

## **NORTHERN VIRGINIA CIGARETTE TAX AGREEMENT**

THIS AGREEMENT, is entered into and dated as of the latest execution and acknowledgment by any party hereto, by and between

- (1) Fairfax County, Virginia;
- (2) City of Alexandria, Virginia;
- (3) City of Falls Church, Virginia;
- (4) City of Fairfax, Virginia;
- (5) Town of Clifton, Virginia;
- (6) Town of Herndon, Virginia;
- (7) Town of Vienna, Virginia;
- (8) Town of Warrenton, Virginia;
- (9) City of Manassas, Virginia;
- (10) Town of Leesburg, Virginia;
- (11) Town of Purcellville, Virginia;
- (12) Town of Dumfries, Virginia;
- (13) Town of Haymarket, Virginia;
- (14) Town of Middleburg, Virginia;
- (15) Town of Hillsboro, Virginia;
- (16) Town of Lovettsville, Virginia;
- (17) Town of Round Hill, Virginia;
- (18) City of Fredericksburg, Virginia or any two or more of the foregoing;

WHEREAS, the parties hereto desire to enter an Agreement for the purpose of the reestablishment of the Northern Virginia Cigarette Tax Board for the joint administration, collection and enforcement of their respective Cigarette Tax Ordinances pursuant

to the provisions of these ordinances and Section 15.2-1300 and 58.1-3832, *et seq.*, of the Code of Virginia, (1950), as amended;

NOW THEREFORE, the parties enter into the following agreement, which hereby revokes and replaces any prior similar agreements between or among the parties.

1. **NAME AND DURATION**

The Board shall be called the Northern Virginia Cigarette Tax Board. Its duration shall be perpetual, subject to the provisions of Paragraph 8 hereof.

2. **MEMBERSHIP AND VOTING POWERS**

The Board shall be composed of one representative from each jurisdiction hereinbefore named or later added with consent of the Northern Virginia Cigarette Tax Board. Said representative may designate an alternate to attend meetings and vote in his or her place; however, each jurisdiction shall be entitled to only one vote. Action of the Board shall be by majority vote.

3. **OFFICERS AND MEETINGS**

Each year, the Board shall elect a Chairman, Vice-Chairman and Secretary/Treasurer, who shall serve at the pleasure of the Board. The Officers of the Board shall be chosen from the jurisdictional representatives. Said officers shall be empowered to sign in the name of the Board on all legal documents, including bank deposits and withdrawals. The Board shall meet from time to time as deemed necessary by the Chairman.

4. **POWERS OF THE BOARD**

The Board shall be delegated the following powers:

- a. Assessment, collection and disbursement of the cigarette tax for each participating jurisdiction;
- b. Audit of the sale or use of cigarettes within each participating jurisdiction;
- c. Provision of information for criminal prosecution by the affected participating jurisdictions;
- d. Designation of an Administrator;
- e. Management of a general operating fund to ensure proper funding of Board operations on an ongoing basis;
- f. Employment of an Auditor;
- g. Designation of a depository bank or banks;
- h. Contracting with a member jurisdiction for provision of administrative services;
- i. To hold and convey personal property. The Board shall have no power to hold or convey real property;
- j. To enter into contracts;
- k. To hire, supervise and discharge its own employees;
- l. To contract for benefits for Board Employees; and
- m. Any other powers granted to the Board by the respective local ordinances and the Code of Virginia (1950), as amended.

5. **LIABILITY INSURANCE**

The Board shall maintain and have authority to secure insurance coverage as deemed appropriate. General liability insurance shall be maintained through a commercial policy, in limits of not less than \$500,000.00. Any liability in excess of the amounts of insurance coverage will be shared by the members of the Board proportionately based upon each jurisdiction's share of the number of taxable packs of cigarettes reported in the twelve (12) months preceding the incident which gave rise to the liability, as compared to the taxable packs of cigarettes reported during that same time period in all the participating jurisdictions.

6. **ADMINISTRATOR**

Normal routine duties of the Board in administration and supervision of the Cigarette Tax Ordinances shall be delegated to an Administrator, who shall be appointed by the Board to serve at the will of the Board under such terms and conditions as it deems appropriate. Actions and decisions of the Administrator shall bind the Board unless patently wrongful or the result of willful misconduct, but the Board may at anytime overrule a decision or action by the Administrator subject to lawful rights of third parties.

The duties of the Administrator shall include, but are not limited to, the following:

a. Preparation of annual administrative cost estimates;

b. As authorized by the Board, employment of or contracting for staff assistance, equipment and supplies; providing employee benefits; and the establishment and administration of a retirement system covering officers and employees of the Board not covered by the retirement systems of participating jurisdictions or the Commonwealth of Virginia;

c. Preparation of reports as the Board may require;

d. Authorization of disbursements from Board accounts including, but not limited to, disbursements to the participating jurisdictions.

7. **COLLECTION OF THE CIGARETTE TAX**

The cigarette tax shall be assessed and collected on the basis of the "reporting method" according to the respective ordinances and according to the rules, regulations and procedures adopted by the Board.

8. **DISBURSEMENT OF RECEIPTS, MANAGEMENT OF FUNDS**

a. Disbursements shall be made to each participating jurisdiction on a monthly basis. Prior to disbursement to jurisdictions, expenses for the month shall be deducted from total revenues and allocated to the jurisdictions proportionately based upon the number of taxable packs of cigarettes reported within the jurisdiction during the month as compared to the total number of taxable packs of cigarettes reported in all the participating jurisdictions. The disbursement to each participating jurisdiction shall be determined by the tax rate of the jurisdiction multiplied by the taxable packs of cigarettes reported within the jurisdiction, plus interest and penalties, plus the jurisdiction's proportional share of all other revenues, less discounts and proportional expenses.

b. Total expenses for the fiscal year shall not exceed six (6) percent of total Board revenues for that year. The Board may, by majority vote, authorize an increase in expenses not to exceed an amount greater than an additional one (1) percent of the total Board revenues for that year. The Board shall maintain an operating fund of \$25,000.00.

c. All monies shall be deposited in the name of the Northern Virginia Cigarette Tax Board. All checks drawn on Board accounts shall require signature by the Administrator and one Board Officer.

9. **TERMINATION**

a. In the event any participating jurisdiction decides, by ordinance, to terminate its participation in the Board, notice to the Board shall be given sixty (60) days prior to its date of termination. The terminating jurisdiction shall receive within thirty (30) days of its date of termination its share of total revenues less proportionate expenses, operating fund, and depreciated value of physical property used by the Board. The representative of such terminating jurisdiction shall not serve on the Board beyond the termination date.

b. In the event the number of jurisdictions which desire to continue to participate in the Board is less than two (2) in number, the Board shall be dissolved and shall cease to exist. In such event, the Board shall liquidate all assets and disburse to each jurisdiction participating at the time each such jurisdiction's share of the liquidated assets and all proceeds and monies held. Such distribution shall be based upon each jurisdiction's proportionate share of the number of taxable packs of cigarettes reported in the preceding twelve (12) months as compared to the taxable packs of cigarettes reported during that same time period in all the jurisdictions participating in the Board at the time the Board is dissolved.

10. **IMPLEMENTATION**

Each jurisdiction shall by ordinance signify its desire to be a member of the Board and its acceptance of the provisions of this Agreement.

This Agreement shall take effect upon the signature of the proper officials of any two (2) of the jurisdictions below and shall take effect as to any other jurisdiction upon signature of the proper official of such jurisdiction.



NORTHERN VIRGINIA CIGARETTE TAX BOARD AGREEMENT

SIGNATURE PAGE

Fairfax County, Virginia

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

City of Alexandria, Virginia

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

City of Falls Church, Virginia

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

City of Fairfax, Virginia

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

City of Manassas, Virginia

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

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Title

Town of Clifton, Virginia

By: \_\_\_\_\_

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Printed Name

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Title

Town of Dumfries, Virginia

By: \_\_\_\_\_

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Printed Name

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Town of Haymarket, Virginia

By:

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Printed Name

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Town of Herndon, Virginia

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Town of Leesburg, Virginia

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Town of Middleburg, Virginia

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Town of Purcellville, Virginia

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Town of Vienna, Virginia

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Town of Warrenton, Virginia

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Town of Hillsboro, Virginia

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Town of Lovettsville, Virginia

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Town of Round Hill, Virginia

By:

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Printed Name

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City of Fredericksburg, Virginia

By:

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Printed Name

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