

**ORDINANCE NO. 2017-004**

**AN ORDINANCE TO AMEND CHAPTER 2, "ADMINISTRATION OF GOVERNMENT" OF THE BOWLING GREEN TOWN CODE BY ADDING ARTICLE VII, "LOCAL ENTERPRISE ZONES".**

**WHEREAS**, Code of Virginia Sections 58.1-3245.8 and 58.1-3245.10 provide for the establishment of a local enterprise zone development taxation program and a local enterprise development fund; and

**WHEREAS**, the Council of Bowling Green finds that the establishment of local enterprise zones will foster development of commercial and industrial businesses to the benefit of public health, safety, welfare and convenience through the creation of employment opportunities and the promotion of business retention, expansion, formation and location; and

**WHEREAS**, after a duly advertised and held public hearing on September 7, 2017, the Council of Bowling Green believes it is appropriate to amend the Code of the Town of Bowling Green to amend Chapter 2, "Administration Of Government" by adding Article VII, "Local Enterprise Zones"

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED**, that the Council of Bowling Green, Virginia, does this 7<sup>th</sup> day of September 2017, ordains and enacts Ordinance #17-004 to read as follows:

**"Article VII – LOCAL ENTERPRISE ZONES**

**Sec. 2.701. - Purpose.**

a) The purpose of this article is to establish a local enterprise zone development taxation program and create a local enterprise zone development fund pursuant to sections 58.1-3245.8 and 58.1-3245.10 of the Code of Virginia. Appropriations from the local enterprise zone development fund may be used, as directed by the Council of Bowling Green for any one or more of the following purposes:

- 1) to provide enhanced law-enforcement and other governmental services, including financing transportation projects, as may be appropriate to secure and promote private investment in the local enterprise zone;
- 2) to make grants to chambers of commerce and similar organizations within Bowling Green in order to secure and promote economic development within the local enterprise zone or;
- 3) to make grants to any economic development authority created by the Town of Bowling Green in order to secure and promote economic development within the local enterprise zone.

b) The Town Council of Bowling Green finds that the development of its commercial

and industrial tax base requires incentives and determines that an appropriate method of offering incentives for the areas described below is to create local enterprise zones with specified percentages of the increase in real estate taxes and machinery and tools taxes directed to the maintenance and improvement of properties and businesses within such zones. The Town Council finds that the establishment of local enterprise zones will foster development of commercial and industrial businesses to the benefit of public health, safety, welfare and convenience through the creation of employment opportunities and the promotion of business retention, expansion, formation and location.

**Sec. 2.702. - Boundaries defined.**

For the purposes of this article, the term "local enterprise zone" shall be those areas of the local enterprise zone area maps for zone areas 1, 2 and 3 dated July 17, 2017. The local enterprise zone maps for zone areas 1, 2 and 3 are hereby declared to be a part of this article and to have the same force and effect as if they were fully set forth and described herein. The local enterprise zone maps shall be kept on file in the office of the Town Manager.

**Sec. 2.703. – Administration.**

a) This article shall be administered by the Town Manager or designee with assessment and collection of taxes administered by the Commissioner of the Revenue or other local assessing officer as provided for by the Code of Virginia. Upon adoption of this article, the Town Manager shall transmit to the County Commissioner of the Revenue and the County Treasurer a copy of this article as adopted and other information as required by Section 58.1-3245.9 of the Code of Virginia.

b) The Town Council of Bowling Green shall allocate money deposited in the Local Enterprise Zone Development Fund established by Sec. 2.704 below through appropriations as part of the annual town budget process or at such other times as determined by the Town Council.

**Sec. 2.704. – Assessment and collection.**

For purposes of this article, the terms "base assessed value" and "current assessed value" shall have the meanings set forth in Section 58.1-3245.6 of the Code of Virginia. Real estate taxes and machinery and tools taxes in the local enterprise zone shall be assessed, collected and allocated in the following manner:

- a) the local assessing officer shall record in the appropriate books both the base assessed value and the current assessed value of the real estate and machinery and tools in the local enterprise zone.

- b) real estate taxes or machinery and tools taxes attributable to the lower of the current assessed value or base assessed value of real estate located in a local enterprise zone shall be allocated by the treasurer or director of finance as they would be in the absence of this article.
- c) the specified percentage of the increase in real estate taxes to be transferred to the Local Enterprise Zone Development Fund shall be one hundred percent (100%) for real estate taxes.
- d) the specified percentage of the increase in real estate taxes attributable to the difference between (i) the current assessed value of such property and (ii) the base assessed value of such property shall be allocated by the treasurer or director of finance and paid into a special fund entitled the "Local Enterprise Zone Development Fund" to be used as provided in section 58.1-3245.10 of the Code of Virginia. Such amounts paid into the fund shall not include any additional revenues resulting from an increase in the tax rate on real estate after the adoption of this article, nor shall it include any additional revenues merely resulting from an increase in the assessed value of real estate located in the zone prior to the adoption of this article unless such property is improved or enhanced.

**Sec. 2.705. - Use of funds.**

Funds deposited to the Local Enterprise Zone Development Fund shall be used for any one or more of the following purposes:

- a) to provide enhanced law-enforcement and other governmental services, including financing transportation projects, as may be appropriate to secure and promote private investment in the local enterprise zone;
- b) to make grants to chambers of commerce and similar organizations within such county, city, or town in order to secure and promote economic development within the local enterprise zone; and,
- c) to make grants to any industrial development authority created by the governing body pursuant to Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2, in order to secure and promote economic development within the local enterprise zones.

**Ordinance #17-XXX - Local Enterprise Zone Development Taxation Program  
Zone Area 1 Parcel Boundary - September 7, 2017**

**Ordinance #17-XXX - Local Enterprise Zone Development Taxation Program  
Zone Area 2 Parcel Boundary - September 7, 2017**

**Ordinance #17-XXX - Local Enterprise Zone Development Taxation Program  
Zone Area 3 Parcel Boundary - September 7, 2017**

## NOTICE OF PUBLIC HEARING

In accordance with Section 58.1-3245.8 B. of the Code of Virginia, as amended, notice is hereby given that the Bowling Green Town Council will hold a Public Hearing on Thursday, September 7, 2017 at 7:30 p.m. or as soon thereafter as the matter may be heard in the Bowling Green Town Hall located at 117 Butler Street, Bowling Green, Virginia 22427 regarding adoption of an ordinance to establish Chapter 2 – Local Enterprise Zones the Bowling Green Code of Ordinances and the need for such a program in Bowling Green. The purpose of this ordinance is to establish a local enterprise zone development taxation program and create a local enterprise fund pursuant to Sections 58.1-3245.8 and 58.1-3245.10 of the Code of Virginia.

Local enterprise zone development taxation is defined as the designation of one or more local enterprise zone areas in which all or a specified percentage of the real estate taxes, machinery and tools taxes, or both, in the local enterprise zone attributable to the difference between (i) the current assessed value of such property and (ii) the base assessed value of such property shall be paid into a special fund entitled the "Local Enterprise Zone Development Fund" to be used as provided in Section 58.1-3245.10 of the Code of Virginia. The proposed boundaries of the Zones shall be those areas of the local enterprise zone area maps for zone areas 1, 2 and 3 dated September 7, 2017 and, respectively, those areas are: 1) Parcels in the corporate limits of the Town of Bowling Green – list parcels.

The proposed ordinance provides that 100% of the real estate taxes attributable to the difference between the current and base assessed values shall be subject to local enterprise zone taxation. Such percentages do not represent any change in tax rates or amount payable by the property owner. The proposed ordinance provides that amounts in the Local Enterprise Zone Development Fund shall be used for one or more of the following purposes: 1) enhanced law- enforcement and other governmental services, including financing transportation projects, as may be appropriate to secure and promote private investment in the local enterprise zone, 2) grants to chambers of commerce and similar organizations within the Town of Bowling Green in order to secure and promote economic development within the local enterprise zone or 3) grants to any industrial development authority created by the Town of Bowling Green pursuant to Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2 of the Code of Virginia in order to secure and promote economic development within the local enterprise zone.

The Public Hearing is being held at a public facility designed to be accessible to persons with disabilities. Those persons requiring assistance during the Public Hearing due to physical or sensory disabilities must submit a written request detailing the assistance needed to the Town Manager's Office, 117 Butler Street, P.O. Box 468, Bowling Green, Virginia 22427, by Friday, September 1, 2017, at 4:30 p.m.

A copy of the full text of the above-described ordinance is on file in the Town Manager's Office located at Town Manager's Office, 117 Butler Street, P.O. Box 468, Bowling Green, Virginia 22427 and may be reviewed during normal operating hours, typically Monday through Friday, from 9:00 a.m. to 5:00 p.m.

**PER §58.1-3245.8 B. PUBLISH THREE TIMES IN CAROLINE PROGRESS**

## § 58.1-3245.8. Adoption of local enterprise zone development taxation program

A. The governing body of any county, city, or town may adopt a local enterprise zone development taxation program by passing an ordinance designating an enterprise zone located within its boundaries as a local enterprise zone; however, an ordinance may designate an area as a local enterprise zone contingent upon the designation of the area as an enterprise zone pursuant to Chapter 49 (§ 59.1-538 et seq.) of Title 59.1. If the county, city, or town contains more than one enterprise zone, such ordinance may designate one or more as a local enterprise zone. If an enterprise zone is located in more than one county, city, or town, the governing body may designate the portion of the enterprise zone located within its boundaries as a local enterprise zone. An ordinance designating a local enterprise zone shall provide that all or a specified percentage of the real estate taxes, machinery and tools taxes, or both, in the local enterprise zone shall be assessed, collected and allocated in the following manner:

1. The local assessing officer shall record in the appropriate books both the base assessed value and the current assessed value of the real estate or machinery and tools, or both, in the local enterprise zone.
2. Real estate taxes or machinery and tools taxes attributable to the lower of the current assessed value or base assessed value of real estate or machinery and tools located in a local enterprise zone shall be allocated by the treasurer or director of finance as they would be in the absence of such ordinance.
3. All or the specified percentage of the increase in real estate taxes or machinery and tools taxes, or both, attributable to the difference between (i) the current assessed value of such property and (ii) the base assessed value of such property shall be allocated by the treasurer or director of finance and paid into a special fund entitled the "Local Enterprise Zone Development Fund" to be used as provided in § 58.1-3245.10. Such amounts paid into the fund shall not include any additional revenues resulting from an increase in the tax rate on real estate or machinery and tools after the adoption of a local enterprise zone development taxation ordinance, nor shall it include any additional revenues merely resulting from an increase in the assessed value of real estate or machinery and tools which were located in the zone prior to the adoption of a local enterprise zone development taxation ordinance unless such property is improved or enhanced.

B. The governing body shall hold a public hearing on the need for a local enterprise zone development taxation program in the county, city, or town prior to adopting a local enterprise zone development taxation ordinance. Notice of the public hearing shall be published once each week for three consecutive weeks immediately preceding the public hearing in each newspaper of general circulation in such county, city, or town. The notice shall include the time, place and purpose of the public hearing; define local enterprise zone development taxation; indicate the proposed boundaries of the local enterprise zone; state whether all or a specified percentage of real property or machinery or tools, or both, will be subject to local enterprise zone development taxation; and describe the purposes for which funds in the Local Enterprise Zone Development Fund are authorized to be used.

## § 58.1-3245.10. Use of funds deposited in the Local Enterprise Zone Development Fund

A. Any county, city, or town which adopts a local enterprise zone development taxation program may use funds in the Local Enterprise Zone Development Fund for any one or more of the following purposes:

1. To provide enhanced law-enforcement and other governmental services, including financing transportation projects, as may be appropriate to secure and promote private investment in the local enterprise zone;
2. To make grants to chambers of commerce and similar organizations within such county, city, or town in order to secure and promote economic development within the local enterprise zone; or
3. To make grants to any industrial development authority created by the governing body pursuant to Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2, in order to secure and promote economic development within the local enterprise zone.

B. Any revenues in the Local Enterprise Zone Development Fund which are not used for a purpose authorized by subsection A shall be deemed "surplus funds." At the end of the tax year, all surplus funds may be paid into the general fund of the county, city, or town in which the local enterprise zone is located.

1997, c. 314.

**Resolution #17-01**

**A RESOLUTION REQUESTING ADOPTION OF PROPOSED ORDINANCES TO ESTABLISH LOCAL ENTERPRISE ZONES**

**WHEREAS**, §58.1-3245.8 of the Code of Virginia provides for the establishment of Local Enterprise Zones and §58.1-3245.10 of the Code of Virginia addresses the use of funds generated within Local Enterprise Zones; and

**WHEREAS**, the Bowling Green Economic Development Authority believes that the establishment of Local Enterprise Zones represents a strong commitment to assisting with dedicated sources of revenue to support governmental services and grants to economic development entities to be used within established zones; and

**WHEREAS**, the establishment of Local Enterprise Zones would not impose any additional burden on taxpayers improving their properties within such zones.

**NOW, THEREFORE, BE IT RESOLVED**, by the Economic Development Authority of Bowling Green this 20th day of June, 2017 that the Authority requests the adoption of an ordinance in the Town of Bowling Green to establish local enterprise zones and the Authority further requests 100% of the resulting increase in Real Estate revenue associated with improved properties be dedicated to a Local Enterprise Development Fund for annual appropriation as determined by the Town Council.

Adopted this 20<sup>th</sup> day of June, 2017