

## **BIOTECHNOLOGY PROGRAMS IN THE CODE OF VIRGINIA**

### **§ 2.2-2233.1. Commonwealth Technology Research Fund; continued; purposes; report.**

A. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is created in the state treasury a special nonreverting, permanent fund, to be known as the Commonwealth Technology Research Fund (the Fund), to be administered by the Authority. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund, which may consist of grants or loans, shall be made by the State Treasurer on warrants issued by the Comptroller upon written request bearing the signature of the chairman or the vice-chairman of the Authority, or, if so authorized by the Authority, bearing his facsimile signature, and the official seal of the Authority.

B. Moneys in the Fund shall be used for the sole purpose of attracting public and private research funding for institutions of higher education, in order to increase technological and economic development in Virginia. Awards from the Fund shall be made to Virginia public institutions of higher education or to their associated intellectual property foundations.

C. For purposes of awards, the Fund shall have four components: (i) a matching funds program to leverage federal and private research dollars; (ii) a strategic enhancement program to upgrade the research capacity of those academic departments that have demonstrated the ability to perform innovative research in technology fields that has strong potential to contribute to economic development in the Commonwealth; (iii) a program to upgrade research capacity in key departments of the institutions in order to attract specific companies to locate or expand in Virginia; and (iv) a program to enhance the capability of the institutions of higher education to commercialize technologies developed through their research.

Awards for the matching funds component shall be contingent upon the approval of the institution's grant proposal for federal or private funds.

Awards from the Fund shall be matched on at least a dollar-for-dollar basis by the respective institution of higher education, with private funds, or combinations thereof. However, for good cause, this requirement may be waived, in whole or in part, by the chairman of the Authority, provided that such action is reported to the Chairmen of the House Appropriations and Senate Finance Committees at least 10 days prior to the award or disbursement of such funds for such purpose.

D. Awards shall be based on scientific merit and economic development potential of research programs in the following fields: aerospace, biotechnology, energy, environmental and information technologies, high performance manufacturing, telecommunications, and transportation. However, for good cause, awards supporting research in other relevant fields or disciplines may be made by the chairman of the Authority, provided that such action is reported to the Chairmen of the House Appropriations and Senate Finance Committees at least 10 days prior to the award or disbursement of such funds for such purpose.

Specific guidelines for the award of funds from this program shall be established and maintained by the Authority, in consultation with the Virginia Economic Development Partnership and the State Council of Higher Education. These guidelines shall address, at a minimum, the application process, and the composition and operation of proposal review panels, and give special emphasis to fostering collaboration between institutions of higher education and partnerships between institutions of higher education and business and industry.

The chairman of the Authority shall coordinate the evaluation of proposals, to be conducted by review panels with the appropriate science and technology expertise, drawn from federal agencies and academic and industrial research institutions across the country.

Recommendations on the grants shall be made by representatives from the Virginia Research and Technology Advisory Commission pursuant to § [2.2-2515](#), the Virginia Economic Development Partnership, and the State Council of Higher Education based on the recommendations of the review panels.

E. The chairman of the Authority shall provide the Governor and the General Assembly with an annual report to include a detailed list of awards committed, the amount of each approved award, a description of the approved proposals, and the amount of federal or private matching funds anticipated where applicable, and an assessment of the effectiveness of the Fund in attracting public and private research funding and increasing technological and economic development in Virginia.

(2003, c. 362.)

**§ 2.2-2233.2. Biotechnology Commercialization Loan Fund; created; purposes; report.**

A. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is created in the state treasury a special nonreverting, permanent fund, to be known as the Biotechnology Commercialization Loan Fund (the Fund), to be administered by the Authority. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund, which shall consist of loans, shall be made by the State Treasurer on warrants issued by the Comptroller upon written request bearing the signature of the chairman or the vice-chairman of the Authority, or, if so authorized by the Authority, bearing his facsimile signature, and the official seal of the Authority.

B. Moneys in the Fund shall be used for the sole purpose of financing technology transfer and commercialization activities related to biotechnology inventions made, solely or in cooperation with other organizations, at qualifying institutions. Such activities shall include, but not be limited to, legal and business consulting services and expenses, including employee compensation, relating to assessing the patentability of inventions, obtaining patent protection for such inventions in the United States and internationally, marketing for such inventions and patents thereon to potential licensees, and negotiating licensing or commercialization agreements with licensees, as well as development of new technology transfer and commercialization programs at qualifying institutions.

The maximum amount of any loans outstanding under the Fund shall be \$3,000,000.

C. Qualifying institutions may apply to the Fund for loans to the extent that such institution's outstanding principal balance at any one time does not exceed \$500,000. Loan applications shall include business plans that detail and explain the anticipated uses of funds received and the proposed repayment schedule.

Loans from the Fund shall take the form of a contractual commitment to the recipient qualifying institution for a line of credit for up to three years, along with an approved schedule of repayment. During the contractual period the recipient qualifying institution may draw upon the line of credit for any expense for which the loan was made, not to exceed the stated amount of the loan award. At the end of the contractual period, the line of credit shall terminate and the outstanding balance of the withdrawals on that line of credit shall become the established basis for that loan.

During the contractual period, deferred interest shall accumulate on the outstanding balance at a rate of three percent compounded annually. Borrowing institutions may prepay part or all of any loan received from the Fund without penalty, and, if repayment is completed within the contractual period of the line of credit, the accumulated interest obligation shall be forgiven.

Repayment of the established basis shall consist of a maximum of 84 equal monthly payments of principal and compounded interest at the determined rate beginning on the first day of the month following the end of the contractual period.

D. Decisions to make loans to applicants from the Fund shall be made by a panel, which shall consist of the President of the Center for Innovative Technology, the Director of the Department of Planning and Budget and the Executive Director of the Virginia Economic Development Partnership, or their designees. The President of the Center for Innovative Technology, or his designee, shall serve as chair. The panel may seek the advice of experts in technology, business, technology transfer or other relevant fields as appropriate in devising guidelines for the implementation of this loan program as well as in making loan decisions.

Specific guidelines for the award of funds from this program shall be established and maintained by the Authority, in consultation with the Virginia Economic Development Partnership and the State Council of Higher Education.

E. A recipient of a loan from the Fund shall report annually to the panel on the uses of loan proceeds during the previous year and on plans for the use of any additional funds it may plan to draw. Such reports shall be filed for so long as the recipient owes money to the Fund.

F. The chairman of the Authority shall report annually to the Governor and the General Assembly on activities of the Fund, including a detailed list of awards committed, the amount and description of each approved award, and an assessment of the effectiveness of the Fund in encouraging the commercialization of bioscience and biotechnology inventions made at Virginia institutions of higher education.

G. A record transmitted or delivered by a loan applicant or a loan recipient to a public body in the conduct of its duties under this section shall be excluded from disclosure under the Virginia Freedom of Information Act to the extent such record reveals information that (a) is the property of the submitting party, (b) has independent economic value to the owner that causes it to be maintained in secrecy by the owner, and (c) is clearly and specifically identified in writing as proprietary, confidential information at the time of its delivery or transmission to the public body. Nothing in this paragraph shall be construed to prevent the disclosure of information regarding the financial or administrative oversight of the Fund by the Authority.

H. For purposes of this section:

"Determined rate" means the rate of interest paid by the Commonwealth on the most recent sale of tax-exempt bonds backed by the full faith and credit of the Commonwealth.

"Qualifying institution" means an institution of higher education in the Commonwealth or its associated intellectual property foundation that maintains a recognized program of

technology transfer, licensing, or commercialization in conformance with the guidelines established by the State Council of Higher Education for Virginia pursuant to § [23-9.10:4](#).

I. No loan shall be made to any entity which conducts human stem cell research from human embryos, or for any loan to conduct such research; however, research conducted using adult stem cells may be funded.

(2004, c. 942.)

**§ 58.1-439.13. Tax credit for investing in technology industries in tobacco-dependent localities.**

A. For purposes of this section:

"Biotechnology company" means a taxpayer that (i) has paid or incurred qualified research expenses for research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or environmental purposes, (ii) conducts pilot scale manufacturing in Virginia, or (iii) provides services or products necessary for such research, development, production, or provision.

"Capital investment" means an investment in real property, personal property, or both, by an information technology or biotechnology company that is capitalized by such company.

"Equity" has the same meaning as that term is defined in § [58.1-339.4](#).

"Qualified investment" means a cash investment in an information technology or biotechnology company in the form of equity or subordinated debt; however, an investment shall not be qualified if the taxpayer who holds such investment, or any of such taxpayer's family members, or any entity affiliated with such taxpayer, receives or has received compensation from such company in exchange for services provided to such business as an employee, officer, director, manager, independent contractor or otherwise in connection with or within one year before or after the date of such investment. For the purposes hereof, reimbursement of reasonable expenses incurred shall not be deemed to be compensation.

A qualified investment shall also include a capital investment.

"Qualified research expenses" means qualified research expenses as defined in § 41 of the Internal Revenue Code of 1986, 26 U.S.C. § 41, as in effect on June 30, 1992, in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, or medical device technology.

"Subordinated debt" has the same meaning as that term is defined in § [58.1-339.4](#).

"Tobacco-dependent locality" means those Virginia localities that have traditionally economically depended on tobacco and shall be identified by the Tobacco Indemnification and Community Revitalization Commission.

B. For taxable years beginning on and after January 1, 2000, but before January 1, 2010, a taxpayer shall be allowed a credit against the taxes imposed for such taxable years by Articles 2 (§ [58.1-320](#) et seq.), 6 (§ [58.1-360](#) et seq.), and 10 (§ [58.1-400](#) et seq.) of this chapter in the amount equal to fifty percent of the qualified investment in an information

technology or biotechnology company located in a tobacco-dependent locality. The amount of credit allowed to a taxpayer under this section shall not exceed \$500,000 in aggregate for qualified investments other than capital investments, and shall not exceed \$500,000 per taxable year for capital investments. Such credit shall be first allowed for the taxable year in which the qualified investment was completed or made if the qualified investment was a capital investment. For all qualified investments, before any credit is allowed under this section, the Virginia Economic Development Partnership shall review, evaluate and report to the Tobacco Indemnification and Community Revitalization Commission upon the taxpayer's proposed capital investments, detailing how such qualified investment will be spent in a tobacco-dependent locality. The credit provided under this section shall then first be allowed for the taxable year in which the Commission finds that such qualified investment was spent in a tobacco-dependent locality. The amount of credit allowed shall not exceed the tax imposed for the taxable year. Any credit not usable for the taxable year because of this limitation may be carried over for the next ten succeeding taxable years. No credit shall be carried back to a preceding taxable year. If a taxpayer that is subject to the tax limitation imposed pursuant to this subsection is allowed another credit pursuant to any other section of the Code of Virginia, or has a credit carryover from a preceding taxable year, such taxpayer shall be considered to have first utilized any credit allowed that does not have a carryover provision, and then any credit that is carried forward from a preceding taxable year, prior to the utilization of any credit allowed pursuant to this section.

C. The tax credit established in this section may be claimed to the extent moneys from the Tobacco Indemnification and Community Revitalization Fund, created in § [3.1-1111](#), are deposited into the Technology Initiative in Tobacco-Dependent Localities Fund, established under § [58.1-439.15](#), for the purpose of funding this credit. If the amount of credits otherwise allowable under this section exceed the amount deposited in the Fund for a fiscal year, such credits shall be allocated to taxpayers on a pro rata basis by the Department of Taxation.

D. In the case of a qualified investment other than a capital investment, unless the taxpayer transfers the equity received in connection with such investment as a result of (i) the liquidation of the information technology or biotechnology company issuing such equity, (ii) the merger, consolidation or other acquisition of such business with or by a party not affiliated with such business, or (iii) the death of the taxpayer, any taxpayer that fails to hold such equity for at least five full calendar years following the calendar year for which a tax credit for such investment is allowed pursuant to this section shall forfeit both used and unused tax credits and shall pay the Department of Taxation a penalty equal to all of the tax credits allowed to such taxpayer pursuant to this section, except for credit allowed for a capital investment, with interest at the rate of one percent per month, compounded monthly, from the date the tax credits were allocated to the taxpayer. Any amount received under this subsection shall be deposited into the Technology Initiative in Tobacco-Dependent Localities Fund.

E. A taxpayer who claims the credit for a qualified investment under this section may not use such qualified investment as the basis for claiming any other credit provided under the Code of Virginia.

F. For purposes of this section, the amount of any credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders or members, respectively, in proportion to their ownership or interest in such business entities.

(2000, c. 1042.)

**§ 58.1-439.14. Tax credit for research and development activity occurring in tobacco-dependent localities.**

A. As used in this section:

"Eligible research and development activity" means qualified research expenses as defined in § 41 of the Internal Revenue Code of 1986, 26 U.S.C. § 41, as in effect on June 30, 1992, in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, or medical device technology, or other technology field, when such expenses are paid or incurred by a taxpayer for such activity occurring at the taxpayer's place of business in a tobacco-dependent locality of the Commonwealth.

"Tobacco-dependent locality" means those Virginia localities that have traditionally economically depended on tobacco and shall be identified by the Tobacco Indemnification and Community Revitalization Commission.

B. For taxable years beginning on and after January 1, 2000, but before January 1, 2010, a taxpayer shall be allowed a credit against the taxes imposed by Articles 2 (§ [58.1-320](#) et seq.), 6 (§ [58.1-360](#) et seq.), and 10 (§ [58.1-400](#) et seq.) of this chapter as set forth in this section. The amount of credit allowed pursuant to this section shall be equal to fifty percent of the amount paid or incurred by a taxpayer for an eligible research and development activity during the taxable year.

C. A taxpayer may claim the credit for the taxable year in which the eligible research and development activity occurred. No taxpayer shall be eligible to claim a credit of more than \$500,000 per taxable year. The amount of credit allowed shall not exceed the tax imposed for the taxable year. Any credit not usable for the taxable year because of such limitation may be, to the extent usable and subject to subsections D and E, carried over for the next ten succeeding taxable years. No credit shall be carried back to a preceding taxable year. If a taxpayer that is subject to the tax limitation imposed pursuant to this subsection is allowed another credit pursuant to any other section of the Code of Virginia, or has a credit carryover from a preceding taxable year, such taxpayer shall be considered to have first utilized any credit allowed that does not have a carryover provision, and then any credit that is carried forward from a preceding taxable year, prior to the utilization of any credit allowed pursuant to this section.

D. The tax credit established in this section may be claimed to the extent moneys from the Tobacco Indemnification and Community Revitalization Fund, created in § [3.1-1111](#), are deposited into the Technology Initiative in Tobacco-Dependent Localities Fund, established under § [58.1-439.15](#), for the purpose of funding this credit. If the amount of credits otherwise allowable under this section exceed the amount deposited in the Fund for a fiscal year, such credits shall be allocated to taxpayers on a pro rata basis by the Department of Taxation.

E. Tax credit redemption and transfer.

If the taxpayer has no state tax liability for two consecutive taxable years for which credit is otherwise allowable, the credit amount applicable to such taxable years may be redeemable by the Tax Commissioner on behalf of the Commonwealth for seventy-five percent of the face value within ninety days after the taxpayer has filed the applicable income tax return for the second such taxable year. If the Commonwealth does not redeem the tax credit or upon the taxpayer's election, such tax credit shall be transferable by sale.

F. For purposes of this section, the amount of any credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders or members, respectively, in proportion to their ownership or interest in such business entities.

G. A taxpayer who claims the credit for eligible research and development activity under this section may not use such research and development activity as the basis for claiming any other credit provided under the Code of Virginia.

(2000, c. 1042.)

**§ 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 50 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 and silvicultural activity 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, 18 feet and over, used for recreational purposes only;
11. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons, including the driver, 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 prorates the assessment of tangible personal property pursuant to § [58.1-3516](#), a replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as of the immediately prior January date is transferred during the tax year;

14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire department or (ii) leased by auxiliary 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 regularly used by each auxiliary volunteer fire department or rescue squad member may be specially classified under this section. The auxiliary member 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 an auxiliary member of the volunteer rescue squad or fire department who regularly performs duties for the rescue squad or fire department, and the motor vehicle is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department member and an auxiliary member are members of the same household, that household shall be allowed no more than two special classifications under this subdivision or subdivision 13 of this section. 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;

15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound persons or provide transportation to senior or handicapped citizens in the community to carry out the purposes of the nonprofit organization;
16. Privately owned camping trailers as defined in § [46.2-100](#), and privately owned travel trailers as defined in § [46.2-1900](#), which are used for recreational purposes only, and privately owned trailers as defined in § [46.2-100](#) that are designed and used for the transportation of horses except those trailers described in subdivision A 11 of § [58.1-3505](#);
17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as certified by the Department of Veterans Services. In order to qualify, the veteran shall provide a written statement to the commissioner of revenue or other assessing officer from the Department of Veterans Services that the veteran has been so designated or classified by the Department of Veterans Services as to meet the requirements of this section, and that his disability is service-connected. For purposes of this section, a person is blind if he meets the provisions of § [46.2-739](#);
18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police officers pursuant to Article 3 (§ [15.2-1731](#) et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially classified under this section. In order to qualify for such classification, any auxiliary police officer who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body which has appointed such auxiliary police officer or from the official who has appointed such auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for which the classification is sought is the vehicle which is regularly used for that purpose. 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;
19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created pursuant to Chapter 46 (§ [15.2-4600](#) et seq.) of Title 15.2, tangible personal property that is used in manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District, provided that such business personal property is put into service within the District on or after July 1, 1999;
20. Motor vehicles which use clean special fuels as defined in § [46.2-749.3](#);

21. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals which are found in the wild, or in a wild state, and are native to a foreign country;
22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and used by an organization whose real property is assessed in accordance with § [58.1-3284.1](#) and which is used by that organization for the purpose of maintaining or using the open or common space within a residential development;
23. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;
24. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 18, except for subdivision A 17, of § [58.1-3503](#);
25. Programmable computer equipment and peripherals employed in a trade or business;
26. Privately owned pleasure boats and watercraft, motorized and under 18 feet, used for recreational purposes only;
27. Privately owned pleasure boats and watercraft, nonmotorized and under 18 feet, used for recreational purposes only;
28. Privately owned motor homes as defined in § [46.2-100](#) that are used for recreational purposes only;
29. Tangible personal property used in the provision of Internet services. For purposes of this subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers;
30. Motor vehicles (i) owned by persons who serve as auxiliary, reserve or special deputy sheriffs or (ii) leased by persons who serve as auxiliary, reserve or special deputy sheriffs if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve or special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the official who has appointed such auxiliary deputy

sheriff. That certification shall state that the applicant is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. 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;

31. Forest harvesting and silvicultural activity equipment; and

32. Equipment used primarily for research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or environmental purposes but not for human cloning purposes as defined in § [32.1-162.21](#) or for products or purposes related to human embryo stem cells. For purposes of this section, biotechnology equipment means equipment directly used in activities associated with the science of living things.

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 through 32 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.

C. (Effective January 1, 2006) Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is defined in § [58.1-3523](#), (i) included in any separate class of property in subsection A and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 of this title for providing tangible personal property tax relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle at a rate not to exceed the rates of tax and rates of assessment required under such chapter.