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HOUSE BILL NO. 2326

Offered January 23, 1995

A BILL to amend and reenact § 46.2-752 of the Code of Virginia, relating to local motor vehicle licenses, taxes and fees; personal property taxes on motor vehicles.

Patron—Hargrove

Referred to Committee on Finance

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; 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 student attending an institution of higher education, the situs shall be the domicile of such student.

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

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60 Cities of Alexandria, Chesapeake, Danville, Falls Church, and Fairfax may require that no motor vehicle,
61 trailer, or semitrailer shall be licensed by that jurisdiction unless all fines owed to the jurisdiction by the
62 owner of the vehicle, trailer, or semitrailer for violation of the jurisdiction's ordinances governing
63 parking of vehicles have been paid. The provisions of this subsection shall not apply to vehicles owned
64 by firms or companies in the business of renting motor vehicles.

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

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

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

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

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

100 J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may
101 enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew
102 any vehicle registration of any applicant therefor who owes to such county, city or town any delinquent
103 tangible personal property tax levied with respect to such vehicle in excess of \$100 \$50. Before being
104 issued any vehicle registration or renewal of such license or registration by the Commissioner, the
105 applicant must first satisfy all such delinquent taxes and present evidence satisfactory to the
106 Commissioner that all such delinquent taxes have been paid in full. The Commissioner shall charge a
107 reasonable fee to cover the costs of such enforcement action. The treasurer or director of finance of any
108 county, city, or town seeking to collect delinquent taxes through the withholding of registration or
109 renewal thereof by the Commissioner as provided for in this subsection shall notify the Commissioner in
110 the manner provided for in his agreement with the Commissioner and supply to the Commissioner
111 information necessary to identify the debtor whose registration or renewal is to be denied. Any
112 agreement entered into pursuant to the provisions of this subsection shall provide the debtor notice of
113 the intent to deny renewal of registration at least thirty days prior to the expiration date of a current
114 vehicle registration. For the purposes of this subsection, notice by first-class mail to the registrant's
115 address as maintained in the records of the Department of Motor Vehicles shall be deemed sufficient.

116 K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for
117 the regional enforcement of local motor vehicle license requirements. The governing body of each
118 participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer,
119 or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that
120 is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of
121 situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may provide that a

122 violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4
123 misdemeanor. Any such ordinance may also provide that a violation of the ordinance by the owner of
124 the vehicle may not be discharged by payment of a fine except upon presentation of satisfactory
125 evidence that the required license has been obtained.

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