

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 86

An Act to amend and reenact §§ 46.2-665, as it is currently effective and as it shall become effective, 46.2-666, as it is currently effective and as it shall become effective, 46.2-667, 46.2-670, as it is currently effective and as it shall become effective, 46.2-672, as it shall become effective, 46.2-673, as it is currently effective and as it shall become effective, 46.2-684.2, 58.1-2403, and 58.1-3505 of the Code of Virginia and to amend and reenact the second enactment of Chapter 51 and the second enactment of Chapter 52 of the Acts of Assembly of 2022, relating to farm use placards.

[S 1057]

Approved March 21, 2023

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-665, as it is currently effective and as it shall become effective, 46.2-666, as it is currently effective and as it shall become effective, 46.2-667, 46.2-670, as it is currently effective and as it shall become effective, 46.2-672, as it shall become effective, 46.2-673, as it is currently effective and as it shall become effective, 46.2-684.2, 58.1-2403, and 58.1-3505 of the Code of Virginia are amended and reenacted as follows:

§ 46.2-665. (Effective until July 1, 2023) Vehicles used for agricultural or horticultural purposes.

A. No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any motor vehicle, trailer, or semitrailer used exclusively for agricultural or horticultural purposes on lands owned or leased by the vehicle's owner.

B. This exemption shall only apply to (i) pickup or panel trucks;; (ii) sport utility vehicles;; (iii) vehicles *other than pickup or panel trucks, sport utility vehicles, trailers, or semitrailers* having a gross vehicle weight rating greater than 7,500 pounds;; and (iv) trailers and semitrailers that are not operated on or over any public highway in the Commonwealth for any purpose other than:

1. Crossing a highway;
2. Operating along a highway for a distance of no more than 75 miles from one part of the owner's land to another, irrespective of whether the tracts adjoin;
3. Taking the vehicle or attached fixtures to and from a repair shop for repairs;
4. Taking another vehicle exempt from registration under any provision of §§ 46.2-664 through 46.2-668 or 46.2-672, or any part or subcomponent of such a vehicle, to or from a repair shop for repairs, including return trips;
5. Operating along a highway to and from a refuse disposal facility for the purpose of disposing of trash and garbage generated on a farm *and incidental refuse from the farmer's or his employee's home*;
6. Operating along a highway for a distance of no more than 75 miles for the purpose of obtaining supplies for agricultural or horticultural purposes, seeds, fertilizers, chemicals, or animal feed and returning; or
7. Transporting the vehicle's owner between his residence and the lands being used for agricultural or horticultural purposes.

§ 46.2-665. (Effective July 1, 2023) Vehicles used for agricultural or horticultural purposes.

A. No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any motor vehicle, trailer, or semitrailer used exclusively for agricultural or horticultural purposes on lands owned or leased by the vehicle's owner.

B. This exemption shall only apply to (i) pickup or panel trucks;; (ii) sport utility vehicles;; (iii) vehicles *other than pickup or panel trucks, sport utility vehicles, trailers, or semitrailers* having a gross vehicle weight rating greater than 7,500 pounds;; and (iv) trailers and semitrailers that are not operated on or over any public highway in the Commonwealth for any purpose other than:

1. Crossing a highway;
2. Operating along a highway for a distance of no more than 75 miles from one part of the owner's land to another, irrespective of whether the tracts adjoin;
3. Taking the vehicle or attached fixtures to and from a repair shop for repairs;
4. Taking another vehicle exempt from registration under any provision of §§ 46.2-664 through 46.2-668 or 46.2-672, or any part or subcomponent of such a vehicle, to or from a repair shop for repairs, including return trips;
5. Operating along a highway to and from a refuse disposal facility for the purpose of disposing of trash and garbage generated on a farm *and incidental refuse from the farmer's or his employee's home*;
6. Operating along a highway for a distance of no more than 75 miles for the purpose of obtaining supplies for agricultural or horticultural purposes, seeds, fertilizers, chemicals, or animal feed and returning; or

7. Transporting the vehicle's owner between his residence and the lands being used for agricultural or horticultural purposes.

C. The owner or lessee of a ~~vehicle, trailer, or semitrailer~~ *pickup or panel truck or sport utility vehicle* claiming the exemption provided pursuant to this section shall be required to obtain a permanent farm use placard pursuant to § 46.2-684.2.

§ 46.2-666. (Effective until July 1, 2023) Vehicles used for seasonal transportation of farm produce and livestock.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee prescribed for any motor vehicle, trailer, or semitrailer owned by the owner or lessee of a farm and used by him on a seasonal basis in transporting farm produce and livestock along public highways for a distance of no more than 75 miles ~~including the distance to the nearest or to a storage house, packing plant, or market.~~ The provisions of this section shall only apply to (i) pickup or panel trucks;; (ii) sport utility vehicles;; (iii) *vehicles other than pickup or panel trucks, sport utility vehicles, trailers, or semitrailers* having a gross vehicle weight rating greater than 7,500 pounds;; and (iv) trailers and semitrailers.

§ 46.2-666. (Effective July 1, 2023) Vehicles used for seasonal transportation of farm produce and livestock.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee prescribed for any motor vehicle, trailer, or semitrailer owned by the owner or lessee of a farm and used by him on a seasonal basis in transporting farm produce and livestock along public highways for a distance of no more than 75 miles ~~including the distance to the nearest or to a storage house, packing plant, or market.~~ The provisions of this section shall only apply to (i) pickup or panel trucks;; (ii) sport utility vehicles;; (iii) *vehicles other than pickup or panel trucks, sport utility vehicles, trailers, or semitrailers* having a gross vehicle weight rating greater than 7,500 pounds;; and (iv) trailers and semitrailers. The owner or lessee of a ~~vehicle, trailer, or semitrailer~~ *pickup or panel truck or sport utility vehicle* claiming the exemption provided pursuant to this section shall be required to obtain a permanent farm use placard pursuant to § 46.2-684.2.

§ 46.2-667. Farm machinery and tractors.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay the prescribed fee for any farm machinery or tractor when operated on a highway (i) between one tract of land and another regardless of whether the land is owned by the same person or (ii) to and from a repair shop for repairs.

The owner or lessee of any farm machinery or tractor claiming the exemption provided pursuant to this section shall not be required to obtain a permanent farm use placard pursuant to § 46.2-684.2.

§ 46.2-670. (Effective until July 1, 2023) Vehicles owned by farmers and used to transport certain wood products.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any motor vehicle, trailer, or semitrailer owned by a farm owner when the vehicle is operated or moved along a highway for no more than 75 miles between a sawmill or sawmill site and his farm to transport sawdust, wood shavings, slab wood, and other wood wastes. The provisions of this section shall only apply to (i) pickup or panel trucks;; (ii) sport utility vehicles;; (iii) *vehicles other than pickup or panel trucks, sport utility vehicles, trailers, or semitrailers* having a gross vehicle weight rating greater than 7,500 pounds;; and (iv) trailers and semitrailers.

§ 46.2-670. (Effective July 1, 2023) Vehicles owned by farmers and used to transport certain wood products.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any motor vehicle, trailer, or semitrailer owned by a farm owner when the vehicle is operated or moved along a highway for no more than 75 miles between a sawmill or sawmill site and his farm to transport sawdust, wood shavings, slab wood, and other wood wastes. The provisions of this section shall only apply to (i) pickup or panel trucks;; (ii) sport utility vehicles;; (iii) *vehicles other than pickup or panel trucks, sport utility vehicles, trailers, or semitrailers* having a gross vehicle weight rating greater than 7,500 pounds;; and (iv) trailers and semitrailers. The owner or lessee of a ~~vehicle, trailer, or semitrailer~~ *pickup or panel truck or sport utility vehicle* claiming the exemption provided pursuant to this section shall be required to obtain a permanent farm use placard pursuant to § 46.2-684.2.

§ 46.2-672. (Effective July 1, 2023) Certain vehicles transporting fertilizer, cotton, or peanuts.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any motor vehicle or trailer, semitrailer, or fertilizer spreader drawn by a farm tractor used by a farmer, his tenant, agent or employee or a cotton ginner, peanut buyer, or fertilizer distributor to transport unginne cotton, peanuts, or fertilizer owned by the farmer, cotton ginner, peanut buyer, or fertilizer distributor from one farm to another, from farm to gin, from farm to dryer, from farm to market, or from fertilizer distributor to farm and on return to the distributor. The owner or lessee of a ~~vehicle, trailer, or semitrailer~~ *pickup or panel truck or sport utility vehicle* claiming the exemption provided pursuant to this section shall be required to obtain a permanent farm use placard pursuant to

§ 46.2-684.2.

The provisions of this section shall not apply to vehicles operated on a for-hire basis.

§ 46.2-673. (Effective until July 1, 2023) Return trips of exempted farm vehicles.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any farm vehicle exempted from registration under the provisions of this article when that vehicle is:

1. Making a return trip from any marketplace;
2. Transporting back to a farm ordinary and essential food, *including procuring a meal for a farmer or his employees*, and other products for home and farm use *while engaged in activities allowed in this chapter*; or
3. Transporting supplies to the farm.

§ 46.2-673. (Effective July 1, 2023) Return trips of exempted farm vehicles.

No person shall be required to obtain the registration certificate, license plates, or decals for or pay a registration fee for any farm vehicle exempted from registration under the provisions of this article when that vehicle is:

1. Making a return trip from any marketplace;
2. Transporting back to a farm ordinary and essential food, *including procuring a meal for a farmer or his employees*, and other products for home and farm use *while engaged in activities allowed in this chapter*; or
3. Transporting supplies to the farm.

The owner or lessee of a ~~vehicle, trailer, or semitrailer~~ *pickup or panel truck or sport utility vehicle* claiming the exemption provided pursuant to this section shall be required to obtain a permanent farm use placard pursuant to § 46.2-684.2.

§ 46.2-684.2. Permanent farm use placards.

A. For the purposes of this section, "farm use placard" means a device containing letters, numerals, or a combination of both attached to a vehicle that is used for one of the exempt purposes set forth in § 46.2-665, 46.2-666, 46.2-670, 46.2-672, or 46.2-673.

B. (Effective until July 1, 2023) ~~Such~~ *All* farm use ~~placard~~ *placards* shall be permanent and valid for so long as the owner or lessee uses the vehicle for an exempt purpose and shall not require renewal.

B. (Effective July 1, 2023) An owner or lessee of a farm vehicle claiming an exemption for a farm vehicle provided pursuant to § 46.2-665, 46.2-666, 46.2-670, 46.2-672, or 46.2-673 shall obtain a farm use placard from the Department and display such placard on the vehicle at all times. *The provisions of this section shall not apply to vehicles having a gross vehicle weight rating greater than 7,500 pounds, trailers, or semitrailers used exclusively as set forth in § 46.2-665, 46.2-666, 46.2-670, 46.2-672, or 46.2-673.* Such farm use placard shall be permanent and valid for so long as the owner or lessee uses the vehicle for an exempt purpose and shall not require renewal.

C. Application for a permanent farm use placard shall be made on a form provided by the Department and shall ~~include~~ *require*:

1. The name of the owner or lessee of the vehicle for which the exemption is claimed;
2. The *approximate* location and acreage of each farm on which the vehicle is to be used;
3. The type of agricultural commodities, poultry, dairy products, or livestock produced on such farms ~~and the approximate amounts produced annually~~;
4. A statement, signed by the owner or lessee, that the vehicle shall only be used for one or more of the exempt purposes set forth in § 46.2-665, 46.2-666, 46.2-670, 46.2-672, or 46.2-673; and
5. A statement, signed by the owner or lessee, that the vehicle is an insured motor vehicle as defined in § 46.2-705 or is insured by a policy authorized pursuant to § 46.2-684.1.

Such application shall not request any additional information not required pursuant to this subsection. Notwithstanding any other provision of law, the Department shall not release, except upon request by the farm use placard applicant, the guardian of such applicant, or the authorized agent of such applicant, or pursuant to a court order, any information obtained pursuant to this section.

D. The Department may charge a fee of \$15 for a farm use placard. All fees collected by the Commissioner pursuant to this section shall be paid into the state treasury and set aside as a special fund to be used to meet the expenses of the Department.

E. Farm use placards are nontransferable.

F. An owner or lessee of a farm use vehicle shall return the farm use placard to the Department within 30 days of the vehicle ceasing to be used for one or more of the exempt purposes set forth in § 46.2-665, 46.2-666, 46.2-670, 46.2-672, or 46.2-673.

G. *The Department shall not limit the number of placards that can be obtained at one time, provided the applicant is lawfully entitled to such placards.*

§ 58.1-2403. Exemptions.

No tax shall be imposed as provided in § 58.1-2402 if the vehicle is:

1. Sold to or used by the United States government or any governmental agency thereof;
2. Sold to or used by the Commonwealth of Virginia or any political subdivision thereof;
3. Registered in the name of a volunteer fire department or volunteer emergency medical services

agency not operated for profit;

4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any other recognized Indian tribe of the Commonwealth living on the tribal reservation;

5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the lienholder;

6. A manufactured home permanently attached to real estate and included in the sale of real estate;

7. A gift to the spouse, son, daughter, or parent of the transferor. With the exception of a gift to a spouse, this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to the transfer;

8. Transferred from an individual or partnership to a corporation or limited liability company or from a corporation or limited liability company to an individual or partnership if the transfer is incidental to the formation, organization or dissolution of a corporation or limited liability company in which the individual or partnership holds the majority interest;

9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent corporation to a wholly owned subsidiary;

10. Being registered for the first time in the Commonwealth and the applicant holds a valid, assignable title or registration issued to him by another state or a branch of the United States Armed Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has been purchased by the applicant within the last 12 months and the applicant is unable to provide evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the fair market value of the vehicle at the time of registration in Virginia;

11. a. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale; or

b. Titled in the name of an automotive manufacturer having its headquarters in Virginia, except for any commercially leased vehicle that is not described under subdivision 3 of § 46.2-602.2. For purposes of this subdivision, "automotive manufacturer" and "headquarters" means the same as such terms are defined in § 46.2-602.2;

12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles, one way, on the same day;

13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than Virginia;

14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for the use of a church conducted not for profit;

15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the instruction of driver's education when such education is a part of such school's curriculum for full-time students;

16. Sold to an insurance company or local government group self-insurance pool, created pursuant to § 15.2-2703, for the sole purpose of disposition when such company or pool has paid the registered owner of such vehicle a total loss claim;

17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of foreign governments, their employees or agents, and members of their families, if such persons are nationals of the state by which they are appointed and are not citizens of the United States;

18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a nonprofit hospital or a cooperative hospital service organization as described in § 501(e) of the United States Internal Revenue Code;

19. A motor vehicle having seats for more than seven passengers and sold to a restricted common carrier or common carrier of passengers;

20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital service organization as described in § 501(e) of the United States Internal Revenue Code, or a nonprofit corporation as defined in § 501(c)(3) of the Internal Revenue Code, established for research in, diagnosis of, or therapy for human ailments;

21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such organization;

22. A motor vehicle sold to an organization which is exempt from taxation under § 501(c)(3) of the Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing, medicines, and other necessities of life to, and providing shelter for, needy persons in the United States and throughout the world;

23. Transferred to the trustees of a revocable inter vivos trust, when the individual titleholder of a Virginia titled motor vehicle and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries of the trust may also be named in the trust instrument, when no

consideration has passed between the titleholder and the beneficiaries; and transferred to the original titleholder from the trustees holding title to the motor vehicle;

24. Transferred to trustees of a revocable inter vivos trust, when the owners of the vehicle and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust instrument, or transferred by trustees of such a trust to beneficiaries of the trust following the death of the grantor, when no consideration has passed between the grantor and the beneficiaries in either case;

25. Sold by a vehicle's lessor to its lessee upon the expiration of the term of the vehicle's lease, if the lessee is a natural person and this natural person has paid the tax levied pursuant to this chapter with respect to the vehicle when he leased it from the lessor, and if the lessee presents an original copy of the lease upon request of the Department of Motor Vehicles or other evidence that the sales tax has been paid to the Commonwealth by the lessee purchasing the vehicle;

26. Titled in the name of a deceased person and transferred to the spouse or heir, or under the will, of such deceased person;

27. An all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, that:

a. Is being titled for the first time in the Commonwealth and that the applicant (i) has owned for more than 12 months or (ii) has owned for less than 12 months and provides evidence of tax paid pursuant to Chapter 6 (§ 58.1-600 et seq.); or

b. Would otherwise be eligible for an agricultural exemption, as provided in § 58.1-609.2;

28. A motor vehicle that is sold to an organization that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code and that is primarily used by the organization to transport to markets for sale produce that is (i) produced by local farmers and (ii) sold by such farmers to the organization; or

29. Transferred from the purchaser of the vehicle back to the seller of the vehicle who (i) accepted the vehicle pursuant to the Virginia Motor Vehicle Warranty Enforcement Act (§ 59.1-207.9 et seq.) or (ii) otherwise agreed to accept the return of the vehicle due to a mechanical defect or failure and refunded to the purchaser the purchase price of the vehicle. Except when the return of the vehicle is pursuant to the Virginia Motor Vehicle Warranty Enforcement Act, the transfer shall occur within 45 days of the date of purchase; or

30. *Any pickup or panel truck or sport utility vehicle for which the owner is required to obtain a permanent farm use placard pursuant to § 46.2-684.2. However, the tax as provided in § 58.1-2402 shall be imposed upon such vehicle based upon the current market value from the time such vehicle is (i) registered for a nonexempt use as required by § 46.2-600 or (ii) sold to a person who does not qualify for an exemption pursuant to this section.*

§ 58.1-3505. Classification of farm animals, certain grains, agricultural products, farm machinery, farm implements and equipment; governing body may exempt.

A. Farm animals, grains and other feeds used for the nurture of farm animals, agricultural products as defined in § 3.2-6400, farm machinery and farm implements are hereby defined as separate items of taxation and classified as follows:

1. Horses, mules and other kindred animals.

2. Cattle.

3. Sheep and goats.

4. Hogs.

5. Poultry.

6. Grains and other feeds used for the nurture of farm animals.

7. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100 and other agricultural products in the hands of a producer.

8. Farm machinery other than the farm machinery described in subdivision 10, and farm implements, which shall include (i) equipment and machinery used by farm wineries as defined in § 4.1-100 in the production of wine; (ii) equipment and machinery used by a nursery as defined in § 3.2-3800 for the production of horticultural products; and (iii) any farm tractor as defined in § 46.2-100, regardless of whether such farm tractor is used exclusively for agricultural purposes.

9. Equipment used by farmers or farm cooperatives qualifying under § 521 of the Internal Revenue Code to manufacture industrial ethanol, provided that the materials from which the ethanol is derived consist primarily of farm products.

10. Farm machinery designed solely for the planting, production or harvesting of a single product or commodity.

11. Privately owned trailers as defined in § 46.2-100 that are primarily used by farmers in their farming operations for the transportation of farm animals or other farm products as enumerated in subdivisions 1 through 7.

12. Motor vehicles that are used primarily for agricultural purposes, for which the owner is not required to obtain a registration certificate, license plate, and decal or pay a registration fee pursuant to § 46.2-665, 46.2-666, or 46.2-670, or *pickup or panel trucks or sport utility vehicles for which the owner is required to obtain a permanent farm use placard pursuant to § 46.2-684.2.*

13. Trucks or tractor trucks as defined in § 46.2-100, that are primarily used by farmers in their farming operations for the transportation of farm animals or other farm products as enumerated in subdivisions 1 through 7 or for the transport of farm-related machinery.

14. Farm machinery and farm implements, other than the farm machinery and farm implements described in subdivisions 8 and 10, which shall include equipment and machinery used for forest harvesting and silvicultural activities.

B. The governing body of any county, city or town may, by ordinance duly adopted, exempt in whole or in part from taxation, or provide a different rate of tax upon, all or any of the above classes of farm animals, grains and feeds used for the nurture of farm animals, farm vehicles, and farm machinery, implements or equipment set forth in subsection A.

C. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100; and other agricultural products, as defined in § 3.2-6400, shall be exempt from taxation under this chapter while in the hands of a producer.

2. That the second enactment of Chapter 51 and the second enactment of Chapter 52 of the Acts of Assembly of 2022 are amended and reenacted as follows:

2. That the provisions of this act requiring the owner or lessee of a farm vehicle claiming an exemption for a farm vehicle provided pursuant to § 46.2-665, 46.2-666, 46.2-670, 46.2-672, or 46.2-673 of the Code of Virginia, as amended by this act, to obtain a farm use placard from the Department of Motor Vehicles and to display such placard on the vehicle at all times shall become effective on July 1, 2023 2024.