

**DEPARTMENT OF TAXATION  
2008 Fiscal Impact Statement**

**1. Patron** Mark R. Herring

**2. Bill Number** SB 195

**3. Committee** House Finance

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**4. Title** Personal Property Tax: Separate  
Classification for Low-Speed Vehicles

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would create a separate classification for local property tax purposes for low-speed vehicles.

The effective date of this bill is not specified.

**6. Fiscal Impact Estimates are:** Not available. (See Line 8.)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:**

This bill would have no impact on state revenues. Unless a locality elects to change the tax rate applicable to this new classification of property from the current rate at which it is assessed, there would be no effect on local revenues.

**9. Specific agency or political subdivisions affected:**

All localities.

**10. Technical amendment necessary:** No.

**11. Other comments:**

Currently, there are thirty-seven categories of property that are classified as separate classes of property that can be taxed at a rate not to exceed the general rate imposed on tangible personal property.

For tax rate purposes, this bill would provide a separate classification of tangible personal property for low-speed vehicles as defined in *Va. Code* § 46.2-100. This bill would provide a thirty-eighth classification of tangible personal property, and the twelfth separate classification for motor vehicles.

The *Code* defines low-speed vehicles as any four-wheeled electrically-powered vehicle, except a motor vehicle or low-speed vehicle that is used exclusively for agricultural or horticultural purposes or a golf cart, whose maximum speed is greater than 20 miles per hour but not greater than 25 miles per hour and is manufactured to comply with safety standards contained in Title 49 of the Code of Federal Regulations, § 571.500.

Low-speed vehicles are similar to golf carts, however, because they are capable of exceeding a speed of 20 miles per hour, are subject to Federal Motor Vehicle Safety Standard No. 500 (49 CFR 571.400), whereas golf carts are only subject to state and local requirements regarding safety equipment.

cc : Secretary of Finance

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