

**AT A MEETING OF THE GLOUCESTER COUNTY BOARD OF SUPERVISORS, HELD ON THURSDAY, APRIL 30, 2026, AT 6:00 P.M., IN THE COLONIAL COURTHOUSE AT 6504 MAIN STREET, GLOUCESTER, VIRGINIA ON A MOTION MADE BY \_\_\_\_\_, AND SECONDED BY \_\_\_\_\_, THE FOLLOWING RESOLUTION WAS ADOPTED BY THE FOLLOWING VOTE:**

Nicholas A. Bonniville, \_\_\_;  
Ashley C. Chriscoe, \_\_\_;  
Shannon L. Hanson, \_\_\_;  
Christopher A. Hutson, \_\_\_;  
Joseph A. Leming, \_\_\_;  
Michael A. Nicosia, \_\_\_;  
Robert J. Orth, \_\_\_;

**AN ORDINANCE TO BECOME A MEMBER OF THE CHESAPEAKE BAY REGION CIGARETTE TAX BOARD AND APPROVE THE CHESAPEAKE BAY REGION CIGARETTE TAX AGREEMENT**

**WHEREAS**, on April 13, 2026, following a duly advertised and conducted public hearing, the Gloucester County Board of Supervisors adopted an ordinance to levy a cigarette tax pursuant to Va. Code § 58.1-3830 (the “Cigarette Tax”) and to codify that tax in the Gloucester County Code, adding thereto Chapter 16, Article IX – Cigarette Tax; and

**WHEREAS**, for purposes of administering the Cigarette Tax, Gloucester County wishes to become a member of the Chesapeake Bay Region Cigarette Tax Board (the “Board”) and to approve the Chesapeake Bay Region Cigarette Tax Agreement (the “Agreement”); and

**WHEREAS**, paragraph 10 of the Agreement requires the adoption of an ordinance to signify the desire of Gloucester County to be a member of the Board and to accept the provisions of the Agreement.

**NOW, THEREFORE, BE IT ORDAINED** by the Gloucester County Board of Supervisors this 30th day of April, 2026, that Gloucester County desires to become a member of the Chesapeake Bay Region Cigarette Tax Board, effective immediately; does approve and accept the provisions of the Chesapeake Bay Region Cigarette Tax Agreement; and does authorize the Chair or the Vice-Chair to execute the Agreement on behalf of the County.

A Copy Teste:

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George Bains, Interim County Administrator

## **CHESAPEAKE BAY REGION 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) Westmoreland County, Virginia;
- (2) Lancaster County, Virginia;
- (3) Middlesex County, Virginia;
- (4) Essex County, Virginia;
- (5) Accomack County, Virginia;
- (6) Northampton County, Virginia;
- (7) Town of Montross, Virginia;
- (8) Town of Colonial Beach, Virginia;
- (9) Town of Urbanna, Virginia;
- (10) Town of Warsaw, Virginia;
- (11) Town of Chincoteague, Virginia;
- (12) Richmond County, Virginia;
- (13) Northumberland County, Virginia;
- (14) Town of Bowling Green, Virginia;
- (15) Town of Port Royal, Virginia;
- (16) King William County, Virginia;
- (17) Town of Tappahannock, Virginia;
- (18) Town of Accomac, Virginia;
- (19) Town of West Point, Virginia
- (20) County of King and Queen, Virginia,
- (21) Gloucester County, Virginia, or any two or more of the

foregoing;

WHEREAS, the parties hereto desire to enter an Agreement for the purpose of the establishment of the Chesapeake Bay Region 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:

1. **NAME AND DURATION**

The Board shall be called the Chesapeake Bay Region 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 Chesapeake Bay Region 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. Provide guidance and oversight to the designated Administrative/Fiscal Agent;
- e. Management of a general operating fund to ensure proper funding of Board operations on an ongoing basis;
- f. Designation of a depository bank or banks;
- g. To hold and convey personal property. The Board shall have no power to hold or convey real property;
- h. To enter into contracts;
- i. 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. **Operational Provisions**

The Northern Neck Planning District Commission (NNPDC) is designated as the administrative/fiscal agent. Normal routine duties of the Board in administration and supervision of the Cigarette Tax Ordinances shall be delegated to the NNPDC. Actions and decisions of the NNPDC shall bind the Board unless patently wrongful or the result of willful misconduct, but the Board may at any time overrule a decision or action by the NNPDC subject to lawful rights of third parties. The duties of the Administrative/Fiscal Agent 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 including providing employee benefits, and, equipment and supplies.
- 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.

Each member jurisdiction will be charged a fee of 5% of the tax revenue to cover the NNPDC cost to act as administrative/fiscal agent as described above. In the event that the NNPDC costs exceed the amount collected from the 5% fee, each jurisdiction will be charged its pro-rata share of that amount based on its tax revenues as a percentage of the total tax revenues from all member jurisdictions collected.

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**

Disbursements shall be made to each participating jurisdiction on a monthly basis. Prior to disbursement to jurisdictions, the 5% administrative fee 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.

All monies shall be deposited in the name of the Chesapeake Bay Region Cigarette Tax Board. All checks drawn on Board accounts shall require signature by the NNPDC Executive Director and a 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.

Westmoreland County, VA

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

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

\_\_\_\_\_  
Title

Lancaster County, VA

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

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

\_\_\_\_\_  
Title

Middlesex County, VA

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

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

\_\_\_\_\_  
Title

Essex County, VA

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

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

\_\_\_\_\_  
Title

Town of Montross, VA

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

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

Town of Colonial Beach, VA

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

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

\_\_\_\_\_  
Title

Town of Urbanna, VA

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

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

\_\_\_\_\_  
Title

Town of Warsaw, VA

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

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

\_\_\_\_\_  
Title

County of Accomack, VA

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

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

\_\_\_\_\_  
Title

County of Northampton, VA

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

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

Town of Chincoteague, VA

\_\_\_\_\_  
Title

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

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

\_\_\_\_\_  
Title

Richmond County, VA

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

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

\_\_\_\_\_  
Title

Northumberland County, VA

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

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

\_\_\_\_\_  
Title

Town of Bowling Green, VA

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

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

\_\_\_\_\_  
Title

Town of Port Royal, VA

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

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

\_\_\_\_\_

King William County, VA

Title

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

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

\_\_\_\_\_  
Title

Town of Tappahannock, VA

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

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

\_\_\_\_\_  
Title

Town of Accomac, VA

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

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

\_\_\_\_\_  
Title

Town of West Point, VA

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

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

\_\_\_\_\_  
Title

County of King and Queen, VA

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

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

\_\_\_\_\_  
Title

Gloucester County, VA

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

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

\_\_\_\_\_  
Title