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HOUSE BILL NO. 2577

Offered January 21, 1999

A BILL to amend the Code of Virginia by adding in Title 36 a chapter numbered 10, consisting of sections numbered 36-152 through 36-158, relating to the Virginia Removal or Rehabilitation of Derelict Structures Fund.

Patrons—Baskerville, Albo, Clement, Council, Crittenden, Darner, Hall, Ingram, Joannou, Jones, D.C., Jones, J.C., Keating, McEachin, Melvin, Moran, Moss, Rhodes, Robinson, Rust, Thomas and Van Yahres; Senators: Couric, Forbes, Hanger, Hawkins, Howell, Lambert, Lucas, Marsh, Martin, Marye, Miller, Y.B., Quayle, Ticer and Whipple

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 36 a chapter numbered 10, consisting of sections numbered 36-152 through 36-158, as follows:

CHAPTER 10.

VIRGINIA REMOVAL OR REHABILITATION OF DERELICT STRUCTURES FUND.

§ 36-152. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Board" means the Board of Housing and Community Development.

"Fund" means the Virginia Removal or Rehabilitation of Derelict Structures Fund created by this act.

"Derelict structures" means residential, commercial or industrial structures which are no longer being used for a place of habitation, business or industry and which are in such poor condition as to cause a blight upon the neighborhood in which any such structure is located.

"Local government" means any county, city or town in this Commonwealth.

§ 36-153. Creation and management of Fund.

There shall be set apart as a permanent Fund to be known as the "Virginia Removal or Rehabilitation of Derelict Structures Fund" which shall be a revolving fund made up of sums appropriated to the Fund by the General Assembly; sums which may be allocated to the Commonwealth for this purpose by the United States government; all receipts by the Fund from loans and grants and from loan repayments made by it to local governments of Virginia; all income from investments of moneys held in the Fund; and any other sums designated for deposit to the Fund from any source, public or private. The Fund is created to address the serious problem of derelict structures in the Commonwealth with particularity to such structures located in densely populated areas. The Fund shall make loans to local governments for acquisition, demolition, removal, rehabilitation or repair of specific derelict structures.

The Fund shall be administered and managed by the Board of Housing and Community Development as prescribed in this chapter. The Board of Housing and Community Development may disburse from the Fund reasonable costs and expenses incurred in administration and management of the Fund.

§ 36-154. Deposit of money; expenditures; investments.

All moneys belonging to the Fund shall be deposited in an account or accounts in banks or trust companies organized under the laws of the Commonwealth or any national banking association located in Virginia or any savings institution located in Virginia organized under the laws of the Commonwealth or the United States. The money in these accounts shall be paid by checks signed by an appropriate officer or employee of the Board of Housing and Community Development. All deposited moneys shall, if required by the Director of the Department of Housing and Community Development, be secured in a manner determined by the Director of the Department of Housing and Community Development to be prudent. All banks, trust companies and savings and loan institutions are authorized to give security for the deposits. Money in the Fund shall not be commingled with other moneys of the Department of Housing and Community Development. Money in the Fund not needed for immediate use or disbursement may be invested or reinvested by the Department of Housing and Community Development at the direction and guidance of the Director of the Department in obligations or securities which are considered lawful investments of public funds under the laws of the Commonwealth. All interest and earnings accrued from investments of monies from the Fund shall be used to increase the amount available in the Fund.

§ 36-155. Annual audit.

An independent certified public accountant selected by the Board shall annually audit the accounts of

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60 *the Fund. The cost of such service shall be paid from the balance in the Fund. The audit shall be*
61 *performed at least once each fiscal year in accordance with generally accepted audit standards and*
62 *shall include a review of accounting records and such auditing procedures as considered necessary*
63 *under the circumstances. Such audit shall be reviewed by the Auditor of Public Accounts.*

64 *The Board is empowered to collect or authorize others to collect on its behalf amounts due to the*
65 *Fund for any loan made to a local government. Proceedings to recover amounts due the Fund may be*
66 *instituted by the Board in the name of the Fund in the appropriate Circuit Court.*

67 *§ 36-156. Loans.*

68 *Except as otherwise provided in this chapter, money in the Fund shall be used to make loans to*
69 *local governments to finance the acquisition, removal, rehabilitation, repair or demolition of derelict*
70 *structures. The Board of Housing and Community Development shall determine the terms and conditions*
71 *of any loans from the Fund, which loans shall be at no interest and shall not exceed thirty-six months.*
72 *All loans from the Fund shall be evidenced by appropriate notes of the local government recipient*
73 *payable to the Fund. Any such loans made by the Fund shall be for the acquisition of specific structures*
74 *and appurtenances and the property on which they are located. Any loan shall be paid within three*
75 *years or, if earlier, at the time the property is disposed of by the locality. The Board is authorized to*
76 *make loans to localities for longer than one year; any loan longer than one year shall be subject to*
77 *annual appropriations of the locality to repay the loan. The Board shall not make any loan to a locality*
78 *which is in default of repayment of a loan.*

79 *§ 36-157. Reports.*

80 *On or before September 30 of each year, each local recipient shall report to the Department on the*
81 *status of the properties acquired by the locality with the loan. On or before December 1 of each year,*
82 *the Board shall report to the Governor and the Chairmen of the House Appropriations and Senate*
83 *Finance Committees on the matters set forth in the reports received by the Board from the recipients of*
84 *outstanding loans and on such other matters regarding the Fund that the Board may deem appropriate*
85 *or that may be requested by any of the foregoing persons to whom such report is to be submitted.*

86 *§ 36-158. Liberal construction of chapter.*

87 *Provisions of this chapter shall be liberally construed to the end that its beneficial purposes may be*
88 *effectuated. Insofar as provisions of the chapter are inconsistent with provisions of any other law,*
89 *general, special or local, the provisions of this chapter shall be controlling.*