

20102437D

## SENATE JOINT RESOLUTION NO. 13

Offered January 8, 2020

Prefiled December 30, 2019

*Directing the Joint Legislative Audit and Review Commission to study the practices, procedures, and accountability of industrial development authorities in the Commonwealth. Report.*

---

Patron—Chase

---

Referred to Committee on Rules

---

WHEREAS, industrial development authorities, sometimes called economic development authorities, are political subdivisions with unique powers and duties that may be created by the governing body of a locality in the Commonwealth by authority of Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2; and

WHEREAS, industrial development authorities do not have the same checks on power as other local decision-making bodies by virtue of being unelected; such authorities are governed by a board of directors appointed by the local governing body; and

WHEREAS, many decisions of industrial development authorities are made without citizen involvement; and

WHEREAS, each individual industrial development authority is free to develop its own criteria for choosing economic development projects without input from citizens or public awareness; and

WHEREAS, citizens are often not properly protected from the financial consequences of unsuccessful economic development projects undertaken by industrial development authorities; and

WHEREAS, industrial development authorities may be making imprudent or improper decisions without proper accountability from state or local governments or their local constituents; and

WHEREAS, a cost-benefit analysis is crucial to understanding whether industrial development authorities have been successful in serving the interests and welfare of Virginians; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to study the practices, procedures, and accountability of industrial development authorities in the Commonwealth.

In conducting its study, the Joint Legislative Audit and Review Commission shall (i) collect information regarding the number, sizes, budgets, and locations of industrial development authorities throughout the Commonwealth; (ii) collect information regarding any moneys received by industrial development authorities, the source and final disposition of such moneys, and the level of control that local governing bodies have over the use of such moneys; (iii) make recommendations to enhance the level of supervision and accountability that local governing bodies have over the activities of industrial development authorities; (iv) collect information about opportunities for citizen engagement in pursuing and approving projects and make recommendations to enhance such engagement; and (vi) make other legislative recommendations as appropriate.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Commission on Local Government and the Virginia Economic Development Partnership. All agencies of the Commonwealth shall provide assistance for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2020, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2021 Regular Session of the General Assembly. The executive summary shall state whether the Joint Legislative Audit and Review Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

INTRODUCED

SJ13