

ANNULMENT OF TOWN CHARTER
CHAPTER 37, TITLE 15.2

(Incorporates changes through 2015 General Assembly session)

I. Eligibility

This chapter authorizes any town to surrender its charter and revert to unincorporated status.

II. Procedure for Initiating Action

(Sec. 15.2-3701, Code of Va.)

- A. Prior to petitioning the local circuit court for the annulment of a town charter, the town governing body must enter into an agreement with the county or counties within which the town is located.
- B. The agreement must include provisions with respect to the following actions:
 - 1. Transfer to the county of all town revenues, services, real and personal property, and other assets.
 - 2. Assumption by the county of all existing town indebtedness.

III. Action by Town Governing Body

(Secs. 15.2-3702 and 15.2-3703, Code of Va.)

- A. After the adoption of an agreement proposing the annulment of a town charter by the town and the affected county governing bodies, the town council must petition the local circuit court for an order calling for a referendum on the question of the repeal and annulment of the town charter.
- B. The town must also serve the appropriate county officials with notice of its intended action, and it must publish the notice and ordinance as required by Section 15.2-3703, Code of Virginia.

IV. Order of Election and Referenda

(Secs. 15.2-3704 and 15.2-3705, Code of Va.)

- A. Following the completion of the publication requirement, the circuit court shall enter an order establishing a date for a referendum on the question of the annulment of the town charter.
- B. If the annulment of the municipal charter is approved by a majority of the voters in the

town, the judge of the circuit court shall enter an order recording that fact. The annulment shall become effective on January 1 of the year following the year in which the order entering such fact of record is issued or, in the discretion of the court, on the second January 1 following the year in which issued, unless the town and county petition the court to order the annulment on any other mutually agreed date.

V. Effect of Annulment

A. Town Charter
(Secs. 15.2-3706 and 15.2-3712, Code of Va.)

Upon the effective date of the annulment, the corporate body of the town is dissolved, and the charter of the town is surrendered. At the session of the General Assembly following the annulment, the affected county shall request that body to repeal the charter of the town.

B. Town Officials
(Sec. 15.2-3707, Code of Va.)

Upon the effective date of annulment, the terms of office and the rights, powers, duties, and compensation of the officers, agents, and employees of the town are terminated.

C. Transfer of Property and Indebtedness
(Sec. 15.2-3708, Code of Va.)

Upon the effective date of the annulment, the title of all real and personal property and responsibility for the indebtedness of the former town shall pass to the affected county.

D. Special Debt Retirement District
(Sec. 15.2-3709, Code of Va.)

If provided for in the agreement between the town and the county, the territory constituting the former town may be a special debt district for the purpose of repaying all or part of the existing indebtedness chargeable to the town before annulment. A special tax on real property within the special debt district shall be levied for a period not exceeding twenty years. The special tax may be different from and in addition to the general tax rate throughout the entire county or counties in which the town was located.

E. Pending Legal Proceedings
(Sec. 15.2-3711, Code of Va.)

1. Any judicial proceedings pending against the former town at the time of the annulment may be perfected to judgment against the parent county.
2. If provided for in the agreement between the town and the county, a judgment against the county resulting from a pending judicial proceeding may be paid by the special debt district created pursuant to Section 15.2-3709, Code of Virginia.

Staff
Commission on Local Government
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