

PROCEDURES FOR IMPLEMENTING, ENFORCING AND COLLECTING THE LOCAL RENTAL CAR TRANSPORTATION FEE

OCTOBER 31, 2007

These procedures are published by the Department of Motor Vehicles to outline the process for implementing, enforcing and collecting a fee of 2% of the gross proceeds on the daily rental of vehicles in the jurisdictions embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority, as prescribed by § 58.1-2402.1 in Chapter 896 of the 2007 Virginia Acts of Assembly. This fee is in addition to any other fees imposed under law.

The Department of Motor Vehicles has worked with the Authorities and/or their representatives and other appropriate entities to develop these procedures. As necessary, additional guidelines, policies and procedures will be published and posted to the HB3202 website at www.hb3202.virginia.gov and DMV's website at www.dmv.virginia.gov.

As provided in 2007 Acts of Assembly, Chapter 896, the development of these guidelines, policies, and procedures is exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the *Code of Virginia*).

Definitions:

The following words and phrases when used in these procedures shall, for the purpose of the procedures, have the following meanings.

"DMV" means the Department of Motor Vehicles.

"Hampton Roads Transportation Authority" or "HRTA" means the political subdivision established pursuant to Va. Code § 33.1-391.7.

"HRTA 2% Daily Rental Fee" means the fee of 2% of the gross proceeds on the daily rental of vehicles authorized and imposed by HRTA pursuant to Va. Code § 58.1-2402.1, on August 10, 2007, with an effective date of April 1, 2008.

"Locality embraced by the HRTA" means any locality embraced by the Hampton Roads Transportation Authority pursuant to §33.1-391.7.

"Locality embraced by the NVTA" means any locality embraced by the Northern Virginia Transportation Authority pursuant to §15.2-4831.

"Northern Virginia Transportation Authority" or "NVTA" means the political subdivision established pursuant to Va. Code § 15.2-4830.

"NVTA 2% Daily Rental Fee" means the fee of 2% of the gross proceeds on the daily rental of vehicles authorized and imposed by NVTA pursuant to Va. Code § 58.1-2402.1, and Resolution 01-08B, dated July 12, 2007, to be imposed effective January 1, 2008.

"Transportation Authority Fund" means a separate fund maintained by DMV to deposit revenues from collection of the HRTA 2% Daily Rental Fee and the NVTA 2% Daily Rental Fee.

PROCEDURES FOR IMPLEMENTING, ENFORCING AND COLLECTING THE LOCAL RENTAL CAR TRANSPORTATION FEE

Authority:

Effective July 1, 2007, the Northern Virginia Transportation Authority was authorized by Va. Code § 58.1-2402.1 to charge an additional fee of 2% of the gross proceeds on the daily rental of vehicles in a locality that is embraced by the Authority wherein the daily rental of the vehicle occurs, regardless of whether such vehicle is required to be licensed in the Commonwealth. This fee shall not be levied upon a rental to a person for re-rental as an established business or part of an established business or incidental or germane to such business. On July 12, 2007, the NVRTA formally adopted Resolution 01-08B, imposing the NVRTA 2% Daily Rental Fee as authorized pursuant to Va. Code § 58.1-2402.1, with an effective date of January 1, 2008. Pursuant to Chapter 896 of the 2007 Acts of Assembly the fee shall be implemented, enforced and collected in the same manner that rental taxes under Chapter 24 of Title 58.1 of the *Code of Virginia* are implemented, enforced and collected. The implementation, enforcement and collection of such rental taxes are made by DMV pursuant to the statutory provisions of Chapter 24 of Title 58.1 of the *Code of Virginia* and the regulatory provisions of 24VAC20-100, *Virginia Motor Vehicle Rental Taxes and Fees Rules and Regulations*.

Effective July 1, 2007, the Hampton Roads Transportation Authority was authorized by Va. Code § 58.1-2402.1 to charge an additional fee of 2% of the gross proceeds on the daily rental of vehicles in a locality that is embraced by the Authority wherein the daily rental of the vehicle occurs, regardless of whether such vehicle is required to be licensed in the Commonwealth. This fee shall not be levied upon a rental to a person for re-rental as an established business or part of an established business or incidental or germane to such business. On August 10, 2007, the HRTA, by resolution of the voting members, adopted the HRTA 2% Daily Rental Fee as authorized pursuant to Va. Code § 58.1-2402.1, with an effective date of April 1, 2008. Pursuant to Chapter 896 of the 2007 Acts of Assembly the fee shall be implemented, enforced and collected in the same manner that rental taxes under Chapter 24 of Title 58.1 of the *Code of Virginia* are implemented, enforced and collected. The implementation, enforcement and collection of such rental taxes are made by DMV pursuant to the statutory provisions of Chapter 24 of Title 58.1 of the *Code of Virginia* and the regulatory provisions of 24VAC20-100, *Virginia Motor Vehicle Rental Taxes and Fees Rules and Regulations*.

The statutory provisions of Chapter 24 of Title 58.1 of the *Code of Virginia* are available online through the Legislative Information System at:

<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC580100000240000000000000>.

Likewise, the *Virginia Motor Vehicle Rental Taxes and Fees Rules and Regulations* are available online through the Legislative Information System at:

<http://leg1.state.va.us/000/reg/TOC24020.HTM#C0100>.

The regulation is incorporated by reference into these procedures.

PROCEDURES FOR IMPLEMENTING, ENFORCING AND COLLECTING THE LOCAL RENTAL CAR TRANSPORTATION FEE

Collection & Distribution of HRTA 2% Daily Rental Fee:

Effective April 1, 2008 and thereafter, after subtraction of the direct costs of administration, DMV shall (i) transfer the revenues collected for the HRTA 2% Daily Rental Fee to the Hampton Roads Transportation Authority, and (ii) maintain records of such fee imposed and collected, by locality.

Because the 2% daily rental fee established under § 58.1-2402.1 is levied in the same manner as the 4% additional tax described in subsection A 4 of § 58.1-2402 of the *Code of Virginia* and in section 190 of *Virginia Motor Vehicle Rental Taxes and Fees Rules and Regulations*, it shall be implemented, enforced and collected in the same way as the 4% additional tax except as follows: The revenues for the HRTA 2% Daily Rental Fee shall be distributed to the HRTA, as required under § 58.1-2402.1 (see **Allocation of Funds** below).

The HRTA 2% Daily Rental Fee shall be in addition to all other taxes and fees imposed for rental of a vehicle.

Collection & Distribution of NVTA 2% Daily Rental Fee:

Effective January 1, 2008 and thereafter, after subtraction of the direct costs of administration, DMV shall (i) transfer the revenues collected for the NVTA 2% Daily Rental Fee to the Northern Virginia Transportation Authority and (ii) maintain records of the fee imposed and collected, by locality.

Because the 2% daily rental fee established under § 58.1-2402.1 is levied in the same manner as the 4% additional tax described in subsection A 4 of § 58.1-2402 of the *Code of Virginia* and in section 190 of *Virginia Motor Vehicle Rental Taxes and Fees Rules and Regulations*, it shall be implemented, enforced and collected in the same way as the 4% additional tax except as follows: The revenues for the NVTA 2% Daily Rental Fee shall be distributed to the NVTA, as required under § 58.1-2402.1 (see **Allocation of Funds** below).

The NVTA 2% Daily Rental Fee shall be in addition to all other taxes and fees imposed for rental of a vehicle.

Allocation of Funds:

The revenues from the HRTA 2% Daily Rental Fee and the NVTA 2% Daily Rental Fee will be collected by DMV and deposited into the Transportation Authority Fund. The monies in the Fund shall be used to first pay DMV for its direct costs of administering the HRTA 2% Daily Rental Fee and the NVTA 2% Daily Rental Fee, and then shall be allocated and distributed on a monthly basis to the respective Authorities, as appropriate. DMV or its agent shall collect and provide to the HRTA and NVTA, information on revenue collection from each locality that will allow the HRTA and NVTA to allocate and distribute funds pursuant to §33.1-391.15 and §15.2-4838.1, respectively.

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Any corrections for errors made in any distribution, or adjustments that are otherwise necessary, will be made in the distribution for the next month or for subsequent months. Any funds remaining in the Fund at the end of the biennium shall remain in the Fund and will not revert to DMV's special fund or the Commonwealth's General Fund, but will remain in the Fund for future distribution to the NVTa and HRTA.