

**Blue Ridge Cigarette Tax Board (BRCTB)**  
**Tuesday, October 26, 2021**  
**11:00 am – 12:15 pm**

**Join Zoom Meeting**

<https://us02web.zoom.us/j/89622983823?pwd=MTFtdUFZekJpUzErbWcrSXpiSmF3Zz09>

**Meeting ID: 896 2298 3823**  
**Passcode: 175211**

<b>Call to Order, Welcome, Notice of Electronic Meeting, and Introductions</b>	<b>11:00 – 11:05</b>
<b>Organizational Matters</b>	<b>11:05 – 11:20</b>
Election of Chair, Vice-Chair and Secretary/Treasurer	
Meeting Schedule	
Additional Members Policy ( <i>see Section 10 of attached MOA</i> )	
<b>Discussion of Additional Jurisdictions to Join the Board (<i>if any</i>)</b>	<b>11:20 – 10:25</b>
<b>Appointment of Administrator</b>	<b>11:25 – 11:30</b>
<b>Action Items for consideration by the Board</b>	<b>11:30 – 12:00</b>
Authorizing endorsement of Tax Department/BRCTB MOU ( <i>attached</i> )	
Authorizing obtaining Liability Insurance policy	
Authorizing drafting of contract between BRCTB and Administrator	
Authorizing “sell-through” period of non-stamped product	
Authorizing registration/any fee for distributors	
Authorizing Compliance Officer position	
Authorizing development of any Reserve Fund Policy	
<b>Administrator Updates</b>	<b>12:00 – 12:10</b>
<b>Other Business</b>	<b>12:10 – 12:15</b>
<b>Adjournment</b>	

## BLUE RIDGE CIGARETTE TAX AGREEMENT

This Agreement, dated the \_\_\_\_ day of \_\_\_\_\_, 2021 is entered into by and between

- 1) The County of Albemarle, Virginia;
- 2) The County of Augusta, Virginia;
- 3) The City of Charlottesville, Virginia;
- 4) The County of Fluvanna, Virginia;
- 5) The County of Greene, Virginia;
- 6) The County of Madison, Virginia;
- 7) The County of Nelson, Virginia;
- 8) The County of Orange, Virginia;

or any six or more of the foregoing, and provides as follows:

WHEREAS, the parties hereto (the "Member Jurisdictions") desire to enter into an Agreement for the purpose of the establishment of the Blue Ridge Cigarette Tax Board (the "Board") for the joint administration, collection, and enforcement of their respective Cigarette Tax Ordinances pursuant to the provisions of these ordinances and § 15.2-1300 and §§ 58.1-3830, *et. seq.*, of the Code of Virginia, 1950, as amended.

NOW, THEREFORE, the parties hereby enter into the following agreement.

### 1. NAME AND DURATION

The Board shall be called the Blue Ridge Cigarette Tax Board. Its duration shall be perpetual, subject to the provisions of Paragraph 9 herein.

### 2. MEMBERSHIP AND VOTING POWERS

The Board shall be composed of one representative from each jurisdiction currently named herein and one representative from those jurisdictions later added with the consent of the

Board in conformity with Section 10. Said representative may designate an alternate to attend meetings and vote in his or her place. A majority of the representatives from the member jurisdictions shall constitute a quorum for transaction of business. Action of the Board shall be by majority vote of those present and voting, with the exception of adding new members to the Board, which shall require the approval by the majority of the entire Board membership. In all matters, each jurisdiction shall be entitled to only one vote.

### 3. OFFICERS AND MEETINGS

Each year, the Board shall elect a Chair, Vice-Chair, and Secretary/Treasurer, who shall serve for a term of one (1) year unless removed by majority action of the Board. The aforementioned officers shall be chosen from the members of the Board, and 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 needed, and shall meet at least quarterly, however, additional meetings may be called at any time by action of the Chair or upon the request of three (3) or more members by submitting such request to the Chair in writing.

The Board may adopt bylaws, procedural rules and other policies to regulate its affairs not inconsistent with this Agreement.

### 4. POWERS OF THE BOARD

The Board shall be delegated the following powers from the member jurisdictions:

- a. The power to assess, collect and disburse the cigarette taxes levied by and for each member jurisdiction;
- b. The power to audit the sale or use of cigarettes within each member jurisdiction;

- c. The power to provide information to the appropriate law enforcement agencies of the affected member jurisdictions for the purpose of prosecution of criminal violations of cigarette tax laws;
- d. The power to hire, supervise, discharge and manage an Administrator to oversee the day-to-day operations of the Board;
- e. The power to establish and manage general operating funds to ensure proper funding of Board operations on an ongoing basis;
- f. The power to employ auditors for review of the Board's finances, and employ accountants, legal counsel, and other advisors as the Board deems necessary or advisable to discharge its' duties;
- g. The power to designate one or more depository bank or banks for tax funds collected;
- h. The power to contract with the Thomas Jefferson Planning District Commission or one or more member jurisdictions for provision of administrative, fiscal and personnel services;
- i. The power to hold and convey personal property. The Board shall have no power to hold or convey real property;
- j. The power to enter into contracts, including without limitation the power to enter into contracts with public bodies;
- k. The power to contract for benefits for Board employees;
- l. Any other powers granted to the Board by other provisions of this Agreement, by the respective local ordinances of the member jurisdictions, and by the Code of Virginia (1950), as amended.

5. LIABILITY INSURANCE

The Board is hereby authorized and directed to maintain insurance coverage appropriate to the nature of the Board's operations. General liability insurance shall be maintained through a commercial general liability policy in limits of not less than One Million Dollars (\$1,000,000). The Board shall maintain worker's compensation coverage in at least the statutorily required minimum amounts.

6. ADMINISTRATOR

The Board shall appoint an Administrator, who shall be responsible for the normal, day-to-day operations of the Board in administration of the Cigarette Tax Ordinances adopted by each of the member jurisdictions. The Administrator shall serve at the pleasure of the Board and under such terms and conditions of employment as the Board shall deem appropriate, which may include the power of the Administrator to hire, train, discipline and discharge subordinate employees as needed to carry into effect the purposes and duties of the Board, contingent upon creation by the Board of such subordinate positions. The Administrator shall act as the chief employee of the Board, and shall answer to and be under the supervision of the Board. The Administrator shall attend Board meetings and report to the Board on expenditures of the Board, projected revenues, and other matters relevant to the efficient administration of the Board. The Board may adopt such contracting and purchasing policies as it may deem appropriate, consistent with the Virginia Public Procurement Act and other applicable laws and regulations, and delegate to the Administrator the authority and responsibility for administration thereof. The duties of the Administrator shall include, but are not limited to the following:

- a. Preparation of annual administrative cost estimates;

- b. Reporting to the Board with recommendations as to the creation of employment positions needed to carry into effect the purposes and duties of the Board;
- c. Hiring, management, evaluation, training, discipline and discharge of employees in such employment positions created by the Board;
- d. Contracting, with the approval of the Board, for equipment, supplies, employee health and retirement benefits and other benefits as approved by the Board;
- e. Preparation of such other reports as the Board may require;
- f. Review and authorization of disbursements from Board accounts, including without limitation regular disbursements of tax revenue from member jurisdictions.

7. COLLECTION OF THE CIGARETTE TAX

The cigarette tax shall be assessed and collected 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 member jurisdiction on a monthly basis. Prior to disbursement to member jurisdictions, expenses for the applicable period 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 period as compared to the total number of taxable packs of cigarettes reported in all the member jurisdictions. The disbursement to each member 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 assessed within the jurisdiction in question, plus the jurisdiction's proportional share of all other revenues, less discounts and proportional expenses.

- b. The Board shall adopt an annual budget and provide a copy thereof to each of the member jurisdictions. The Board shall establish an operating fund, taking into account the anticipated revenues and expenditures for each year.
- c. All monies shall be deposited in the name of the Blue Ridge Cigarette Tax Board. All checks drawn on Board accounts shall require the signature of the Administrator and at least one Board Officer.

9. TERMINATION

- a. In the event any member jurisdiction decides, by ordinance, to terminate its participation in the Board, notice thereof shall be given to the Board no fewer than sixty (60) days prior to the effective date of such termination. The terminating jurisdiction shall receive within thirty (30) days of the effective date of termination its proportionate share of total revenues less its proportionate share of expenses, operating fund, and depreciated value of tangible personal property owned by the Board. The representative of such terminating jurisdiction shall cease to be a member of the Board as of the effective date of the termination and thereafter the terminating jurisdiction shall have no rights to participate in the business or operations of the Board, and the terminating jurisdiction shall thereafter have sole rights and responsibility for collection and enforcement of its local cigarette tax.
- b. In the event the number of member jurisdictions is less than six (6) in number, the Board shall dissolve and cease to exist. In such event, the Board, prior to dissolution, shall liquidate all assets and disburse the proceeds to each member jurisdiction that has not previously received a payment pursuant to Paragraph 9(a). Such distribution shall be proportionate to the number of taxable packs of cigarettes reported in the

jurisdiction in question during the preceding twelve (12) months as compared to the taxable packs of cigarettes reported in the preceding twelve (12) months in all jurisdictions constituting the Board at the time of dissolution.

10. IMPLEMENTATION

Each member jurisdiction shall by ordinance signify its desire and agreement to become a member of the Board and its acceptance of the provisions of this Agreement. This Agreement shall become effective upon the adoption of such ordinances and execution of this agreement by any six (6) of the jurisdictions below, and thereafter any other jurisdiction named below may join as a member upon the adoption of such ordinance and execution by its authorized representative, and upon payment of any shared expenses as may be determined by the Board. Upon such execution and payment, this agreement shall become operative as to the jurisdiction in question.

Jurisdictions other than those named below may be added to the Board upon agreement of a majority of the Board, and upon adoption of an ordinance by the governing body of the jurisdiction to be added, execution of this Agreement, and payment into the Board of any shared expenses as may be determined by the Board.

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Albemarle, Virginia**

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Title

Approved as to form:

\_\_\_\_\_  
County Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Augusta, Virginia**

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Signature

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Printed Name

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Title

Approved as to form:

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County Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The City of Charlottesville, Virginia**

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Title

Approved as to form:

\_\_\_\_\_  
City Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Fluvanna, Virginia**

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Signature

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Printed Name

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Title

Approved as to form:

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County Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Greene, Virginia**

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Signature

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Printed Name

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Title

Approved as to form:

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County Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Madison, Virginia**

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Signature

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Printed Name

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Title

Approved as to form:

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County Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Nelson, Virginia**

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Signature

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Printed Name

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Title

Approved as to form:

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County Attorney

**BLUE RIDGE CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE**

**The County of Orange, Virginia**

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Title

Approved as to form:

\_\_\_\_\_  
County Attorney



**MEMORANDUM OF UNDERSTANDING BY AND BETWEEN  
BLUE RIDGE CIGARETTE TAX BOARD  
AND  
THE VIRGINIA DEPARTMENT OF TAXATION**

This Memorandum of Understanding (MOU) is entered into by and between the Blue Ridge Cigarette Tax Board and the Virginia Department of Taxation (Virginia Tax). The effective date of this MOU is established by the date of execution. In consideration of the mutual covenants, promises and agreements herein contained, Blue Ridge Cigarette Tax Board and Virginia Tax hereby agree to the following terms and conditions:

**I. Purpose**

The purpose of this MOU is to establish the process through which the dual cigarette revenue stamp will be administered by Virginia Tax and the Blue Ridge Cigarette Tax Board. This MOU shall provide for the collection and transfer of the dual cigarette revenue stamp and any reporting requirements required between Virginia Tax and the Blue Ridge Cigarette Tax Board.

**II. Duties of the Parties**

Blue Ridge Cigarette Tax Board

1. Provide Virginia Tax with documentation that the board has been established before or at the time of signing this MOU. Ensure that each locality that is a participant of the board has enacted an ordinance(s) allowing the collection of cigarette revenue tax. Provide Virginia Tax with copies of each local ordinance within five (5) business days of adoption of such ordinance(s).
2. Collect the local tax in arrears using the roll numbers provided as noted in Section 2(B) under Virginia Tax duties below and in conjunction with administrative and reporting tasks completed by Blue Ridge Cigarette Tax Board.
3. Provide a listing of authorized stamping agents to purchase Blue Ridge Cigarette Tax Board dual stamps by email to designated Virginia Tax representatives.
  - a. The Blue Ridge Cigarette Tax Board may issue their own permit numbers or may state that all permitted Virginia Tax stamping agents are authorized to purchase Blue Ridge Cigarette Tax Board dual stamps.

- b. The listing of agents must include stamping agent name, stamping agent address, and assigned Blue Ridge board permit number.
  - c. Immediately notify Virginia Tax of any stamping agent who is no longer authorized to purchase Blue Ridge Cigarette Tax Board dual stamps.
4. Notify Virginia Tax of any requirements related to the sale of the Blue Ridge Cigarette Tax Board dual stamp to include but not limited to:
  - a. Stamp serial roll number range requirements.
  - b. Any Blue Ridge Cigarette Tax Board forms that must accompany the purchase of this dual stamp.
  - c. All ad hoc reporting requirements.
  - d. Stamp security features that are not part of the Virginia Tax revenue stamp.
5. Reimburse Virginia Tax for the cost of the Blue Ridge Cigarette Tax Board's dual stamps, including any additional production charges or fees, within 30 days of the Meyercord invoice date.
6. Maintain all records for cigarette tax stamp sales for at least seven years.

#### Virginia Tax

1. Procure and inventory the Blue Ridge Cigarette Tax Board dual revenue stamp, and ensure stamp inventory levels that meet or exceed purchase demand.
2. Sell Blue Ridge Cigarette Tax Board dual stamps to include walk-in purchases at any site with this stamp in inventory or via shipment using the stamping agent's designated courier.
  - a. Sales are to be transacted under requirements listed in this MOU.
  - b. Send a weekly email to the Blue Ridge Cigarette Tax Board with stamp serial roll numbers purchased by stamping agents. The notification must include stamping agent name, stamping agent permit number, and roll numbers purchased. Virginia Tax shall attach the Blue Ridge Cigarette Tax Board's supplemental order form to the email notification.
3. Provide all requested ad hoc reporting.
4. Ensure all revenue stamps are securely stored using measures established by Virginia Tax.
5. Notify the Blue Ridge Cigarette Tax Board of any of their dual stamps lost in transit to either a stamping agent via their courier or while in route to one of the localities that sell our revenue stamps.
6. Include the Blue Ridge Cigarette Tax Board on any discussions involving vendor, stamp rate, or procedural changes.
7. Invoice the Blue Ridge Cigarette Tax Board for all stamp purchases of this dual stamp from our vendor.

8. Virginia Tax will pay the stamp vendor invoice for stamp purchases.
9. Virginia Tax will in turn invoice the Blue Ridge Cigarette Tax Board for the cost of those dual stamps as listed on the invoice.
10. Maintain all records for cigarette tax stamp sales for at least seven years.

**Both Parties**

1. Shall grant respective personnel access to offices, documentation, and staff for the purpose of assessing compliance with the terms of this MOU.
2. Shall cooperate fully with any inquiry, audit, inspection, or investigation conducted for the purpose of ensuring compliance with this MOU.

**III. Costs**

Each Party will be responsible for its own costs associated with the performance of this MOU.

**IV. Party Contacts**

The parties identify the following individuals as their points of contact for operational and administrative questions or concerns and as their representatives to receive notice under this MOU:

**Virginia Tax:**

**Board:**

Name: Reggie Williams  
 Title: Director, Revenue Accounting  
 and Fiscal Services

Name: David C. Blount  
 Title: Blue Ridge Cigarette Tax Board

Address: Virginia Dept. of Taxation  
 600 East Main Street  
 Richmond, Virginia 23219

Address: 401 E Water Street  
 Charlottesville, VA 22902

Phone: (804) 786-2004  
 Fax: (804) 786-3911  
 Email: Reggie.williams@tax.virginia.gov

Phone: (434) 422-4820  
 Email: dblount@tjpd.org

The Parties may change the individual identified to receive notice or any of the contact information by giving the other party notice of such change in accordance with section V, below. The Parties agree that, should the designated person cease to be the appropriate representative, such Party shall appoint a new contact and notify the other party within five (5) business days of the change.

**V. Notice**

Any notice given under the MOU shall be in writing and shall be delivered to the person indicated in section IV above. The written notice may be delivered in accordance with Section IV:

1. In person to the party contact with confirmation in writing, or
2. To the e-mail address listed, or
3. To the party contact by first class U.S. mail, registered, certified mail, or overnight courier service.

**VI. Termination**

This MOU shall become effective as of the date when both parties have signed it, and shall remain in effect until terminated. Either party may terminate this MOU by providing written notice to the other party. Notice of termination shall be provided in accordance with Section V above.

**VII. Amendments**

This MOU may be modified in writing from time to time as deemed mutually desirable and acceptable to the parties.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed by their authorized representatives intending to be bound by the terms and conditions set forth herein.

**Virginia Department of  
Taxation**

**Blue Ridge Cigarette Tax Board**

By: \_\_\_\_\_  
Tax Commissioner

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Blue Ridge Cigarette Tax Board (BRCTB)**

**Ordinance/MOA Adoption, Board Rep, Tax Rates**

**Status of Local Jurisdiction Action**

<b>Locality</b>	<b>Meeting Schedule</b>	<b>Date Considered Ordinance and Resolution to Join</b>	<b>Action</b>	<b>Representative to BRCTB</b>	<b>Date of Levy Hearing</b>	<b>Action on Cigarette Tax Rate</b>
Albemarle	1 <sup>st</sup> /3 <sup>rd</sup> Wed	Sept 1	Approved (6-0)	Jen Lian (Chief of Rev. Admin)	Oct 20	.40/pack (6-0)
Augusta	2 <sup>nd</sup> /4 <sup>th</sup> Wed	Sept 8	Approved (6-1)	Jennifer Whetzel (Deputy CA)	Sept 8	.15/pack (4-3)
Charlottesville	1 <sup>st</sup> /3 <sup>rd</sup> Mon	Oct 4	Approved (4-1)	Todd Divers (Comm of Rev)	NA	.55/pack (NA)
Fluvanna	1 <sup>st</sup> /3 <sup>rd</sup> Wed	Sept 15	Approved (4-1)	Eric Dahl (CA)	Nov 17	
Greene	2 <sup>nd</sup> /4 <sup>th</sup> Tues	Sept 14	Approved (5-0)	Mark Taylor (CA)	TBD	
Madison	2 <sup>nd</sup> /4 <sup>th</sup> Tues	Oct 12	Approved (5-0)	Jonathon Weakley (CA)	Oct 12	.40/pack (5-0)
Nelson	2 <sup>nd</sup> Tues	Sept 14	Approved (3-1)	Jesse Rutherford (BOS)	Nov 9	
Orange	2 <sup>nd</sup> /4 <sup>th</sup> Tues	Sept 14	Approved (5-0)	Ted Voorhees (CA)	TBD	
Town of Madison	1 <sup>st</sup> Thurs					



BLACK  
ORANGE

THIS PRESENTATION PROPERTY OF  
**MEYERCORD REVENUE INC.**  
CAROL STREAM, ILLINOIS

BRCTB2030A-001

DATE 10/06/21

PROOF 1

TAGGANT

VIRGINIA TOBACCO TAX VIRGINIA TOBACCO TAX  
VIRGINIA TOBACCO TAX VIRGINIA TOBACCO TAX

WATERMARK

**MEYERCORD**  
Graphic Arts **Design Proof**  
For Design Elements & Size Only - Not for Color Match.

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Authorized Customer Signature \_\_\_\_\_ Date: \_\_\_\_\_