



# 2016

**Virginia Municipal League**

**Legislative  
Program**

Dear Senators and Delegates,

There are 324 cities, towns, and counties that make up the unified Commonwealth that we call home. The member localities of the Virginia Municipal League have developed this Legislative Program to identify the key issues of importance to our communities.

First and foremost, local governments need a solid partner in their state government in order to meet the needs of the citizens of the Commonwealth. As you debate each bill that impacts localities during this session, we ask that you consider how mandates for services will be funded.

Educating our students is a top priority for VML and our member localities. We support funding formulae based on realistic costs. We also support the study of how SOQ may be revised and adequately funded.

From the state/local fiscal relationship to transportation to water quality funding, local officials want a strong partner in state government so that we can work together to move the Commonwealth forward.

When it comes to understanding how proposed legislation could potentially help or harm local communities, VML is your source for answers. Please feel free to contact me or any member of our advocacy team. We look forward to working with you on issues of mutual concern.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly Winn".

Kimberly Winn  
Executive Director

# VML 2016 Legislative Program

The Virginia Municipal League adopts the following legislative program for the 2016 session of the General Assembly.

## Top Legislative Priorities

### Education Funding

**VML opposes state policies that push more expenses onto localities while simultaneously increasing accreditation mandates and graduation requirements. We believe state education funding formulae must be based on realistic costs.**

**Why?** A strong public school system is essential to economic development and prosperity. The state must be a reliable funding partner in accordance with the Virginia Constitution and state statutes. The Standards of Quality should recognize the resources, including positions, required for a high-quality public education system. VML opposes changes in methodology and changes in the division of financial responsibility that result in a shift of funding responsibility from the state to localities. As an example, VML opposes the elimination or decrease of state funding for state-mandated benefits for school employees.

Further, VML opposes policies that lower state contributions but do nothing to address the cost of meeting the requirements of the Standards of Accreditation and Standards of Learning. The State Board of Education should identify areas within the Standards of Quality and other educational requirements, such as mandates for expenditures in the area of student health services that can be modified or eliminated in order to provide localities with greater flexibility in their use of scarce education funds.

VML supports a JLARC or other state study that examines the ways other states fund education and whether the Commonwealth should use a funding strategy that establishes a more realistic base foundation amount per pupil – plus add-on funding to reflect higher costs for educating at-risk, disabled, ESL, and gifted students, etc. as well as funding for capital costs.

VML supports a study by the Joint Legislative Audit and Review Commission to determine how the SOQ may be revised and adequately funded to meet the requirements contained in the Standards of Learning and Standards of Accreditation. VML also supports implementation of JLARC recommendations to promote 3<sup>rd</sup> grade reading performance.

Any approach to improving low-performing schools must include adequate state financial support. VML supports increased state funding for the Virginia Preschool Initiative, the K-3 reduced class size program and Early Reading Intervention program. VML also supports increased state stipends for highly effective teachers in high-poverty schools, and other innovative programs.

The state has consistently underfunded the state Standards of Quality and other state accountability programs. In the absence of increased state funding, VML opposes any efforts that would transfer to the state additional local funding that localities choose to provide to school divisions. Such local funds exceed the amounts the state requires for SOQ and other state-local match programs.

## State Assistance to Local Police Departments (HB 599)

Almost 70 percent of Virginians live in communities served by police departments. The state created a program of financial assistance to local police departments, but has increasingly de-emphasized this funding obligation as a priority. VML calls for the state to honor its commitment to public safety by funding the program in FY16 and onward as stipulated in the Code of Virginia.

## State and Local Government Fiscal Relationship

**VML believes that the Commonwealth and local governments should be partners in providing essential services to their citizens. Therefore, the Commonwealth must fully fund its obligations in this partnership and must not unjustly curtail, redirect or eliminate local tax authority.**

**Why?** Governance at the local level becomes ever more challenging as the Commonwealth and the federal government add new programs, or modify existing program guidelines, and promulgate complex regulations and higher standards for local governments to implement. It is not uncommon for the state and federal governments to either underfund their share of the costs or to ignore them altogether.

To that end, the Virginia Municipal League holds as essential these principles on local taxing and budget authority.

1. Specific local revenue authority and sources cannot be further restricted without first granting and providing alternative revenue authority with reliable, sustainable revenue sources. This includes, without limitation, the BPOL and M&T taxes.
2. Local general fund revenue and special funds cannot be confiscated or re-directed to the state treasury.
3. Local governments cannot be expected to bear the expenses related to the imposition of new funding requirements or the expansion of existing ones on

services delivered at the local level without a commensurate increase of state financial assistance or new local taxing authority.

4. Shifting traditional state funding responsibilities onto local governments, for such services including public education, law enforcement and public safety activities, is bad fiscal policy, resulting in the stress of local finances without reductions in overall program costs.
5. Piggybacking state fees, taxes or surcharges on local government services frustrates transparency at both the state and local level.
6. Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level.
7. Any efforts at tax reform should begin with a thorough examination of state tax reform and state spending reform.
8. State budget cuts to state mandated and other high priority programs should specify the programs to be affected by the cuts.

### **The Commonwealth should:**

1. Enter into a dialogue with local governments to examine state requirements and service expansions that can be suspended or modified to alleviate to the degree possible the financial burden on state and local taxpayers. Specifically, the Commonwealth should:
  - Critique the Standards of Accreditation and Standards of Learning to determine which standards impose costs on local governments that are not recognized in state funding formulas. In particular, changes adopted since 2009 to SOAs and SOLs should be examined as state funding on a per-pupil basis is now below 2009 levels.
  - Re-examine those Standards of Quality that the Board of Education has adopted, but that the General Assembly has not funded. These standards reflect prevailing practices necessary to improve children's academic performance. Their academic performance is crucial to students and schools meeting the accountability standards under the SOL and SOA. If funding is not available to pay for prevailing practices, the accountability standards should be adjusted so that local governments are not in the position of having to bear the entire burden of meeting these unfunded mandates.
  - Conduct a study that examines the ways other states fund education and whether the Commonwealth should use a funding strategy that establishes a more realistic base foundation amount per pupil – plus add-on funding to reflect higher costs for educating at-risk, disabled, ESL, and gifted students, etc. as well as funding for capital costs.
2. Develop spending and revenue priorities that support economic development, public safety, education and other public goals. State tax credits, tax deductions and tax relief policies must receive the same scrutiny as spending programs as part of the prioritization process.

3. In times of revenue crises, review ways to increase revenues to meet constitutional and statutory obligations to Virginia citizens after all other actions have been taken including eliminating unnecessary programs, achieving greater program efficiencies, and streamlining service delivery.
4. Include local government representatives on any “blue ribbon” commission or other body established by the state that has as its purpose changes to local revenue authority or governance.

## **Transportation Funding**

VML recognizes the importance and critical support provided by the Commonwealth for local and regional transportation and transit capital needs. To that end, VML believes the projected decline in state funding over the upcoming biennia will negatively affect the movement of people and goods, thereby hindering economic development, jeopardizing public safety and degrading the quality of life in our localities.

The state should continue to financially support transportation and transit capital needs, exploring all options including the issuance of Commonwealth bonds.

## **Water Quality Funding**

VML requests the General Assembly to provide sufficient appropriations to the Water Quality Improvement Fund (WQIF) to fulfill point source upgrade contracts with local governments as well as cost-share payments to farm operators for the implementation of agricultural best management practices. Additionally, VML requests the General Assembly to provide sufficient appropriations, including dedicated revenues to the Stormwater Local Assistance Fund (SLAF) to address costs associated with permit requirements tied to federal Municipal Separate Storm Sewer Systems (MS4) and new EPA regulations.

## **Wastewater Discharge/Pollutant Allocation Limits**

VML opposes any legislation that reduces or limits local government’s sewage discharge capacity, including nutrient allocations, as such capacity and allocations are critical to our members’ economic development efforts.

# Other legislative positions

## Local Fines and Fees to Remain Local

VML calls for an end to the state seizure of local fines and forfeitures, which began in 2012 based on a misinterpretation of the Code of Virginia. After separate examinations, neither the State Inspector General nor the State Attorney General found any legal or policy justification for this seizure of local funds. Yet the seizure of funds continues, affecting the ability of affected communities to fund basic services such as public safety.

## First Day Introduction for Bills with Local Fiscal Impact

VML **supports** reinserting the requirement for first day introduction of bills with a local fiscal impact in the procedural resolution that governs the conduct of the General Assembly session.

This recommendation was supported in the last session by the Governor's Task Force for Local Government Mandate Review and the Task Force for Fiscal Impact Review. The intent is to provide local governments more time to assess the fiscal impact of proposed legislation. During the 2014 session, delegates and senators had ten days after the start of the session to introduce legislation, leaving local governments with roughly three weeks to review bills, notify the Commission on Local Government about potential fiscal impacts and to lobby.

## Fines and Costs Collections by Treasurers

VML seeks the repeal of language in the 2014 and 2015 Appropriation Acts that effectively bars local Treasurers from collecting delinquent fines and costs. Commonwealth's Attorneys should have the option to choose the most efficient and effective collection agent regardless of whether the agent is a public or private entity. VML does not support efforts to monopolize collection services.

## Line of Duty Act

The cost of the current Line of Duty Act is not sustainable for either the state or local governments. VML supports recommendations and options made by the Joint Legislative Audit and Review Commission on the Line of Duty Act program that would ensure the fiscal sustainability of the program and ensure that the benefits are available to those who need and deserve them.

## Price Floor for Regional Gas Taxes

VML **supports** an amendment to Virginia Code § 58.1-2295 which would establish a protective floor price for the 2.1 percent regional gas tax, much as was done for the statewide fuels tax in §58.1-2217. Such a floor concept is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects.

## Taxing, Licensing and Regulating Internet-based Businesses & Services

**VML believes that public policies affecting public safety, taxation and land use need to adapt to major economic changes but that the state must preserve localities' ability to protect all citizens and to regulate all types of businesses fairly.**

**Why?** If the Commonwealth should take action to regulate private enterprises employing a business model that emphasizes the use of the Internet to either provide retail or facilitate lodging or ride-sharing services, then local government interests should be acknowledged and localities should be included in the decision-making. As general principles, VML believes state and local policies should (1) encourage a level playing field for competing services in the market place; (2) seek to preserve and/or replace local and state tax revenues; and (3) ensure safety, and reliability and access for consumers, providers and the general public; and (4) protect local government's ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

## State Corporation Commission Jurisdiction Over Local Utilities

Because the State Corporation Commission lacks jurisdiction over local government utilities under the Virginia constitution, the General Assembly should not enact any legislation that purports to grant the SCC any regulatory powers over local utilities.

## Workers Compensation – Medical Costs on a Scheduled Fee Basis

Virginia should adopt Medicare-based fee schedules for setting medical provider fees in workers' compensation cases, instead of the prevailing community rate standard now used. This will make providing workers' compensation coverage more affordable and will adequately protect the financial interests of the medical providers of Virginia.

## **Non-partisan Redistricting that Preserves Jurisdictional Boundaries**

VML **supports** redistricting reform, including the use of a non-partisan independent commission to draw state legislative and Congressional lines based on specified and consistent criteria, including insofar as possible preservation of the integrity of existing city, town, county and precinct lines.

## **Municipal Net Metering**

VML requests the General Assembly grant local governments the right to aggregate the electric load of their buildings, facilities, and any other governmental operations for the purpose of net energy metering. Additionally, VML requests the General Assembly raise the net-metering limit from 1,000 kilowatts to 2,000 kilowatts for non-residential customers.

## **Regional Greenhouse Gas Initiative & Commonwealth Resilience Fund**

VML urges the General Assembly to address greenhouse gas emissions targets through a Regional Greenhouse Gas Inventory (RGGI) carbon credit auction, and/or a carbon emissions tax. All proceeds derived from the auction of credits should be used to establish the “Commonwealth Resilience Fund”, a special state dedicated fund to assist localities in addressing flooding, energy efficiency improvements, and economic development.

## **Synthetic Plastic Microbeads**

VML requests the General Assembly prohibit the manufacture and sale of personal care products and over-the-counter medicines that contain synthetic plastic microbeads. Toxins associated with microbeads, such as PCBs, have the potential to contaminate water supplies so that they exceed safe levels for consumption. Because sewage treatment plants are not equipped to remove microbeads from wastewater and large-scale removal of this pollutant from surface waters would be difficult and costly, the best solution is source reduction.

## **Local Authority to Regulate Plastic Bags**

VML requests the General Assembly grant localities the authority regulate and curtail the use of retail plastic bags. This authority will provide local governments an additional tool to reduce litter and improve local water quality.

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# About VML

The Virginia Municipal League is a statewide, nonprofit, nonpartisan association of city, town and county governments established in 1905 to improve and assist local governments through legislative advocacy, research, education and other services. The membership includes all 38 cities in the state, 166 towns and 7 counties.



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