

Legislative Report

Commissioners of the Revenue Association Legislative Retreat – Staunton, Virginia 4/10/2019

BUDGET	Effective Date	Mandate
<p>The Budget Conference Committee Report is now available. Here are the highlights.</p> <p>474 #4c The budget compromise, if signed by the Governor, eliminates the proposed 1% salary bonus and increases the approved 2% salary increase to 3% effective July 1, 2019. https://budget.lis.virginia.gov/amendment/2019/1/HB1700/Introduced/CR/474/4c/</p> <p>69 #1c In addition, pursuant to our budget request the compromise includes the additional funding for our Career Development Program (CDP) increasing the salary supplement to 9.3% to conform with that provided under other constitutional officers' career development plans. https://budget.lis.virginia.gov/amendment/2019/1/HB1700/Introduced/CR/69/1c/</p>	7/1/2019	Statewide
SPECIAL RESOLUTIONS		
<p>HJ 875 Celebrating the life of Trina Nelson Rupe.</p> <p><i>Chief patron:</i> Hurst</p> <p>Celebrating the life of Trina Nelson Rupe.</p>	None	Remembering Trina
<p>SJ 313 Commending the Commissioners of the Revenue Association of Virginia.</p> <p><i>Chief patron:</i> Petersen</p> <p>Commending the Commissioners of the Revenue Association of Virginia.</p>	None	

<p>HJ 687 Tax assessments; Small Business Com. to study procedures for appealing decisions.</p> <p><i>Chief patron:</i> Keam</p> <p>Directing the Small Business Commission to study models and streamlined procedures for appealing tax assessment decisions. Report.</p> <p>Small Business Commission; appeals of tax assessment decisions; report. Directs the Small Business Commission to study models and streamlined procedures for appealing tax assessment decisions. The Small Business Commission shall report its findings to the members of the General Assembly by the first day of the 2020 Regular Session.</p>	<p>January 2020</p>	
<p>PERSONAL PROPERTY</p>		
<p>HB 2440 Intangible personal property; classification and exemption of certain business property.</p> <p><i>Chief patron:</i> Campbell, R.R.</p> <p>An Act to amend and reenact §§ 58.1-1101 and 58.1-1103 of the Code of Virginia, relating to intangible personal property; classification and exemption of business property with an original cost of less than \$25.</p> <p>Intangible personal property; classification and exemption of certain business property. Classifies as intangible property, and exempts from taxation, personal property that is employed in a trade or business, has an original cost of less than \$25, and is not classified as machinery and tools, merchants' capital, or short-term rental property.</p>	<p>1/1/2020</p>	<p>Statewide</p>
<p>HB 2733 Personal property tax; exemption for agricultural vehicles.</p> <p><i>Chief patron:</i> Webert</p> <p>An Act to amend and reenact § 58.1-3505 of the Code of Virginia, relating to personal property tax; exemption for agricultural vehicles.</p> <p>Personal property tax; exemption for agricultural vehicles. Provides that, for purposes of the optional local personal property tax exemptions for motor vehicles, trucks, and tractors, the exemption shall apply if the vehicle is used primarily for agricultural purposes. Under current law, the exemption applies only if the vehicle is used exclusively for agricultural purposes.</p> <p>The bill also provides that, for purposes of the optional local personal property tax exemption for farm vehicles, such exemption shall apply to equipment used by a nursery for the production of horticultural products and to any farm tractor.</p>	<p>1/1/2020</p>	<p>Requires local ordinance to adopt this exemption Ag Council added Nursery equipment while the Bill was in Committee.</p>

<p>HJ 676 Constitutional amendment; personal property tax exemption for motor vehicle of a disabled veteran.</p> <p><i>Chief patron:</i> Filler-Corn</p> <p>Proposing an amendment to Section 6 of Article X of the Constitution of Virginia, relating to personal property tax exemption; motor vehicle owned by a disabled veteran.</p> <p>Constitutional amendment (first resolution); personal property tax exemption; motor vehicle of a veteran who is disabled. Permits the General Assembly to authorize the governing body of any county, city, or town to exempt from taxation one motor vehicle of a veteran who has a 100 percent service-connected, permanent, and total disability. The amendment provides that only automobiles and pickup trucks qualify for the exemption. Additionally, the exemption would only be applicable on the date the motor vehicle is acquired or the effective date of the amendment, whichever is later, but would not be applicable for any period of time prior to the effective date of the amendment.</p>	Continuing	Requires passage a second time to appear on the 2020 November Ballot for Public approval
REAL ESTATE		
<p>HB 1649 & SB 1594 Boundary agreement, local; locality allowed to attach to their petitions to circuit court a GIS map.</p> <p><i>Chief patron:</i> Fowler, House Dunnavant, Senate</p> <p>An Act to amend and reenact § 15.2-3108 of the Code of Virginia, relating to local boundary agreements.</p> <p>Local boundary agreements. Allows all localities, in adopting a voluntary boundary agreement, to attach to their petitions to the circuit court a Geographic Information System (GIS) map depicting the boundary change. Under current law, such use of a GIS map is permitted only regarding the boundaries of certain named localities. This bill is identical to SB 1594.</p>	1/1/2020	Statewide

<p>HB 1655 & SB 1270 Real property tax; exemption for disabled veterans, surviving spouse's ability to move.</p> <p><i>Chief patron:</i> Miyares, House– Stuart, Senate</p> <p>An Act to amend and reenact §§ 58.1-3219.5, 58.1-3219.9, and 58.1-3219.14 of the Code of Virginia, relating to real property tax exemption for disabled veterans; surviving spouses; ability to move to a different residence.</p> <p>Real property tax exemption for disabled veterans; surviving spouses; ability to move to a different residence. Enacts as statutory law an amendment to subdivision (a) of Section 6-A of Article X of the Constitution of Virginia that was adopted by the voters on November 6, 2018, which applies the real property tax exemption for the surviving spouse of a disabled veteran to such spouse's principal place of residence regardless of whether such spouse moves to a different residence. The provisions of the bill would apply to taxable years beginning on and after January 1, 2019. The bill makes technical corrections related to the real property tax exemptions for surviving spouses of members of the armed forces killed in action and surviving spouses of certain persons killed in the line of duty. This bill is identical to SB 1270.</p>	<p>1/1/2019</p>	<p>Statewide</p>
<p>HB 2150 & SB 1196 Real property tax; exemption for the elderly and disabled, improvements to a dwelling.</p> <p><i>Chief patron:</i> Ingram, House Dance, Senate:</p> <p>An Act to amend and reenact § 58.1-3210 of the Code of Virginia, relating to real property tax exemption for the elderly and disabled; improvements to a dwelling.</p> <p>Real property tax exemption for the elderly and disabled; improvements to a dwelling. Provides that, for purposes of the real property tax exemption for the elderly and disabled, certain improvements to exempt land and the land such improvements are situated on shall be included as part of the dwelling and exempt from tax. This bill is identical to SB 1196.</p>	<p>1/1/2020</p>	<p>Statewide</p>

<p>HB 1937 Real property tax; exemptions for elderly and handicapped, computation of income limitation.</p> <p><i>Chief patron:</i> Krizek</p> <p>An Act to amend and reenact § 58.1-3212 of the Code of Virginia, relating to real property tax; exemptions for elderly and handicapped; computation of income limitation.</p> <p>Real property tax; exemptions for elderly and handicapped; computation of income limitation. Provides that, if a locality has established a real estate tax exemption for the elderly and handicapped and enacted an income limitation related to the exemption, the locality may exclude, for purposes of the limitation, any disability income received by a family member or nonrelative who lives in the dwelling and who is permanently and totally disabled.</p>	<p>1/1/2020</p>	<p>Requires local ordinance to adopt this exclusion</p>
<p>SB 1588 Real property taxes; partial exemption for flood mitigation efforts.</p> <p><i>Chief patron:</i> Lewis</p> <p>An Act to amend the Code of Virginia by adding in Article 3 of Chapter 32 of Title 58.1 a section numbered 58.1-3228.1, relating to partial exemption from real property taxes for flood mitigation efforts.</p> <p>Partial exemption from real property taxes for flood mitigation efforts. Codifies an amendment to Article X, Section 6 of the Constitution of Virginia that was adopted by the voters on November 6, 2018, which enables a locality to provide by ordinance a partial exemption from real property taxes for flooding abatement, mitigation, or resiliency efforts for improved real estate that is subject to recurrent flooding. The bill provides that exemptions may only be granted for qualifying flood improvements. Qualifying flood improvements are defined in the bill as improvements that do not increase the size of any impervious area and are made to qualifying structures or to land. Qualifying structures are defined as structures that were completed prior to July 1, 2018, or were completed more than 10 years prior to the completion of the improvements. For improvements made to land, the improvements must be made primarily for the benefit of one or more qualifying structures. No exemption shall be granted for any improvements made prior to July 1, 2018.</p> <p>The locality is granted the authority to (i) establish flood protection standards that qualifying flood improvements must meet in order to be eligible for the exemption; (ii) determine the amount of the exemption; (iii) set income or property value limitations on eligibility; (iv) provide that the exemption shall only last for a certain number of years; (v) determine, based upon flood risk, areas of the locality where the exemption may be claimed; and (vi) establish preferred actions for qualifying for the exemption, including living shorelines.</p>	<p>1/1/2020</p>	<p>Requires local ordinance to adopt this exemption</p>

<p>HB 2365 Land preservation; special assessment, optional limit on annual increase in assessed value.</p> <p><i>Chief patron:</i> Knight</p> <p>An Act to amend and reenact § 58.1-3231 of the Code of Virginia, relating to special assessment for land preservation; optional limit on annual increase in assessed value.</p> <p>Special assessment for land preservation; optional limit on annual increase in assessed value. Authorizes localities that require use value assessment and taxation to provide by ordinance that the annual increase in the assessed value of eligible property shall not exceed a specified dollar amount per acre.</p>	<p>1/1/2020</p>	<p>Requires local ordinance to adopt this limit</p>
<p>BUSINESS LICENSE</p>		
<p>SB 1425 License tax, local; mobile food units.</p> <p><i>Chief patron:</i> Dunnavant</p> <p>An Act to amend the Code of Virginia by adding a section numbered 58.1-3715.1, relating to local license tax; mobile food units.</p> <p>Local license tax; mobile food units. Provides that when the owner of a mobile food unit, defined as a restaurant mounted on wheels and readily moveable at any time during its operation, pays a license tax in the locality in which the mobile food unit is registered, no other license shall be required in any other locality in the Commonwealth. The exemption from paying the license tax in other localities will expire two years after the payment of the initial license tax in the locality in which the mobile food unit is registered. During the two-year exemption period, the owner may exempt up to three mobile food units from license taxation in other localities. Regardless of any license tax exemption, the owner must register with the commissioner of the revenue or director of finance in any locality in which he conducts business.</p>	<p>7/1/2019</p>	<p>Statewide</p>

CONSTITUTIONAL OFFICERS		
<p>SB 1430 Virginia Conflict of Interest and Ethics Advisory Council; duties.</p> <p><i>Chief patron:</i> Obenshain</p> <p>An Act to amend and reenact § 30-356 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 31 of Title 2.2 an article numbered 9, consisting of a section numbered 2.2-3132, relating to conflict of interest; duties of Virginia Conflict of Interest and Ethics Advisory Council; training requirement; inquiries from citizens.</p> <p>Conflict of interest; duties of Virginia Conflict of Interest and Ethics Advisory Council; training requirement. Requires all local elected officials to take training on the provisions of the State and Local Government Conflict of Interests Act at least once every two years. The bill requires such officials in office on July 1, 2019, to complete such training no later than December 31, 2019. The Council may provide such training by online means.</p>	7/1/2019	Statewide
<p>SB 1431 Virginia Freedom of Information Act; training requirements for local elected officials.</p> <p><i>Chief patron:</i> Obenshain</p> <p>An Act to amend and reenact § 2.2-3713 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-3704.3, relating to the Virginia Freedom of Information Act; training requirements; proceedings for enforcement.</p> <p>Virginia Freedom of Information Act; training requirements; proceedings for enforcement. Requires the Virginia Freedom of Information Advisory Council or the local government attorney to provide, and local elected officials to complete, an online training session on the provisions of the Virginia Freedom of Information Act. The bill requires local elected officials to complete such training at least once every two years while they are in office. The bill also eliminates the three-day notice requirement for an expedited hearing on a petition for mandamus or injunction where violations relating to the open meeting requirements of the Act are alleged. The requirement of the bill for online training for local officials has a delayed effective date of July 1, 2020.</p>	7/1/2020	Statewide

INCOME TAX		
<p>HB 2529 & SB 1372 Income tax, state; conformity of taxation system with the IRC.</p> <p><i>Chief patron:</i> Hugo, House Norment, Senate</p> <p>An Act to amend and reenact §§ 58.1-301, 58.1-322.03, and 58.1-402 of the Code of Virginia, relating to conformity of the Commonwealth's taxation system with the Internal Revenue Code; Virginia taxable income.</p> <p>Income tax; conformity. Advances conformity of the Commonwealth's tax code with the federal tax code to December 31, 2018, effective starting in taxable year 2018. Starting in taxable year 2019, the bill deconforms from the provisions of the federal Tax Cuts and Jobs Act (TCJA) that limit the deduction for state and local taxes and that suspend the overall limit on itemized deductions.</p> <p>The bill establishes income tax subtractions starting in taxable year 2018 for Global Intangible Low-Taxed Income (GILTI) and for one-fifth of the amount of business interest that is disallowed as a deduction from federal income tax.</p> <p>The bill increases the standard deduction to \$4,500 for single individuals and \$9,000 for married persons filing jointly for taxable years 2019 through 2025. Under current law, the standard deduction is \$3,000 for single individuals and \$6,000 for married couples filing jointly.</p> <p>The bill provides for a refund, not to exceed a taxpayer's tax liability of up to \$110 for individuals and \$220 for married persons filing a joint return. The refund will be issued in October 2019 and will be available only for a taxpayer filing a final return by July 2019. The refunds will be reduced and prorated if the additional revenues generated by the TCJA are insufficient to fully fund the refunds.</p> <p>The bill establishes the Taxpayer Relief Fund (the Fund). For fiscal years 2019 through 2025, any additional revenues attributable to the TCJA, beyond those necessary to fund the provisions of the bill, would accrue to the Fund. The bill directs the General Assembly to appropriate money from the Fund to enact permanent or temporary tax reform measures.</p> <p>The bill contains an emergency clause and is identical to SB 1372.</p>	<p>3/26/2019</p>	<p>Statewide Emergency Clause</p>

SEVERANCE TAX		
HB 2555 & SB 1165 Gas severance tax, local; extends sunset provision.		
<p><i>Chief patron:</i> Pillion, House – Chafin, Senate</p> <p>An Act to amend and reenact § 58.1-3713 of the Code of Virginia, relating to local gas severance tax; sunset date.</p> <p>Local gas severance tax; sunset date. Extends the sunset date from January 1, 2020, to January 1, 2022, for the local gas severance tax that is dedicated to (i) the local Coal and Gas Road Improvement Fund, (ii) the Virginia Coalfield Economic Development Fund, and (iii) water, sewer, and natural gas systems and lines. This bill is identical to SB 1165.</p>	1/1/2020	Regional
OTHER RELATED BILLS		
HB 1925 Assumed/fictitious name certificate; conforms 1/1/2020 as date where certificates are to be filed.		
<p><i>Chief patron:</i> Keam</p> <p>An Act to amend and reenact § 59.1-74 of the Code of Virginia, as it shall become effective, relating to transacting business under an assumed name.</p> <p>Assumed or fictitious name certificates. Conforms January 1, 2020, as the date when certificates of assumed or fictitious name are to be filed centrally with the clerk of the State Corporation Commission rather than with the clerk of court. A provision of existing law provides that central filing of such certificates is scheduled to commence May 1, 2019. Changing that date from May 1, 2019, to January 1 2020, will conform the commencement of central filing to the date set by legislation enacted in the 2018 Session of the General Assembly. The measure has an emergency clause.</p>	3/26/2019	Businesses will have to do this beginning 1/1/2020
HB 2811 Tax-exempt pollution control facilities; adds Va. Dept. of Health as a certifying authority.		
<p><i>Chief patron:</i> Webert</p> <p>An Act to amend and reenact § 58.1-3660 of the Code of Virginia, relating to tax-exempt pollution control facilities; certifying authority; Department of Health.</p>	3/26/2019	Emergency

<p>Tax-exempt pollution control facilities; certifying authority; Virginia Department of Health. Adds to the duties of the Virginia Department of Health the duty of serving as a state certifying authority in determining conformity with state requirements for certain tax-exempt water pollution control projects. Under current law, the State Water Control Board is the only state certifying authority for water pollution projects. The bill contains an emergency clause.</p>		
<p>HB 2634 & SB 1110 Alcoholic beverage control; local referendums.</p> <p><i>Chief patron:</i> Hurst, House - Reeves Senate</p> <p>An Act to amend and reenact §§ 4.1-100, 4.1-119, 4.1-121, 4.1-122, 4.1-124, and 4.1-221.1 of the Code of Virginia and to repeal § 4.1-126 of the Code of Virginia, relating to alcoholic beverage control; local referendums.</p> <p>Alcoholic beverage control; local referendums. Allows the sale of mixed beverages by licensed restaurants and the sale of alcoholic beverages by the Board of Directors of the Virginia Alcoholic Beverage Control Authority in any county, town, or supervisor's election district unless a referendum is held and a majority of the voters voting in such referendum vote to prohibit such sales. Under current law, such sales are prohibited unless they have been approved through the referendum process. The bill includes a grandfathering provision that allows the granting of a mixed beverage license to any establishment described in § 4.1-126, as it was in effect prior to the effective date of this bill, notwithstanding the provisions of the bill related to local referendums but subject to other applicable laws and regulations. The bill has a delayed effective date of July 1, 2020, but allows localities to hold anticipatory referendums between July 1, 2019, and June 30, 2020, and provides that the results of such referendums shall become valid and enforceable on July 1, 2020. The bill provides that the result of any referendum held prior to July 1, 2019, shall remain valid and enforceable for a period of five years. This bill is identical to SB 1110.</p>	<p>See Description for timing</p>	<p>Statewide but Citizens in a locality can prevent</p>
<p>HB 2621 & SB 1091 Rezoning and site plan approval; decommissioning solar energy equipment, etc.</p> <p><i>Chief patron:</i> Ingram, House Reeves, Senate</p> <p>An Act to amend the Code of Virginia by adding a section numbered 15.2-2241.2, relating to rezoning and site plan approval; decommissioning solar energy equipment, facilities, or devices.</p> <p>Site plan approval; decommissioning certified solar energy equipment, facilities, or devices. Requires a locality, as part of the local legislative approval process or as a condition of approval of a site plan, to require an owner, lessee, or developer of real property to enter into a written agreement to decommission solar energy equipment, facilities, or devices upon certain terms and conditions, including right of entry by the locality and financial assurance. This bill is identical to SB 1091.</p>	<p>7/1/2019</p>	<p>Statewide</p>