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**HOUSE BILL NO. 1742**

Offered January 12, 2011

Prefiled January 10, 2011

*A BILL to amend and reenact §§ 2.2, 5.5, and 8.8, as severally amended, of Chapter 319 of the Acts of Assembly of 1966, which provided a charter for the City of Fairfax, relating to transient occupancy tax, meetings of the city council, and revenue bonds.*

Patrons—Bulova; Senator: Petersen

Referred to Committee on Counties, Cities and Towns

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.2, 5.5, and 8.8, as severally amended, of Chapter 319 of the Acts of Assembly of 1966 are amended and reenacted as follows:**

**§ 2.2. Financial Powers.**

In addition to the powers granted by other sections of this Charter, the City shall have the power:

(a) To raise annually by taxes and assessments, as permitted by General Law, in the City such sums of money as the Council shall deem necessary to pay the debts and defray the expenses of the City, in such manner as the Council shall deem necessary or expedient. In addition to but not as a limitation upon this general grant of power, the City shall have power to levy and collect ad valorem taxes on real estate and tangible personal property and machinery and tools; to levy and collect gross receipts taxes against public utilities; to levy and collect taxes for admission to or other charge for any public amusement, entertainment, performance, exhibition, sport or athletic event in the City, which taxes may be added to and collected with the price of such admission or other charge; to levy and collect taxes on hotel and motel rooms; unless prohibited by General Law to require licenses, prohibit the conduct of any business, profession, vocation or calling without such a license, require taxes to be paid on such licenses in respect of all businesses, professions, vocations and callings which cannot, in the opinion of the Council, be reached by the ad valorem system; and to require licenses of owners of vehicles of all kinds for the privilege of using the streets, and other public places in the City, require taxes to be paid on such licenses and prohibit the use of streets, alleys and other public places in the City without such license.

(b) To budget, borrow, appropriate and expend, without being bound by other provisions of this Charter, in an amount not in excess of ten percent of the total General Fund Budget of the preceding fiscal year, for the purpose of meeting a public emergency; provided that any such action shall require the affirmative votes of two-thirds of the entire Council and shall be in the form of an ordinance containing a clear statement of the nature and the extent of the emergency.

(c) To levy a transient occupancy tax on hotels, motels and boarding houses. Such tax shall be in such amount and on such terms as the Council may, by ordinance prescribe; ~~provided, that such tax shall not exceed four percent of the amount of charge for the occupancy of any room occupied.~~ The tax imposed hereunder shall not apply to rooms rented for continuous occupancy for thirty or more days in hotels, motels, and boarding houses.

**§ 5.5. Induction of Members.**

The City Clerk shall administer the oath of office to the duly elected members of the Council and to the Mayor on or before June thirtieth immediately following their election. In the absence of the City Clerk the oath may be administered by any judicial officer having jurisdiction in the City. The Council shall be the judge of the election and qualification of its members. The first meeting of a newly elected Council shall take place in the Council chamber in the City Hall on the ~~first~~ *second* Tuesday of July following their election, *or at the first scheduled regular or special meeting of the City Council in July, whichever occurs first.*

**§ 8.8. Revenue Bonds.**

The City shall have power to construct, acquire, repair, improve, extend and operate water systems, sewer systems, gas systems, electric systems, public parking systems, including both off-street and on-street public parking facilities, and to issue from time to time revenue bonds payable from the revenues derived from such water systems, sewer systems, gas systems, electric systems, public parking systems or any other revenue producing undertakings or enterprises which the City is authorized by this Charter or any other law to construct or acquire (hereinafter referred to as "revenue undertakings"), or any combination of such systems or other revenue undertakings, to finance or refinance the cost or part of the cost of the acquisition, construction, reconstruction, repair, extension or improvement of such systems or other revenue undertakings, or any combination thereof, including the acquisition of any

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59 property, real or personal, or mixed, therefor or other costs in connection therewith or the refunding of  
60 outstanding revenue bonds issued for such purposes.

61 (a) Any two or more of such systems or other revenue undertakings may be combined and  
62 consolidated into a single revenue undertaking, and may thereafter be operated and maintained as a  
63 single revenue undertaking. The revenue bonds authorized herein may be issued to finance any one or  
64 more of such revenue undertakings separately, or to finance two or more of such revenue undertakings  
65 and regardless of whether or not such revenue undertakings have been combined and consolidated into a  
66 single revenue undertaking as provided herein. If the Council deems it advisable, the proceedings  
67 authorizing such revenue bonds may provide that the City may thereafter combine the revenue  
68 undertakings then being financed or theretofore financed with other revenue undertakings to be  
69 subsequently financed by the City and that revenue bonds to be thereafter issued by the City to finance  
70 such subsequent revenue undertakings shall be on a parity with the revenue bonds then being issued  
71 under such terms, conditions and limitations as shall be provided, and may further provide that the  
72 revenues to be derived from the subsequent revenue undertakings shall at the time of the issuance of  
73 such parity revenue bonds be also pledged to the holders of any revenue bonds theretofore issued to  
74 finance the revenue undertakings which are later combined with such subsequent revenue undertakings.

75 (b) The City shall also have power to pledge as additional security for such revenue bonds issued  
76 under this article any franchise taxes, occupational license taxes, or any other excise taxes or other funds  
77 which the City may have available to pledge to the payment of the principal of or interest on such  
78 revenue bonds, and for reserves therefor, except moneys derived from ad valorem taxes, or any two or  
79 more of such excise taxes or other funds.

80 (c) The cost of any works, properties, improvements or other purposes financed by the issuance of  
81 bonds under this chapter shall include, but not be limited to construction costs, engineering, fiscal or  
82 financial and legal expenses, surveys, plans and specifications, interest during construction or acquisition  
83 and for one year thereafter, initial reserve funds, discount, if any, on the sale of bonds, acquisition of  
84 real or personal property, including franchises, and such other costs as are necessary and incidental to  
85 the construction or acquisition of such works, properties, improvements or other purposes and the  
86 financing thereof. The City shall have power to retain and enter into agreements with engineers, fiscal  
87 agents or financial advisers, attorneys, architects or other consultants or advisers for the planning,  
88 supervision and financing of such works, properties, improvements or other purposes upon such terms  
89 and conditions as shall be deemed advisable to the Council.

90 (d) Any such revenue bonds ~~shall be authorized, executed and sold in the manner provided in this~~  
91 ~~chapter for the issuance, sale and execution of general obligation bonds and, as set forth in this section,~~  
92 ~~shall be deemed to be negotiable instruments, and shall be authorized, executed and sold as provided~~  
93 ~~under general law, specifically the provisions of the Virginia Public Finance Act of 1991, Chapter 26~~  
94 ~~(§ 15.2-2600 et seq.) of Title 15.2 of the Code of Virginia as the same may be superseded or amended.~~  
95 ~~Without limiting the foregoing, any referendum requirement contained within this Charter shall not be~~  
96 ~~applicable to revenue bonds.~~