1999 Session

Budget Bill - HB1450 (Chapter 935)

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Department of Taxation

Item 293.10	First Year - FY1999	Second Year - FY2000
Public/Private Partnership (74700)	***$2,200,000***	***$17,360,400***
General Management and Direction (74701)	*$490,000*	*$1,736,400*
Public/Private Partnerships for Revenue Administration (74702)	*$1,710,000*	*$15,624,000*
Fund Sources:		
General	*$300,000*	*$0*
Special	*$1,900,000*	*$17,360,400*

Authority: § 58.1-202.2, Code of Virginia.

1. Pursuant to § 58.1-202.2, Code of Virginia, the Tax Commissioner is hereby authorized, through the Department of General Services in accordance with the Virginia Public Procurement Act, to enter into public/private partnership contracts to finance technology needs and related goods and services. Compensation for all goods and services to be provided under a contract shall be paid exclusively from increased revenue, including, without limitation, denied refunds and reduced interest on refunds attributable to the revenue generating portion of the goods and services provided by the contractor, and need not otherwise be computed with reference to such increased revenue. An external oversight group to include but not be limited to the State Comptroller, the Director of the Department of Planning and Budget, the State Internal Auditor, one representative appointed by the President pro tempore, and one representative appointed by the Speaker shall review and approve the terms and contracts relating to the measurement of the revenue attributable to the technology.

2.a. The Tax Commissioner shall annually or more frequently determine the total amount of increased revenue attributable to such technology. Annually, the Tax Commissioner shall report to the Governor and the General Assembly on all such agreements and revenue impact. The State Comptroller is hereby authorized to deposit annually or more frequently such increased revenues attributable to such technology into a nonreverting Technology Partnership Fund, from which the private partner shall be paid. The Tax Commissioner may draw from such Fund as often as necessary to make contractually required payments to private partners. At the end of the contracts any balance in the Fund in excess of potential payment obligations under such contracts shall be deposited to the appropriate general, nongeneral, or local fund. Notwithstanding the provisions of § 58.1-202.2, Code of Virginia, the Tax Commissioner is authorized to expend up to ten percent of the moneys deposited into the Fund, an amount estimated at $190,000 during the first year, and an amount estimated at $1,736,400 during the second year, to support expenses incurred by the Department attributable to the public-private partnership.

b. The Tax Commissioner shall submit to the Department of Planning and Budget by August 1, 1999, and annually thereafter, a spending plan for the Department's share of the Fund. The Department of Planning and Budget shall allot the Department's share of the Fund quarterly, subject to the prior approval of the Department's spending plan. The Department of Planning and Budget shall monitor compliance with the Department's approved spending plan.

3. An initial project plan review and periodic progress reviews will be conducted by an independent contractor on the Public/Private Partnership Project authorized by § 58.1-202.2, Code of Virginia. Included in the amount for

Revenue Law and Compliance is $300,000 the first year from the general fund for the completion of the initial project plan review. The periodic progress reviews will be conducted at a schedule determined by the Tax Commissioner and funded from proceeds deposited into the Technology Partnership Fund. The general fund will be reimbursed $300,000 from available balances in the Fund.