

DEPARTMENT OF TAXATION

2011 Fiscal Impact Statement

1. **Patron** J. Chapman Petersen

2. **Bill Number** SB 847

House of Origin:

 Introduced

 Substitute

 Engrossed

3. **Committee** House Counties, Cities and Towns

4. **Title** Amends Charter in City of Fairfax

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would make several amendments to the charter of the City of Fairfax. First, it would change the date of the first meeting of the newly elected council from the first Tuesday of July following the election of the Council to either the second Tuesday of July or the first scheduled regular or special meeting of the City Council in July, whichever occurs first. Second, this bill would authorize the City of Fairfax to issue revenue bonds without holding a referendum. Finally, this bill would require that revenue bonds be authorized, executed, and sold, as provided under general law, specifically the provisions of the Virginia Public Finance Act of 1991.

Under the City of Fairfax's current charter, the first meeting of a newly elected Council must take place on the first Tuesday of July following the Council's election. Further, under the current charter, all bonds, including revenue bonds, require a 2/3 affirmative vote from the Council for adoption, and a bond referendum.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

8. **Fiscal implications:**

This bill would have no impact on state or local revenues.

9. **Specific agency or political subdivisions affected:**

City of Fairfax

10. **Technical amendment necessary:** No.

11. Other comments:

Council Members

Under the charter, all powers vested in the City of Fairfax must be exercised by the City Council, which consists of six members who are elected for two-year terms. Among its many additional powers, the Council is authorized to determine the composition and operation of city boards, departments, bureaus, etc., to create, alter or abolish such entities, and to designate the time and place for all Council meetings. Once elected, the first meeting of a newly elected Council must take place on the first Tuesday of July following the Council's election.

This bill would change the date of the first meeting of the newly elected City Council members to the second Tuesday of July following their election, or at the first scheduled regular or special meeting of the City Council in July, whichever occurs first.

Revenue Bonds

Under the current charter, the City Council is authorized to issue negotiable general obligation bonds or notes for the purpose of financing all or part of the cost of any capital improvement project. A general obligation bond is issued under the same procedure as the passage of any other ordinance, except that it requires a 2/3 vote of the entire Council for adoption. Once adopted by the Council, there must be a special election of the qualified voters of the City, and if a majority of those voting approves the ordinance, it will take effect.

The current charter also authorizes the City to construct, acquire, repair, improve, extend and operate water systems, sewer systems, gas systems, electric systems, and public parking systems, and to issue revenue bonds to be paid for from the revenues derived from these systems. Currently, the revenue bonds must be issued under the same process as the general obligation bonds, upon a 2/3 vote of the entire Council and a special election of qualified voters of the City.

This bill would remove the referendum requirement applicable to revenue bonds. The bill would also require that revenue bonds be authorized, executed and sold, as provided under general law, specifically the provisions of the Virginia Public Finance Act of 1991.

The effective date of this bill is not specified.

Similar Bills

House Bill 1742 would amend the charter for the City of Fairfax by removing the limitation on the amount the city may charge for transient occupancy tax and changing the date of the first meeting of the newly elected City Council members. The bill would also amend Fairfax's charter to allow revenue bonds to be issued by the City without holding a bond referendum, as the charter currently requires.

cc : Secretary of Finance

Date: 2/9/2011 KP

DLAS File Name: SB847FE161