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## SENATE BILL NO. 566

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Counties, Cities and Towns  
on February 23, 1996)

(Patron Prior to Substitute—Senator Earley)

*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 15.1-1227.5, 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 15.1-1227.5, 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. Definitions.*

*As used in this chapter, unless a different meaning clearly appears from the context:*

*"Joint activity" means a governmental function which is carried out by, performed on behalf of, or contracted for two or more localities within a region and includes present and future activities.*

*"Locality" means all counties, cities and towns within a regional partnership.*

*"Region" means a planning district; however, by agreement of the localities of the planning district, localities which 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.*

*"Regional partnership" means an organization composed of government, business, education and civic leaders approved by the local governing bodies of the region to carry out the provisions of this chapter. The organization may be an existing or newly established regional planning or economic development organization serving the region.*

*§ 15.1-1227.3. Incentives for certain joint activities 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 strategic economic development planning and joint activities as described in § 15.1-1227.4.*

*B. 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. The Department shall establish a state-wide advisory committee to develop recommendations for the distribution of funds to localities pursuant to §§ 15.1-1227.4 and 15.1-1227.5. The advisory committee shall have at least twelve members appointed by the Governor and shall have equal representation from local government and the business community. The advisory committee shall be representative of each region of the Commonwealth.*

*C. All departments, agencies, institutions, and local governments of the Commonwealth shall make available such information and assistance as the Department may request in the performance of its responsibilities set forth in this section.*

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*15.1-1227.4. Eligibility criteria for incentive payments.*

*The Department of Housing and Community Development, in setting the criteria for eligibility for incentive payments under § 15.1-1227.3, 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. The Department shall issue guidelines on the structure and organization of the regional partnership.*

*2. Each regional partnership shall develop a regional strategic economic development plan which identifies critical issues of economic competitiveness for the region. The plan 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, 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 development plan.

4. Each regional partnership shall identify the existing and proposed joint activities within the region, and the joint activities shall have a combined point total of at least twenty points, based on the values established in § 15.1-1227.5, in order for the region to qualify for any incentive payments.

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

6. Joint activities existing prior to the enactment of this section or prior to requalification may be considered by the Department of Housing and Community Development for an award up to the full value established in § 15.1-1227.5. Existing joint activities which are expanded in scope or number of localities may be considered a new joint activity but shall not receive the full value of points as established in § 15.1-1227.5. Points for existing activities (prior to July 1, 1996, or prior to requalification) may not constitute more than fifty percent of the total points assigned.

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

§ 15.1-1227.5. Assignment of weights for functional activities.

In determining the eligibility of the region, the Department of Housing and Community Development may assign weights for each joint activity up to the number in parentheses below:

1. Job Creation, Income Growth or Income Disparity Projects (10)
2. Regional Revenue Sharing or Growth Sharing Agreements (10)
3. Education (10)
4. Human Services (8)
5. Local Land Use (8)
6. Housing (8)
7. Special Education (6)
8. Transportation (5)
9. Law Enforcement (5)
10. Solid Waste (4)
11. Water and Sewer Services (4)
12. Corrections (3)
13. Fire Services and Emergency Medical Services (3)
14. Libraries (2)
15. Parks and Recreation (2)

The assignment of values by the Department to any joint activity may be based upon the significance of the joint activity as measured by the fiscal resources committed to it, the number of regional localities participating, the significance of the activity as measured by the regional effort involved in developing joint activities, the complexity of the activity, the general impact on relations between the affected jurisdictions, or other factors deemed to be appropriate by the Department. A region may petition the Department to adjust the weights of the above criteria to reflect the relative importance of that criteria on the economic competitiveness of the region. Upon receipt of such petition, the Department may adjust the weight of any criteria, provided the weight of any one criteria shall not exceed ten. In addition to the weights listed in § 15.1-1227.5, the Department of Housing and Community Development may add up to a total of five points for regions that have taken successful actions to make governmental services or functions more efficient or successful actions in reducing the

**120** *local property tax burden throughout the region.*