2006 Special Session I

Budget Bill - HB5002 (Chapter 3)

Central Appropriations

Item 459

	First Year - FY2007	Second Year - FY2008
Personal Property Tax Relief Program (74600)	**$950,000,000**	**$950,000,000**
Reimbursements to Localities for Personal Property Tax Relief (74601)	$950,000,000	$950,000,000
Fund Sources:		
General	$950,000,000	$950,000,000

Authority: Discretionary Inclusion.

A.1. Included in this Item is $950,000,000 from the general fund in the first year and $950,000,000 from the general fund in the second year to be used to implement a program which provides equitable tax relief from the personal property tax on vehicles.

2. The amounts appropriated in this Item provide for a local reimbursement level of 70 percent in tax years 2004 and 2005. The local reimbursement level for tax year 2006 is set at $950.0 million pursuant Chapter 1 of the Acts of Assembly of 2004, Special Session I. Payments to localities with calendar year 2006 car tax payment due dates prior to July 1, 2006, shall not be reimbursed until after July 1, 2006, except as otherwise provided in paragraph F of this Item.

B. Any unexpended balance remaining in this Item as of June 30, 2006, and June 30, 2007, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the succeeding year. Any unexpended balance remaining in this Item on June 30, 2008, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium, including without limitation for the purpose of providing reimbursement to localities for personal property tax relief with respect to bills for tax year 2005 and earlier pursuant to paragraph D of this Item.

C. Notwithstanding the provisions of subsection B of § 58.1-3524, Code of Virginia, as amended by Chapter 1 of the Acts of Assembly of 2004, Special Session I, the determination of each county's, city's and town's share of the total funds available for reimbursement for personal property tax relief pursuant to that subsection shall be pro rata based upon the actual payments to such county, city or town pursuant to Chapter 35.1 of Title 58.1 of the Code of Virginia for tax year 2004 as compared to the actual payments to all counties, cities and towns pursuant to that chapter for tax year 2004, made with respect to reimbursement requests submitted on or before December 31, 2005, as certified in writing by the Auditor of Public Accounts not later than March 1, 2006. Notwithstanding the provisions of the second enactment of Chapter 1 of the Acts of Assembly of 2004, Special Session I, this paragraph shall become effective upon the effective date of this act.

D. 1. Except as provided in subparagraph D 2, the entitlement to personal property tax relief for qualifying vehicles arising under the provisions of § 58.1-3524 as it existed prior to the amendments made in Chapter 1 of the Acts of Assembly, 2004 Special Session I, for tax year 2005 and all prior tax years shall expire on September 1, 2006. The treasurer or other official charged with collection of personal property taxes levied upon qualifying vehicles may issue a supplemental tax bill for the full amount of any taxes, penalty and interest for tax year 2005 and prior tax

years that remain due and owing as of September 1, 2006, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, without regard to or credit for any reimbursable amount to which such qualifying vehicle would have been entitled pursuant to the provisions of § 58.1-3524 as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly of 2004, Special Session I.

2. Notwithstanding the provisions of subparagraph D 1, the Commonwealth shall honor requests for personal property tax relief reimbursement received from the City of Winchester with respect to bills rendered for the tax year 2005 through April 1, 2007. The treasurer of the City of Winchester may issue a supplemental tax bill for the full amount of any taxes, penalty and interest for tax year 2005 and prior tax years that remain due and owing as of April 1, 2007, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, without regard to or credit for any reimbursable amount to which such qualifying vehicle would have been entitled pursuant to the provisions of § 58.1-3524 as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly of 2004, Special Session I.

E. The requirements of subsection C 2 of § 58.1-3524 and subsection E of § 58.1-3912, Code of Virginia, as amended by Chapter 1 of the Acts of Assembly, 2004 Special Session I, with respect to the establishment of tax rates for qualifying vehicles and the format of tax bills shall be deemed to have been satisfied if the locality provides by ordinance or resolution, or as part of its annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia or the provisions of a local government charter or Chapter 4, 5, 6, 7 or 8 of Title 15.2 of the Code of Virginia, if applicable, specific criteria for the allocation of the Commonwealth's payments to such locality for tangible personal property tax relief among the owners of qualifying vehicles, and such locality's tax bills provide a general description of the criteria upon which relief has been allocated and set out, for each qualifying vehicle that is the subject of such bill, the specific dollar amount of relief so allocated.

F. The Secretary of Finance may authorize advance payment, from funds appropriated in this Item, of sums otherwise due a town on and after July 1, 2006, for personal property tax relief under the provisions of Chapter 1 of the Acts of Assembly, 2004 Special Session I, if the Secretary finds that such town (1) had a due date for tangible personal property taxes on qualified vehicles for tax year 2006 falling between January 1 and June 30, 2006, (2) had a due date for tangible personal property taxes on qualified vehicles for tax year 2004 falling between January 1 and June 30, 2004, (3) received reimbursements pursuant to the provisions of Chapter 35.1 of Title 58.1 of the Code of Virginia between January 1 and June 30, 2004, (4) utilizes the cash method of accounting, and (5) would suffer fiscal hardship in the absence of such advance payment.

G. It is the intention of the General Assembly that reimbursements to counties, cities and towns that had a billing date for tax year 2004 tangible personal property taxes with respect to qualifying vehicles falling between January 1 and June 30, 2004, and received personal property tax relief reimbursement with respect to tax year 2004 from the Commonwealth between January 1 and June 30, 2004, pursuant to the provisions of Chapter 35.1 of Title 58.1 of the Code of Virginia as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly, 2004 Special Session I, be made by the Commonwealth with respect to sums attributable to such spring billing dates not later than August 15 of each fiscal year.