



Legislation Details (With Text)

File #: 18-823 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 4/6/2018 **In control:** Town Council Meeting
On agenda: 4/9/2018 **Final action:**
Title: Public Hearing Regarding Transferring Collection of Vehicle License Registration Fees to Fairfax County

Sponsors:

Indexes:

Code sections:

Attachments: 1. MOU TOV Fairfax Vehicle Fee Collection Draft 03 07 2018, 2.
ARTICLE_7.____TOWN_VEHICLE_LICENSES DRAFT 03 07 2018

Date	Ver.	Action By	Action	Result
4/9/2018	1	Town Council Meeting	approved	Pass

Subject:

Public Hearing Regarding Transferring Collection of Vehicle License Registration Fees to Fairfax County

EXPLANATION AND SUMMARY :

The Town currently charges a vehicle license fee of \$33 per vehicle and \$18 per motorcycle, consistent with Fairfax County. When the county reinstated its fee in 2010, the Town had to collect the fee itself or forfeit revenues to the county. The Town chose to collect the fee.

The Town receives all vehicle information for billing from Fairfax County and currently bills and collects the fee internally. In addition, residents receive a personal property tax bill from the county, and occasionally these bills incorrectly include a county vehicle license registration fee. The county's source data comes from information provided by the vehicle purchaser, which can be unreliable and cause billing errors. For example, if the vehicle purchaser doesn't realize they live outside of the Town but have a Vienna address, the Town gets that vehicle information to bill. The bill data has been a source of frustration for customers, for Town staff, and for the county, who does not have an effective way to correct Town information.

In 2016, after receiving state approval, the Town of Herndon transferred responsibility for vehicle license fee collection to the county. Residents receive a combined county bill with personal property tax and vehicle license fee, and the county remits the vehicle license fee to the Town of Herndon, which has reported a 20% increase in collections and a great increase in customer satisfaction due to this arrangement.

In 2017, the state legislature allowed the county to collect delinquent bills as well as bill initial fees. Now that the state has cleared the way, the Town of Vienna has approached the county to begin

billing and collecting our vehicle license fees.

The Finance Department recommends transferring billing and collection of vehicle license fees to Fairfax County. We expect a savings of more than \$15,000 in billing supplies and fees as well as a revenue increase. We plan to conform to the county's license fee rates, which increase the amount to \$38 for vehicles over 4,000 pounds gross weight, and to take advantage of the county's robust collection process. We expect customer satisfaction to increase greatly with combined billing and elimination of the current late fee penalty.

This change requires an MOU with the county and a re-write of the Town Code, Chapter 9, Motor Vehicles and Traffic, Article 7, Town Vehicle Licenses.

Departmental Recommendation : Recommend continuing the Public Hearing to April 23, 2018

Finance Recommendation:

Purchasing Recommendation : N/A

Town Attorney Recommendation :

Town Manager's Recommendation :

Cost and Financing: N/A

Account Number: N/A

Decision Needed by This date:

PROPOSED/SUGGESTED MOTION

"I move to continue the public hearing to discuss the transfer of vehicle license fee billing and collection to Fairfax County beginning with fiscal year 2018-19 to the Regular Council meeting of April 23, 2018."

Or

Other action deemed necessary by Council.