

Treasury Process for Payment of NVTA Taxes and Fees Collected

The following process is recommended for the reimbursement of NVTA taxes and fees collected specifically for (1) 2% Vehicle Rental Tax; (2) 5% Motor Vehicle Repair and Service Tax; (3) \$10 safety Inspection Fee; and (4) 2% transient Occupancy Tax collected by the Northern Virginia Transportation Authority pursuant to Chapter 896 of the 2007 Acts of Assembly that were subsequently ruled unconstitutional by the Virginia Supreme Court.

1. Treasury to be authorized to receive specific taxes and fees noted above from the NVTA through language in the Budget Bill authorizing the receipt of funds and reimbursements to owners.
2. Such funds collected are to be received in total from NVTA without deduction of any kind.
3. NVTA will assist Treasury in identifying vendors that collected such funds so that Treasury can use this information in its review process for validating claims. Such processing and review will be subject to Treasury's internal and external audit process.
4. Treasury will segregate such categories of taxes and fees received on its database.
5. A general communication is to be advertised in the areas impacted to refer claimants to Treasury's website. (Treasury can assist with distribution of press communications through its contract with Virginia Press Service to identify newspapers in each locality impacted.)
6. Treasury will set up a page on its website for the reimbursement processing of such taxes and fees.
7. The Treasury website will include a form to be completed by each claimant with instructions and requirements. Each claimant will complete a claim form on-line, which will be electronically entered into the database. Claimant will then be asked to print the claim form, sign it, attach supporting documentation and mail to Treasury to a specific post office box established for this purpose.
8. For claimants that do not have access to the Internet, such communications will refer potential claimants to write to Treasury's specific post office box to request a claim form and Treasury will mail claimant a claim form with instructions. It would also be helpful if NVTA could distribute claim forms to the public.
9. Treasury will review each claim for proper identification of the claimant to be reimbursed and supporting documentation.
10. Treasury will create a payment file for the Comptroller's review.
11. Comptroller to review payment file, approve and send check-write file to Treasury to process.
12. Treasury will prepare a general warrant check and mail to claimant.
13. State Comptroller shall be asked for approval such that no reimbursement to a claimant shall be subject to the Virginia debt setoff program requirements.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: The Honorable C. Zimmerman, Chairman, and Members
Northern Virginia Transportation Authority

FROM: John Mason, Executive Director

SUBJECT: **Resolution – Providing for the Cessation of Taxes and Fees and for a Refund Process**

DATE: March 4, 2008

ISSUE(S): Confirm NVTA's cessation of collection of taxes and fees and establishment of a process for refunding taxes and fees paid to NVTA.

RECOMMENDATION: **Approve Resolution 20-08, confirming the cessation of collection of NVTA's taxes and fees and providing conceptual approaches to refunding of revenues received.**

PROPOSED MOTION: *Mr. Chairman, I move approval of Resolution 20-08 with its confirmation of the cessation of the collection of taxes and fees and instruction to develop a refund process.*

SUMMARY:

- Following Supreme Court decision that General Assembly's action in delegating taxing authority to NVTA is unconstitutional, the Commonwealth immediately followed up by directing state agencies that collected taxes to cease collections.
- NVTA ceased collections on March 3. This action confirms that cessation.
- Next step is refunding of paid taxes/fees. Attachment A to resolution provides alternative approaches and next steps to develop a refund process.

FISCAL IMPACT: Significant; however details unknown at this time. State funding will be required.

COORDINATION:

- Secretary of Transportation and Staff
- Council of Counsels
- K. Greenlief, S. Kalkwarf, T. Biesiadny
- S. York, Chr, Finance Committee

ATTACHMENT: Resolution 20-08

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: The Honorable C. Zimmerman, Chairman, and Members
Northern Virginia Transportation Authority

FROM: John Mason, Executive Director

SUBJECT: **Resolution – Urging General Assembly To Take Expeditious Action
To Provide Funding for the NVT A**

DATE: March 5, 2008

ISSUE(S): Need to re-establish funding stream for NVT A

RECOMMENDATION: **Approve Resolution 21-08, urging General Assembly
action to re-establish dedicated funding.**

PROPOSED MOTION: *Mr. Chairman, I move approval of Resolution 21-08.*

SUMMARY:

- Following Supreme Court decision that General Assembly’s action in delegating taxing authority to NVT A is unconstitutional, the Commonwealth immediately followed up by directing state agencies that collected taxes to cease collections.
- NVT A ceased collections on March 3.
- Immediate action by General Assembly is needed to re-establish dedicated funding for NVT A.

FISCAL IMPACT: None as a result of approving this resolution.

COORDINATION:

- Council of Counsels
- T. Biesiadny

ATTACHMENT: Resolution 21-08