

**WYTHE COUNTY ORDINANCE 2021-2****AN ORDINANCE APPROVING THE FORMATION OF A JOINT ENTITY TO BE KNOWN AS THE MOUNT ROGERS CIGARETTE TAX BOARD AND BESTOWING ON SUCH ENTITY ALL POWERS NECESSARY AND PROPER FOR THE PERFORMANCE OF ITS DUTIES AS PROVIDED BY LAW**

**WHEREAS**, pursuant to the authority granted to localities under § 15.2-1300 of the Code of Virginia, 1950, as amended, the Board of Supervisors of Wythe County, Virginia, has determined that it would serve the public interest to establish a joint entity to be known as the Mount Rogers Cigarette Tax Board (the "Board") in order to efficiently administer the collection, accounting, disbursement, compliance monitoring and enforcement of cigarette taxes assessed by the localities desiring to join the Board; and

**WHEREAS**, the Wythe County Board of Supervisors has reviewed an agreement establishing the Board and defining its' powers, duties and other procedures, the text of which is attached hereto and incorporated herein as "Exhibit A," and is in agreement with the terms as set forth therein; and,

**WHEREAS**, the aforementioned agreement provides that it shall become effective upon the approval by the governing bodies of at least two (2) localities within the Mount Rogers Planning District and the execution of said agreement by their authorized representatives; and,

**WHEREAS**, the Wythe County Board of Supervisors wishes to authorize the formation of the Board with the Wythe County as a member thereof, and authorize the execution of said agreement by the County Administrator on its behalf.

**NOW WHEREFORE**, the Board of Supervisors of Wythe County, Virginia, hereby **ORDAINS AS FOLLOWS**:

1. Under authority of 15.2-1300, and upon the approval and execution of two (2) or more localities within the Mount Rogers Planning District, there is hereby created and established the Mount Rogers Cigarette Tax Board, which shall act as the agent of the localities for the administration of their respective cigarette tax ordinances.
2. The agreement, attached hereto as Exhibit A, is hereby **APPROVED** and the County Administrator is authorized to execute the same on behalf of the governing body; and
3. The powers and authority of the Board, as set forth in the agreement are hereby **APPROVED**.

**Wythe County Ordinance 2021-2  
Mount Rogers Cigarette Tax Board**

This Ordinance shall be effective April 1, 2021.

<b>Member</b>	<b>Vote</b>
Brian W. Vaught	Yes
Rolland R. Cook	Yes
Ryan M. Lawson	Yes
James D. Smith	Yes
Coy L. McRoberts	Yes
B.G. "Gene" Horney, Jr.	Yes
Stacy A. Terry	Yes

Adopted this the 23<sup>rd</sup> day of March, 2021.

Attest:

  
\_\_\_\_\_  
Martha G. Collins, Wythe County Clerk

## MOUNT ROGERS AREA CIGARETTE TAX AGREEMENT

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

- 1) The City of Galax, Virginia;
- 2) The County of Carroll, Virginia;
- 3) The County of Grayson, Virginia;
- 4) The County of Wythe, Virginia;
- 5) The Town of Hillsville, Virginia;
- 6) The Town of Independence, Virginia;
- 7) The County of Smyth, Virginia;
- 8) The County of Bland, Virginia;
- 9) The County of Washington, Virginia;
- 10) The Town of Rural Retreat, Virginia
- 11) The Town of Wytheville, Virginia
- 12) The Town of Chilhowie, Virginia
- 13) The Town of Marion, Virginia
- 14) The Town of Saltville, Virginia

or any two 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 Mount Rogers 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 Mount Rogers Cigarette Tax Board. Its duration shall be perpetual, subject to the provisions of Paragraph 8 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. The chief administrative officer of each of the member jurisdictions (County Administrator, City Manager or Town Manager, as applicable) shall constitute that jurisdiction's Board representative, and such officer may designate an alternate to attend meetings and vote in his or her place by written notice delivered to the Board Chair prior to the meeting at which the alternate will attend. 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. Minutes shall be kept for all meetings in conformity with the Virginia Freedom of Information Act.

#### 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 the member jurisdiction's cigarette tax laws and ordinances;
- 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 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 for the availability and provision of office and storage space, office and other equipment, and for the use of motor vehicles;
- k. The power to hire, supervise and discharge such other employees as the Board may deem necessary or expedient to carry out its duties and powers;
- l. The power to contract for benefits for Board employees;
- m. 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 Mount Rogers 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 two (2) 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 two (2) of the jurisdictions below, and thereafter any 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 by 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.

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**MOUNT ROGERS CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE.**

The City of Galax, Virginia

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Signature

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

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Title

The County of Grayson, Virginia

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Signature

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Printed Name

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Title

The County of Smyth, Virginia

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Signature

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Printed Name

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Title

The County of Carroll, Virginia

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Printed Name

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Title

The County of Bland, Virginia

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Signature

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Printed Name

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Title

The County of Wythe, Virginia

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Signature

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Printed Name

\_\_\_\_\_  
Title

SIGNATURES CONTINUED ON FOLLOWING PAGE

**MOUNT ROGERS CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE  
(contd.)**

The Town of Hillsville, Virginia

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Signature

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Printed Name

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Title

The Town of Independence, Virginia

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Printed Name

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Title

The Town of Rural Retreat, Virginia

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Printed Name

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Title

The Town of Wytheville, Virginia

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Signature

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Printed Name

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Title

The County of Washington, Virginia

\_\_\_\_\_  
Signature

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Printed Name

\_\_\_\_\_  
Title

The Town of Chilhowie, Virginia

\_\_\_\_\_  
Signature

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

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Title

SIGNATURES CONTINUED ON FOLLOWING PAGE

**MOUNT ROGERS CIGARETTE TAX BOARD AGREEMENT SIGNATURE PAGE  
(contd.)**

The Town of Marion, Virginia

The Town of Saltville, Virginia

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Signature

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Signature

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Printed Name

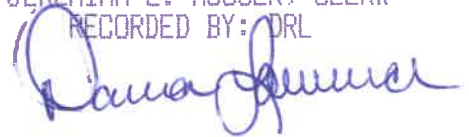
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RECORDED IN THE CLERK'S OFFICE OF  
WYTHE CIRCUIT COURT ON  
MAY 11, 2021 AT 11:09 AM  
JEREMIAH E. MUSSER, CLERK  
RECORDED BY: DRL

A handwritten signature in blue ink, appearing to read "Dana J. Musser", is written over the printed text "RECORDED BY: DRL". The signature is fluid and cursive.