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HOUSE BILL NO. 1966

Offered January 14, 2015

Prefiled January 13, 2015

A BILL to amend and reenact § 46.2-752 of the Code of Virginia, relating to local motor vehicle taxes and license fees.

 Patron—Rust

 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 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.

Owners or lessees of motor vehicles, trailers, and semitrailers who have served outside of the United States in the armed services of the United States shall have a 90-day grace period, beginning on the date they are no longer serving outside the United States, in which to comply with the requirements of this section. For purposes of this section, "the armed services of the United States" includes active duty service with the regular Armed Forces of the United States or the National Guard or other reserve component.

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, members and former members of authorized police volunteer citizen support units, members and former members of authorized sheriff's volunteer citizen support units, former volunteer police chaplains, and former volunteer special police officers appointed under former § 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,

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

13. Vehicles owned or leased by deputy sheriffs; however, no deputy sheriff shall be issued more than one such license free of charge,

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59 14. Vehicles owned or leased by police officers; however, no police officer shall be issued more than
60 one such license free of charge,

61 15. Vehicles owned or leased by officers of the State Police; however, no officer of the State Police
62 shall be issued more than one such license free of charge,

63 16. Vehicles owned or leased by salaried firefighters; however, no salaried firefighter shall be issued
64 more than one such license free of charge,

65 17. Vehicles owned or leased by salaried emergency medical technicians; however no salaried
66 emergency medical technician shall be issued more than one such license free of charge,

67 18. Vehicles with a gross weight exceeding 10,000 pounds owned by museums officially designated
68 by the Commonwealth,

69 19. Vehicles owned by persons, or their surviving spouses, qualified to receive special license plates
70 under subsection A of § 46.2-743, and

71 20. Vehicles owned or leased by members of the Virginia Defense Force; however, no member of
72 the Virginia Defense Force shall be issued more than one such license free of charge.

73 The governing body of any county, city, or town issuing licenses under this section may by
74 ordinance provide for a 50 percent reduction in the fee charged for the issuance of any such license
75 issued for any vehicle owned or leased by any person who is 65 years old or older. No such discount,
76 however, shall be available for more than one vehicle owned or leased by the same person.

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

82 The situs for the imposition of licensing fees under this section shall in all cases, except as
83 hereinafter provided, be the county, city, or town in which the motor vehicle, trailer, or semitrailer is
84 normally garaged, stored, or parked. If it cannot be determined where the personal property is normally
85 garaged, stored, or parked, the situs shall be the domicile of its owner. In the event the owner of the
86 motor vehicle is a full-time student attending an institution of higher education, the situs shall be the
87 domicile of such student, provided the student has presented sufficient evidence that he has paid a
88 personal property tax on the motor vehicle in his domicile.

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

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

102 C1. The Counties of Dinwiddie, Lee, and Wise may, by ordinance or resolution adopted after public
103 notice and hearing and, with the consent of the treasurer, require that no license may be issued under
104 this section unless the applicant has produced satisfactory evidence that all fees, including delinquent
105 fees, payable to such county or local solid waste authority, for the disposal of solid waste pursuant to
106 the Virginia Water and Waste Authorities Act (§ 15.2-5100 et seq.), or pursuant to § 15.2-2159, have
107 been paid in full. For purposes of this subsection, all fees, including delinquent fees, payable to a county
108 for waste disposal services described herein, shall be paid to the treasurer of such county; however, in
109 Wise County, the fee shall be paid to the county or its agent.

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

115 E. If in any county imposing license fees and taxes under this section, a town therein imposes like
116 fees and taxes on vehicles of owners resident in the town, the owner of any vehicle subject to the fees
117 or taxes shall be entitled, on the owner's displaying evidence that he has paid the fees or taxes, to
118 receive a credit on the fees or taxes imposed by the county to the extent of the fees or taxes he has paid
119 to the town. Nothing in this section shall deprive any town now imposing these licenses and taxes from
120 increasing them or deprive any town not now imposing them from hereafter doing so, but subject to the

limitations provided in subsection D. The governing body of any county and the governing body of any town in that county wherein each imposes the license tax herein provided may provide mutual agreements so that not more than one license plate or decal in addition to the state plate shall be required.

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

G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or operator of a motor vehicle, trailer, or semitrailer (i) to fail to obtain and, if any required by such ordinance, to display the local license required by any ordinance of the county, city or town in which the vehicle is registered, or (ii) to display upon a motor vehicle, trailer, or semitrailer any such local license, required by ordinance to be displayed, after its expiration date. The ordinance may provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality where such vehicle is registered, authorize the issuance by local law-enforcement officers of citations, summonses, parking tickets, or uniform traffic summonses for violations. Any such ordinance may also provide that a violation of the ordinance by the registered 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. Nothing in this section shall be construed to require a county, city, or town to issue a decal or any other tangible evidence of a local license to be displayed on the licensed vehicle if the county's, city's, or town's ordinance does not require display of a decal or other evidence of payment. No ordinance adopted pursuant to this section shall require the display of any local license, decal, or sticker on any vehicle owned by a public service company, as defined in § 56-76, having a fleet of at least 2,500 vehicles garaged in the Commonwealth.

H. Except as provided by subsections E and F, no vehicle shall be subject to taxation under the provisions of this section in more than one jurisdiction. Furthermore, no person who has purchased a local vehicle license, decal, or sticker for a vehicle in one county, city, or town and then moves to and garages his vehicle in another county, city, or town shall be required to purchase another local license, decal, or sticker from the county, city, or town to which he has moved and wherein his vehicle is now garaged until the expiration date of the local license, decal, or sticker issued by the county, city, or town from which he moved.

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

J. 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 local vehicle license fees or delinquent tangible personal property tax or parking citations. Before being issued any vehicle registration or renewal of such license or registration by the Commissioner, the applicant shall first satisfy all such local vehicle license fees and delinquent taxes or parking citations and present evidence satisfactory to the Commissioner that all such local vehicle license fees and delinquent taxes or parking citations 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 or the amount of the parking citation. The treasurer or director of finance of any county, city, or town seeking to collect delinquent taxes or parking citations 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 30 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. In the case of parking violations, the Commissioner shall only refuse to issue or renew the vehicle registration of any applicant therefor pursuant to this subsection for the vehicle that incurred the parking violations. The provisions of this subsection shall not apply to vehicles owned by firms or companies in

182 the business of renting motor vehicles.

183 K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for
184 the regional enforcement of local motor vehicle license requirements. The governing body of each
185 participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer,
186 or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that
187 is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of
188 situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may also provide
189 that no motor vehicle, trailer, or semitrailer shall be locally licensed until the applicant has produced
190 satisfactory evidence that (i) all personal property taxes on the motor vehicle, trailer, or semitrailer to be
191 licensed have been paid to all participating jurisdictions and (ii) any delinquent motor vehicle, trailer, or
192 semitrailer personal property taxes that have been properly assessed or are assessable by any
193 participating jurisdiction against the applicant have been paid. Any city and any county having the urban
194 county executive form of government, the counties adjacent to such county and towns within them may
195 require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction or any other
196 jurisdiction in the compact unless all fines owed to any participating jurisdiction by the owner of the
197 vehicle for violation of any participating jurisdiction's ordinances governing parking of vehicles have
198 been paid. The ordinance may further provide that a violation shall constitute a misdemeanor the penalty
199 for which shall not exceed that of a Class 4 misdemeanor. Any such ordinance may also provide that a
200 violation of the ordinance by the owner of the vehicle may not be discharged by payment of a fine and
201 applicable court costs except upon presentation of satisfactory evidence that the required license has
202 been obtained. The provisions of this subsection shall not apply to vehicles owned by firms or
203 companies in the business of renting motor vehicles.

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

211 M. *In any county, the county treasurer or comparable officer and the treasurer of any town located*
212 *wholly or partially within such county may enter into a reciprocal agreement, with the approval of the*
213 *respective local governing bodies, that provides for the town treasurer to collect such license fee or tax*
214 *on any motor vehicle, trailer, or semitrailer owed to the county or for the county treasurer to collect*
215 *such license fee or tax owed to the town. A treasurer or comparable officer collecting any such license*
216 *fee or tax pursuant to an agreement entered into under this subsection shall account for and pay over*
217 *such amounts to the locality owed such license fee or tax in the same manner as provided by law. As*
218 *used in this subsection, with regard to towns, "treasurer" means the town officer or employee vested*
219 *with authority by the charter, statute, or governing body to collect local taxes.*