

Information for Public Meeting on May 9, 2024, at 5:30 pm to discuss Referendum

There are 190 towns in the Commonwealth of Virginia. All of the town charters are listed on the website: <https://law.lis.virginia.gov/charters/>

QUESTIONS FOR DISCUSSION

The following questions are suggested to guide the discussion.

1. What concerns do you have that a referendum on Town debt would address?
2. What should trigger a referendum? Options could include: (a) debt above \$X (provide X), (b) debt above Y% (provide Y), (c) debt payment (monthly or annual) above \$A (provide A), or (d) debt payment above Y% of revenue (monthly or annual).
 - a. Is there any debt that would trigger a referendum for which the referendum could be by-passed?
3. What is necessary for a referendum to pass (or fail)? Options could include: (a) simple majority or (b) two-thirds of (1) registered voters who voted, (2) registered voters, (3) registered voters and property owners, or (4) registered voters and property owners who vote
4. How many times could a referendum on a particular topic be asked in a set period of time?
5. How many referendum elections should the Town budget for each year?

VIRGINIA CODE REGARDING DEBT

Article 7, Section 10 of the Virginia Constitution limits the amount of debt that the Town can issue to 10.0% of assessed value (without a referendum). For Irvington's approximate \$290 Million of assessed value, that would be up to \$29 Million of bonds. In addition Article 7, Section 10 already allows for other types of debt, depending on its structure (such as self-funding water systems).

See Constitution section:

<https://law.lis.virginia.gov/constitution/article7/section10/>

Also see enacting State Law § 15.2-2634:

<https://law.lis.virginia.gov/vacodefull/title15.2/chapter26/article3/>

LOCAL EXAMPLES OF LANGUAGE RELATED TO DEBT

- Irvington:
§ 12. The council may adopt rules for regulating its proceedings, but no tax shall be levied, or corporate debt contracted, except by a recorded two-thirds vote of all the members elected to the council or appropriation of money exceeding the sum of one hundred dollars be made, except by a recorded affirmative vote of a majority of all the members elected to the council. (1958, c. 366)
- Kilmarnock:
§ - 22.
"No tax shall be levied or corporate debt contracted, except by a vote of two-thirds of the members of council, which vote shall be by yeas and nays and recorded in the minutes."
§ - 61.
The town council, within the limits of the Constitution of this State and in accordance with the provisions of the general laws thereof, may, in the name of, and for the use of the town, contract loans or cause to be issued certificates of debts, notes or bonds.
- White Stone and Urbanna:
No reference to the word "debt"

OTHER EXAMPLES OF LANGUAGE RELATED TO DEBT

- Blacksburg:
§ 3.14. Procedure.
An affirmative recorded vote of five of the members is required for the adoption of any ordinance or resolution having for its object the levying of taxes or contracting a debt.
- Bowling Green:
Council rules of procedure; certain matters may be adopted by vote of majority of all members elected to council. The council may adopt rules for regulating its proceedings but no tax shall be levied, corporate debt contracted, or appropriation of money exceeding the sum of one hundred dollars be made, except by a recorded affirmative vote of a majority of all the members elected to the council.
- Clinchport:
§ 12. No debt or liability shall be incurred by said town, nor any claim or allowance made to any officer of said town, or any other person in excess of the taxation permitted to be imposed by this charter.

- Pulaski:
§ 3.14. Procedure.
C. Voting. An affirmative recorded vote of a majority of those members voting is required for the adoption of any ordinance or resolution having in its object levying of taxes or contracting of debt. All votes must be in person. No proxies are allowed.
- Clintwood:
§ 6. Taxation and finances.
The town council shall have control of taxation and finances for its municipal purposes. It shall have the following powers:
To contract debts in the name of and for the use of the town and make and issue, or cause to be made and issued, as evidence thereof, bonds, notes or other obligations, within the limitations prescribed by the Constitution and the laws of this State concerning bonds issued by towns, upon credit of the town, or solely upon the credit of specific property owned by the town, or solely upon the credit of income derived from property used in connection with any public utility owned and operated by the town.
To borrow money temporarily, pending the issuance and sale of any bonds, notes or other obligations authorized by this charter, or in anticipation of the receipt of taxes and revenue of the current fiscal year, and to issue notes or other evidences of indebtedness therefor, and from time to time to renew such temporary loans or to use current funds to be ultimately repaid from the proceeds of said bonds, notes, or other obligations, or from the town taxes and revenues, as the case may be.

EXAMPLES OF LANGUAGE REQUIRING A REFERENDUM (NOT DEBT RELATED)

- Dublin:
§ 6.2. Taxes, assessments and licenses.
The Town may raise annually by assessments and taxes on all subjects of taxation in the Town, which are not forbidden by law, such sums of money as in the judgment of the Council are necessary for the purposes of the Town, in such manner as the Council deems expedient, subject to any restrictions imposed by law, and more particularly that not tax upon real or personal property in said Town shall exceed three dollars (\$3.00), upon the one hundred dollar (\$100.00) assessed value of real and personal property, without the affirmative vote of the majority of citizens voting, as determined by a referendum held for this purpose.
- Cedar Bluff:
§ 2-307. To grant franchises for public utilities subject to the provisions of the Constitution, the general laws of Virginia and this charter; provided the town shall at any time have the power to contract for, own, operate, manage, sell, lease, encumber or otherwise dispose of, either within or without the town, any and all public utilities for the town and to sell the services thereof, subject to existing franchises, but no utility shall be sold except by an express consent of the citizens by referendum. (1971, c. 113)

EXAMPLES THAT RELATE TO BOTH DEBT AND PUBLIC HEARING:

- Grundy:
§ 14. The town council shall have the power and authority, without a reference thereof to the vote of the people, to issue certificates of indebtedness, revenue bonds or other obligations, of the town, in anticipation of the collection of the revenue of the town for the then current year, provided, that such certificates, bonds and other obligations mature within one year from the date of their issue, and be not past due, and do not exceed the sum of \$100,000; and the said council shall have the further power and authority, without a reference thereto to the vote of the people to borrow money and issue the bonds or other interest-bearing obligations of the town therefor, for permanent improvements for the benefit of said town and not otherwise, provided that such bonds or other obligations shall not exceed the aggregate amount authorized by Article VII, Section 10 of the Constitution of Virginia, and in no event to exceed the aggregate amount of \$1 million, or to run for a longer period than twenty years from the date thereof; and provided, further that before any money is borrowed for such public improvements, a public meeting of the citizens must be called by the mayor, with the approval of the council, to be held at some public place after advertisement thereof for at least fifteen days by posting notice thereof at the front door of the Courthouse of Buchanan County, Virginia, and at not less than ten other public places in the Town of Grundy, Virginia, and also by the insertion of such notice in not less than two consecutive issues of some weekly newspaper published in Buchanan County, Virginia, the last insertion to be made not less than five days prior to the holding of said meeting, at which meeting all electors of the town shall be given a reasonable opportunity to express their views on the borrowing of said money; that at any one time or at different times within one year after such public meeting is held the council may proceed to borrow such money as in its opinion is required for such public improvements, but the total amount borrowed to be limited as hereinbefore set out, and that in authorizing the borrowing of such money for public improvements the mayor of the town shall have an equal vote with the members of the council, thus making seven voters on the question of such borrowing, and no money shall be borrowed for permanent improvements unless by the recorded vote of at least six of such seven.
The provisions of this section shall not be construed to change or otherwise interfere with the provisions of general law permitting the borrowing of money by towns, regardless of the amount thereof, by the vote of the electors. (1926, c. 206; 1938, c. 142; 1952, c. 6; 1956, c. 119; 1993, c. 401)

EXAMPLES THAT RELATE TO BOTH DEBT AND PUBLIC REFEREDUM/VOTE

- Culpepper:
§ 7.3. Creation of debt; election on issuance of bonds.
Any ordinance creating a debt for which money is to be borrowed shall be adopted by a majority vote of the elected members of the town council.

The town council may, and upon receipt of a petition signed by fifteen percent of the qualified electors of the town registered as of January 1 of the year in which the petition is received by council shall, submit to a vote of the qualified electors of the town the question of whether such money shall be borrowed. Any such petition shall be filed with the town clerk within thirty days of the vote of the town council to borrow money. Such election shall be held in the manner provided for such elections by the general laws of the Commonwealth. A majority vote of the qualified electors voting at such election shall be required for the approval of the borrowing of such money. The provisions of this section shall not be construed to prohibit the town council from proceeding under any provisions of the Constitution of Virginia and general laws of the Commonwealth in the borrowing of money. (1968, c. 247; 1993, c. 320)

- Hurt:

- § 9. Taxes.

- (9) The council, in the name of and for the use of the town, may contract loans, incur indebtedness and cause certificates of debt or bonds to be issued, whenever two-thirds of its members by a recorded vote decide that it is to the interest of the town so to do, but such council may only borrow money to the extent prescribed by the Constitution and laws of this State. But the council shall issue no bonds or certificates of debt, except in anticipation of current revenue, until it shall have first submitted to the qualified voters of said town the question of whether or not such bonds shall be issued and a majority of the qualified voters voting at any election held for such purpose shall have voted for such issue. Such election shall be held under the provisions of the general laws of this State, except the council shall have power to call such election and fix the date thereof by ordinance, copy of which shall be published at least five days beforehand in some newspaper published in said town or having general circulation therein. The publisher of the newspaper shall certify to the publication thereof, which certification shall be recorded in the minute book of the town. The judges conducting any such election shall certify the returns to the clerk of the circuit court of Pittsylvania County and to the said council, not to the judge of the circuit court of said county.