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## SENATE BILL NO. 1134

Offered January 21, 1999

*A BILL to amend and reenact §§ 58.1-3506, 58.1-3902 and 58.1-3912 of the Code of Virginia, relating to the collection of tangible personal property tax.*

Patron—Watkins

Referred to Committee on Finance

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

**1. That §§ 58.1-3506, 58.1-3902 and 58.1-3912 of the Code of Virginia are amended and reenacted as follows:**

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

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

1. Boats or watercraft weighing five tons or more;

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;

6. 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;

7. 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;

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

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

10. Privately owned pleasure boats and watercraft, *eighteen feet and over*, used for recreational purposes only;

11. 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;

12. Motor vehicles 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

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60 prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may  
61 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately  
62 prior January date is transferred during the tax year;

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

78 15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound  
79 persons or provide transportation to senior or handicapped citizens in the community to carry out the  
80 purposes of the nonprofit organization;

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

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

90 18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police  
91 officers pursuant to Article 4 3 (§ ~~15.1-159.2~~ 15.2-1731 et seq.) of Chapter 3 17 of Title ~~15.1~~ 15.2 or  
92 (ii) leased by persons who have been so appointed to serve as auxiliary police officers if the person is  
93 obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One  
94 motor vehicle which is regularly used by each auxiliary police officer to respond to auxiliary police  
95 duties may be specially classified under this section. In order to qualify for such classification, any  
96 auxiliary police officer who applies for such classification shall identify the vehicle for which this  
97 classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a  
98 certification from the governing body which has appointed such auxiliary police officer or from the  
99 official who has appointed such auxiliary officers. That certification shall state that the applicant is an  
100 auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police duties, and it  
101 shall state that the vehicle for which the classification is sought is the vehicle which is regularly used  
102 for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of  
103 revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall  
104 be authorized, in his discretion, and for good cause shown and without fault on the part of the member,  
105 to accept a certification after the January 31 deadline;

106 19. Machines and tools owned by a commercial air carrier which uses such machines and tools in a  
107 commercial airline maintenance, repair, and rebuilding facility, which has an assessed value of at least  
108 \$100,000,000 and which is located on or contiguous to an airport;

109 20. Motor vehicles which use clean special fuels as defined in § 58.1-2101;

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

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

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

121 24. All tangible personal property employed in a trade or business other than that described in

subdivisions A 1 through A 18 of § 58.1-3503;

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

26. Tangible personal property of Habitat for Humanity and local affiliates or subsidiaries thereof;

27. *Privately owned pleasure boats and watercraft, motorized and under eighteen feet, used for recreational purposes only; and*

28. *Privately owned pleasure boats and watercraft, nonmotorized and under eighteen feet, used for recreational purposes only.*

B. The governing body of any county, city or town may levy a tax on the property enumerated in subsection A at different rates from the tax levied on other tangible personal property. The rates of tax and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through 22, and 24, 25 and 26 through 28 of subsection A, not exceed that applicable to the general class of tangible personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.

§ 58.1-3902. Certain operators of marinas or boat storage places to file lists of owners of boats.

Every person operating in this Commonwealth a marina or boat storage place which accommodates more than four boats shall, on or before February 1 of each year, upon the request of the commissioner of the revenue of the county or city in which such marina or boat storage place is located, file with such commissioner of the revenue a list giving the name and address of the owner and operator, if such is available, and the name and number of each boat physically located and normally kept at his marina or boat storage place as of the preceding January 1. *The list shall be divided into the following three categories: (i) watercraft which are eighteen feet and over; (ii) watercraft which are under eighteen feet and motorized; and (iii) watercraft which are under eighteen feet and nonmotorized.* Violators of this section shall be guilty of a Class 4 misdemeanor.

§ 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 elect not to send a bill amounting to twenty dollars or less as shown by an assessment book in such treasurer's office.* 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) the amount of tangible personal property tax levied on the vehicle; and (v) if the locality prorates 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 of the

**183** reimbursable amount was calculated, how the deduction shall be calculated in future years, and the  
**184** taxpayer's liability for tangible personal property taxes on qualifying vehicles.