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SENATE BILL NO. 566

Offered January 22, 1996

A BILL to amend the Code of Virginia by adding in Title 15.1 a chapter numbered 26.3, consisting of sections numbered 15.1-1227.1 through 15.1-1227.4, relating to the Regional Competitiveness Act.

Patrons—Earley, Benedetti, Chichester, Colgan, Couric, Edwards, Hawkins, Holland, Lambert, Lucas, Marsh, Marye, Maxwell, Quayle, Reasor, Trumbo, Waddell, Walker, Whipple and Williams

Referred to the Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 15.1 a chapter numbered 26.3, consisting of sections numbered 15.1-1227.1 through 15.1-1227.4, as follows:

CHAPTER 26.3.

REGIONAL COMPETITIVENESS ACT.

§ 15.1-1227.1. Policy of General Assembly

It shall be the policy of the General Assembly to encourage Virginia's counties, cities and towns to exercise the options provided by law to work together for their mutual benefit and the benefit of the Commonwealth.

§ 15.1-1227.2. Incentives for certain joint undertakings by local governments.

A. The General Assembly shall establish a fund to be used to encourage regional strategic planning and cooperation. Specifically, the incentive fund shall be used to encourage and reward regional efforts accomplished by the partnerships described in § 15.1-1227.3.

B. For purposes of this chapter, each planning district will constitute a region; however, by agreement of the localities of the planning district, localities who are not part of a planning district may be added to the region. In addition, localities may establish, with the approval of the Department of Housing and Community Development, a different regional configuration, provided that at least one of the localities is a city if a city exists within the planning district unless the city voluntarily agrees not to participate.

C. The fund shall be administered by the Department of Housing and Community Development and distributed to the qualifying counties, cities and towns in installments under the terms and conditions of applicable statutes and by procedures adopted by the Department of Housing and Community Development. The Department of Housing and Community Development shall establish an advisory committee to develop recommendations for the distribution of funds to localities pursuant to §§ 15.1-1227.3 and 15.1-1227.4. The advisory committee must have at least twelve members and have equal representation from local government and the business community. The advisory committee shall be representative of each region of the Commonwealth.

D. All departments, agencies, institutions, and local governments of the Commonwealth, and the Division of Legislative Services, shall make available such information and assistance as the Department of Housing and Community Development may request in the performance of its responsibilities set forth in this section.

§ 15.1-1227.3. Eligibility criteria for incentive payments.

The Department of Housing and Community Development, in setting the criteria for eligibility for incentive payments under § 15.1-1227.2, shall require that:

1. A regional partnership shall exist and effectively function in the applicant region, and membership shall include a broad representation of local government, elementary and secondary education, higher education, the business community, and civic groups. The partnership should include as many of the following as is practical: the mayor or chair and the chief administrative officer of each member locality, president of each institution of higher education, corporate leaders of the region, and leaders of local civic associations.

2. Each regional partnership shall develop a regional strategic economic assessment which identifies critical issues of economic competitiveness for the region. The assessment shall contain, at a minimum, a comparison of the following criteria for the region, and the primary competitor regions in the southeast United States.

a. Median family income;

b. Job creation; and

c. Differences in median family income levels among the localities in the region.

3. Each regional partnership shall issue an annual report card, including, at a minimum, the region's progress towards improvement according to the criteria identified in subdivision 2 and its progress in

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60 addressing the critical issues of economic competitiveness identified in the regional strategic economic
61 assessment.

62 4. The joint undertakings shall have a combined point total of at least twenty points, based on the
63 values established in § 15.1-1227.4 for each regional activity, in order for the region to qualify for any
64 incentive payments.

65 5. Once a region becomes eligible for the annual incentive payments, it shall receive such payments
66 for at least five years. The region may reapply before or at the end of the five-year period for
67 requalification to receive the annual incentive payments.

68 6. Joint interlocal activities existing prior to the enactment of this section or prior to requalification
69 may be considered by the Department of Housing and Community Development for an award up to the
70 full value established in § 15.1-1227.4. Such activities may be eligible for the full value of points in
71 those instances where pre-existing activities are expanded and constitute part of activities eligible for
72 state incentive payments. Points for existing activities (prior to July 1, 1996, or prior to requalification)
73 may not constitute more than fifty percent of the total points assigned.

74 7. The year for incentive payments shall be the Commonwealth's fiscal year following the calendar
75 year in which the region qualifies, with payments made annually by the Comptroller upon certification
76 by the Department of Housing and Community Development. Eligible regions shall receive incentive
77 funds in an amount equal to the percentage of \$200 million that represents the region's percentage of
78 the Commonwealth's total population. Within eligible regions, the incentive funds shall be distributed to
79 the localities on the basis of the concentration and number of students participating in the federal free
80 lunch program, as used by the Virginia Department of Education to distribute the funds described in
81 Item 164.C.7(2) of Chapter 853 of the 1995 Acts of Assembly (1994-1996 Biennial Budget), or any other
82 formula mutually agreed to by the localities of the region.

83 § 15.1-1227.4. Assignment of weights for functional activities.

84 In determining the eligibility of such projects and in establishing the extent of state financial support
85 for activities, the Department of Housing and Community Development may assign weights for each
86 activity up to the number in parentheses below:

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89	1. Regional Revenue Sharing or Growth Sharing Agreements	(10)
90	2. Education	(10)
91	3. Human Services	(8)
92	4. Local Land Use	(8)
93	5. Housing	(8)
94	6. Special Education	(6)
95	7. Transportation	(5)
96	8. Law Enforcement	(5)
97	9. Economic Development	(4)
98	10. Solid Waste	(4)
99	11. Water and Sewer Services	(4)
100	12. Corrections	(3)
101	13. Fire Services and Emergency Medical Services	(3)
102	14. Libraries	(2)
103	15. Parks and Recreation	(2)
104		

105 The assignment of values by the Department of Housing and Community Development to any activity
106 may be based upon the significance of the joint activity as measured by the fiscal resources committed
107 to it, the number of regional localities participating, the significance of the activity as measured by the
108 regional effort involved in developing joint activities, the complexity of the activity, the general impact
109 on relations between the affected jurisdictions, or other factors deemed to be appropriate by the
110 Department of Housing and Community Development to adjust the weights of the above criteria to
111 reflect the relative importance of that criteria on the economic competitiveness of the region. Upon
112 receipt of such petition the Department of Housing and Community Development may adjust the weight
113 of any criteria, provided the weight of any one criteria shall not exceed ten. In addition to the weights
114 listed in § 15.1-1227.4, the Department of Housing and Community Development may add up to a total
115 of five points for regions that have taken successful actions to make governmental services or functions
116 more efficient or successful actions in reducing the local property tax burden throughout the region.