

## **SOME EFFECTS OF THE REVERSION OF AN INDEPENDENT CITY IN VIRGINIA TO TOWN STATUS**

**Note: Some of the items listed below are generalizations because of potential legal issues and the intricacy of various state statutes.**

- Reversion of an independent city to town status would integrate the residents of the former city into the civic and social life of the county.
- All real and tangible personal property within the former city will be subject to county taxation. Property tax rates established by the town following reversion, however, would be reduced to reflect the transfer of certain service responsibilities to the county.
- City reversion to town status will have the effect of transferring to the county the responsibility for providing education, mental health, welfare, and health services to the residents of the town, and county policies will govern the delivery of those services. The enlarged county's receipt of State aid would be based upon statistics incorporating data for the former city. For example, the county's receipt of basic school aid would be based upon an average daily membership figure which includes students in the former city. Further, in order to facilitate a transition of a city to a town, the Code of Virginia also provides that there will be absolutely no loss in total State aid to the reverted town and the affected county for a 15-year period.
- Unless provided by agreement between the former city and the affected county or by court order, the town remains liable for the indebtedness, obligations, and liabilities of the former city, and all property and contractual rights of the former city shall vest in and become property of the town.
- The offices of the constitutional officers of the former city shall terminate upon transition to town status. The constitutional officers serving the county will assume responsibility within the new town, and residents of the town would vote for those officers.
- The former city will no longer be required to maintain a separate court system.
- Without a court of record, the new town will no longer have the authority to levy recordation or probate taxes.
- The taxing authority of the enlarged county and the new town will be governed by general law provisions relative to town-county fiscal relations. For example, the town will no longer receive all of the 1% local option sales tax that is returned to cities and counties according to the site of sale. Instead, the town will share a portion of the local option sales taxes collected within the enlarged county on the basis of the school age

population of the town.

- The county will assume responsibility for assessing property located within the former city, but the town has the authority to assess property within its jurisdiction if such is desired.
- The electoral board of the former city will be abolished, and the county electoral body would assume responsibility within the town.
- Elections for members of the town governing body shall be held at least 30 days before the effective date of transition.
- Since residents of the former city will be eligible to vote for members of the board of supervisors and county election district lines must be redrawn.
- As a town, the municipality would be permitted to petition for the annexation of territory within the county, following a two-year moratorium after reversion. If a town annexation is successful, however, the adverse impact on the county would be minimal since none of the county's property tax base would be affected. Annexation by a town would reduce initially the county's receipts from some minor revenue sources.
- The town would be permanently barred from returning to independent city status.
- Any future growth in the new town will also benefit the county.

Staff  
Commission on Local Government  
December, 2015