

ORDINANCE-3813

**AN ORDINANCE TO ADD ARTICLE IV TO CHAPTER 18 OF THE CITY CODE
TO PROVIDE FOR PLEASURE BOAT LICENSE FEES**

SECTIONS ADDED: Chapter 18 Article IV. § 18-300 through 18-305

WHEREAS, the City of Virginia Beach has extensive waterways and beaches that are of importance to the local community and require recurring expenditures for dredging and other capital maintenance;

WHEREAS, the Proposed FY 2025-26 Operating Budget proposed a pleasure boat tax increase from \$0.000001 per \$100 of assessed value to \$1.50 per \$100 of assessed value consistent with commercial vessels to dedicate ongoing resources to the Coastal Capital Improvement Program;

WHEREAS, following community feedback regarding the proposed tax increase, pursuant to the authority set forth in Virginia Code section 15.2-1125, the City Council directed staff to identify a more equitable fee structure to defray the costs of proper local government management of the city waters used for recreational purposes; and

WHEREAS, for these reasons a license on the privilege of operating or owning a boat for recreational purposes in the city is imposed together with a license fee;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

1. That Article IV of Chapter 18 of the Code of the City of Virginia Beach, Virginia, is hereby added and ordained to read as follows:

Article IV. Pleasure Boat License Fee

Sec. 18-300. Definitions

For the purposes of this article, certain words and phrases shall have meanings ascribed to them by the following subsections of this section.

- (1) City waters. Waters within the territorial limits of the City of Virginia Beach.
- (2) Boats. Privately owned motorized pleasure boats and watercraft used for recreational purposes only and privately owned non-motorized pleasure boats used for recreational purposes only.
- (3) Operate. To captain, man, or be a passenger aboard a boat, or to tow by motor vehicle a boat to or from a pier, dock, landing, or wharf.

Sec. 18-301. License fee; situs; requirement thereof; violations; penalty

- (a) A license fee as set forth in section 18-302 is imposed on every boat, which is normally operated, docked, stored, or kept within city limits for six (6) months or more. If it cannot be determined where such boat is normally operated, docked, stored, or kept, the situs for the purpose of imposing this license fee shall be the domicile of its owner. The commissioner of the revenue shall determine the applicability of this section and the treasurer shall bill and collect the license fee assessed. Every owner of a boat normally operated, docked, stored or kept within city limits shall register such boat with the commissioner of the revenue within ten (10) days of purchasing a boat or within thirty (30) days of moving situs of the boat to the city, whichever is sooner. Notwithstanding the preceding, the commissioner of the revenue may obtain information from the U.S. Coast Guard, the Department of Wildlife Resources, or other applicable agency or party,

including public or private marinas and storage yards, to substantiate the situs of a boat. At the request of the commissioner of the revenue, a public or private marina or storage yard may be called upon to provide a list of boats garaged or docked in such marina or storage yard.

- (b) It shall be unlawful for any person to operate, dock, store, or keep a boat within the city without having paid the license fee therefore. The failure or refusal of an owner or operator of any boat subject to a license fee imposed by this article, who shall not have first paid the license fee by June fifth (5th) under this article for such license year, shall constitute a class four (4) misdemeanor punishable by a fine of not more than two hundred and fifty dollars (\$250.00).

Section 18-302. Amount of fee—Generally

- (a) Amount of fee. The license fee imposed by this article on all boats that have situs in the city as described in this article for the calendar year shall be as follows:
- a. For motorized boats under sixteen (16) feet in length, twenty dollars (\$20.00);
 - b. For motorized boats sixteen (16) feet to less than twenty (20) feet in length, forty dollars (\$40.00);
 - c. For boats twenty (20) feet to less than forty (40) feet in length, two hundred fifty dollars (\$250.00);
 - d. For boats forty (40) feet in length and over, five hundred dollars (\$500.00).
- (b) Means for computing fees. The four (4) watercraft size categories provided in subsection (a), above, are to be verified by the commissioner of the revenue using information obtained by him, and such information shall be considered prima facie correct.
- (c) Burden of proof. Any appeal of category provided in subsection a shall be made to the commissioner of the revenue. In such appeal, the applicant for a license shall bear the burden of proof to rebut the determination of the commissioner of the revenue.

Section 18-303. Boats exempt from license fee

- (a) The license fees imposed by this article shall not apply to boats on which the city is prohibited from imposing a tax by federal law or the laws of the commonwealth.
- (b) Boats or watercraft subject to personal property taxes pursuant to classifications provided by Virginia Code § 58.1-3506(A)(1a), (A)(1b), (A)(35), and (A)(36) where such owners of the boat or watercraft have paid the applicable personal property taxes.

Section 18-304. Invoice for license fee and payment; proration.

- (a) A license fee will be applied by the commissioner of the revenue and charged to the owner of such boat. The city treasurer shall mail, or by alternative billing process, if one exists, the taxpayer a bill for the license fee for the current and each subsequent year.
- (b) Upon payment to the treasurer of the license fee prescribed by this article and in compliance with all other applicable provisions of this article, the city treasurer shall mark the treasurer's records that a license fee has been paid on the applicant's boat for which the fee was charged.
- (c) No license fee shall be applied and billed for a boat that obtains situs on or after October 1 of a given calendar year.
- (d) Where a boat obtains situs after July 1 and on or before September 30, the license fee shall be prorated to reflect one half (1/2) of the amount provided in section 18-302(a).

Section 18-305. Refund of license fee.

Any person paying a license fee on a boat under the requirements of this article shall be entitled to a refund upon furnishing proof, by affidavit or otherwise, deemed satisfactory to the commissioner of the revenue that such license is no longer required under this article. Partial refunds only apply where six months or more remain in the

102 calendar year, and the amount of such refund is calculated by six-month period.

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104 2. This ordinance shall be effective January 1, 2026.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 13 day of May, 2025.