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SENATE BILL NO. 1150

Offered January 10, 2001

Prefiled January 10, 2001

A BILL to amend and reenact §§ 46.2-752 and 51.1-1204 of the Code of Virginia, relating to additional motor vehicle license fees to be paid into the Volunteer Firefighters' and Rescue Squad Workers' Pension Fund.

Patron—Puckett

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That §§ 46.2-752 and 51.1-1204 of the Code of Virginia are amended and reenacted as follows:**

§ 46.2-752. Taxes and license fees imposed by counties, cities, and towns; limitations on amounts; disposition of revenues; requiring evidence of payment of personal property taxes; prohibiting display of licenses after expiration; failure to display valid local license required by other localities.

A. Except as provided in § 46.2-755, counties, cities, and towns may levy and assess taxes and charge license fees on motor vehicles, trailers, and semitrailers. However, none of these taxes and license fees shall be assessed or charged by any county on vehicles owned by residents of any town located in the county when such town constitutes a separate school district if the vehicles are already subject to town license fees and taxes. The amount of the license fee or tax imposed by any county, city, or town on any motor vehicle, trailer, or semitrailer shall not be greater than the amount of the license tax imposed by the Commonwealth on the motor vehicle, trailer, or semitrailer. The license fees and taxes shall be imposed in such manner, on such basis, for such periods, and subject to proration for fractional periods of years, as the proper local authorities may determine. Local licenses may be issued free of charge for any or all of the following:

1. Vehicles powered by clean special fuels as defined in § 58.1-2101, including dual-fuel and bi-fuel vehicles,

2. Vehicles owned by volunteer rescue squads,

3. Vehicles owned by volunteer fire departments,

4. Vehicles owned or leased by active members of volunteer rescue squads,

5. Vehicles owned or leased by active members of volunteer fire departments,

6. Vehicles owned or leased by auxiliary police officers,

7. Vehicles owned or leased by volunteer police chaplains,

8. Vehicles owned by surviving spouses of persons qualified to receive special license plates under § 46.2-739,

9. Vehicles owned or leased by auxiliary deputy sheriffs or volunteer deputy sheriffs,

10. Vehicles owned by persons qualified to receive special license plates under § 46.2-739,

11. Vehicles owned by any of the following who served at least ten years in the locality: former members of volunteer rescue squads, former members of volunteer fire departments, former auxiliary police officers, former volunteer police chaplains, and former volunteer special police officers appointed under § 15.2-1737. In the case of active members of volunteer rescue squads and volunteer fire departments, applications for such licenses shall be accompanied by written evidence, in a form acceptable to the locality, of their active membership, and no member shall be issued more than one such license free of charge, or

12. All vehicles having a situs for the imposition of licensing fees under this section in the locality.

The governing body of any county, city, or town issuing licenses under this section may by ordinance provide for a fifty percent reduction in the fee charged for the issuance of any such license issued for any vehicle owned or leased by any person who is sixty-five years old or older. No such discount, however, shall be available for more than one vehicle owned or leased by the same person.

The governing body of any county, city, or town issuing licenses free of charge under this subsection may by ordinance provide for (i) the limitation, restriction, or denial of such free issuance to an otherwise qualified applicant, including without limitation the denial of free issuance to a taxpayer who has failed to timely pay personal property taxes due with respect to the vehicle and (ii) the grounds for such limitation, restriction, or denial.

The situs for the imposition of licensing fees under this section shall in all cases, except as hereinafter provided, be the county, city, or town in which the motor vehicle, trailer, or semitrailer is normally garaged, stored, or parked. If it cannot be determined where the personal property is normally garaged, stored, or parked, the situs shall be the domicile of its owner. In the event the owner of the

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SB1150

59 motor vehicle is a full-time student attending an institution of higher education, the situs shall be the
60 domicile of such student, provided the student has presented sufficient evidence that he has paid a
61 personal property tax on the motor vehicle in his domicile.

62 B. The revenue derived from all county, city, or town taxes and license fees imposed on motor
63 vehicles, trailers, or semitrailers shall be applied to general county, city, or town purposes.

64 C. A county, city, or town may require that no motor vehicle, trailer, or semitrailer shall be locally
65 licensed until the applicant has produced satisfactory evidence that all personal property taxes on the
66 motor vehicle, trailer, or semitrailer to be licensed have been paid and satisfactory evidence that any
67 delinquent motor vehicle, trailer, or semitrailer personal property taxes owing have been paid which
68 have been properly assessed or are assessable against the applicant by the county, city, or town. A
69 county, city, or town may also provide that no motor vehicle license shall be issued unless the tangible
70 personal property taxes properly assessed or assessable by that locality on any tangible personal property
71 used or usable as a dwelling titled by the Department of Motor Vehicles and owned by the taxpayer
72 have been paid. Any county and any town within any such county may by agreement require that all
73 personal property taxes assessed by either the county or the town on any vehicle be paid before
74 licensure of such vehicle by either the county or the town.

75 C1. Any county having a population of at least 24,000, but no more than 24,600, may, by ordinance
76 or resolution adopted after public notice and hearing and, with the consent of the treasurer, require that
77 no license may be issued under this section unless the applicant has produced satisfactory evidence that
78 all fees, including delinquent fees, payable to such county or local solid waste authority, for the disposal
79 of solid waste pursuant to the Virginia Water and Waste Authorities Act (§ 15.2-5100 et seq.), have
80 been paid in full. For purposes of this subsection, all fees, including delinquent fees, payable to a county
81 for waste disposal services described herein, shall be paid to the treasurer of such county.

82 D. The Counties of Arlington, Fairfax, Loudoun, and Prince William and towns within them and any
83 city may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction unless
84 all fines owed to the jurisdiction by the owner of the vehicle, trailer, or semitrailer for violation of the
85 jurisdiction's ordinances governing parking of vehicles have been paid. The provisions of this subsection
86 shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

87 E. If in any county imposing license fees and taxes under this section, a town therein imposes like
88 fees and taxes on vehicles of owners resident in the town, the owner of any vehicle subject to the fees
89 or taxes shall be entitled, on the owner's displaying evidence that he has paid the fees or taxes, to
90 receive a credit on the fees or taxes imposed by the county to the extent of the fees or taxes he has paid
91 to the town. Nothing in this section shall deprive any town now imposing these licenses and taxes from
92 increasing them or deprive any town not now imposing them from hereafter doing so, but subject to the
93 limitations provided in subsection D of this section. The governing body of any county and the
94 governing body of any town in that county wherein each imposes the license tax herein provided may
95 provide mutual agreements so that not more than one license plate or decal in addition to the state plate
96 shall be required.

97 F. Notwithstanding the provisions of subsection E of this section, in a consolidated county wherein a
98 tier-city exists, the tier-city may, in accordance with the provisions of the agreement or plan of
99 consolidation, impose license fees and taxes under this section in addition to those fees and taxes
100 imposed by the county, provided that the combined county and tier-city rates do not exceed the
101 maximum provided in subsection A of this section. No credit shall be allowed on the fees or taxes
102 imposed by the county for fees or taxes paid to the tier-city, except as may be provided by the
103 consolidation agreement or plan. The governing body of any county and the governing body of any
104 tier-city in said county wherein each imposes the license tax herein may provide by mutual agreement
105 that no more than one license plate or decal in addition to the state license plate shall be required.

106 G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or
107 operator of a motor vehicle, trailer, or semitrailer to fail to obtain and display the local license required
108 by any ordinance of the county, city or town in which the vehicle is registered or to display upon a
109 motor vehicle, trailer, or semitrailer any such local license after its expiration date. The ordinance may
110 provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a
111 Class 4 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality
112 where such vehicle is registered, authorize the issuance by local law-enforcement officers of citations,
113 summonses, parking tickets, or uniform traffic summonses for violations. Any such ordinance may also
114 provide that a violation of the ordinance by the registered owner of the vehicle may not be discharged
115 by payment of a fine except upon presentation of satisfactory evidence that the required license has been
116 obtained.

117 H. Except as provided by subsections E and F, no vehicle shall be subject to taxation under the
118 provisions of this section in more than one jurisdiction.

119 I. Purchasers of new or used motor vehicles shall be allowed at least a ten-day grace period,
120 beginning with the date of purchase, during which to pay license fees charged by local governments

under authority of this section.

J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew any vehicle registration of any applicant therefor who owes to such county, city or town any delinquent tangible personal property tax levied with respect to such vehicle in excess of \$50. Before being issued any vehicle registration or renewal of such license or registration by the Commissioner, the applicant must first satisfy all such delinquent taxes and present evidence satisfactory to the Commissioner that all such delinquent taxes have been paid in full. The Commissioner shall charge a reasonable fee to cover the costs of such enforcement action, and the treasurer or director of finance may add the cost of this fee to the delinquent tax bill. The treasurer or director of finance of any county, city, or town seeking to collect delinquent taxes through the withholding of registration or renewal thereof by the Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided for in his agreement with the Commissioner and supply to the Commissioner information necessary to identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of registration at least thirty days prior to the expiration date of a current vehicle registration. For the purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the records of the Department of Motor Vehicles shall be deemed sufficient.

K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for the regional enforcement of local motor vehicle license requirements. The governing body of each participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer, or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor. Any such ordinance may also provide that a violation of the ordinance by the owner of the vehicle may not be discharged by payment of a fine except upon presentation of satisfactory evidence that the required license has been obtained.

L. In addition to the taxes and license fees permitted in subsection A, counties, cities, and towns may charge a license fee of no more than one dollar per vehicle. Except for the provisions of subsection B, such fee shall be subject to all other provisions of this section. All funds collected pursuant to this subsection shall be paid pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Pension Fund to the accounts of all members of the Fund who are volunteers for fire departments or rescue squads within the jurisdiction of the particular county, city, or town.

§ 51.1-1204. (Contingent effective date — see note) Application for membership in Fund; quarterly payments by members; matching payments from the general fund; payments credited to separate accounts of members.

Eligible volunteers, and all persons who subsequently become eligible volunteers, may apply to the Board for membership in the Fund. Upon becoming a member of the Fund, each eligible volunteer shall pay thirty dollars per quarter into the Fund. Each quarterly payment made by a member shall be supplemented by such contribution from the general fund of the state treasury for a period not to exceed twenty years as shall be determined by the Board and as may be appropriated by the general appropriation act. The quarterly payments shall be credited to the separate accounts of the members, and the matching contributions shall be credited to the Fund. The member contribution or any additional contribution to the Fund may be made by (i) the individual fire department or rescue squad, *provided it is paid for all eligible members of the Fund within the particular fire department or rescue squad*; (ii) local government, *provided it is paid for all eligible members of the Fund who are volunteers for fire departments or rescue squads within the jurisdiction of the local government*; or (iii) any other source provided it is paid for all eligible members of the Fund. Such accounts shall be kept so that they are available for payment on withdrawal from membership or retirement. No eligible volunteer shall maintain more than one membership in the Fund. In the event an eligible volunteer is in more than one eligible position, he must choose the position upon which his membership will be determined.

2. That the provisions of this act shall become effective on the last to occur of (i) July 1, 2001, or (ii) the first day of the third month following the date that the Virginia Retirement System obtains a ruling of the Internal Revenue Service that affirmatively states that the defined contribution plan established by Chapter 12 (§ 51.1-1200 et seq.) of Title 51.1 (Pensions, Benefits, and Retirement) shall be treated as a qualified plan for federal income tax purposes.