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HOUSE BILL NO. 454

Offered January 12, 2022

Prefiled January 11, 2022

A BILL to amend and reenact § 5.04, as amended, of Chapter 717 of the Acts of Assembly of 1980, which provided a charter for the City of Chesapeake, relating to operating budget; reserves.

Patron—Knight

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That § 5.04, as amended, of Chapter 717 of the Acts of Assembly of 1980 is amended and reenacted as follows:

§ 5.04. Operating budget preparation.

The budget shall provide a financial plan for the ensuing fiscal year, and shall be in such form as the manager deems advisable or the council may require. ~~A minimum of six percent of the total general fund revenue shall be reserved upon the adoption of the city's annual operating budget and shall be restricted for emergency use and cash flow needs which occur throughout the year.~~ In organizing the budget, the manager shall utilize the most feasible combination of expenditures classification by fund, organization unit, program, purpose or activity and object. It shall be prepared in accordance with generally accepted principles of municipal accounting and budgeting procedures and techniques. It shall be the duty of the head of each department, the judges of the courts not of record or commission, including the school board, and each other office or agency supported in whole or in part by the city, to file at such time as the city manager may prescribe estimates of revenue and expenditures for that department, court, board, commission, office or agency for the ensuing fiscal year. The city manager shall hold such hearings as deemed advisable and shall review the estimates and other data pertinent to the preparation of the budget and make such revisions in such estimates as deemed proper, subject to the laws of the Commonwealth relating to the obligatory expenditures for any purpose, except that in the case of the school board may recommend a revision only in its total estimated resources and requirements. In no event shall the requirements recommended by the city manager in the budget exceed the resources estimated, taking into account the estimated cash surplus or deficit at the end of the current fiscal year, unless the city manager shall recommend an increase in the rate of ad valorem taxes on real estate and tangible personal property or other new or increased fees, charges, or taxes or licenses within the power of the city to levy and collect in the ensuing year, the revenue from which, estimated on the average experience with the same or similar taxes during the three tax years last past will make up the difference. If estimated resources exceed estimated requirements, the city manager may recommend revisions in the tax and license ordinances of the city in order to bring the budget into balance.

At the same time that the city manager submits the operating budget, the city manager shall introduce and recommend to the council an appropriation ordinance which shall be based on the budget. The city manager shall also introduce at the same time any ordinances levying a new tax or altering the rate on any existing tax necessary to balance the budget as provided in this section.

INTRODUCED

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