



## MEMORANDUM OF UNDERSTANDING

Purpose: To establish an equitable and competitive data center equipment tax rate and depreciation schedule to be implemented within the Lonesome Pine Regional Industrial Facilities Authority region. The criteria, eligibility, and implementation of the Virginia Data Center Retail Sales and Use Tax Exemption (DCRSUT Exemption) is structured through §58.1-609.3 (18) of the Code of Virginia.

This Memorandum of Understanding ("Agreement") is made on this 1<sup>st</sup> day of February 2021 and among Lonesome Pine Regional Industrial Facilities Authority member localities of the counties of Dickenson, Lee, Scott, and Wise and the City of Norton, and the Commissioners of Revenue ("Commissioners") of these respective members.

### **Agreement**


The Parties agree:

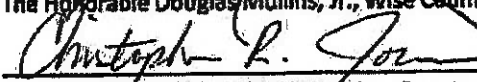
1. The Board of Supervisors/City Council of the participating counties and city agree to establish a tax rate for personal property of a data center at \$0.24 per \$100 of assessed value.
2. The Commissioners of the participating counties and city have agreed to utilize a uniform valuation and assessment ratio as follows:
  - a. **Valuation Method:** The Commissioners, in accordance with the authority granted by §58.1-3503 (17) of the Code of Virginia, declare for valuation purposes that computer equipment and peripherals used in a data center, as defined in a subdivision A 43 of §58.1-3506 of the Code of Virginia shall be valued by means of a percentage or percentages of original cost, or by such other method as may reasonably be expected to determine the actual fair market value.
  - b. **Depreciation Schedule:** The Commissioners, in accordance with the authority granted by the §58.1-3503 of the Code of Virginia, declare to adopt the following depreciation schedule for all property that meets the definition of a data center as described in subdivision A 43 of §58.1-3506 of the Code of Virginia:

Year 1	50%
Year 2	35%
Year 3	20%
Year 4	10%
Year 5	5%

Dissolution of Agreement

Any county/city or Commissioner who decides to end their participation in the Agreement must notify all other counties/city and Commissioners within 30 days of their intent to do so and such withdrawal shall be effective at the next following assessment date.

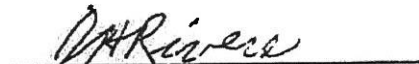
  
The Honorable Douglas Mullins, Jr., Wise County

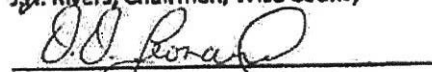
  
The Honorable Christopher Jones, Lee County

  
The Honorable Debbie Dockery, Scott County

  
The Honorable Michael Yates, Dickenson County

  
The Honorable Judy Miller, City of Norton

  
J.H. Rivers, Chairman, Wise County

  
D. D. Leonard, Chairman, Lee County

  
Danny P. Mann, Chairman, Scott County

  
Josh Evans, Chairman, Dickenson County

  
Joseph Fawbush, Mayor, City of Norton