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SENATE BILL NO. 255

Offered January 17, 2000

A BILL to amend and reenact §§ 15.2-2400, 15.2-2402, and 15.2-2403 of the Code of Virginia, relating to service districts.

Patron—Mims

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-2400, 15.2-2402, and 15.2-2403 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-2400. Creation of service districts.

Any locality may by ordinance, *or any two or more localities may by concurrent ordinances*, create service districts within the locality *or localities* in accordance with the provisions of this article. Service districts may be created to provide additional, more complete or more timely services of government than are desired in the locality *or localities* as a whole.

~~Prior to creating~~ Any locality seeking to create a service district, ~~the locality~~ shall have a public hearing ~~prior to the creation of the service district~~. Notice of such hearing shall be published once a week for three consecutive weeks in a newspaper of general circulation within the locality, and the hearing shall be held no sooner than ten days after the date the second notice appears in the newspaper.

§ 15.2-2402. Description of proposed service district.

~~The~~ Any ordinance or petition to create a service district shall:

1. Set forth the name and describe the boundaries of the proposed district and specify any areas within the district that are to be excluded;

2. Describe the *purposes of the district and the facilities and services* proposed within the district;

3. Describe a proposed plan for providing such facilities and services within the district; and

4. Describe the benefits which can be expected from the provision of such facilities and services within the district.

§ 15.2-2403. Powers of service districts.

After adoption of an ordinance *or ordinances* or the entry of an order creating a service district, the governing body *or bodies* shall have the following powers with respect to the service districts:

1. To construct, maintain and operate such facilities and equipment as may be necessary or desirable to provide additional, more complete or more timely governmental services within a service district, including but not limited to water supply, sewerage, garbage removal and disposal, heat, light, fire-fighting equipment and power and gas systems and sidewalks; economic development services; promotion of business and retail development services; beautification and landscaping; beach and shoreline management and restoration; control of gypsy moth infestations; public parking; extra security, street cleaning, snow removal and refuse collection services; sponsorship and promotion of recreational and cultural activities; upon petition of over fifty percent of the property owners who own not less than fifty percent of the property to be served, construction, maintenance and general upkeep of streets and roads that are not under the operation and jurisdiction of the Virginia Department of Transportation; and other services, events, or activities which will enhance the public use and enjoyment of and the public safety, public convenience, and public well-being within a service district. Such services, events or activities shall not be undertaken for the sole or dominant benefit of any particular individual, business or other private entity.

2. To provide, in addition to services authorized by subdivision 1, transportation and transportation services within a service district, including, but not limited to: public transportation systems serving the district; transportation management services; rehabilitation and replacement of existing transportation facilities or systems; and sound walls or sound barriers.

3. To acquire in accordance with § 15.2-1800, any such facilities and equipment and rights, title, interest or easements therefor in and to real estate in such district and maintain and operate the same as may be necessary and desirable to provide the governmental services authorized by subdivisions 1 and 2.

4. To contract with any person, municipality or state agency to provide the governmental services authorized by subdivisions 1 and 2 and to construct, establish, maintain and operate any such facilities and equipment as may be necessary and desirable in connection therewith.

5. To require owners or tenants of any property in the district to connect with any such system or systems, and to contract with the owners or tenants for such connections. The owners or tenants shall

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60 have the right of appeal to the circuit court within ten days from action by the governing body.

61 6. To levy and collect an annual tax upon any property in such service district subject to local
62 taxation to pay, either in whole or in part, the expenses and charges for providing the governmental
63 services authorized by ~~subdivisions 4 and 2~~*this section* and for constructing, maintaining and operating
64 such facilities and equipment as may be necessary and desirable in connection therewith; however, such
65 annual tax shall not be levied for or used to pay for schools, police or general government services not
66 authorized by this section, and the proceeds from such annual tax shall be so segregated as to enable the
67 same to be expended in the district in which raised. In addition to the tax on property authorized herein,
68 in any city having a population of 350,000 or more and adjacent to the Atlantic Ocean, the city council
69 shall have the power to impose a tax on the base transient room rentals, excluding hotels, motels, and
70 travel campgrounds, within such service district at a rate or percentage not higher than five percent
71 which is in addition to any other transient room rental tax imposed by the city. The proceeds from such
72 additional transient room rental tax shall be deposited in a special fund to be used only for the purpose
73 of beach and shoreline management and restoration.

74 7. To accept the allocation, contribution or funds of, or to reimburse from, any available source,
75 including, but not limited to, any person, authority, transportation district, or state or federal agency for
76 either the whole or any part of the costs, expenses and charges incident to the acquisition, construction,
77 reconstruction, maintenance, alteration, improvement, expansion and the operation or maintenance of any
78 facilities and services in the district.

79 8. To employ and fix the compensation of any technical, clerical or other force and help which from
80 time to time, in their judgment may be necessary or desirable to provide the governmental services
81 authorized by ~~subdivisions 4 and 2~~*this section* or for the construction, operation or maintenance of any
82 such facilities and equipment as may be necessary or desirable in connection therewith.

83 9. To create and terminate a development board or other body to which shall be granted and
84 assigned such *powers and* responsibilities with respect to a special service district as are delegated to it
85 by ordinance adopted by the governing body of such locality *or localities*. Any such board or alternative
86 body created shall be responsible for control and management of funds appropriated for its use by the
87 governing body *or bodies*, and such funds may be used to employ or contract with, on such terms and
88 conditions as the board or other body shall determine, persons, municipal or other governmental entities
89 or such other entities as the development board or alternative body deems necessary to accomplish the
90 purposes for which the development board or alternative body has been created. *If the district was*
91 *created by court order, the ordinance creating the development board or alternative body may provide*
92 *that the members appointed to the board or alternative body shall consist of a majority of the*
93 *landowners who petitioned for the creation of the district, or their designees or nominees.*

94 10. To negotiate and contract with any person or municipality with regard to the connections of any
95 such system or systems with any other system or systems now in operation or hereafter established, and
96 with regard to any other matter necessary and proper for the construction or operation and maintenance
97 of any such system within the district.

98 11. To purchase development rights which will be dedicated as easements for conservation, open
99 space or other purposes pursuant to the provisions of §§ 10.1-1009 through 10.1-1016. For purposes of
100 this subdivision, "development rights" means the level and quantity of development permitted by the
101 zoning ordinance expressed in terms of housing units per acre, floor area ratio or equivalent local
102 measure. Notwithstanding the provisions of subdivision 3, the governing body shall not use the power of
103 condemnation to acquire development rights.

104 12. To contract with any state agency or state or local authority for services within the power of the
105 agency or authority related to the financing, construction or operation of the facilities and services to be
106 provided within the district; however, nothing in this subdivision shall authorize a locality to obligate its
107 general tax revenues, or to pledge its full faith and credit.

108 13. *To finance the governmental services authorized by this section and provided to abutting*
109 *property within the district by special assessment thereon. All assessments pursuant to this section shall*
110 *be subject to the laws pertaining to assessments under Article 2 (§ 15.2-2404 et seq.); provided that, any*
111 *other provision of law notwithstanding, (i) the taxes or assessments shall not exceed the full cost of the*
112 *facilities or services, including without limitation the legal, financial and other directly attributable costs*
113 *of creating the district and the planning, designing, operating and financing of the facilities and services*
114 *that include administration of the collection and payment of the assessments and reserve funds permitted*
115 *by applicable law; (ii) the taxes or assessments may be imposed upon abutting land that is later*
116 *subdivided in accordance with the terms of the ordinance forming the district, in amounts that do not*
117 *exceed the peculiar benefits of the facilities and services to the abutting land as subdivided; and (iii) the*
118 *taxes or assessments may be made subject to installment payments for up to forty years in an amount*
119 *calculated to cover principal, interest and administrative costs in connection with any financing by the*
120 *district, without a penalty for prepayment. Notwithstanding any other provision of law, any assessments*
121 *made pursuant to this section may be made effective as a lien upon a specified date, by ordinance, but*

122 *such assessments may not thereafter be modified in a manner inconsistent with the terms of the debt*
123 *instruments financing the facilities and services. All assessments pursuant to this section may also be*
124 *made subject to installment payments and other provisions allowed for local assessments under this*
125 *section or under Article 2 (§ 15.2-2402 et seq.). All revenues received by the locality pursuant to any*
126 *such special assessments that the locality elects to impose shall be so segregated as to enable the*
127 *revenues to be expended in the district in which raised.*

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