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**SENATE JOINT RESOLUTION NO. 53**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
 (Proposed by the Senate Committee on Rules  
 on February 10, 1998)

(Patron Prior to Substitute—Senator Quayle)

*Establishing a joint subcommittee to identify approaches by which local governments can address demands for increased services and infrastructure resulting from residential growth.*

WHEREAS, many localities within the Commonwealth must make provision for major capital improvements to meet the demands of residential growth; and

WHEREAS, much of the development in the Commonwealth is occurring at the fringes of urbanized areas,

WHEREAS, many localities contain a large inventory of properties which are zoned for residential use; and

WHEREAS, the development of these residentially-zoned properties will increase dramatically the need for capital facilities to provide public services for their residents ; and

WHEREAS, existing state enabling legislation does not provide sufficient tools to require new development to fund the resulting infrastructure and service requirements; and

WHEREAS, the utilization of funding mechanisms currently available to localities, such as proffer zoning, to finance the cost of such infrastructure has often proven inadequate or undesirable to fund the needs that rapid growth can create; and

WHEREAS, Article 4 (§ 58.1-3229 et seq.) of Title 58.1 of the Code of Virginia authorizes local governments to establish land use taxation programs providing for the special assessment of, and deferral of real estate taxes on, real estate devoted to agricultural, horticultural, forest, or open-space uses; and

WHEREAS, land use taxation programs tend to preserve existing uses of property by reducing the likelihood that increased real estate tax assessments will induce owners to develop their property; and

WHEREAS, Section 2 of Article X of the Virginia Constitution authorizes the General Assembly to define and classify real estate devoted to agricultural, horticultural, forest, or open-space uses, and to authorize any locality to allow deferral of, or relief from, portions of taxes otherwise payable on such real estate, subject to certain conditions and restrictions; and

WHEREAS, localities are not authorized to establish a class of property for land use taxation purposes consisting of underdeveloped or unimproved property zoned for residential use; and

WHEREAS, incentives for deferring the development of property zoned for residential use, including land use taxation programs, may assist localities to cope with demands for increased services and infrastructure resulting from growth; and

WHEREAS, smart growth initiatives are another alternative for containing the costs for infrastructure by directing state expenditures on economic growth and development to existing communities and other locally-designated areas; and

WHEREAS, impact fees may offer an alternative to proffer zoning which is more fair and equitable and which will inject greater certainty into the development process;

WHEREAS, professional arbitration offers another method in resolving the problems arising from economic development and growth; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to identify approaches by which local governments can address demands for increased services and infrastructure resulting from residential growth, including, but not limited to, smart growth initiatives, the imposition of impact fees, the use of professional arbitrators, and the addition of a class of property for land use taxation purposes consisting of underdeveloped or unimproved property zoned for residential use, provided that no changes are made to the existing land use taxation program that would diminish present benefits.

The joint subcommittee shall be composed of 15 members, to be appointed as follows: four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; five members of the House of Delegates, to be appointed by the Speaker of the House according to Rule 16. B. of the House Rules; two local elected officials from localities with rapidly-growing school-age populations, one of whom shall be nominated by the Virginia Municipal League and appointed by the Senate Committee on Privileges and Elections and one of whom shall be nominated by the Virginia Association of Counties and appointed by the Speaker of the House; one citizen member from a list of nominees submitted by the State Land Evaluation Advisory Council, to be appointed by the Senate Committee on Privileges and Elections; one citizen member representing an environmental organization, to be appointed by the Senate Committee on Privileges and Elections; one citizen from a list of nominees submitted by the Virginia Association of Realtors, to be appointed by the Speaker of the House; and one

60 citizen from a list of nominees submitted by the Home Builders Association of Virginia, to be appointed  
61 by the Speaker of the House.

62 The direct costs of this study shall not exceed \$9,750.

63 The Division of Legislative Services shall provide staff support for the study. All agencies of the  
64 Commonwealth shall provide assistance to the joint subcommittee, upon request.

65 The joint subcommittee shall complete its work in time to submit its findings and recommendations  
66 to the Governor and the 1999 Session of the General Assembly as provided in the procedures of the  
67 Division of Legislative Automated Systems for the processing of legislative documents.

68 Implementation of this resolution is subject to subsequent approval and certification by the Joint  
69 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the  
70 study.