

965569649

## SENATE BILL NO. 566

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Local Government)  
(Patron Prior to Substitute—Senator Earley)

Senate Amendments in [ ] — February 2, 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.

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 may 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, a locality which is not part of a planning district may be added to the region if the locality's governing body by vote agrees to become part of the region [ , and (ii) if the locality lies south of Interstate Routes 81 and 64 and west of U.S. Route 501, the planning district commission of the locality's planning district approves the addition of the locality to such region ] . In addition, localities may establish 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 subsection C.

§ 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 chairman 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 southeastern 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 addressing the critical issues of economic competitiveness identified in the regional strategic economic

ENGROSSED

SB566E

60 assessment.

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

64 5. Once a region becomes eligible for the annual incentive payments, it shall receive such payments  
65 for at least five years, so long as the regional partnership continues to exist and effectively function. The  
66 region may reapply before or at the end of the five-year period for requalification to receive the annual  
67 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 the funds appropriated for incentive payments for such  
78 year that represents the region's percentage of the Commonwealth's total population. Within eligible  
79 regions, one-half of the incentive funds shall be distributed to the localities on the basis of the  
80 concentration and number of students participating in the federal free lunch program, as used by the  
81 Virginia Department of Education to distribute the funds described in Item 164.C.7(2) of Chapter 853 of  
82 the 1995 Acts of Assembly (1994-1996 Biennial Budget), and one-half of the incentive funds shall be  
83 distributed to the localities on the basis of the concentration and number of the school-age population  
84 in each locality. As an alternative, the incentive funds may be distributed to the localities on the basis of  
85 any other formula mutually agreed to by the localities of the region.

86 § 15.1-1227.4. Assignment of weights for functional activities.

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

- 90  
91
- |     |  |      |
|-----|--|------|
| 92  | 1. Regional Revenue Sharing or Growth Sharing Agreements | (10) |
| 93  | 2. Education   | (10) |
| 94  | 3. Human Services  | (8)  |
| 95  | 4. Local Land Use  | (8)  |
| 96  | 5. Housing   | (8)  |
| 97  | 6. Economic Development                                  | (8)  |
| 98  | 7. Special Education                                     | (6)  |
| 99  | 8. Transportation  | (5)  |
| 100 | 9. Law Enforcement                                       | (5)  |
| 101 | 10. Solid Waste  | (4)  |
| 102 | 11. Water and Sewer Services                             | (4)  |
| 103 | 12. Corrections  | (3)  |
| 104 | 13. Fire Services and Emergency Medical Services         | (3)  |
| 105 | 14. Libraries  | (2)  |
| 106 | 15. Parks and Recreation                                 | (2)  |
- 107  
108

109 The assignment of values by the Department of Housing and Community Development to any activity  
110 may be based upon the significance of the joint activity as measured by the fiscal resources committed  
111 to it, the number of regional localities participating, the significance of the activity as measured by the  
112 regional effort involved in developing joint activities, the complexity of the activity, the general impact  
113 on relations between the affected jurisdictions, or other factors deemed to be appropriate by the  
114 Department. A region may petition the Department of Housing and Community Development to adjust  
115 the weights of the above criteria to reflect their relative importance on the economic competitiveness of  
116 the region. Upon receipt of such petition, the Department of Housing and Community Development may  
117 adjust the weight of any criteria, provided the weight of any one criterion shall not exceed ten. In  
118 addition to the weights listed in this section, the Department of Housing and Community Development  
119 may add up to a total of five points for regions that have taken successful actions to make governmental

**120** *services or functions more efficient or to reduce the local property tax burden throughout the region.*

**ENGROSSED**

SB566E