

VIRGINIA ACTS OF ASSEMBLY -- 2018 SESSION

CHAPTER 728

An Act to amend and reenact § 15.2-1301 of the Code of Virginia, relating to economic growth-sharing agreements.

[H 1148]

Approved March 30, 2018

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-1301 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-1301. Voluntary economic growth-sharing agreements.

A. Any county, city or town, or combination thereof, may enter voluntarily into an agreement with any other county, city or town, or combination thereof, whereby the locality may agree for any purpose otherwise permitted, including the provision on a multi-jurisdictional basis of one or more public services or facilities or any type of economic development project, to enter into binding fiscal arrangements for fixed time periods, to exceed one year, to share in the benefits of the economic growth of their localities. However, if any such agreement contains any provision addressing any issue provided for in ~~Chapters~~ Chapter 32 (§ 15.2-3200 et seq.), 33 (§ 15.2-3300 et seq.), 36 (§ 15.2-3600 et seq.), 38 (§ 15.2-3800 et seq.), 39 (§ 15.2-3900 et seq.), or 41 ~~of this title~~ (§ 15.2-4100 et seq.), the agreement shall be subject to the review and implementation process established by Chapter 34 ~~of this title~~ (§ 15.2-3400 et seq.). All such agreements, including those that address any issue provided for in Chapter 32, 33, 36, 38, 39, or 41, shall require, at least annually, a report from each locality that is a recipient of funds pursuant to the agreement to each of the other governing bodies of the participating localities that includes (i) the amount of money transferred among the localities pursuant to the agreement and (ii) the uses of such funds by the localities. The parties to any such agreement that has been in effect for at least 10 years as of July 1, 2018, and pursuant to which annual payments exceed \$5 million, shall (a) comply with the reporting requirements of this subsection, notwithstanding whether such requirements are contained in the existing agreement and (b) convene an annual meeting to discuss anticipated future plans for economic growth in the localities.

B. The terms and conditions of the revenue, tax base or economic growth-sharing agreement as provided in subsection A shall be determined by the affected localities and shall be approved by the governing body of each locality participating in the agreement, provided the governing body of each such locality first holds a public hearing which shall be advertised once a week for two successive weeks in a newspaper of general circulation in the locality. However, the public hearing shall not take place until the Commission on Local Government has issued its findings in accordance with subsection D. For purposes of this section, "revenue, tax base, and economic growth-sharing agreements" means any agreement authorized by subsection A which obligates any locality to pay another locality all or any portion of designated taxes or other revenues received by that political subdivision, but shall not include any interlocal service agreement.

C. Any revenue, tax base or economic growth-sharing agreement entered into under the provisions of this section that creates a debt pursuant to Article VII, Section 10 (b) of the Constitution of Virginia, shall require the board of supervisors to hold a special election on the question as provided in § 15.2-3401.

D. Revenue, tax base, and economic growth-sharing agreements drafted under the provisions of this chapter shall be submitted to the Commission on Local Government for review as provided in subdivision 4 of § 15.2-2903. However, no such review shall be required for two or more localities entering into an economic growth-sharing agreement pursuant to this section in order to facilitate the reception of grants for qualified companies in such locality pursuant to the Port of Virginia Economic and Infrastructure Development Grant Fund and Program established pursuant to § 62.1-132.3:2.