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SENATE BILL NO. 1355

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Local Government
on January 18, 2021)

(Patron Prior to Substitute—Senator Hanger)

*A BILL to allow the withdrawal of a member of the Rapidan Service Authority.***Be it enacted by the General Assembly of Virginia:***1. § 1. That any locality that is a member of the Rapidan Service Authority may withdraw therefrom, regardless of whether there are any outstanding bonds of the Rapidan Service Authority.**§ 2. That withdrawal of any locality that is a member of the Rapidan Service Authority shall be contingent on the condition that (i) any written obligation to the Rapidan Service Authority incurred by a locality while the locality was a member shall remain in full force and effect; (ii) upon withdrawal, the withdrawing locality shall assume ownership and management of any Rapidan Service Authority asset located within the boundaries of the withdrawing locality; (iii) upon withdrawal, the withdrawing locality shall assume any debt related to any asset described in clause (ii); and (iv) the Rapidan Service Authority shall obtain the unanimous consent of all the holders of any outstanding bonds unless all such bonds have been paid or cashed or United States government obligations have been deposited for their payment.**§ 3. That the governing body of any locality wishing to withdraw from the Rapidan Service Authority shall signify its desire by resolution or ordinance. The resolution or ordinance for withdrawal of a member locality of the Rapidan Service Authority shall be advertised in accordance with the provisions of § 15.2-5104 of the Code of Virginia. Upon adoption or approval of the ordinance or resolution of withdrawal, the governing body of the locality seeking to withdraw from the Rapidan Service Authority shall file a notice of withdrawal with the State Corporation Commission. The notice of withdrawal from the Rapidan Service Authority shall be executed by the proper officers of the withdrawing locality under its official seal and shall be joined in by the proper officers of the governing board of the Rapidan Service Authority.**§ 4. That if the State Corporation Commission finds that the notice of withdrawal conforms to the requirements of this act, it shall acknowledge the notice of withdrawal. At such time as the State Corporation Commission acknowledges the notice of withdrawal, it shall issue to the withdrawing locality and to the Rapidan Service Authority a certificate of withdrawal attached to the notice of withdrawal. The withdrawal shall become effective, and the terms of office of the board members representing the locality withdrawing from the Rapidan Service Authority shall terminate, upon the issuance of such certificate.*