

**Memorandum of Agreement between the Virginia Department of Taxation
and Department of Motor Vehicles**

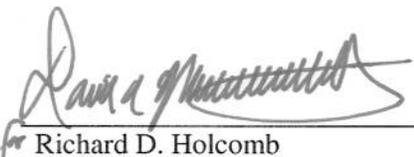
In accordance with Virginia Code Section 58.1-1736, the Virginia Department of Taxation (**TAX**) is required to administer and collect a motor vehicle rental tax (**MVRT**) on such vehicles subject to the tax under Virginia law.

TAX shall provide to the Department of Motor Vehicles (**DMV**) such tax information (**Tax Data**) as deemed necessary for TAX to effectively and efficiently carryout TAX's obligations to Virginia's taxpayers. Because such Tax Data is confidential, DMV and TAX agree to the following terms and conditions.

1. In no case will Tax Data include federal tax information received by TAX from the federal government and subject to federal safeguarding requirements.
2. DMV shall limit access to Tax Data to only those DMV employees, officers, and officials that have a need to use the information in performance of their responsibilities, obligations and duties as employees, officers, or officials of DMV.
3. With the exception of DMV's relationship with VITA/Northrop Grumman, and successor agencies and organizations, regarding Virginia's consolidated data center and technology operations, DMV shall be prohibited from sharing Tax Data with vendors, contractors, or other third-parties except as specifically authorized in writing by TAX.
4. DMV acknowledges that Tax Data shall be kept confidential and shall not divulge such information except as required by Federal or Virginia law.
5. DMV agrees not to commingle Tax Data with other records and at all times DMV will be able to identify and separate Tax Data from all other records maintained by DMV.
6. DMV agrees to implement all reasonable steps and procedures to safeguard Tax Data from any and all unauthorized accesses. These standards include, but shall not be limited to,:
 - a. Locking up or destroying Tax Data when not in use;
 - b. Never storing Tax Data on a temporary storage device such as a laptop, CD or flash drive;
 - c. Only storing Tax Data on a state server maintained by VITA;
 - d. Only e-mailing Tax Data (a) in an encrypted file; (b) to authorized employees, officers and officials at DMV; and (c) only using DMV's internal network; and
 - e. When the Tax Data is no longer needed, DMV shall either destroy the Tax Data and all backups by shredding, witness destruction, deleting the files and/or records, or by some other method approved by TAX, or return the Tax Data to TAX; and
 - f. Documenting such safeguard and destruction procedures and maintaining such documentation for a period of three years following the date of destruction.
7. DMV acknowledges that failure to properly secure and safeguard such Tax Data may subject DMV, as well as the officers, officials, agents and employees of DMV, to penalties and sanctions under Federal and Virginia law.
8. Transfer of Tax Data between TAX and DMV shall be in a format and channel as agreed to by DMV and TAX with the intent to secure the data during such transfer.
9. At any time during normal working hours, DMV shall grant TAX personnel and their agents access to DMV'S locations where such Tax Data is stored as well as to all records and electronic files containing Tax Data for the purpose of determining that all reasonable steps and procedures are in place to protect the confidentiality of the Tax Data and to ensure compliance with the safeguarding requirements included within this agreement.

10. If DMV suspects or determines an unauthorized release of Tax Data occurred, DMV shall immediately notify TAX of such unauthorized disclosure and allow TAX to both participate in the investigation of any and all incidents and exercise control over decisions regarding external reporting.
11. Each Party shall be responsible for the costs they incur in fulfilling their obligations under this MOA.
12. This MOA may be cancelled by either party for any reason upon 30 days written notice. Furthermore, this MOA may be immediately cancelled by either party for breach of any material provision upon written notice. All provisions related to the on-going safeguarding and use of Tax Data by DMV, as well as all provisions related to reporting of any suspected security breaches involving Tax Data, however, shall survive the termination of this MOA in perpetuity.
13. Both parties shall be in compliance with the most recent Commonwealth of Virginia (COV) Information Technology (IT) security policies, standards, and guidelines.
14. This MOA has no impact on any other agreements between DMV and TAX.

This MOA represents a cooperative understanding between the two agencies, as indicated by the representative signatures below. This MOA shall be effective upon the signature of both parties and shall remain in effect until modified by mutual consent or operation of law, or until cancelled by either party.

Signature:  _____ **Date:** 6/27/12
for Richard D. Holcomb
Commissioner
Virginia Department of Motor Vehicles

Signature:  _____ **Date:** 6/28/12
Craig M. Burns
Commissioner
Virginia Department of Taxation