

ALTERNATIVE APPROACHES TO INTERLOCAL CONCERNS

(Incorporates changes through 2015 General Assembly session)

1. Economic Growth-Sharing Agreements

- (a) **For Settlement of Interlocal Boundary Change/Transition Issues**--Localities are authorized to include in interlocal agreements settling annexation or other boundary change or transition issues provisions establishing long-term economic growth-sharing arrangements. Such agreements require review by the Commission on Local Government and approval by a special three-judge court before they may be implemented. (Code, §§15.2-3400 and 15.2-3401)

Examples: City of Charlottesville/Albemarle County--each jurisdiction annually contributes \$0.37 for each \$100 of its assessed real property values to an economic growth sharing fund. Distribution of the fund to the localities is based on their respective populations and true tax rates. As a condition of this revenue-sharing agreement, the City has agreed to relinquish its authority to annex County territory.

City of Franklin/Isle of Wight County--In exchange for the City's agreement not to annex a specified portion of the County, Isle of Wight County has agreed to share a portion of the tax revenues from that area with the City. Through 1995, the County shared 20% of the revenues. In subsequent years, the percentage to be shared is to fluctuate between 17% and 23%, depending upon the relative fiscal condition of the two jurisdictions.

City of Lexington/Rockbridge County--In exchange for the City's agreement not to annex any of the County, Rockbridge County has agreed to share with the City in perpetuity an amount equal to \$0.05 for each \$100 of assessed value of all taxed real estate and 7% of its non-property tax collections, with the formula subject to revision every 15 years.

- (b) **For Use Outside the Context of Boundary Change/Transition Issues**--Localities are also authorized to enter into voluntary economic growth-sharing agreements for purposes other than the settlement of a boundary change/transition issue, subject only to an advisory review by the Commission on Local Government. (Code, §15.2-1301)

Example: Town of Christiansburg/Montgomery County--The Town has agreed to share 35% of revenue with the County that are generated from meals and lodging taxes within the specified growth sharing area.

- (c) **Regional Industrial Facilities Authorities**--Any three or more localities, at least two of which must be counties or cities; two or more localities in Planning Districts 2, 3, 10, 11, and 12, at least one of which must be a county or a city are authorized to enter into a revenue and economic growth-sharing agreement with respect to revenues generated by an industrial park owned by a regional industrial facility authority. Such regional industrial facility authorities and revenue-sharing may be established pursuant solely to action by the governing bodies of the participating localities. (Code, §15.2-6400 et seq.)

Example: Bland, Craig, Giles, Montgomery, Roanoke, Pulaski, and Wythe Counties; the Cities of Roanoke and Radford; and the Towns of Christiansburg, Dublin, Pearisburg, and Pulaski belong to Virginia's first Regional Industrial Facility Authority, which was created in September 1998 to share the cost of developing regional industrial parks in Pulaski and Wythe Counties and to share the revenues from those facilities.

2. Sharing of Constitutional Officers

Any two or more counties and cities may share one or more of the constitutional officers (e.g., sheriff, Commonwealth's attorney) upon approval of the electorate in each jurisdiction by referendum. The question of sharing local constitutional officers can only be placed on the ballot by a petition signed by a number of voters equal to 15% of the votes cast in the last gubernatorial election within the locality. (Code, §15.2-1602)

3. Sharing of Ministerial and Executive Officers

Any two or more counties may jointly appoint and employ ministerial and executive officers upon approval of such an arrangement by the county governing bodies and, subsequently, by the people in a referendum. Similarly, counties and towns within such counties may jointly appoint and employ ministerial and executive officers. (Code, §§15.2-1513 – 15.2-1516)

4. Joint Exercise of Powers

Any county, city, or town may enter into agreements with any other political subdivision in this State or any other state for the joint exercise of any power, privilege, or authority which it possesses. (Code, §15.2-1300)

Example: Town of Strasburg and Shenandoah County: Town to accept and pass-through cash proffers for the benefit of the County.

5. Specific Authority for Joint Functional Activities

In addition to the general authorization to enter into interlocal agreements, State law specifically authorizes localities to deliver the following services jointly:

- (a) **Jails**- Any two or more counties or cities may establish a regional jail or jail farm. (Code, §53.1-105)

Example: Piedmont Regional Jail--Amelia, Buckingham, Cumberland, Lunenburg, Nottoway, and Price Edward Counties.

- (b) **Juvenile facilities**- Any combination of counties and cities may establish a joint juvenile detention home, group home, or other similar facility. (Code, §16.1-309.3)

Example: Rappahannock Juvenile Center--Stafford, Spotsylvania, and King George Counties, and the City of Fredericksburg

- (c) **Libraries**- Any two or more counties or cities may operate a regional library system. (Code, §42.1-37)

Example: Pamunkey Regional Library--Goochland, Hanover, King William, and King and Queen Counties

- (d) **Social services**- The State Board of Social Services, with consent of the Governor, has the authority to establish a social services district consisting of two or more counties and/or cities. Further, localities may choose to contract for services with another jurisdiction to manage the administrative and program functions of the social services operation. Moreover, any combination of counties and cities, even though they may have separate boards, may designate a single superintendent of social services. (Code, §§63.2-300, 63.2-306, and 63.2-307)

Examples: Social Services District--Henry County and Martinsville; Contract for services—Roanoke County and Salem; Joint social services department--Augusta County, Staunton, and Waynesboro.

- (e) **Mental health services**- Counties and cities may establish joint community services boards for the delivery of mental health, mental retardation, and substance abuse services. (Code, §37.2-500)
- (f) **Solid waste and recycling**--Any county, city, and town may contract with another locality for the joint collection, management and disposal of solid waste and recyclable materials. (Code, §15.2-928)
- (g) **Law enforcement**- Any locality may enter into reciprocal agreements with another locality for the consolidation of police departments. In addition, any county may contract with its sheriff and any town within its borders by which the sheriff will provide law enforcement services within the municipality. (Code, §15.2-1726)
- (h) **Emergency services**- Any adjoining localities may establish joint emergency services operations plans and programs for preventing or responding to disasters in their area. (Code, §44-146.20)
- (i) **Animal shelter**- Counties and cities may establish joint animal shelters to confine stray animals. (Code, §3.2-6546)

6. **Joint Planning Commissions**

Any two or more counties, cities, or towns may establish joint local planning commissions. The participating localities may determine the membership of such commissions and the apportionment of expenses as they deem appropriate. (Code, §§15.2-2218 and 15.2-2219)

Example: The former Northampton County Joint Planning Board (Northampton County and the Towns of Cape Charles, Cheriton, Eastville, Exmore, and Nassawadox)

7. **Joint Authorities**

In addition to agreeing jointly to deliver services, any two or more counties, cities, or towns may jointly establish the authorities or special districts listed below for the provision of services and facilities. All these authorities or districts may be established by action of the local governing bodies, without any further authorization from the State, although some may require a referendum.

- (a) **Public service authority**- Provision of water, sewer, water and sewer, stormwater control, and garbage and refuse collection and disposal services. (Code, §15.2-5102)

Example: Upper Occoquan Service Authority--Fairfax and Prince William Counties and the Cities of Manassas and Manassas Park

- (b) **Electric authority**- Provision of facilities for the generation and transmission of electric power. (Restricted to localities meeting certain statutory criteria.) (Code, §15.2-5403)

- (c) **Redevelopment and housing authority**- Clearance and redevelopment of blighted areas and provision of decent, safe, and sanitary housing for persons with low incomes. (Code, §36-24)

Example: Accomack-Northampton Housing and Development Corporation

- (d) **Transportation district**- Preparation of transportation plans and provision of transit facilities. (Code, §33.2-1903)
- Examples: Accomack-Northampton Transportation District; Potomac and Rappahannock Transportation District (Prince William and Stafford Counties, and Manassas, Manassas Park, and Fredericksburg)*
- (e) **Local transportation improvement district**- Construction, expansion, improvement, and operation of transportation improvements in the district. (Code, §33.2-2000 et seq.)
- Example: Route 28 Improvement District (Fairfax and Loudoun Counties)*
- (f) **Airport authority**- Acquisition, operation, and maintenance of airport facilities. (Code, §5.1-35 and 5.1-36)
- Examples: New River Valley Airport Commission (Montgomery, Pulaski, and Giles Counties; City of Radford; and Towns of Dublin, Pulaski, and Christiansburg); Roanoke Regional Airport Commission (Roanoke County and Roanoke City)*
- (g) **Industrial development authority**- Promotion and development of industry and trade (Code, §15.2-4916)
- Example: Franklin-Southampton Economic Development Commission (City of Franklin and Southampton County)*
- (h) **Public recreational facilities authority**- Acquisition, operation, and maintenance of recreational facilities such as coliseums, sports facilities, amusement parks, and zoos. (Code, §15.2-5602)
- (i) **Park authority**- Acquisition, operation, and maintenance of parks and recreation areas. (Code, §15.2-5702)
- Example: Northern Virginia Regional Park Authority (Counties of Arlington, Fairfax and Loudoun, and Cities of Alexandria, Fairfax and Falls Church)*
- (j) **Hospital or health center commission**- Construction and operation of hospital, health center, or other similar facility. (Code, §15.2-5200)
- Example: Northern Virginia Health Center Commission (City of Alexandria and the Counties of Fairfax, Fauquier, Loudoun, and Prince William)*
- (k) **Mosquito control district**- Control and elimination of mosquitoes. (Code, §32.1-187)
- (l) **Sanitation district-tidal waters**- Protection of tidal waters, public health, and natural oyster beds from pollution through construction and operation of sewage disposal facilities. (Code, §21-141 et seq.)
- (m) **Sanitation district-nontidal waters**- Protection of nontidal waters, public health, and natural oyster beds from pollution through construction and operation of sewage disposal facilities. (Code, §21-224 et seq.)

- (n) **Jail authority**- Construction and operation of a jail. (Code, §53.1-95.2)

Example: Riverside Regional Jail Authority (Cities of Petersburg, Hopewell, and Colonial Heights and Counties of Charles City, Chesterfield, Prince George, and Surry)

- (o) **Regional criminal justice training academy**- Establishment and conduction of training for public law-enforcement and correctional officers. (Code, § 15.2-1747)

Example: Northern Virginia Criminal Justice Academy (Cities of Alexandria, Falls Church, Fairfax, Manassas and Manassas Park; Counties of Arlington and Loudoun; and Towns of Leesburg, Middleburg, and Purcellville)

- (p) **Regional juvenile detention commission**- Establishment and operation of residential facility for juveniles. (Code, §16.1-315 et seq.)

Example: Rappahannock Juvenile Center--Stafford, Spotsylvania, and King George Counties, and the City of Fredericksburg

8. Joint Enterprise Zones

Two or more adjacent localities may request the State to designate a “joint enterprise zone” as an inducement for the development of those areas. Businesses locating or expanding in the zone are provided certain tax and other incentives, and the economic benefits are to be shared among the affected localities. (Code, § 59.1-542)

Example: City of Richmond and Henrico County joint enterprise zone

9. Joint Special Service Districts

Two or more localities may create service districts to provide additional, more complete or more timely services of government than are desired in the locality or localities as a whole, and to levy a real property tax for those services. (Code, § 15.2-2400 et seq.)

10. Regional Transportation Program

At the request of the localities involved, the General Assembly has established the Northern Virginia Transportation District Program. Under the terms of this program, designated State funds, most of which would otherwise be paid directly to the member localities, are transferred to the State Transportation Trust Fund and used to pay the debt service on bonds issued by the Commonwealth Transportation Board to construct various transportation projects in the region. The actual projects included in the program are selected by the localities. The State funds which are used are the local share of the State recordation tax and local public rights-of-way use fees collected by the Virginia Department of Transportation, as well as general fund appropriations. The jurisdictions involved are the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William. (Code, §§ 33.2-2400 et seq. and Chapter 391 of the Acts of Assembly of 1993, as amended by Chapters 470 and 597 of the Acts of Assembly of 1994 and by Chapters 740 and 761 of the Acts of Assembly of 1998, and as amended by Chapter 538 of the Acts of Assembly of 1999, Chapter 799 of the Acts of Assembly of 2002, Chapter 337 of the Acts of Assembly of 2003, and by Chapter 621 of the Acts of Assembly of 2005)

11. Special Legislation for Authorities and Districts

In some instances, the general statutory authorization cited in the previous section either did not meet the needs of localities seeking to establish regional special purpose districts/authorities or

did not exist at the time. In such cases, the General Assembly enacted special legislation authorizing the establishment of a mechanism to effect the regional provision of a service. The authorizing legislation can be viewed at <http://law.lis.virginia.gov/authorities>

Examples: Hampton Roads Sanitation District--Collection and treatment of sewage. (Ch. 334, 1938 Acts of Assembly.) [Cities of Portsmouth, Virginia Beach, Norfolk, Chesapeake, Suffolk, Poquoson, Hampton, Newport News, and Williamsburg and the Counties of James City, York, and Isle of Wight.]

Southeastern Public Service Authority of Virginia--Collection and disposal of solid waste, including construction and operation of waste-to-energy facilities. (Ch. 554, 1977 Acts of Assembly.) [Cities of Suffolk, Chesapeake, Portsmouth, Virginia Beach, Norfolk, and Franklin, and the Counties of Southampton and Isle of Wight.]

Richmond Metropolitan Transportation Authority--Construction and operation of toll roads and parking facilities; construction and operation of minor league baseball facility. (Code, § 15.2-7000 et seq.) [City of Richmond and the Counties of Henrico and Chesterfield]

Northern Virginia Transportation Commission--Preparation of plans for transportation facilities; operation of transit system. (Code, §§ 15.2-4929 et seq.) [Fairfax, Loudoun, Prince William and Arlington Counties and the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.]

Virginia Coalfield Economic Development Authority--Provision of financial support for a wide range of activities designed to enhance the economic base of the region. (Code, §15.2-6000 et seq.) [Lee, Wise, Scott, Buchanan, Russell, Tazewell, and Dickenson Counties, and the City of Norton.]

12. Joint Schools, School Facilities, and Superintendents

Virginia law vests in the State Board of Education the authority to establish school division lines. However, the division lines that existed on July 1, 1978 are currently recognized by law as establishing the school divisions of the State, and no division may be divided or combined with another without the consent of the localities involved. Since that date, the State Board has consented to the consolidation of several school divisions. (Code, §22.1-25)

Example: The City of Williamsburg and James City County operate a consolidated schools system.

Moreover, within the framework of the existing divisions, any two or more school boards may, with the consent of the State Board of Education, enter into one or more of the cooperative arrangements listed below:

- (a) **Joint and regional schools**-- School boards may establish jointly owned and operated regional schools, including regional public charter schools. (Code, §22.1-26)

Examples: Joint technical/vocational school--Orange, Culpeper, Rappahannock, and Madison Counties

Joint special education program--City of Norton and Wise County

- (b) **Contracting**-- A school board may contract with the school board of an adjacent school division for the use of its school facilities. (Code, §22.1-27)

- (c) **Joint superintendent**-- Any two or more school divisions may appoint the same person as

division superintendent. (Code, §22.1-62)

Example: Before the City of South Boston reverted to town status, the city and Halifax County maintained separate school boards but jointly employed one superintendent and central staff.

13. Provision of Services by Planning District Commission

The Regional Cooperation Act establishes Virginia's 21 planning district commissions (PDCs), whose activities are directed by a board composed of representatives of the localities geographically located therein. One of the original purposes of PDCs was to encourage "the creation of effective regional planning agencies." The Act has been amended over subsequent years so that now it also authorizes PDC's to operate and provide general government programs and services, at the request of their members. PDC's may not, however, operate programs or provide services within any jurisdiction which opposes such an action. (Code, §§15.2-4208 and 15.2-4209)

Example: The Region 2000 Local Government Council operates a landfill for its member jurisdictions.

14. Consolidation of Local Governments

Two or more adjoining cities or counties, and any towns located therein, may consolidate into a single county or city. The consolidation process may be initiated by the local governing bodies or by a petition filed by 15% of the registered voters. Consolidations must be approved by referendum, and any consolidation creating a new city requires review by the Commission on Local Government. (Code, §§ 15.2-3500 et seq.)

Example: The last consolidation of local governments effected in Virginia was that between the Cities of Suffolk and Nansemond in 1974.

15. Partial Consolidation

In addition to a complete consolidation, State law affords counties and cities the option of a partial consolidation. Under such an alternative, the municipality would become a "tier-city," having all the powers, duties, and responsibilities of a town, augmented by whatever additional powers and service delivery responsibilities are granted the tier-city in the consolidation plan developed with the affected county. (Code, §§1-13.28:1 and 15.2-3549)

Partial consolidations are subject to approval by referendum in each jurisdiction which is a party to the agreement. (Code, §§15.2-3538 – 15.2-3540)

Example: The City of Staunton and Augusta County developed a plan of partial consolidation which would have transformed the City of Staunton into a tier-city within the County, but the plan was rejected by the electorate of Staunton in 1984.

16. Reversion to Town Status

Any city with a population of less than 50,000 may change its status to that of a town. This action may be initiated either by the city council or by a petition signed by 15% of the registered voters of the city. In either case, the proposed action must be reviewed by the Commission on Local Government and by a special three-judge court. If the court finds that the change in status would be in the best interest of the city, county, Commonwealth, and the people of the county and city, it shall grant the petition. In doing so, the court may impose appropriate terms and conditions. The new town may not institute any annexation proceedings against the county for two years following changing its status from city to town,

except for an annexation agreement with the county. Any jurisdiction changing from city to town status is prohibited from returning to the status of an independent city. (Code, §15.2-4100 et seq.)

Example: The City of Clifton Forge reverted to a town effective July 1, 2001.

17. Regional Governments

While there are no provisions presently in the Code of Virginia which provide for the establishment of regional governments, the State's Constitution authorizes their creation. Article VII, Section 2 of the Constitution states that the General Assembly may provide for regional governments by general law or special act. The Constitution states that no regional governments may be established without approval by the voters in each county or city, or part thereof proposed for inclusion in the regional government. Thus, the General Assembly could set forth by general law a form of regional government that could be adopted by localities; or localities could develop a regional government tailored to their particular needs and request the General Assembly to authorize such by special act.

Example: In 1990, the General Assembly authorized the creation of the Roanoke "regional" government to serve the City of Roanoke and Roanoke County. However, the establishment of the regional government was defeated in the required referendum.

18. State Aid Incentives

Under general law provisions, specified years following a consolidation of local services or governments, no State funds which are distributed to localities for any "governmental program or function" shall be reduced as a consequence of the consolidation below the aggregate amount which the consolidating local governments would have received had no consolidation occurred. For governmental consolidation into a single locality, the hold harmless period is 20 fiscal years; for consolidation of constitutional officers and school divisions, the period is 15 years; and for all other consolidation of services, the period is 5 years. The term "consolidation" also encompasses the reversion of a city to town status. (Code, § 15.2-1302)

In addition to the above general aid provisions, specified State assistance is also provided for street maintenance, police protection, and education funding in specific situations. (Code, §§15.2-3530 and 52-11.2 ; and 2014 Appropriation Act, Item 136 (A)(4)(c))

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December 2015