



Town of Vienna

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Town Hall
127 Center Street South
Vienna VA, 22180

Legislation Text

File #: 18-761, **Version:** 1

Subject:

Request to Set a Public Hearing for April 23, 2018 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.

We wish to set a public hearing for April 23, 2018 to allow citizens a time to give input to this procedure and Town Code change.

Departmental Recommendation : Recommend setting a public hearing on April 23, 2018.

Finance Recommendation : Recommend setting a public hearing on April 23, 2018.

Purchasing Recommendation : N/A

Town Attorney Recommendation : Town Council may set a public hearing in its discretion.

Town Manager's Recommendation : I recommend the Town Council set a public hearing to discuss the transfer of vehicle license fee billing and collection to Fairfax County beginning with fiscal year 2018-2019 as presented.

Cost and Financing: N/A

Account Number: N/A

Decision Needed by This date: March 12, 2018

PROPOSED/SUGGESTED MOTION

"I move to set a public hearing to discuss the transfer of vehicle license fee billing and collection to Fairfax County beginning with fiscal year 2018-19. I further move that the Town Clerk to advertise the public hearing."

Or

Other action deemed necessary by Council.