

# 2020 VML Legislative Program

*As approved by the VML Membership on Oct. 8, 2019*

## Guiding Principle: Local Authority

VML supports expanded local government authority and opposes any erosion of local authority.

## Legislative & Budget Priorities

**\*** = Legislative Priority

**\$** = Budget Priority

### Education Funding \* \$

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 staff 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.

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.

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 for teachers and students.

### Funding the Real Cost of Education \* \$

The state funding formula for education operating costs breaks down on a statewide level as 55 percent state/45 percent local funding. However, the Standards of Quality does not recognize the true costs of education, including pupil transportation, school support staff, providing and updating broadband and other technology, and instructional staff salaries. Neither does it recognize most construction and renovation costs.

As such, local governments match more than is required for basic state education dollars, pay the majority of public school capital costs and struggle to find scarce local tax dollars to keep up with the demands for meeting additional and expanding state requirements and for creating 21st century learning environments for our children to master the challenges of tomorrow's workplace.

VML supports actions for the Commonwealth to recognize and fund the true costs of public education, including new avenues for funding public school construction and renovation costs such as the creation of a pilot program of competitive grants using funds from the Virginia Public Building Authority to offset new construction or renovation costs for publicly owned and operated K-12 schools in fiscally stressed communities as defined by the Virginia Commission on Local Government.

### 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 (HB 599) when it imposed an annexation moratorium on cities more than 30 years ago. It has increasingly de-emphasized this funding obligation as a priority but has never compromised on the annexation moratorium. VML calls for the state to honor its commitment to local governments and public safety by funding the program as stipulated in the Code of Virginia or lift the moratorium on annexation.

### Stormwater Local Assistance \$

VML supports continued investment of at least \$50 million annually in the Stormwater Local Assistance Fund to assist localities with critical stormwater projects to meet federal and state clean-water requirements.

### Mental Health Crisis Services and Alternative Transportation \*

VML supports efforts to ensure that adults and children experiencing a mental health crisis are able to obtain timely evaluation and assistance, including emergency custody and temporary detention, as close to their home community as possible. VML supports the statewide implementation of alternative transportation options to help individuals in crisis get to evaluation services and treatment with the goal of eliminating the reliance on local law enforcement for extended transportation and custody services.

### Passage of the Equal Rights Amendment \*

VML supports the passage of the Equal Rights Amendment (ERA) and urges the General Assembly to take the necessary steps to put this matter before the citizens of the Commonwealth of Virginia.

## Other Legislative Positions

### Abusive Data Harvesting

Recognizing that local governments are increasingly subject to cyberattacks, VML supports the continued study by the Virginia Freedom of Information Act (FOIA) Council of the threat of attacks on citizens and public employees whose contact and private information is legally obtained as a result of a FOIA request and urges ample local government participation in the development of solutions to prevent abusive data harvesting.

### Broadband

VML supports programs which provide tools to localities to expand broadband access in their localities, including access to state funding for ownership by localities of broadband networks. Expanded

authority, tools, and access to funding are essential to improve broadband service for all Virginia local governments and citizens.

## Cancer Presumption and Workers' Compensation

Compensability for work-related presumptive employee disability benefits for any class of employees should be determined by establishing whether work or non-work-related risk factors are more likely the primary cause of the claimant's condition. When adding additional presumptive disability benefits key components of any analysis should include civic responsibility as well as fiscal responsibility.

## Commonwealth Attorney Funding

VML urges the General Assembly to fully fund all currently authorized positions for Commonwealth's Attorney offices statewide to allow these offices to fully comply with new discovery rules being promulgated by the Virginia Supreme Court; to keep up with and effectively incorporate new sources of evidence resulting from new technology, including body worn camera video; and to make up for historic under-funding of these offices.

## Communications Sales and Use Tax

The Virginia Communications Sales and Use Tax was enacted to establish a statewide tax rate and to preempt local taxes on communications sales and services. VML supports setting the tax rate at the same level as the state sales tax rate and broadening the coverage of the tax to include audio and video streaming services and prepaid calling cards. VML opposes transfers of these revenues to the state general fund for purposes other than those currently stipulated in the Code of Virginia.

## Distracted & Inattentive Driving

VML supports local government authority to enforce full attention and time to driving ordinances. VML supports access to training for impartial enforcement of these ordinances by all law enforcement personnel.

## Housing Solutions

Local governments are the solution for solving the housing crisis in the Commonwealth. VML supports giving local governments the authority to use flexible tools to achieve housing goals and allowing greater local land use authority for creative housing types. VML also encourages modernization by keeping up with demographic trends and needs.

## Human Trafficking

VML supports the appointment of a sex trafficking response coordinator at the Department of Criminal Justice Services and the development of much-needed public outreach, education, and treatment services; local government representatives should be part of the development of those components.

Outreach efforts and avenues for reporting trafficking must address language barriers for those reporting suspected trafficking and those seeking rescue from trafficking. Further, since labor trafficking is a component of human trafficking, all types of trafficking situations should ultimately be addressed in Virginia's outreach, education, and response plan.

## Distributed Solar

The Grid Transformation and Security Act approved by the 2018 General Assembly authorizes and encourages many clean power production activities, but Virginia law still restricts the ability of local governments, businesses, and others from installing solar facilities for their own use. VML supports legislation to remove barriers and allow for the creation of stronger markets for distributed solar goals, to include the following components:

- Lifting the one percent cap on the total amount of solar power that can be net metered in a utility territory to five percent; and
- Allowing local government entities to install solar facilities of up to 5 MW on government-owned property and use the electricity for schools or other government-owned buildings located nearby, even if not contiguous.

## Funding for Community Services Boards

Community services boards are experiencing substantial state general fund reductions in the 2018-20 biennium (\$11 million in FY19 and \$25 million in FY20). Health care expansion through Medicaid may eventually make up for these reductions, but the timing of implementation puts the boards at risk of service and staffing disruptions during the biennium. VML supports the revisiting of slated reductions in FY20 and beyond, specifically to ensure that the state's goal of providing more services at the community level, including new STEP-VA service requirements, can be achieved without shifting funding burdens to local governments.

## Funding for Planning District Commissions

VML supports increased state funding for the statewide network of planning district commissions/regional councils (PDCs). PDCs carry out efforts supported by state and local policy makers to advance and sustain regional coordination, cooperation, and technical assistance for the benefit of regions across the Commonwealth.

## Local Option Regulation of Disposable Plastic Bags

VML supports legislation to allow local option authority to develop incentives or regulations to decrease or otherwise regulate the distribution, sale, or offer of disposable plastic bags.

## Property Assessments Appeals

Article X of the Virginia Constitution mandates that all real and personal property be assessed at fair market value and that all property not constitutionally exempt be taxed.

Taxpayers have the right to contest property assessments through administrative and legal means. Taxpayers pay no local fees to challenge real property and personal property assessments. If taxpayers are displeased with the determinations made by their local commissioner of the revenue or other local assessing official, additional real property appeals can be submitted to the local Boards of Equalization. Taxpayers can also appeal real and personal property assessments in the Circuit Courts and, if still aggrieved, may appeal to the Virginia Supreme Court.

Reforms enacted in the 2011 Session of the General Assembly lowered the level of proof required by the taxpayer (from "clear preponderance" to "preponderance") to prove property is valued at more than fair market value or that the assessment is not uniform in its application and that it was not developed in accordance with

generally accepted appraisal practices and applicable Virginia law relating to property valuation.

In 2017, there were more than 3.1 million taxable parcels and 20,777 appeals of which 10,472 were administratively resolved. Another 2,341 appeals were granted by local Boards of Equalization. Taxpayers filed 18 appeals in circuit courts of which seven were granted.

VML does not believe the assessment appeals process is flawed or in need of major policy changes and opposes statutory changes that would upend a process that protects taxpayers and the public.

## State and Local Government Fiscal Relationship

Governance at the local level becomes 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:

- 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.
- Local governments must be involved in any discussions relating to local taxing authority including legislation that exempts specific industries from local taxes and fees.
- Local general fund revenue and special funds must not be confiscated or redirected to the state treasury.
- Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level. 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.
- Shifting traditional state funding responsibilities onto local governments for services including public education, law enforcement, and public safety activities and any core services affecting local government, is bad fiscal policy, resulting in stress on local finances without reductions in overall program costs.
- Imposing state fees, taxes or surcharges on local government services impedes transparency at both the state and local level.
- Any efforts at tax reform must begin with a thorough examination of state tax reform and the financing of state services. The state should reform its own tax structure before taking on the topic of local taxes. State and/or local tax changes should not negatively affect local revenues.
- State budget cuts to mandated and other high priority programs should specify the programs to be affected by the cuts.

### The Commonwealth should:

- Enter 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.

- Examine models in other states that allow for modernizing state and local taxing authority.
- 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.
- 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.
- 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.

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

In taking state action to regulate private enterprises employing a business model that emphasizes the use of the internet to either provide retail or facilities or ride-sharing services, 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) not provide a tax preference or tax policy advantage for one group at the expense of another group in the competitive field; 3) seek to preserve state and local revenue; 4) ensure safety, reliability, and access for consumers, providers, and the public; and 5) protect local government’s ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

VML also believes that the state should not prohibit the sharing of financial information between the Commonwealth and appropriate local authorities that is normally treated as part of the public domain. VML further believes that the state should not prohibit a locality from exercising its authority to enter into voluntary collection agreements provided that such agreements include provisions to protect the public’s interest.

## Water Quality Funding

For continued successful local water quality improvement projects the Commonwealth must fully capitalize the Water Quality Improvement Fund and provide the necessary appropriations for local government water quality improvement projects to clean up the Chesapeake Bay and its tributaries. In addition, any changes to the state’s stringent wastewater mandates imposed on localities must be scientifically and economically defensible, employing implementation strategies that produce any necessary wastewater improvements at the least cost.

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