

**DEPARTMENT OF TAXATION
2015 Fiscal Impact Statement**

1. Patron Thomas Davis Rust

2. Bill Number HB 1966

3. Committee House Transportation

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. Title Local Vehicle Taxes and License Fees;
Reciprocal Agreements

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would authorize any county treasurer, or comparable officer, to enter into a reciprocal agreement with any treasurer of a town wholly or partially within such county allowing the town treasurer, or comparable officer, to collect the local vehicle license fee or tax owed to the county or the county treasurer to collect the local vehicle license fee or tax owed to the town. The agreement would need to be approved by the respective local governing bodies.

The effective date of this bill is not specified.

6. Budget amendment necessary: No.

7. No Fiscal Impact. (See Line 8.)

8. Fiscal implications:

This bill would have no impact on state or local revenues.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No.

11. Other comments:

Background

Under current law, localities are authorized to impose a local vehicle license fee or tax on motor vehicles, trailers, and semitrailers normally garaged, stored, or parked in the locality at a rate not to exceed the annual or one-year fee imposed by the Commonwealth on such motor vehicle, trailer, or semitrailer. Local licenses may be issued free of charge to vehicles powered by clean special fuels or owned by police officers, former police officers,

and members of rescue squads and fire departments. Localities may also provide a 50 percent reduction in the license fee for any vehicle owned or leased by a person who is 65 years old or older.

The Cities of Alexandria, Fairfax, and Falls Church, and the Counties of Arlington and Fairfax are authorized to impose an additional annual vehicle license fee on passenger cars not used for the transportation of passengers for compensation of no more than five dollars. The total local license fee on such vehicle may not exceed 25 dollars. These localities may also impose an additional annual vehicle license fee on motor vehicles, trailers, and semitrailers not designed and used for the transportation of passengers of no more than five dollars. Any funds in excess to those allowed for the local vehicle license fee or tax must be allocated to the Northern Virginia Transportation Commission as a credit to the locality for its share of any operating deficit assigned to the locality by the Washington Metropolitan Area Transit Authority.

Proposal

This bill would authorize any county treasurer, or comparable officer, to enter into a reciprocal agreement with any treasurer of a town wholly or partially within such county allowing the town treasurer, or comparable officer, to collect the local vehicle license fee or tax owed to the county or the county treasurer to collect the local vehicle license fee or tax owed to the town. The agreement would need to be approved by the respective local governing bodies.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 1/24/2015 AM
DLAS File Name: HB1966F161