

Brief Summary of Various Special Tax District Statutes

Virginia law permits certain localities to form various kinds of special tax districts in order to fund public improvements that generally benefit properties located within each particular district, using revenues raised by property taxes and/or fees. There are at least three kinds of districts that might function as a vehicle to help fund the cost of constructing transportation improvements in Tysons Corner. Some elements of each are summarized below.

<u>Type</u>	<u>Method of Formation</u>	<u>Taxable Property</u>	<u>Limitation on Use of Funds</u>	<u>Limitation on Tax Rate</u>
Transportation Improvement District, such as Dulles Rail districts (Va. Code §§ 33.1-430 to 33.1-446)	By Board of Supervisors (“BOS”) upon petition by owners of 51% (by land area or assessed value) of taxable property in proposed district	Property zoned or used for commercial or industrial purposes (including apartment buildings)	For improvements as indicated by resolution; petitioners usually specify improvements to be funded	Statutory maximum rate of 40 cents per \$100 assessed value; all funds raised must be used for district purposes
Sanitary District (uncodified statutes)	By BOS, usually upon petition of 50+ voters resident in proposed district; for public transportation system improvements, must be certified by NVTC as not inconsistent with local transportation plan	All real property within district	For purposes of district	No statutory maximum rate, but all funds raised must be used for district purposes
Service District (Va. Code §§ 15.2-2400 to 15.2-2413)	By BOS	Real property zoned for residential, commercial, industrial, or other uses, or any combination of such classifications	For purposes of district	No statutory maximum rate, but all funds raised must be used for district purposes