

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
COMMONWEALTH OF VIRGINIA AND THE NORTHERN VIRGINIA
TRANSPORTATION AUTHORITY FOR REVENUE COLLECTION SERVICES**

WHEREAS, the 2007 Virginia General Assembly adopted and enacted into law House Bill 3202, 2007 Va. Acts Ch. 896 (“Chapter 896”);

WHEREAS, in accordance with §§15.2-4830 through 4840 of the *Code of Virginia* and Chapter 896, the Northern Virginia Transportation Authority’s (“The Authority”) powers and duties now include the power to impose taxes and fees, manage funds, and make appropriate disbursements for transportation projects and facilities as may be authorized by law;

WHEREAS, the 13th Enactment Clause of Chapter 896 requires the efficient and effective collection of the fees and taxes authorized by the Act for use by the Authority;

WHEREAS, the 13th Enactment Clause of Chapter 896 requires that the appropriate entities develop guidelines, policies and procedures for such collection and that such guidelines, policies and procedures be exempt from the Administrative Process Act but be made public at least 60 days prior to their implementation;

WHEREAS, in accordance with §2.2-211 the *Code of Virginia* defines the responsibilities of the Secretary of Finance and those responsibilities include the collection of revenues and distributing those revenues appropriately;

WHEREAS, in accordance with resolutions duly adopted by the Authority at its meeting held July 12, 2007, the Authority voted to impose the authorized taxes and fees in Chapter 896;

WHEREAS, in accordance with a resolution duly adopted by the Authority at its meeting held July 12, 2007, the Authority has established an account with the Local Government Investment Pool (LGIP) or its successor in its own name, and the Authority is able and equipped to receive, deposit, oversee, manage, control, and disburse funds in accordance with Chapter 896 and other applicable provisions of law; and

WHEREAS, the Secretary of Finance, in consultation and with advice from the Northern Virginia Transportation Authority, Secretary of Transportation, Secretary of Public Safety, and appropriate staff, has determined that the efficient and effective collection of certain fees and taxes authorized by Chapter 896 requires that certain agencies of the Commonwealth perform and or oversee such collection on the Authority’s behalf.

NOW THEREFORE, the parties do hereby agree as follows:

1. The Department of Taxation shall on behalf of the Authority administer, collect, and deposit the retail sales tax authorized pursuant to paragraph K of §58.1-605,

paragraph H of §58.1-606, and §58.1-625.1 of the *Code of Virginia* into the account of the Authority.

2. The Department of Motor Vehicles shall on behalf of the Authority administer, collect, deposit the additional annual license fee authorized pursuant to §46.2-755.1 of the *Code of Virginia* into the account of the Authority. The Secretary of Finance may, in consultation with the Authority and the Department, determine that the collection of such initial fee for vehicles already registered in Virginia that are moving into a county or city within the Authority for the first time using a third-party vendor is efficient and effective and is authorized (using the appropriate procurement entity and process) to do so.

3. The Department of Motor Vehicles shall on behalf of the Authority administer and deposit the initial registration fee authorized pursuant to §46.2-755.2 of the *Code of Virginia* into the account of the Authority. To assure the efficient and effective collection of the initial registration fee, the Department (and for automobile dealers, the Motor Vehicle Dealer Board) shall follow the same procedures as they currently use to collect the tax required pursuant to §58.1-2400 et. al. of the *Code of Virginia*. The Secretary of Finance may, in consultation with the Authority and the Department, determine that the collection of such fee using a third-party vendor for vehicles already registered in Virginia that are moving into a county or city within the Authority for the first time is efficient and effective and is authorized to contract with such vendor for such purpose.

4. The Department of State Police shall provide in an automated form no later than October 1st of each year the inspection information required by the Authority to collect the additional fee authorized pursuant to §46.2-1167.1 of the *Code of Virginia*. The Authority may, in consultation with the Secretary of Finance, determine that the collection of such fee, or the collection of delinquent fees from non-compliant Inspection Stations, using a third-party vendor is efficient and effective. Such vendor may be procured using the same contract as that entered into in Items 2 and 3. All costs incurred by the Commonwealth for these activities shall be paid in full by the Authority within 30 days of being presented a bill by the appropriate Department or entity.

5. The Department of Motor Vehicles shall on behalf of the Authority administer, collect, deposit the local rental car transportation fee authorized pursuant to §58.1-2402.1 of the *Code of Virginia* into the account of the Authority.

6. The Department of Motor Vehicles shall forward net revenues collected on behalf of the Authority on a monthly basis, no later than 30 days after close of the month in which the revenues were collected. The Department shall, prior to forwarding revenues to the Authority, retain its direct incremental costs of collecting any revenues on behalf of the Authority, subject to audit by the Authority and the Auditor of Public Accounts. When submitting revenues to the Authority, the Department, shall identify gross and net revenues collected on behalf of the Authority as well as the Department's costs of collecting such revenues.

7. The Authority shall have the right to assume the administration and collection of any or all taxes and fees included in Items 1 through 5 with appropriate notice to the Secretary of Finance and the Department(s) so affected. If a third-party vendor is collecting the taxes and fees, the notice shall be in accordance with terms of the contract. Any contract for the collection of the taxes and fees with a third-party vendor shall be assignable, in whole or in part, to a public entity.

8. The administration of the taxes and fees set forth in this agreement shall continue in force for the duration of the enabling authority granted under Chapter 896 and as long as the taxes and fees so adopted remain in force per resolution of the Authority. Except as specifically provided herein, this agreement shall be cancelled or amended only upon mutual written consent of the Secretary of Finance and the Authority.

9. Operational details concerning the administration, collection and deposit of the taxes and fees included in Items 1 through 5 are incorporated by reference and attached hereto as the *Northern Virginia Transportation Authority's HB 3202 Administrative Tax and Fee Guidelines*.

IN WITNESS WHEREOF, all concerned parties have executed this AMENDMENT on the day and year set forth below.