



# COMMONWEALTH of VIRGINIA

Department of Motor Vehicles  
2300 West Broad Street

D. B. Smit  
Commissioner

Post Office Box 27412  
Richmond, VA 23269-0001

October 14, 2009

To all Online Dealers and Fleets:

As part of your agreement to become an Online Dealer and Fleets and have inquiry access, you are required to update the disposition of a vehicle you have acquired via a trade-in on the purchase of another vehicle with the "sold" indicator and sold date.

It appears this is not being done in all cases, which creates an unnecessary inconvenience to our customers, the local Commissioners of the Revenue (CoRs) and to DMV.

As you know, the CoRs are responsible for personal property tax assessment. DMV provides the CoRs with a semi-annual report in January and July of all vehicles registered in their locality for tax assessments. We also provide them with daily, weekly and monthly ads and changes to the semi-annual reports, in order for them to accurately prepare tax assessments.

A problem arises when a vehicle is traded-in at a dealership. CoRs receive the information on the newly purchased vehicle, but if you do not update the vehicle you have acquired via trade in as "sold" and the date it was sold, the CoRs do not receive this information. Therefore, the personal property bill which is sent will have the new purchased vehicle listed as well as the old traded-in vehicle. The citizen receives their tax bill and, needless to say, they are not happy. The CoR will look the vehicle up on DMV's system and if it is still listed in the customer's name, the CoRs then require the customer to send in a copy of their Bill of Sale which provides information on the traded-in vehicle. Then the CoRs have to prepare another tax assessment for the traded-in vehicle.

Another example, a customer trades a vehicle in April and the traded-in vehicle is sold by the dealership in July. The vehicle is registered in the new customer's name as of July and the disposal date for the former owner will be July. The disposal information is sent to CoRs and the personal property tax is prorated through July. The customer receives their personal property bill and the new vehicle is taxed for 9 months (April - December) and the traded-in vehicle is billed for 7 months (January - July) when it should have been (January - April) which is 4 months. Again, this is an unnecessary inconvenience for DMV, our customers and the CoRs.

If you update the traded-in vehicle at the time of the trade, the personal property bill would be accurate the first time it is sent to the customer. Since this is a requirement, as part of your agreement, please make every effort to update the traded-in vehicle record. This saves time and money for DMV, our customers and the Cors.

DMV would truly like to see a real improvement in this area. Your cooperation is expected and appreciated.

Sincerely,



William R. Childress  
Director  
Vehicle Services Administration