



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of February 20, 2010**

DATE: February 4, 2010

SUBJECT: Request to advertise a public hearing on 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 \$25 to \$33 per year.

C. M. RECOMMENDATION:

Authorize advertising for a March 25, 2010, public hearing on 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 \$8 increase to the motor vehicle license fee from \$25 to \$33 per year.

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

SUMMARY: § 46.2-752 of the State Code caps the fee that the County can charge for local motor vehicle licenses at the same level as the motor vehicle license fee imposed by the Commonwealth, or \$33 per year. By raising this fee from its current \$25 per year to the statutory limit, the County will generate \$1.0 million in additional revenue. This fee increase would bring Arlington's motor vehicle license fees in line with what is currently charged by the City of Alexandria. **This fee increase is not included in the County Manager's FY 2011 Proposed Budget and is intended to provide the County Board with flexibility during the budget process.**

BACKGROUND: Motor vehicle owners in the County are required to obtain and display a local motor vehicle license tag or "decal" on their windshields within 30 days of acquiring situs in the County or purchasing a vehicle with situs in the County. The decal 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 decal with their annual personal property tax bill.

Under §14.2-73 of the Arlington County Code, the County's motor vehicles license fee is \$25 per year. As shown in the table below, the County's current fee is the same as what is charged in Loudoun County and the cities of Falls Church and Fairfax. In addition, it is \$8 lower than the

County Manager: BMP/mjs

County Attorney: SAM

22. M.

Staff: Richard Stephenson, Department of Management and Finance

fee charged in the City of Alexandria, which dedicates \$8 per license for transportation purposes. The County Board last increased the fee from \$24 to \$25 as part of the FY 2010 budget process.

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*	Loudoun County	Prince William County
Fee	\$25	\$33	\$33	\$25	\$25	\$0	\$25	\$24

- Fairfax County stopped charging for motor vehicle licenses in 2006. However, last year, Fairfax County staff proposed to introduce a \$33 fee, which was ultimately not adopted its Board of Supervisors.

§ 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. However, because of the Commissioner of Revenue’s concerns about the reliability of Department of Motor Vehicle’s vehicle weight data, it is proposed that the same \$33 fee apply to vehicles weighing less than and greater than 4,000 pounds. Collectively, these two 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, the County cannot charge \$33 for these types of vehicles. For perspective, there are fewer than 4,000 motorcycles and taxicabs registered in the County, or slightly more than 2 percent of total vehicles registered in Arlington.

DISCUSSION: An \$8 increase would bring Arlington’s fees into line with the fees charged in the City of Alexandria.

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

FISCAL IMPACT: The proposed increase in the motor vehicle license fee would generate an additional \$1.0 million. This fee revenue is not included in the County Manager’s FY 2011 Proposed Budget but is being advertized to allow the County Board additional flexibility with revenue options as they consider decisions for the FY 2011 budget.

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-five dollars (\$25.00)~~ 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--11), 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-five dollars (\$25.00)~~ 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.