



Response to Questions on the 2016 LOBs

Request By: Supervisor Gross

Relevant LOB(s): LOB #104

Question: What is required to implement the automatic registration of new vehicles based on Department of Motor Vehicle data matches?

Response:

Currently, vehicles purchased or moved into the County must be registered within 60 days of the purchase or move-in date. A 10 percent late filing penalty is charged on vehicles not registered with the Department of Tax Administration (DTA) within the 60-day deadline. This represents a burden of time and effort to residents of Fairfax County, and it results in approximately \$1.9 million in late penalties assessed each fiscal year. However, it is possible to use information received from Virginia's Department of Motor Vehicles (DMV) to automatically register vehicles. The implementation of an automatic vehicle registration process would represent a significant enhancement in the County's customer service to vehicle owners, at the cost of some loss of revenue.

In order to implement an automatic vehicle registration process, if so directed by the Board, the County will need to amend Sections 4-17.1-6 and 4-17.1-6.1 of the Fairfax County Code as concerns the process for filing returns with the Department of Tax Administration (DTA) for vehicle purchases and for vehicles moved into the County. Section 4-17.1-7 will also need to be amended as concerns the 10 percent Penalty for Late Filing (PLF). As noted during DTA's LOBs presentation on March 8, 2016, amending this latter section and incorporating an automatic vehicle registration process is estimated to result in an annual revenue loss of approximately \$1.9 million in late penalties.

The Board is able to amend these ordinances and adopt a modified vehicle registration process consistent with the authority provided under Sections 58.1-3518.1, 58.1-3519 and 58.1-3916 of the Code of Virginia. The amendment would take effect upon adoption. The proposed process change would not affect the filing requirement and associated late penalties for out-of-state vehicles assessed under DTA's TARGET program since these vehicles are not properly registered with the Virginia DMV. Similarly, the process change would not affect the requirements for filing business personal property returns (excluding business vehicles).

Should the Board desire to pursue this process change, staff should be directed to seek the Board's authorization to advertise a public hearing to consider the proposed amendments.