



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of April 25, 2009**

DATE: April 7, 2009

SUBJECT: Adopt proposed amendments to Chapter 14.2 (Motor Vehicles & Traffic) of the Arlington County Code, Section 14.2-73, to increase the fee on motor vehicle licenses from \$24 to \$33 per year.

C. M. RECOMMENDATION:

Adopt the proposed amendments to Chapter 14.2 (Motor Vehicles & Traffic) of the Arlington County Code, Section 14.2-73, as shown in Attachment I, allowing for a \$9 increase to the motor vehicle license fee from \$24 to \$33 per year.

ISSUES: Should the motor vehicle license fee be raised to \$33 per year?

SUMMARY: The Code of Virginia § 46.2-752 caps the fee that the County can charge for motor vehicle license fees at the same level for State motor vehicle licenses imposed by the Commonwealth, or \$33 per year. By raising this fee from its current \$24 per year to the statutory limit, the County will generate \$1.2 million in revenue. This fee increase would bring Arlington's motor vehicle license fees in line with what is currently charged by the City of Alexandria and with what has recently been proposed by the Fairfax County Board of Supervisors.

BACKGROUND: Motor vehicle owners in the County are required to obtain and display a local motor vehicle license tag on their windshields within 30 days of acquiring situs in the County or purchasing a vehicle with situs in the County. The vehicle license tag serves as proof of payment of the annual motor vehicle license fee. In subsequent years, this license must be renewed annually by October 5, and vehicle owners are mailed a vehicle license tag with their annual personal property tax bill.

Under §14.2-73 of the Arlington County Code, the County's motor vehicles license fee is \$24 per year. As shown in the table below, the County's fee is \$1 lower than motor vehicle license fees charged in Loudoun County and the cities of Falls Church and Fairfax. In addition, it is \$9 lower than the fee charged in the City of Alexandria, which dedicates \$8 of its fee for transportation purposes. Fairfax County, which stopped charging a fee in 2006, recently proposed to levy a \$33 license fee on most motor vehicles.

County Manager: _____

County Attorney: _____

Staff: Jon Altshul, DMF

Annual Motor Vehicle License Fees in Other Northern Virginia Jurisdictions

| Jurisdiction | Arlington (current) | Arlington (proposed) | City of Alexandria | City of Falls Church | City of Fairfax | Fairfax County (current) | Fairfax County (proposed) | Loudoun County | Prince William County |
|---------------------|------------------------|-------------------------|-----------------------|----------------------------|--------------------|--------------------------------|---------------------------------|-------------------|-----------------------------|
| Fee | \$24 | \$33 | \$33 | \$25 | \$25 | \$0 | \$33* | \$25 | \$24 |

* Under Fairfax County’s proposal, vehicles weighing more than 4,000 would pay \$38 per year.

Section 46.2-752 of the State code states in relevant part that the amount of the license fee or tax imposed by any county, city, or town on any motor vehicle shall not be greater than the annual or one-year fee imposed by the Commonwealth. Pursuant to § 46.2-694(A), the state charges a \$33 license fee for each private passenger car weighing 4,000 pounds or less. The State license fee on vehicles weighing over 4,000—a threshold that would apply to larger pick-up trucks and SUVs—is \$38. It is proposed that the same \$33 fee apply to vehicles weighing less than and greater than 4,000 pounds. Collectively, these types of vehicles represent over 97 percent of the vehicles within the County subject to the motor vehicle license fee.

However, § 46.2-694 does restrict the County from charging \$33 on some other classes of vehicles. For example, the State license fees for motorcycles and taxicabs are \$18 and \$23, respectively. Accordingly, it is proposed that County’s license fees for those vehicles be capped at the same rates charged by the State.

DISCUSSION: The local vehicle license fee has not been changed since 2000. A \$9 increase would bring Arlington’s fees into line with the fees charged in the City of Alexandria, as well as those proposed to be charged in Fairfax County.

There are no restrictions on what revenue generated from motor vehicle license fees can be spent on.

FISCAL IMPACT: The proposed increase, which is included in the FY 2010 budget, would generate \$1.2 million.

Attachment I

AN ORDINANCE TO AMEND CHAPTER 14.2 (MOTOR VEHICLES AND TRAFFIC) OF THE ARLINGTON COUNTY CODE RELATING TO THE FEE CHARGED FOR MOTOR VEHICLE LICENSES

BE IT ORDAINED that Chapter 14.2 of the Arlington County Code is amended as follows:

§ 14.2-73 Motor vehicle license fee.

The motor vehicle license fee shall be the same as what is charged by the Commonwealth ~~twenty-four dollars (\$24.00)~~ for all motor vehicles designed and used for the transportation of passengers as specified in Virginia Code Section 46.2-694 (A) (1--4),(9--112), as amended. However, this amount shall not exceed \$33. The fee shall be payable prior to the issuance of a license for the first year or any portion thereof, until such time as the initial license expires. Licenses shall thereafter be renewed annually as provided for in section 14.2-71. ~~There shall be a renewal fee twenty-four dollars (\$24.00)~~ The renewal fee for subsequent licensing periods shall be the same amount as is charged for the initial license fee.

This section shall not apply to motor vehicle carriers which pay a privilege tax pursuant to section 11-70 of this Code.