shall not be counted.

Such ordinance shall also provide for relief from tax and a refund of the appropriate amount of tax already paid, which shall be prorated on a monthly basis, where any motor vehicle, trailer, semitrailer, or boat loses its situs within such locality after the tax day or after the day on which it acquires a situs (hereafter "situs day"). No refund shall be made if the motor vehicle, trailer, semitrailer, or boat acquires a situs within the Commonwealth in a nonprorating locality. When any person sells or otherwise transfers title to a motor vehicle, trailer, semitrailer, or boat with a situs in the locality after the tax day or situs day, the tax shall be relieved, prorated on a monthly basis, and the appropriate amount of tax already paid shall be refunded or credited, at the option of the taxpayer, against the tax due on any motor vehicle, trailer, semitrailer, or boat owned by the taxpayer during the same tax year by the treasurer of such locality. Such refund shall be made within thirty days of the date such tax is relieved. No refund of less than five dollars shall be issued to a taxpayer, unless specifically requested by the taxpayer. When any person, after the tax day or situs day, acquires a motor vehicle, trailer, semitrailer, or boat with a situs in the locality, the tax shall be assessed on the motor vehicle, trailer, or boat for the portion of the tax year during which the new owner owns the motor vehicle, trailer, semitrailer, or boat and it has a situs within the locality.

Any person who moves from a nonprorating locality to a prorating locality in a single tax year shall be entitled to a property tax credit in the prorating jurisdiction if (i) the person was liable for personal property taxes on a motor vehicle and has paid those taxes to a nonprorating locality and (ii) the owner replaces for any reason the original vehicle upon which taxes are due to the nonprorating locality for the same tax year. The prorating locality shall provide a credit against the total tax due on the replacement vehicle in an amount equal to the tax paid to the nonprorating locality for the period of time commencing with the disposition of the original vehicle and continuing through the close of the tax year in which the owner incurred tax liability to the nonprorating locality for the original vehicle.

B. Such ordinance shall provide for the filing of returns and payment of such tax. Such ordinance shall also exempt property from the levy of such personal property tax for any tax year or portion thereof during which the property was legally assessed by another jurisdiction in the Commonwealth and the tax paid. Such ordinance may provide that, notwithstanding any other date for billing and payment of local personal property tax, the locality may bill all personal property taxes assessed for a portion of the tax year less than the full year on or after December 15 of each year. The ordinance may further provide that such taxes shall be due not less than thirty days after the date of the tax bill. If the tax is not paid when due, the penalty and the interest otherwise provided for by § 58.1-3916 shall be imposed based on the established due date.

§ 58.1-3665. *Passenger vehicles, pickup trucks, motorcycles, and recreational vehicles.*

A. *Passenger vehicles, pickup trucks, motorcycles, and recreational vehicles, as defined in subsection B, are hereby designated as and declared to be a separate class of property and shall be exempt from*

790 *taxation under Article 1 (§ 58.1-3500 et seq.) of this chapter.*

791 *B. As used in this section:*

792 *"Motorcycle" means a motor vehicle designed to travel on not more than three wheels in contact*  
793 *with the ground, except any vehicle included within the term "farm tractor" as defined in § 46.2-100.*

794 *"Motor vehicle" means a vehicle which is self-propelled or designed for self-propulsion on the public*  
795 *highways. For the purposes of this section, any bicycle or moped shall be deemed not to be a motor*  
796 *vehicle.*

797 *"Passenger vehicle" means a motor vehicle, other than a motorcycle, designed primarily for the*  
798 *transportation of no more than ten persons, including the driver.*

799 *"Pickup truck" means a motor vehicle designed primarily for the transportation of property, having a*  
800 *registered gross weight of 7,500 pounds or less, and designed with an open cargo area.*

801 *"Recreational vehicle" means a motor vehicle, trailer, or semitrailer that contains sleeping quarters*  
802 *and is designed for primarily recreational use. For the purposes of this section, any camping trailer or*  
803 *motor home shall be deemed to be a recreational vehicle, and any mobile office, mobile home, and*  
804 *manufactured home shall be deemed not to be a recreational vehicle.*

805 *§ 58.1-4022. State Lottery Fund.*

806 *A. All moneys received from the sale of lottery tickets or shares, less payment for prizes and*  
807 *compensation of agents as authorized by regulation and any other revenues received under this chapter,*  
808 *shall be placed in a special fund known as the "State Lottery Fund." Notwithstanding any other*  
809 *provisions of law, interest earned from moneys in the State Lottery Fund shall accrue to the benefit of*  
810 *such Fund.*

811 *B. The total costs for the operation and administration of the lottery shall be funded from the State*  
812 *Lottery Fund and shall be in such amount as provided in the general appropriation act. Appropriations to*  
813 *the Department during any fiscal year beginning on and after July 1, 1989, exclusive of agent*  
814 *compensation, shall at no time exceed ten percent of the total annual estimated gross revenues to be*  
815 *generated from lottery sales. However, should it be anticipated at any time by the Director that such*  
816 *operational and administrative costs for a fiscal year will exceed the limitation provided herein, the*  
817 *Director shall immediately report such information to the Board, the Governor and the Chairmen of*  
818 *Senate Finance and House Appropriations Committees. From the moneys in the Fund, the Comptroller*  
819 *shall establish a special reserve fund in such amount as shall be provided by regulation of the*  
820 *Department for (i) operation of the lottery, (ii) use if the game's pay-out liabilities exceed its cash on*  
821 *hand, or (iii) enhancement of the prize pool with income derived from lending securities held for*  
822 *payment of prize installments, which lending of securities shall be conducted in accordance with lending*  
823 *programs approved by the Department of the Treasury.*

824 *C. Any start-up sums appropriated from the general fund of the Commonwealth necessary to*  
825 *commence operation of a state lottery shall be repaid within the first twelve months of initial lottery*  
826 *sales.*

827 *D. Appropriation of lottery revenues shall be made only upon actual and audited collections as*  
828 *transferred to the general fund and shall in no event be predicated upon an estimation of such revenues.*  
829 *No later than ten days after receipt of the audit report required by § 58.1-4023, the Comptroller shall*  
830 *transfer to the general fund, less the special reserve fund, the audited balances of the State Lottery Fund.*  
831 *In addition to such other funds as may be appropriated, 100 percent of the lottery revenues transferred*  
832 *to the general fund shall be appropriated entirely and solely for the purpose of public education in the*  
833 *Commonwealth, which purposes shall include, but not be limited to, those programs specified in*  
834 *§ 22.1-199.1. The lottery revenues transferred to the general fund shall be apportioned by the*  
835 *Comptroller and distributed among Virginia's counties, cities, and towns based upon the school-age*  
836 *population of each locality according to the most recent statewide census of such population taken by*  
837 *the Department of Education pursuant to Article 4 (§ 22.1-281 et seq.) of Chapter 14 of Title 22.1. The*  
838 *Department of Education shall adjust the school population figures by the same percentage of annual*  
839 *change in total population, estimated for each locality by the Center for Public Service, for any*  
840 *calendar year in which a statewide census is not reported. The amount shall be distributed within thirty*  
841 *days after the Comptroller transfers the audited balances of the State Lottery Fund to the general fund.*

842 *E. As a function of the administration of this chapter, funds may be expended for the purposes of*  
843 *reasonably informing the public concerning (i) the facts embraced in the subjects contained in*  
844 *subdivisions 1 through 7 of subsection A of § 58.1-4007 and (ii) the fact that the net proceeds are paid*  
845 *into the general fund of the Commonwealth; but no funds shall be expended for the primary purpose of*  
846 *inducing persons to participate in the lottery.*

847 **2. That Article 1.01 (§§ 58.1-3506.1 through 58.1-3506.8) of Chapter 35 of Title 58.1 of the Code of**  
848 **Virginia is repealed.**

849 **3. That the provisions of this act shall become effective on the January 1 following the approval**  
850 **by voters, pursuant to Section 1 of Article XII of the Constitution of Virginia, of an amendment to**  
851 **Section 6 of Article X of the Constitution of Virginia authorizing the General Assembly to**

852 designate passenger vehicles, pickup trucks, motorcycles and recreational vehicles as a separate  
853 subject of taxation and to exempt such property from taxation, except that the provisions of this  
854 act amending § 58.1-4022 of the Code of Virginia shall become effective on the July 1 following  
855 such January 1 effective date.

**INTRODUCED**

SB19