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HOUSE BILL NO. 845

Offered January 9, 2008

Prefiled January 8, 2008

A BILL to amend Chapter 39 of the Acts of Assembly of 1932, which provided a charter for the City of Winchester, by adding a section numbered 5.02 and to amend such chapter by repealing a section numbered 5.01, relating to the annual budget.

Patrons—Sherwood; Senator: Vogel

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That Chapter 39 of the Acts of Assembly of 1932 is amended by adding a section numbered 5.02 as follows:

§ 5.02. Annual Budget.

(A) *Fiscal year. The fiscal year of the city shall begin on the first day of July and shall end on the last day of June of each calendar year. Such fiscal year shall also constitute the budget and accounting year.*

(B) *Submission. The city manager shall submit to the council a budget and a budget message at least sixty days prior to the beginning of each budget year.*

(C) *Preparation. It shall be the duty of the head of each department, the judges of the courts not of record, each board or commission, including the school board, and each other office or agency supported in whole or in part by the city, to file at such time as the city manager may prescribe estimates of revenue and expenditure for that department, court, board, commission, office or agency for the ensuing fiscal year. The city manager shall hold such hearings as he may deem advisable and shall review the estimates and other data pertinent to the preparation of the budget and make such revisions in such estimates as he may deem proper, subject to the laws of the Commonwealth relating to obligatory expenditures for any purpose, except that in the case of the school board he may recommend a revision only in its total estimated expenditure. The budget shall be prepared in accordance with accepted principles of municipal accounting and budgetary procedures and techniques.*

(D) *Budget to be balanced. In no event shall the expenditures recommended by the city manager in the budget exceed the receipts estimated, taking into account the estimated cash surplus or deficit at the end of the current fiscal year, unless the city manager shall recommend an increase in the rate of ad valorem taxes on real estate and tangible personal property or other new or increased taxes or licenses within the power of the city to levy and collect in the ensuing fiscal year, the receipts from which are estimated on the basis of the average experienced with the same or similar taxes during the previous three tax years will make up the difference. If estimated receipts exceed estimated expenditures, the city manager may recommend revisions in the tax and license ordinances of the city in order to bring the budget into balance.*

(E) *Message. The budget message shall contain the recommendations of the city manager concerning the fiscal policy of the city, a description of the important features of the budget and an explanation of all significant changes in the budget as to estimated receipts and recommended expenditures as compared with the current and last preceding fiscal years.*

(F) *Appropriation and additional tax ordinances. At the same time that he submits the budget, the city manager shall introduce and recommend to the council an appropriation ordinance that shall be based on the budget. He shall also introduce at the same time any ordinances levying a new tax or altering the rate on any existing tax necessary to balance the budget as provided in this charter. In levying taxes, the council may provide that any tax so levied shall continue from year to year unless otherwise changed by the council.*

(G) *Public hearing. The council shall hold a public hearing on the budget as submitted, at which all interested persons shall be given an opportunity to be heard. The council shall cause to be published a notice of the time and place of the hearing not less than seven days prior to the date of the hearing. One copy of the budget and budget message shall always be available for public inspection in the office of the city clerk during regular business hours.*

(H) *Adoption. After the public hearing, the council may make such changes in the budget as it may determine, except that no item of expenditure for debt service shall be reduced or omitted. The budget shall be adopted by the vote of at least a majority of all members of the council not later than the end of the current fiscal year. Should the council take no action prior to such day, the budget shall be deemed to have been finally adopted as submitted. In no event shall the council adopt a budget in which*

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59 *the estimated total of expenditures exceeds receipts, unless at the same time it adopts measures to*
60 *provide additional revenue estimated to be sufficient to make up the difference.*

61 *(I) Additional appropriations. Appropriations in addition to those contained in the general*
62 *appropriation ordinance may be made by the council only if there is available in the general fund an*
63 *unencumbered and unappropriated sum sufficient to meet such appropriations.*

64 *(J) Lapse of appropriations. All appropriations shall lapse at the end of the budget year to the extent*
65 *that they shall not have been expended or lawfully obligated or encumbered.*

66 **2. That § 5.01, as amended, of Chapter 39 of the Acts of Assembly of 1932 is repealed.**