

LD3270112

HOUSE BILL NO. 1990

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 15, 1995)

(Patron Prior to Substitute—Delegate Almand)

A BILL to amend and reenact §§ 46.2-752 and 58.1-3511 of the Code of Virginia, relating to the situs for taxation of tangible personal property.

Be it enacted by the General Assembly of Virginia:**1. That §§ 46.2-752 and 58.1-3511 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 by active members of volunteer rescue squads,

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

6. Vehicles owned by auxiliary police officers,

7. Vehicles owned by volunteer police chaplains,

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

9. 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 § 15.1-144. 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. 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 motor vehicle is a *full-time* student attending an institution of higher education, the situs shall be the domicile of such student, *provided the student has presented sufficient evidence that he has paid a personal property tax on the motor vehicle in his domicile.*

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

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

D. The Counties of Arlington, Fairfax, Loudoun, and Prince William and towns within them and the Cities of Alexandria, Chesapeake, Danville, Falls Church, and Fairfax may require that no motor vehicle,

60 trailer, or semitrailer shall be licensed by that jurisdiction unless all fines owed to the jurisdiction by the
61 owner of the vehicle, trailer, or semitrailer for violation of the jurisdiction's ordinances governing
62 parking of vehicles have been paid. The provisions of this subsection shall not apply to vehicles owned
63 by firms or companies in the business of renting motor vehicles.

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

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

83 G. Any county, city, or town levying taxes and charging license fees under this section may by
84 ordinance provide that it shall be unlawful for any owner or operator of a motor vehicle, trailer, or
85 semitrailer to fail to obtain and display the local license required by any ordinance of the county, city or
86 town in which the vehicle is registered or to display upon a motor vehicle, trailer, or semitrailer any
87 such local license after its expiration date. The ordinance may provide that a violation shall constitute a
88 misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor and may, in the case
89 of a motor vehicle registered to a resident of the locality where such vehicle is registered, authorize the
90 issuance by local law-enforcement officers of citations, summonses, parking tickets, or uniform traffic
91 summonses for violations. Any such ordinance may also provide that a violation of the ordinance by the
92 registered owner of the vehicle may not be discharged by payment of a fine except upon presentation of
93 satisfactory evidence that the required license has been obtained.

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

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

99 J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may
100 enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew
101 any vehicle registration of any applicant therefor who owes to such county, city or town any delinquent
102 tangible personal property tax levied with respect to such vehicle in excess of \$100. Before being issued
103 any vehicle registration or renewal of such license or registration by the Commissioner, the applicant
104 must first satisfy all such delinquent taxes and present evidence satisfactory to the Commissioner that all
105 such delinquent taxes have been paid in full. The Commissioner shall charge a reasonable fee to cover
106 the costs of such enforcement action. The treasurer or director of finance of any county, city, or town
107 seeking to collect delinquent taxes through the withholding of registration or renewal thereof by the
108 Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided
109 for in his agreement with the Commissioner and supply to the Commissioner information necessary to
110 identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to
111 the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of
112 registration at least thirty days prior to the expiration date of a current vehicle registration. For the
113 purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the
114 records of the Department of Motor Vehicles shall be deemed sufficient.

115 K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for
116 the regional enforcement of local motor vehicle license requirements. The governing body of each
117 participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer,
118 or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that
119 is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of
120 situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may provide that a
121 violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4

122 misdemeanor. Any such ordinance may also provide that a violation of the ordinance by the owner of
123 the vehicle may not be discharged by payment of a fine except upon presentation of satisfactory
124 evidence that the required license has been obtained.

125 § 58.1-3511. Situs for assessment; nonresident exception; refund of tax paid to city or county;
126 apportioned assessment.

127 A. The situs for the assessment and taxation of tangible personal property, merchants' capital and
128 machinery and tools shall in all cases be the county, district, town or city in which such property may
129 be physically located on the tax day. However, the situs for purposes of assessment of motor vehicles,
130 travel trailers, boats and airplanes as personal property shall be the county, district, town or city where
131 the vehicle is normally garaged, docked or parked. Any person domiciled in another state, whose motor
132 vehicle is principally garaged or parked in this Commonwealth during the tax year, shall not be subject
133 to a personal property tax on such vehicle upon a showing of sufficient evidence that such person has
134 paid a personal property tax on the vehicle in the state in which he is domiciled. In the event it cannot
135 be determined where such personal property, described herein, is normally garaged, stored or parked, the
136 situs shall be the domicile of the owner of such personal property. However, in the event the owner of
137 the motor vehicle is a *full-time* student attending an institution of higher education, the situs shall be the
138 domicile of such student, *provided the student has presented sufficient evidence that he has paid a*
139 *personal property tax on the motor vehicle in his domicile.* Any person who shall pay a personal
140 property tax on a motor vehicle to a county or city in this Commonwealth and a similar tax on the same
141 vehicle in the state of his domicile may apply to such county or city for a refund of such tax payment.
142 Upon a showing of sufficient evidence that such person has paid the tax for the same year in the state
143 in which he is domiciled, the county or city may refund the amount of such payment.

144 B. The assessment of motor vehicles, travel trailers, boats or airplanes operating over interstate
145 routes, in the rendition of a common, contract or other private carrier service which are subject to
146 property taxation in any other state on the basis of an apportioned assessment, shall be apportioned in
147 the same percentage as the total number of miles traveled in the Commonwealth by such vehicle bears
148 to the total number of miles traveled by such vehicle.