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SENATE BILL NO. 550

Offered January 8, 2014

A BILL to amend and reenact § 15.2-2404 of the Code of Virginia, relating to service districts.

Patron—Puller

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-2404 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-2404. Authority to impose taxes or assessments for local improvements; purposes.

A. A locality may impose taxes or assessments upon the owners of abutting property for constructing, improving, replacing or enlarging the sidewalks upon existing streets, for improving and paving existing alleys, and for the construction or the use of sanitary or storm water management facilities, retaining walls, curbs and gutters. Such taxes or assessments may include the legal, financial or other directly attributable costs incurred by the locality in creating a district, if a district is created, and financing the payment of the improvements. The taxes or assessments shall not be in excess of the peculiar benefits resulting from the improvements to such abutting property owners. No tax or assessment for retaining walls shall be imposed upon any property owner who does not agree to such tax or assessment.

B. In addition to the foregoing, a locality may impose taxes or assessments upon the owners of abutting property for the construction, replacement or enlargement of waterlines; for the installation of street lights; for the construction or installation of canopies or other weather protective devices; for the installation of lighting in connection with the foregoing; and for permanent amenities, including, but not limited to, benches or waste receptacles. With regard to installation of street lights, a locality may provide by ordinance that upon a petition of at least 60 percent of the property owners within a subdivision, or such higher percent as provided in the ordinance, the locality may impose taxes or assessments upon all owners within the subdivision who benefit from such improvements. The taxes or assessments shall not be in excess of the peculiar benefits resulting from the improvements to such property owners.

C. In the Cities of Chesapeake, Hampton, Hopewell, Newport News, Norfolk, Richmond, and Virginia Beach, the governing body may impose taxes or assessments upon the abutting property owners for the initial improving and paving of an existing street provided not less than 50 percent of such abutting property owners who own not less than 50 percent of the property abutting such street request the improvement or paving. The taxes or assessments permitted by this paragraph shall not be in excess of the peculiar benefits resulting from the improvements to such abutting property owners and in no event shall such amount exceed the sum of $10 per front foot of property abutting such street or the sum of $1,000 for any one subdivided lot or parcel abutting such street, whichever is the lesser.

D. The governing bodies of the Cities of Buena Vista, Hampton, and Waynesboro and the County of Augusta may, by duly adopted ordinance, impose taxes or assessments upon abutting property owners subjected to frequent flooding for special benefits conferred upon that property by the installation or construction of flood control barriers, equipment or other improvements for the prevention of flooding in such area and shall provide for the payment of all or any part of the above projects out of the proceeds of such taxes or assessments, provided that such taxes or assessments shall not be in excess of the peculiar benefits resulting from the improvements to such abutting property owners.

E. In the Cities of Hampton, Poquoson and Williamsburg~~,~~ *and in Prince William County* the governing body may impose taxes or assessments upon the owners of abutting property for the underground relocation of distribution lines for electricity, telephone, cable television and similar utilities. Notwithstanding the provisions of § 15.2-2405, such underground relocation of distribution lines may only be ordered by the governing body and the cost thereof apportioned in pursuance of an agreement between the governing body and the abutting landowners. Notice shall be given to the abutting landowners, notifying them when and where they may appear before the governing body, or some committee thereof, or the administrative board or other similar board of the locality to whom the matter may be referred, to be heard in favor of or against such improvements.

F. The governing body of any locality may request an electric utility that proposes to construct an overhead electric transmission line of 150 kilovolts or more, any portion of which would be located in such locality, to enter into an agreement with the locality that provides (i) the locality will impose a tax or assessment on electric utility customers in a special rate district in an amount sufficient to cover the utility's additional costs of constructing that portion of the proposed line to be located in such locality,

or any smaller portion thereof as the utility and the locality may agree, as an underground rather than an overhead line; (ii) the tax or assessment will be shown as a separate item on such customers' electric bills and will be collected by the utility on behalf of the locality; (iii) the utility will construct, operate, and maintain the agreed portion of the line underground; (iv) the locality will pay to the utility its full additional costs of constructing that portion of the line underground rather than overhead; and (v) such other terms and conditions as the parties may agree. This provision shall not apply, however, to lines in operation as of March 1, 2005.

If the locality and the utility enter into such an agreement, the locality shall by ordinance (a) set the boundaries of the special rate district within a reasonable distance of the route of that portion of the line to be placed underground pursuant to the agreement, and (b) fix the amount of such tax or assessment, which shall be based on the assessed value of real property within such district. Thereafter, owners of real property comprising not less than 60 percent of the assessed value of real property within such district may petition the locality to impose such tax or assessment. If such petition is filed, the locality shall submit the agreement to the State Corporation Commission on or before the date by which respondents must prefile testimony and exhibits in any application for approval of the line before the State Corporation Commission, which, after notice and opportunity for hearing, shall approve the agreement if it finds it to be in the public interest. If there exists a practicably feasible overhead alternative for construction of the electric transmission line, the State Corporation Commission shall not approve the agreement unless the governing body of every locality in which the underground segment of the line would be located requests the electric utility to construct the line underground in accordance with this subdivision. If the agreement is approved by the State Corporation Commission, the locality shall impose such tax or assessment on electric utility customers within the district, and the locality and the utility shall carry out the agreement according to its terms and conditions.

G. In the County of Loudoun, the governing body may impose taxes or assessments upon the abutting property owners of Crooked Bridge Lane, located in the Blue Ridge District, for the improvement of the bridge located on Crooked Bridge Lane, including construction, repair and maintenance, provided not less than 50 percent of such abutting property owners who own not less than 50 percent of the property abutting such street request the improvement. The taxes or assessments permitted by this paragraph shall not be in excess of the peculiar benefits resulting from the improvements to such abutting property owners.