

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 1, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 64: AUTHORITY TO INCREASE DECAL FEES

This is in response to Mayor Euille's request for information regarding the authority the State gives to the City to raise annual decal fees. The City Attorney's Office has researched the subject and provides the explanation shown below.

The City is authorized to levy and assess taxes and charge license fees on motor vehicles, trailers, and semitrailer pursuant to Virginia Code § 46.2-752(A). "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." Virginia Code § 46.2-752(A).

Under Virginia Code § 46.2-694, "[t]he annual registration fees for motor vehicles, trailers, and semitrailers designed and used for the transportation of passengers on the highways in the Commonwealth are: Thirty-three dollars for each private car or motor home if the passenger car or motor home weighs 4,000 pounds or less, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur."

Therefore, the City's license tax is limited by the ceiling established in Virginia Code § 46.2-752.1. The Virginia DMV fees totaling \$38.75 for vehicle registration for passenger vehicles of 4,000 pounds or less, includes the \$33.00 annual registration fee and fees totaling \$5.75 for state police inspection, emergency medical, and EMS. The City's limit is \$33, and no further increase is possible at this time.

¹ The Virginia DMV fees totaling \$38.75 for vehicle registration for passenger vehicles of 4,000 pounds or less, includes the \$33.00 annual registration fee and fees totaling \$5.75 for state police inspection, emergency medical, and EMS.