

Vehicle Licensing Guide

Leased Vehicle-Application for Title VLIC-3.335

Original Date: 10/10/2012

Revision Date:

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POLICY	
Title: Leased Vehicle Application for Title	
Effective Date: October 10, 2012	Revision Date:
Authority: Code of Virginia §§ 46.2-619 , 46.2-623 , 58.1-2401	
Policy: When titling leased vehicles, DMV is to collect the following information from the lessee on the application for title: <ul style="list-style-type: none">• For individuals, the name and residence street address of the lessee and the name of the locality in which the leased vehicle will be principally garaged or parked,• For businesses, the name of the business, its street address, and the name of the locality in which the leased vehicle will be principally garaged or parked. DMV will provide this information to the commissioner of the revenue or other assessing officer of the locality in which the leased vehicle is to be principally garaged or parked.	
Exception: N/A	

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DEFINITIONS

Leased Motor Vehicle – Any vehicle designed for transportation of passengers or property, used for such by a lessee (individual paying to use the vehicle) who under agreement with the lessor (owns the vehicle) pays the lessor a fee for the use of the vehicle for a period of 12 months or longer, with NO transfer of ownership.

Lessee – The person(s) or entity offering compensation in exchange for the use of the vehicle for more than 12 months generally under contract.

Lessor (owner) – The person(s) or entity offering use of the vehicle for 12 months or more in exchange for compensation. In Virginia, the lessors do not need to be licensed. The lessor may also be known as the leasing company. A Virginia licensed vehicle dealer may be considered the vehicle lessor for purposes of Motor Vehicle Sales and Use Tax exemption.

Rental Vehicle - A rental vehicle is any vehicle used by an entity (renter) for a period of less than twelve months, offering some form of compensation to use the vehicle and who has an agreement with the owner of the vehicle (rentor or rental company). ([§58.1-2401](#))

Residual Value - The value of a leased vehicle at the end of the term of the lease; generally specified in the lease contract.

Selling Dealer - The licensed vehicle dealer who sold the vehicle to the lessor and arranged for the lease between the lessee and the lessor.

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OVERVIEW

- A leased vehicle is titled in the name of the lessor (owner).
- DMV is responsible for collecting and entering into the vehicle record the following lessee information on the Application for Certificate of Title and Registration ([VSA-17A](#)):
 - For individuals, the name, residence-street address and locality in which the leased vehicle is principally garaged or parked.
 - For businesses, the name of the business, street address, and locality where principally garaged or parked.

- The vehicle may be registered in the lessor's (owner) name or the lessee's name. The lessor may allow the lessee to register the vehicle in his name or provide the lessee with a power of attorney to allow the lessee to handle all vehicle registration transactions for the leased vehicle. Otherwise, the lessor is responsible for all registration transactions.
- The lessee may have the option to retain the vehicle and title it in his name at lease end.
- When a lessee purchases a vehicle at lease end, if the license plates are registered to the lessor, to keep the plates the lessee must submit a letter from the lessor stating they relinquish possession of the license plates to the lessee.
- Motor Vehicle Sales and Use Tax (MVSUT) will be assessed based on the residual vehicle value paid by the lessee to the lessor, unless the lessee paid the Sales and Use Tax (SUT) for the lessor at time of original titling. In this case, the following requirements apply:
 - Proof must be presented that the SUT was paid by the lessee to at the time of the original lease.
 - The vehicle must be acquired at lease end directly through the lessee, or the dealer who originally leased the vehicle to the lessee. Purchases of leased vehicles through a different dealer disqualify the lessee from receiving the SUT exemption.
 - The vehicle must be retitled in the individual's name as it appears on the lease agreement (lease must have been to a person or persons and not include a commercial entity as the lessee to qualify for this exemption).

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CUSTOMER REQUIREMENTS

1. Submit an Application for Certificate of Title and Registration in accordance with [VLIC-3.000](#).
 - On the application, provide the following leased vehicle information:
 - For individuals, provide lessee name, residence street address, and locality where vehicle is parked or principally garaged.
 - For businesses, provide lessee name, street address, and locality where vehicle is parked or principally garaged.

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FRONT COUNTER CSR

1. Review the [VSA-17A](#) following the guidelines in [VLIC-3.000](#).
2. When titling leased vehicles:
 - a. Ensure the lessee's name, residence or business address, and locality where the leased vehicle is principally garaged (or parked for businesses) is written in the "Leased Vehicle Information" section the [VSA-17A](#),
 - b. Mark the title record with special condition "LEASE",
 - c. Enter the customer number in the system for the lessee from the "Leased Vehicle Information" section on the [VSA-17A](#),
 - d. Verify that the lessee's name, address and locality where the leased vehicle is garaged match the customer name, address and other information that displays in the system (if a customer record exists on file),
 - If no customer record exists in the system for the lessee:
 - Add the customer to the system following data entry procedures,
 - Go to [step 3](#) below.
 - If a customer record exists for the lessee in the system, but the information does not match the lessee information on the [VSA-17A](#), and:
 - The lessee submitted the application, or is present at the CSC:
 - a) Request the lessee complete the Address Change Request ([ISD-01](#)),
 - b) Process an address change following procedures in [DLG-0601](#),
 - c) Go to [step 3](#) below
 - If the lessee is not present at the time of titling:
 - a) Disregard the information on the [VSA-17A](#) (do not change customer information in the system),

- b) Provide the applicant with a Customer Return Form for the lessee indicating that the lessee needs to change their address with DMV,
 - c) Place a note on the customer's record that an address change is required,
3. Proceed with processing the title in accordance with [VLIC-3.000](#)

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CONTACT

For additional information contact :

- Your CSC Manager/Assistant Manager
- DMV Contact Center Help Desk at (804) 367-6646
- VSA/[Titling Work Center](#)