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SENATE BILL NO. 439**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance
on February 17, 1998)

(Patron Prior to Substitute—Senator Chichester)

A BILL to amend and reenact §§ 2.1-155, 46.2-208, 46.2-623, and 58.1-3912 of the Code of Virginia; and to amend the Code of Virginia by adding a section numbered 15.2-1636.20, by adding in Title 58.1 a chapter numbered 35.1, consisting of sections numbered 58.1-3523 through 58.1-3534, and by adding a section numbered 58.1-3916.01, relating to the tangible personal property tax; Personal Property Tax Relief Act of 1998.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-155, 46.2-208, 46.2-623, and 58.1-3912 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 15.2-1636.20, by adding in Title 58.1 a chapter numbered 35.1, consisting of sections numbered 58.1-3523 through 58.1-3534, 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.

§ 15.2-1636.20. 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 released only to a physician as provided in § 46.2-322.

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

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

4. When the person requesting the information is (i) the subject of the information, (ii) the parent or guardian of the subject of the information, (iii) the authorized representative of the subject of the information, or (iv) the owner of the vehicle that is the subject of the information, the Commissioner shall provide him with the requested information and a complete explanation of it. Requests for such information need not be made in writing or in person and may be made orally or by telephone, provided

60 that the Department is satisfied that there is adequate verification of the requester's identity. When so
61 requested in writing by (i) the subject of the information, (ii) the parent or guardian of the subject of the
62 information, (iii) the authorized representative of the subject of the information, or (iv) the owner of the
63 vehicle that is the subject of the information, the Commissioner shall verify and, if necessary, correct the
64 personal information provided and furnish driver and vehicle information in the form of an abstract of
65 the record.

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

77 6. On the written request of any business organization or its agent, in the conduct of its business, the
78 Commissioner shall compare personal information supplied by the business organization or agent with
79 that contained in the Department's records and, when the information supplied by the business
80 organization or agent is different from that contained in the Department's records, provide the business
81 organization or agent with correct information as contained in the Department's records. Personal
82 information provided under this subdivision shall be used solely for the purpose of pursuing remedies
83 which require locating an individual.

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

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

103 9. On the request of any federal, state, or local governmental entity, law-enforcement officer, attorney
104 for the Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, the Commissioner
105 shall (i) compare personal information supplied by the governmental entity, officer, attorney for the
106 Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, with that contained in the
107 Department's records and, when the information supplied by the governmental entity, officer, attorney
108 for the Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, is different from that
109 contained in the Department's records, provide the governmental entity, officer, attorney for the
110 Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, with correct information as
111 contained in the Department's records and (ii) provide driver and vehicle information in the form of an
112 abstract of the record showing all convictions, accidents, driver's license suspensions or revocations, and
113 other appropriate information as the governmental entity, officer, attorney for the Commonwealth, ~~or~~
114 court, *or the authorized agent of any of the foregoing*, may require in order to carry out its official
115 functions.

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

119 11. On the written request of any employer, prospective employer, or authorized agent of either, and
120 with the written consent of the individual concerned, the Commissioner shall (i) compare personal
121 information supplied by the employer, prospective employer, or agent with that contained in the

Department's records and, when the information supplied by the employer, prospective employer, or agent is different from that contained in the Department's records, provide the employer, prospective employer, or agent with correct information as contained in the Department's records and (ii) provide the employer, prospective employer, or agent with driver information in the form of an abstract of an individual's record showing all convictions, accidents, driver's license suspensions or revocations, and any type of driver's license that the individual currently possesses, provided that the individual's position or the position that the individual is being considered for involves the operation of a motor vehicle.

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

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

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

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

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

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

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

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

20. Upon written request of the compliance agent of a private security services business, as defined

183 in § 9-183.1, which is licensed by the Department of Criminal Justice Services, the Commissioner shall
184 provide the name and address of the owner of the vehicle under procedures determined by the
185 Commissioner.

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

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

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

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

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

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

203 § 46.2-623. Statements in application.

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

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

214 B. *Not later than July 15, 1998, the lessor of a qualifying vehicle, as defined in § 58.1-3523, shall*
215 *send a report to the Department for each such qualifying vehicle it was leasing as of July 1, 1998, and*
216 *has leased between January 1, 1998, and June 30, 1998, containing (i) the name and address of the*
217 *lessee as it appears in the lease contract; (ii) the social security number of the lessee; and (iii) the*
218 *registration number of the vehicle as described under Article 1 (§ 46.2-600 et seq.) of Chapter 6 of Title*
219 *46.2.*

220 C. *Beginning with August 1998, such lessor shall send a monthly report to the Department, by the*
221 *fifteenth day of the month or such later day as may be prescribed in the guidelines promulgated under*
222 *§ 58.1-3532, listing any changes, additions or deletions to the information provided under subsection B*
223 *as of the last day of the preceding month.*

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

226 CHAPTER 35.1.

227 PERSONAL PROPERTY TAX RELIEF ACT OF 1998.

228 § 58.1-3523. Definitions.

229 As used in this chapter:

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

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

235 "Department" means the Department of Motor Vehicles.

236 "Effective tax rate" means the tax rate imposed by a locality on tangible personal property on the
237 applicable class of tangible personal property multiplied by the assessment ratio.

238 "Leased" means leased by a natural person as lessee and used for non-business purposes.

239 "Percentage amount" means the portion of the reimbursable amount to be reimbursed or paid by the
240 Commonwealth.

241 "Privately owned" means owned by a natural person and used for non-business purposes.

242 "Qualifying vehicle" means any passenger car, motorcycle, and pickup or panel truck, as those terms
243 are defined in § 46.2-100, that is determined by the commissioner of the revenue of the county or city in
244 which the vehicle has situs as provided by § 58.1-3511 to be (i) privately owned or (ii) leased pursuant

to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In determining whether a vehicle is a qualifying vehicle, the commissioner of revenue may rely on the registration of such vehicle with the Department pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title 46.2.

"Reimbursable amount" means the value of a qualifying vehicle, up to the first \$20,000 of value, multiplied by the effective tax rate in effect in the locality on July 1, 1997.

"Tangible personal property tax" means the tax levied pursuant to Article 1 (§ 58.1-3500 et seq.) of Chapter 35 of Title 58.1.

"Treasurer" means the same as that set forth in § 58.1-3123, when used herein with respect to a county or city. When used herein with respect to a town, "treasurer" means the officer who is primarily responsible for the billing and collection of tangible personal property taxes levied upon motor vehicles by such town, and means the treasurer of the county or counties in which such town is located if such functions are performed for the town by the county treasurer or treasurers.

"Used for non-business purpose" means the preponderance of use is for other than business purposes. The preponderance of use for other than business purposes shall be deemed not to be satisfied if: (i) the motor vehicle is expensed on the taxpayer's federal income tax return pursuant to Internal Revenue Code § 179; (ii) more than fifty percent of the basis for depreciation of the motor vehicle is depreciated for federal income tax purposes; or (iii) the allowable expense of total annual mileage in excess of fifty percent is deductible for federal income tax purposes or reimbursed pursuant to an arrangement between an employer and employee. Notwithstanding the provisions of § 58.1-3532, the Tax Commissioner shall promulgate guidelines by April 15, 1998, consistent with this section which shall be utilized by the commissioners of the revenue in ascertaining for the purposes of this chapter whether a vehicle is used for non-business purposes.

"Value" means the fair market value determined by the method prescribed in § 58.1-3503 and used by the locality as of July 1, 1997, in valuing the qualifying vehicle.

§ 58.1-3524. Reimbursement of tangible personal property taxes; deduction on tangible personal property tax bills.

A. For any tax year beginning in calendar year 1998, the Commonwealth shall directly reimburse taxpayers for tangible personal property tax levies paid on each qualifying vehicle, as provided in § 58.1-3525, a percentage amount equal to the greater of (i) fifteen percent of the reimbursable amount for the qualifying vehicle or (ii) the lesser of ten dollars or the tangible personal property tax levied on the qualified vehicle.

B. Subject to the conditions of subsections C and D, the Commonwealth shall pay to treasurers for each qualifying vehicle, as provided in § 58.1-3526, the following percentage amounts:

1. For any tax year beginning in calendar year 1999, the greater of (i) thirty percent of the reimbursable amount for the qualifying vehicle or (ii) the lesser of twenty dollars or the tangible personal property tax levied on the qualified vehicle;

2. For any tax year beginning in calendar year 2000, the greater of (i) fifty percent of the reimbursable amount for the qualifying vehicle or (ii) the lesser of forty dollars or the tangible personal property tax levied on the qualified vehicle;

3. For any tax year beginning in calendar year 2001, the greater of (i) seventy percent of the reimbursable amount for the qualifying vehicle or (ii) the lesser of eighty dollars or the tangible personal property tax levied on the qualified vehicle; and

4. For any tax year beginning in calendar year 2002 or thereafter, 100 percent of the reimbursable amount for the qualifying vehicle.

C. Notwithstanding the schedule set forth in subsection B, the percentage amount for each qualifying vehicle to be paid by the Commonwealth for a tax year shall not be increased at the beginning of any calendar year above the percentage amount paid by the Commonwealth in the preceding tax year if:

1. Actual general fund revenues for the preceding fiscal year, including transfers, are less than the projected general fund revenues, as reported in the general appropriation act in effect at that time, by one-half of one percent or more of the amount of actual general fund revenues for such fiscal year;

2. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393 indicates that general fund revenues, excluding transfers, for the following fiscal year will be less than five percent greater than general fund revenues for the current fiscal year; or

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

D. If the percentage amount remains the same for consecutive tax years, the percentage amount to be used in the following tax year shall remain the same unless none of the conditions described in subsection C has occurred, in which event the amount to be paid by the Commonwealth for the

306 immediately following tax year shall be equal to the next highest percentage amount listed in subsection
307 B.

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

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

314 a. If the percentage amount is decreased for the current tax year and the taxpayer has paid the
315 assessment, the locality may issue an additional assessment for the amount of the difference between the
316 percentage amount for the tax year reflected on the original assessment and the percentage amount for
317 the tax year as modified by the General Assembly in the current year.

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

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

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

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

333 § 58.1-3525. Reimbursement to taxpayers for tax year 1998 levies.

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

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

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

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

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

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

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

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

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

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

359 3. The reimbursement relating to tax year 1998 levies paid by taxpayers after December 31, 1998,
360 shall be sent by United States mail to taxpayers within 100 days of payment.

361 a. Within thirty days of payment, the commissioner of revenue shall certify the value of each
362 qualifying vehicle to the treasurer of the locality.

363 b. Within thirty days of receipt of such certification, the treasurer shall certify to the Department, in
364 the manner prescribed by the Department, the amount as determined under subsection A of § 58.1-3524
365 to be reimbursed to each taxpayer.

366 c. After a review of the certifications submitted by the treasurers and within thirty days of receipt of
367 a treasurer's certification, the Commissioner shall certify the amount to be reimbursed to each taxpayer

and shall make a written request to the Comptroller for payment.

4. In each instance, the treasurer shall also include the commissioner of revenue's certification along with any certification he is required to send to the Department.

C. If (i) the situs for the assessment and taxation of a qualifying vehicle, as determined pursuant to § 58.1-3511, changes in tax year 1998 and (ii) the county, city, or town in which the qualifying vehicle first had situs in tax year 1998 levied a tangible personal property tax on such vehicle for all twelve months of tax year 1998, the reimbursement under this section shall be made only for tangible personal property taxes paid to such county, city, or town.

D. Payments to taxpayers under this section shall be made by the State Treasurer on warrants issued by the Comptroller.

E. The reimbursement provided under this section for a qualifying vehicle which is leased shall be paid directly to the lessee of such vehicle.

§ 58.1-3526. Payment to treasurers for tax year 1999 and thereafter.

A. For tax year 1999 and tax years thereafter, the Commonwealth shall pay to treasurers the amount specified in subdivisions B 1 through B 4 of § 58.1-3524 for each qualifying vehicle, if the conditions of this section are satisfied.

B. As provided by subsection E of § 58.1-3912, the treasurer shall include such amount as a deduction on the face of tangible personal property tax bills for qualifying vehicles and shall clearly designate such deduction as an amount to be paid by the Commonwealth. In addition to tangible personal property taxes levied on property other than qualifying vehicles, the taxpayer shall pay to the treasurer any payment due for the difference between tangible personal property taxes levied on a qualifying vehicle and such deduction. Within the certified personal property tax book provided to the treasurer pursuant to § 58.1-3118, the commissioner of the revenue shall identify each qualifying vehicle and its value, as defined in this chapter.

C. Except as provided by subsection B of § 58.1-3528, upon full payment of the tangible personal property tax levied on a qualifying vehicle, less the amount of the deduction as described in subsection B of this section, the treasurer shall make a request to the Commonwealth for payment of the amount equal to the amount specified in subdivisions B 1 through B 4 of § 58.1-3524 for the qualifying vehicle. Such request shall include a summary of the information appearing on the related tangible personal property tax bill. The summary information to be included in the request and the form of such request shall be prescribed by the Comptroller. Upon receipt of such information, the Comptroller shall issue the proper warrant for payment by the State Treasurer. If the Comptroller determines that a treasurer is unable to provide the summary information, he shall issue a warrant for payment to such treasurer in an amount equal to the estimate made by the Department under § 58.1-3529. Provided that the request for payment is received by the deadlines established and in the format prescribed by the Comptroller, he shall issue the warrant for payment no later than two business days after the receipt of the request from the treasurer.

D. 1. If a taxpayer is required to make a payment for the difference between the tangible personal property tax levied on a qualifying vehicle and the deduction as described in subsection B, the amount as determined under subdivisions B 1 through B 4 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer at such times as is consistent with the treasurer's receipt of tangible personal property tax payments on qualifying vehicles as of January 1, 1998.

2. Except as provided in subdivision D 3, if a taxpayer is not required to return to the treasurer any payment of tangible personal property tax for a qualifying vehicle, the amount as determined under subdivisions B 1 through B 4 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer over a four-week period. There shall be one equal payment in each week. The first payment shall be made four weeks prior to the county, city, or town's due date for tangible personal property taxes on qualifying vehicles as of January 1, 1998. However, the Comptroller shall not issue a warrant for payment unless he has received the certification described in § 58.1-3916.01.

3. If (i) a taxpayer is not required to return to the treasurer any payment of tangible personal property tax for a qualifying vehicle and (ii) the tangible personal property tax levy on such vehicle has been made as authorized under § 58.1-3516, the amount as determined under subdivisions B 1 through B 4 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer at such times as is consistent with the treasurer's receipt of tangible personal property tax payments on qualifying vehicles as of January 1, 1998.

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

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

For tax years 1999 and tax years thereafter, the Department and each treasurer shall reconcile the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 58.1-3532. Department to promulgate guidelines.

The Department shall promulgate guidelines for the use of local governments in administering the provisions of this chapter. In preparing such guidelines, the Department shall not be subject to the provisions of the Administrative Process Act (§ 9-6.14:1 et seq.) for guidelines promulgated on or before July 1, 2001, but shall cooperate with and seek the counsel of local officials and interested groups. Such guidelines shall be available for distribution to local governments on July 1, 1998. Thereafter, the guidelines shall be updated annually.

§ 58.1-3533. Personal Property Tax Relief Fund.

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

B. The Commissioner shall annually, on or before November 1, make and deliver to the Governor, the Secretary of Finance, and the and the chairmen of the Senate Finance Committee and the House Appropriations Committee a certificate stating the sum necessary to fund the payments to taxpayers and treasurers described in this chapter.

C. If the funds appropriated to the Fund are insufficient, or projected to be insufficient, to make payments to taxpayers or treasurers in the first year of a biennium, the Governor is authorized to transfer moneys from the second year to the first year to effect the payment.

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

§ 58.1-3534. Department to furnish information to commissioners of revenue.

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

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

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

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

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

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

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

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

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

Notwithstanding any changes a county, city, or town may adopt regarding its billing date or due date for tangible personal property tax or any proration ordinance which may be adopted pursuant to § 58.1-3516 or § 58.1-3516.1, payment by the Commonwealth for qualifying vehicles as defined in § 58.1-3523 to any county, city, or town shall be made in accordance with the provisions of § 58.1-3526

552 *at such times as is consistent with each locality's billing date or due date in effect on January 1, 1998,*
553 *for tangible personal property tax. The treasurer shall certify such billing dates and due dates in effect*
554 *on January 1, 1998, to the Comptroller by January 1, 1999.*
555 **2. That the provisions of this act shall be effective for all tax years beginning on or after January**
556 **1, 1998.**