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HOUSE BILL NO. 3143

Offered January 18, 2007

A BILL to amend and reenact § 46.2-752 of the Code of Virginia, relating to local vehicle taxes and fees; limitation on amount.

Patron—Reid

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That § 46.2-752 of the Code of Virginia is 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 and certain fines; prohibiting display of licenses after expiration; failure to display valid local license required by other localities; penalty.

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, nor shall a town charge a license fee to any new resident of the town, previously a resident of a county within which all or part of the town is situated, who has previously paid a license fee for the same tax year to such county. 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 annual or one-year fee 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 § 46.2-749.3, 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 or active auxiliary members of volunteer rescue squads,
- 5. Vehicles owned or leased by active members or active auxiliary 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 10 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 50 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 65 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

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59 hereinafter provided, be the county, city, or town in which the motor vehicle, trailer, or semitrailer is  
60 normally garaged, stored, or parked. If it cannot be determined where the personal property is normally  
61 garaged, stored, or parked, the situs shall be the domicile of its owner. In the event the owner of the  
62 motor vehicle is a full-time student attending an institution of higher education, the situs shall be the  
63 domicile of such student, provided the student has presented sufficient evidence that he has paid a  
64 personal property tax on the motor vehicle in his domicile.

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

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

78 C1. Any county having a population of at least 24,000, but no more than 24,600, or having a  
79 population of at least 39,550, but no more than 41,550, may, by ordinance or resolution adopted after  
80 public notice and hearing and, with the consent of the treasurer, require that no license may be issued  
81 under this section unless the applicant has produced satisfactory evidence that all fees, including  
82 delinquent fees, payable to such county or local solid waste authority, for the disposal of solid waste  
83 pursuant to the Virginia Water and Waste Authorities Act (§ 15.2-5100 et seq.), or pursuant to  
84 § 15.2-2159, have been paid in full. For purposes of this subsection, all fees, including delinquent fees,  
85 payable to a county for waste disposal services described herein, shall be paid to the treasurer of such  
86 county; however, in any county with a population between 39,550 and 41,550, the fee shall be paid to  
87 the county or its agent.

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

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

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

112 G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or  
113 operator of a motor vehicle, trailer, or semitrailer (i) to fail to obtain and, if any required by such  
114 ordinance, to display the local license required by any ordinance of the county, city or town in which  
115 the vehicle is registered, or (ii) to display upon a motor vehicle, trailer, or semitrailer any such local  
116 license, required by ordinance to be displayed, after its expiration date. The ordinance may provide that  
117 a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4  
118 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality where such  
119 vehicle is registered, authorize the issuance by local law-enforcement officers of citations, summonses,  
120 parking tickets, or uniform traffic summonses for violations. Any such ordinance may also provide that

121 a violation of the ordinance by the registered owner of the vehicle may not be discharged by payment of  
122 a fine except upon presentation of satisfactory evidence that the required license has been obtained.  
123 Nothing in this section shall be construed to require a county, city, or town to issue a decal or any other  
124 tangible evidence of a local license to be displayed on the licensed vehicle if the county's, city's, or  
125 town's ordinance does not require display of a decal or other evidence of payment.

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

128 I. Purchasers of new or used motor vehicles shall be allowed at least a 10-day grace period,  
129 beginning with the date of purchase, during which to pay license fees charged by local governments  
130 under authority of this section.

131 J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may  
132 enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew  
133 any vehicle registration of any applicant therefor who owes to such county, city or town any local  
134 vehicle license fees or delinquent tangible personal property tax or parking citations issued only to  
135 residents of such county, city, or town. Before being issued any vehicle registration or renewal of such  
136 license or registration by the Commissioner, the applicant shall first satisfy all such local vehicle license  
137 fees and delinquent taxes or parking citations and present evidence satisfactory to the Commissioner that  
138 all such local vehicle license fees and delinquent taxes or parking citations have been paid in full. The  
139 Commissioner shall charge a reasonable fee to cover the costs of such enforcement action, and the  
140 treasurer or director of finance may add the cost of this fee to the delinquent tax bill or the amount of  
141 the parking citation. The treasurer or director of finance of any county, city, or town seeking to collect  
142 delinquent taxes or parking citations through the withholding of registration or renewal thereof by the  
143 Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided  
144 for in his agreement with the Commissioner and supply to the Commissioner information necessary to  
145 identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to  
146 the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of  
147 registration at least 30 days prior to the expiration date of a current vehicle registration. For the  
148 purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the  
149 records of the Department of Motor Vehicles shall be deemed sufficient. In the case of parking  
150 violations, the Commissioner shall only refuse to issue or renew the vehicle registration of any applicant  
151 therefor pursuant to this subsection for the vehicle that incurred the parking violations. The provisions of  
152 this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor  
153 vehicles.

154 K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for  
155 the regional enforcement of local motor vehicle license requirements. The governing body of each  
156 participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer,  
157 or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that  
158 is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of  
159 situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may also provide  
160 that no motor vehicle, trailer, or semitrailer shall be locally licensed until the applicant has produced  
161 satisfactory evidence that (i) all personal property taxes on the motor vehicle, trailer, or semitrailer to be  
162 licensed have been paid to all participating jurisdictions and (ii) any delinquent motor vehicle, trailer, or  
163 semitrailer personal property taxes that have been properly assessed or are assessable by any  
164 participating jurisdiction against the applicant have been paid. Any city and any county having the urban  
165 county executive form of government, the counties adjacent to such county and towns within them may  
166 require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction or any other  
167 jurisdiction in the compact unless all fines owed to any participating jurisdiction by the owner of the  
168 vehicle for violation of any participating jurisdiction's ordinances governing parking of vehicles have  
169 been paid. The ordinance may further provide that a violation shall constitute a misdemeanor the penalty  
170 for which shall not exceed that of a Class 4 misdemeanor. Any such ordinance may also provide that a  
171 violation of the ordinance by the owner of the vehicle may not be discharged by payment of a fine  
172 except upon presentation of satisfactory evidence that the required license has been obtained. The  
173 provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of  
174 renting motor vehicles.

175 L. In addition to the taxes and license fees permitted in subsection A, counties, cities, and towns may  
176 charge a license fee of no more than \$1 per motor vehicle, trailer, and semitrailer. Except for the  
177 provisions of subsection B, such fee shall be subject to all other provisions of this section. All funds  
178 collected pursuant to this subsection shall be paid pursuant to § 51.1-1204 to the Volunteer Firefighters'  
179 and Rescue Squad Workers' Service Award Fund to the accounts of all members of the Fund who are  
180 volunteers for fire departments or rescue squads within the jurisdiction of the particular county, city, or  
181 town.