



Greene County, Virginia

Specialized Tax Districts

Public Information Meeting
May 24, 2018

Summary

A Specialized Tax District is a limited purpose government created by the general purpose government to provide and fund a specific service at the local level.

Purpose

Where the property owners of a certain area of a jurisdiction may petition to receive a higher level of service than provided by the general purpose government to the general population.

An increased level of need in the area of storm water, a new roadway, business services or internet, new or repaired infrastructure, preservation of open space, recycling, or other services....that the affected community is willing to pay directly for ... all could be considerations for Specialized Tax Districts.

Creation of Service Districts (§15.2-2400)

Any locality, or any two or more localities, may create service districts (upon petition per 15.2-2403 State Code).

The stated purpose is to provide additional, more complete, or timely government services in a specific geographic area, rather than the locality as a whole.

Created by ordinance: name/boundaries/purposes of district, plan for providing services/facilities, benefits expected (§15.2-2402).

Powers of Service Districts (§15.2-2403)

Can be used to construct, maintain, and operate facilities and equipment, including but not limited to those set out in the Code.

Water supply, dams, trash removal/disposal, fire and rescue equipment, economic development services and facilities, public parking, street cleaning, snow removal.

Construction, maintenance, and general upkeep of streets and roads, other services, events or activities, that enhance the public use, enjoyment, safety, convenience, and well being.

Powers of Service Districts (§15.2-2403)

Transportation and transportation services within a service district (public transportation, road construction including new roads or improvements to existing roads, rehabilitation/replacement of facilities).

Includes acquiring facilities/equipment to provide such services, and contracting for service provision/construction/establishment.

Acquiring open space for preservation under the Open Space Act.

Powers of Service Districts - Taxes

Can be funded by a fixed tax on the assessed value of all real property within the district. However, can only be levied on classification of property the governing body deems the services will benefit

Cannot be used for schools, police or general government services

Cannot be separate funding source for services that benefit the entire locality, nor replacement funding for general government services

Service district taxes must be kept and accounted for separately and only expended on services provided in the district

Local Improvements (§15.2-2404 - 2409)

Locality may impose taxes or assessments upon the owners of abutting property for sidewalks, alleys, stormwater management facilities, curbs and gutters.

Also, for waterlines, street light installation, canopies or other weather protective devices, and permanent amenities, such as benches or waste receptacles.

Taxes or assessments not to exceed resulting benefits.

Improvements and cost apportionment pursuant to agreement between government body and landowners.

Virginia Service Districts

(12 counties, 12 cities, and 4 towns)

Locality	District	Tax	Service
Arlington	Ballston	\$0.045	Marketing, business development, finance & admin
Chesterfield	Eastern Midlothian Turnpike	\$0.03	Streetscapes
Fairfax County	Tysons	\$0.050	Infrastructure
Fairfax County	Stormwater	\$0.025	Stormwater mandates & infrastructure
Fairfax County (partner w/Loudoun)	Rte. 28 Transportation	\$0.18 (capped @20¢)	Road improvements & bond service
Fauquier	Marshall	\$0.05	Streetlights/Electric/Telecom/ Infrastructure/Business promotion
Hanover	Subdivision	\$24.00 (fixed tax)	Recycling
New Kent	Bottoms Bridge	\$0.08	Water/sewer facilities Fiber optic/Broadband

How it works - Example

A developer of a subdivision does not complete road improvements required for VDOT acceptance. Development bonds are not adequate to complete the work, so homeowners are not provided any maintenance on their private road.

The Board of Supervisors determines it is too expensive and not in the best interest of the general population to fund the improvements, and VDOT also cannot pay for them.

The homeowners petition the County to create a special district to fund the improvements needed to bring the road up to state standards for acceptance.

Funds are borrowed to complete the work, with existing and future homeowners in the neighborhood required to pay the debt service over a 20-year period.

Conclusions/Overview

Powerful financing mechanism to help communities concentrate development opportunities into targeted locations. These tools are commonly used in communities across Virginia to create public improvements that spur private investment.

Several case studies are available to show how these financings may be replicated for future projects.

§ 15.2-2403. Powers of service districts.

After adoption of an ordinance or ordinances or the entry of an order creating a service district, the governing body or bodies shall have the following powers with respect to the service districts:

1. To construct, maintain, and operate such facilities and equipment as may be necessary or desirable to provide additional, more complete, or more timely governmental services within a service district, including but not limited to water supply, dams, sewerage, garbage removal and disposal, heat, light, fire-fighting equipment and power and gas systems and sidewalks; economic development services; promotion of business and retail development services; beautification and landscaping; beach and shoreline management and restoration; dredging of creeks and rivers to maintain existing uses; control of infestations of insects that may carry a disease that is dangerous to humans, gypsy moths, cankerworms or other pests identified by the Commissioner of the Department of Agriculture and Consumer Services in accordance with the Virginia Pest Law (§ 3.2-700 et seq.); public parking; extra security, street cleaning, snow removal and refuse collection services; sponsorship and promotion of recreational and cultural activities; ***upon petition of over 50 percent of the property owners who own not less than 50 percent of the property to be served***, construction, maintenance, and general upkeep of streets and roads; construction, maintenance, and general upkeep of streets and roads through creation of urban transportation service districts pursuant to § 15.2-2403.1; and other services, events, or activities that will enhance the public use and enjoyment of and the public safety, public convenience, and public well-being within a service district. Such services, events, or activities shall not be undertaken for the sole or dominant benefit of any particular individual, business or other private entity. Any transportation service, system, facility, roadway, or roadway appurtenance established under this subdivision that will be operated or maintained ..

Discussion/Questions

For more information, contact the County Administration Office @ (434) 985-5201, or log on to

<http://greenecountyva.gov/government/depts/administration>