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Reminder

Friday is the General Assembly deadline for submission of budget amendments and for drafts or redrafts of bills.

Legislature convenes; local issues of interest abound

SENATORS AND DELEGATES return to Richmond today for an issue-packed, 46-day legislative session scheduled to end Feb. 28. Because all delegates and senators are up for re-election this fall, and because campaign fund raising is prohibited during the general session, some legislators are pushing for an even earlier adjournment.

Between now and whenever the session does end, VML's legislative staff will process somewhere between 2,500 and 3,000 bills; attend numerous meetings starting anywhere between 6:30 a.m. and 7 p.m.; discuss the nuances of legislation with senators, delegates, legislative aides and other lobbyists, and furnish VML members with descriptions of bills of interest to local governments.

And that's where VML members can make a difference. When VML sends out an *Action Call* asking members to weigh-in on legislative issues, please pick up the telephone and make the call, or send the email or fax. The importance of local officials letting legislators know the effect of bills on the "folks back home" cannot be overemphasized. So please heed those calls for action.

VML Day at the Capitol

Another vital role for local officials is to attend VML Day at the Capitol, which will be held this year beginning at 3 p.m. Jan. 28 at the Library of Virginia. And as part of that event, we've put together some tips on meeting with your legislators during your visit to Richmond.

First, please encourage your legislator to attend the outstanding reception we will hold this year from 5:30-7 p.m. in the library's foyer. All legislators were sent invitations to their home and Richmond offices. (More information and register at <http://www.vml.org/node/703>).

You may wish to set up a dinner with your legislators after the reception as well. Some localities do this as a region. If you do that, make sure to find out how many will be in attendance and make a dinner reservation, preferably before you arrive in Richmond or as soon as possible on the day of your visit. Richmond has many excellent restaurants downtown.

If you intend to call on a legislator while in Richmond, contact their office at least a week before your visit to let them know that you are coming to town. Ask what the legislator's schedule looks like for the day you are visiting. It is better to call a few

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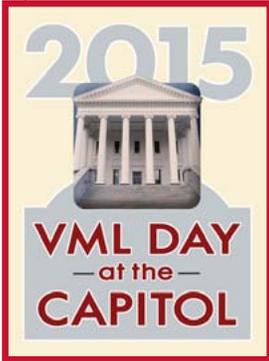


General Assembly



Legislature convenes continued ...

days after the session begins because members may not have all of their committee and subcommittee assignments until then.



By calling members in advance, you can get an idea of how to map out your visits to all of your delegation members. You might also want to catch a quick breakfast at the sixth floor cafeteria in the General Assembly Building with a legislator if they do not have an early meeting committee meeting. Also, you may want to see a legislator in action at one of

their committee meetings. If a meeting ends with a little time before members have to go into caucus, legislators sometimes meet with their visitors right there in the committee room.

A member's schedule, however, can change quickly. By calling early you can formulate a tentative meeting time and place, and then follow up with the member's office the afternoon before your visit to confirm, or make a change in plans if something has come up. If you do get bumped, try to get a commitment from the member to allow you to meet with the legislative aide. This person will make sure that your concerns and information reach the member.

Key legislative issues

Because Virginia is a Dillon Rule state and because the state relies on localities for the delivery of so many services, legislation affecting cities, towns and counties can be introduced in every committee in the House and Senate, and at least half of the introduced legislation will affect localities in some way. VML staff will be dealing with a broad range of issues during the session that affects virtually every aspect of local government. Expect our focus, however, to be on the following five broad areas. A number of bills that have been prefiled in these areas are mentioned below, but remember, the deadline for filing legislation isn't until Jan. 23. Many more bills on these topics will hit the hopper by that date.

The budget. Gov. Terry McAuliffe presented budget amendments in December that identified \$954.7 million in savings and \$176.6 million in new

spending. VML's focus will be on state reductions that effectively shift state funding responsibilities to local governments, such as the \$30 million a year in the "local aid to the Commonwealth" initiative. VML is also concerned about additional reductions in K-12 and jail per diems. Cuts in local law enforcement also remain a possibility. The fact that \$114 million of spending is tied to McAuliffe's tax preference proposals means more spending cuts remain in play.

Taxes. Troubling bills have been prefiled that would change the burden of proof on assessment appeals – [HB 1416](#) (Taylor); exempt churches from paying stormwater utility fees – [HB 1293](#) (Morris); exempt churches from all state and local taxes and fees – [HB 1294](#) (Morris); reduce BPOL taxes – [HB 1352](#) (Ramadan); and limits the growth in appropriations from the state general fund – [SB 826](#) (Martin). VML opposes legislation that restricts local taxing authority without first granting and providing alternative revenue authority with reliable, sustainable revenue sources. One legislator is continuing the General Assembly's propensity for using local tax sources to pay for its priorities. Del. Tim Hugo's [HJR 597](#) is a constitutional amendment that would exempt from real estate taxation the primary residence of the surviving spouse of any law-enforcement officer, firefighter, search and rescue personnel, or emergency medical services personnel killed in the line of duty. Current surviving spouses would be eligible for the exemption, and the surviving spouse would not have to have lived in the locality or even the state at the time of the death of the public safety officer.

Redistricting. OneVirginia2021, an organization advocating fair, non-partisan redistricting, is expected to make a major push this year towards redistricting reform. A number of bills, introduced either on behalf of OneVirginia2021 or by others, have already been introduced. [HB 1485](#) (Sullivan) and [SB 840](#) (Watkins) revise the standards and criteria for redistricting to include recognition of existing political boundaries, equal population, racial and ethnic fairness, contiguity, compactness and communities of interest. [SB 824](#) (Miller) would require a referendum on whether an independent, non-partisan commission should be created to propose legislative districts. [HJR 584](#) (Rasoul) and [SJR 224](#) (Lucas) create an independent Virginia Redistricting Commission and [SJR 233](#) (Howell) puts the redistricting criteria included in HB 1485 and SB 840 in the constitution. VML's Executive Committee endorsed the work of OneVir-

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General Assembly



Legislature convenes continued ...

ginia2021 at its October board meeting.

Ethics. Numerous legislators from both political parties have been outspoken on the need to tighten Virginia's lax ethics laws. Various proposals would lower the value of intangible and tangible gifts that could be accepted – [HB 1598](#) (Watts), [HB 1667](#) (Bulova), [HB 1689](#) (Minchew), [SB 696](#) (Petersen and Stuart) and [SB 735](#) (Marsden). [SB 777](#) (Newman) establishes a process by which legislators could declare themselves gift-free. Other pieces of legislation – [HB 1305](#) (Farrell) and [HB 1479](#) (Kory and Surovel) – would clamp down on the revolving door of lawmakers taking positions in the state. VML is working on provisions to allow local officials to file conflict forms locally and to end the requirement for local officials to file on a conflict of interests form trips paid by the official's locality.

Education. Following a court decision declaring the Opportunity Educational Institution as unconstitutional, several bills have been introduced to address the issue of low-performing schools. [HB 1299](#) (R. Bell) requires school divisions with schools that have been denied accreditation to enter into a memorandum of understanding with the state Department of Education that would let the board make any changes necessary to improve the accreditation rankings. [HB 1448](#) (McQuinn) sets up a Virginia Public School Improvement Program. [HB 1557](#) (Kory) would allow, but does not require, the state board to provide guidance and recommendations on instructional matters. [HB 1713](#) (LeMunyon) allows students in a failing school to transfer to any other school in the division. [SB 821](#) (Miller) simply eliminates the OEI.

[HB 1361](#) (R. Bell) establishes a statewide virtual school funded by state and local governments. Despite the fact that inflation-adjusted state per-pupil funding for the Standards of Quality is lower than it was in fiscal year 2009, legislators are unable to resist piling more requirements on schools, such as requiring instruction in Braille – [HB 1325](#) (Cole); requiring 11th-graders to pass the civics portion of the U.S. naturalization test – [HB 1306](#) (R. Bell); and require beginning in the 2017-18 school year that at least 20 minutes of physical education be provided daily in elementary schools – [SB 823](#) (Miller). A number

of bills have been introduced to grant flexibility to schools; legislation to revamp the A-F grading system for schools is promised.

Ready, set, go

Legislative action is fast-paced during the session. Here are dates to keep in mind:

Jan. 14: General Assembly convenes at noon; deadline for filing VRS bills or bills/resolutions continuing or creating a study.

Jan. 16: Deadline for submission of budget amendments and deadline for drafts or re-drafts of bills.

Jan. 23: Deadline for filing bills and resolutions.

Jan. 28: VML Day at the Capitol

Feb. 8: House Appropriations and Senate Finance committees present their budgets.

Feb. 11: Cross-over day: Each house completes work on its own legislation, except for the budget.

Feb. 12: Houses of introduction complete work on budget.

Feb. 16: Deadline for budget amendments.

Feb. 18: Last day for each house to act on budget bill of the other house.

Feb. 23: Last day for committee action on legislation.

Feb. 28: General Assembly scheduled to adjourn.

April 15: Reconvened (veto) session. 

State wants to regulate ride-sharing services; leave taxi regulation to localities

PROPOSED LEGISLATION WOULD give the state authority to regulate the emerging industry that uses smartphone apps such as Uber, Lyft and Sidecar to connect drivers and riders. Local governments would continue to regulate taxicab companies if they choose to do so.

[HB 1662](#) (Rust), crafted by the Department of Motor Vehicles, creates a new licensing authority for technology-based transportation companies (TNCs). In an effort to create a "level playing field" between TNCs and traditional taxicab services, DMV had

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General Assembly



Ride-sharing services continued ...

originally proposed elimination of licensing and regulation of taxis at the local level in favor of uniform licensing and regulation at the state level for both TNCs and taxis. After hearing opposition from both taxicab companies and local governments, DMV limited its proposal to regulating TNCs only, thereby leaving intact local authority to regulate taxis.

The growth in TNCs has created controversy across the globe with traditional tax-cab drivers and companies who claim the unregulated TNCs have an unfair competitive advantage in the marketplace. In June of 2014 DMV issued cease and desist orders to TNCs operating in Virginia citing lack of legal authority to do so. But the popularity of such services, combined with their growing financial and political clout, led to DMV reversing course. They granted temporary operating authority to the companies and their drivers and began drafting the legislation, with the input of stakeholders, to create a new licensing authority specifically for TNCs.

The legislation includes the following:

- Requires TNCs and TNC drivers to obtain licenses to operate in Virginia. The fees for licensure are expected to generate sufficient revenue to employ three full-time DMV enforcement officers tasked with insuring compliance with the new law;
- Requires the screening of TNC drivers to include driving history and criminal background checks. Certain “barrier offenses” that turn up in records will bar individuals from obtaining a TNC operating license. These include commission of a violent crime and registration as a sex offender. Additionally, those convicted of a DUI are prohibited from obtaining licensure for seven years while reckless driving carries a prohibition of three years;
- Requires TNC drivers to be covered by a motor vehicle liability insurance policy that specifically covers liabilities arising from a driver’s use of a vehicle to provide TNC services;
- Vehicles must be registered with DMV and display markings that clearly identifies the TNC with which the vehicle is associated; and

- TNCs can only provide rides on a prearranged basis through the mobile application platform. This means TNC drivers are not allowed accept street hails similar to taxis.

In terms of access, TNC drivers will not be allowed to refuse service based on age, race, gender, disability, and origin or destination of trip. TNC drivers will also be required to accommodate companion service animals for those with disabilities and by July 1, 2016 the TNC application must allow riders to indicate whether they need a TNC vehicle that is wheelchair accessible. The legislation also requires DMV to regularly consult with local governments to determine if TNCs, through their competition with locally regulated taxis, have resulted in a lack of availability for wheelchair accessible transportation services. If evidence suggests a decrease in accessibility then DMV will explore the establishment of an additional fee on TNC companies, TNC drivers, and/or TNC rides to assist localities in funding alternatives for providing rides for people with wheelchairs.

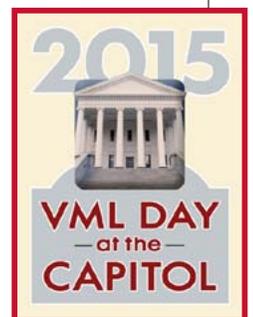
Questions remain as to what impact the proposal will have on local police departments which, along with state police, will be expected to enforce the new law. Another impact to localities is the potential for loss in BPOL (Business, Professional and Occupational License) taxes. This is because the TNC companies will not be required to pay BPOL and their contract drivers annual incomes will in most cases fall short of BPOL minimum payments. By contrast, taxi companies operating in Virginia are subject to BPOL with annual gross revenues that trigger payment to localities. ☺

Register now to attend VML Day at the Capitol

BECAUSE OF THE many crucial issues that are at stake, local government officials should make plans to attend VML Day at the Capitol scheduled for Jan. 28 at the Library of Virginia in downtown Richmond. This outstanding new event replaces what most recently was called “Local Government Day at the General Assembly.” It will be held exclusively for VML members.

Gov. Terry McAuliffe will deliver a keynote address when the day kicks off at 3 p.m. in the library’s Lecture Hall. A staff briefing on important legislation will

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VML Day continued ...

follow and conclude at 5:30 p.m. One of the primary goals of the day's new format is to host a high-quality reception that will facilitate members of the General Assembly meeting with local government officials. That reception will be held from 5:30 until 7 p.m. in the lobby of the library.

Local officials are urged to call on their legislators prior to the legislative briefing and remind them to attend the reception, which is only a short walk from the capitol. (All legislators have been mailed personal invitations, but a follow-up invitation by local officials will help to ensure good attendance by legislators.) Local officials also are encouraged to invite their legislative delegation to dinner following the reception.

Detailed information about the event, including online registration, can be found on the VML website at <http://www.vml.org/node/703>.

Questions? Contact Anita Yearwood at ayearwood@vml.org . 

From the capitol



Localities without UDAs may be ineligible for some state transportation dollars

LOCAL GOVERNMENTS WANTING to build transportation projects in areas not specifically designated for growth may be out of luck in the future. That's because state transportation officials want to adopt rules that would keep such projects from being considered for construction funding.

The designated growth centers – Urban Development Areas (UDAs) – were all the rage in 2007 when the General Assembly mandated certain “high growth” localities designate such areas in their comprehensive plans. The intent was to better coordinate land use decisions with public transportation investment by having localities identify areas that allow for more



concentrated growth and mixture of property uses. Tea party organizers objected. They contended the UDAs were part of a hidden United Nations effort (aka Agenda 21) to take away property rights. The perceived threat from this “boogeyman” was enough for the General Assembly to have buyer's remorse. In 2012 they made UDAs optional and they quickly fell out of favor. Some localities that were required to designate UDAs eventually removed them from their comprehensive plans.

Now UDAs may be making a comeback as part of an effort to require them in order to get state transportation dollars. Virginia's Office of Intermodal Planning & Investment (OIPI), housed within the Secretariat of Transportation, is offering technical assistance to local governments that seek to create Urban Development Areas (UDAs) pursuant to §15.2-2223.1 of the Code of Virginia. While still technically voluntary, OIPI is proposing they be considered as a mandatory screening requirement for a locality applying for transportation construction dollars under a new priority funding process mandated by legislation adopted in 2014.

Known by its bill number, HB 2 (<http://1.usa.gov/1wQScyk>) requires the Commonwealth Transportation Board (CTB) to adopt a transparent process for evaluating proposals based on congestion mitigation, economic development, accessibility, safety, environmental quality and the coordination of land use with transportation. Candidate projects that meet certain screening criteria (such as being within a designated UDA as proposed by OIPI) will be scored and ranked with along with other projects across the state. While the law does not require the CTB to allocate funds to the highest scoring proposals, the purpose of the ranking is to provide transparency and accountability in the allocation of state transportation construction dollars.

The scoring process is being drafted with input from stakeholders, including local governments. VML has recommended that the screening criteria for UDAs be flexible by not mandating that designated growth areas meet the specific requirements as prescribed in law.

For more information and to apply for assistance go to: <http://bit.ly/1DQCGYa> . 

The economy



Richmond Fed president sees signs of stronger, sustainable growth

SPEAKING BEFORE AN economic forecast meeting of the Virginia Bankers Association and the Virginia Chamber of Commerce, the president of the Federal Reserve Bank of Richmond said the country should witness a growth rate of about 2.5 to 3 percent in 2015 compared with the post-recession average growth rate of 2.25 percent.

According to the *Richmond Times-Dispatch*, Jeffrey Lacker was less optimistic about the Virginia economy. He noted that about 13 percent of all federal contract spending in the previous federal fiscal year went to Virginia firms.

“Northern Virginia has been hit particularly hard by reduced spending with government contractors, and the Hampton Roads area has been hit particularly hard by defense cuts,” he said.

“Virginia’s revenue stream has been significantly affected as well, and that is going to make this (state) legislative session particularly challenging.”

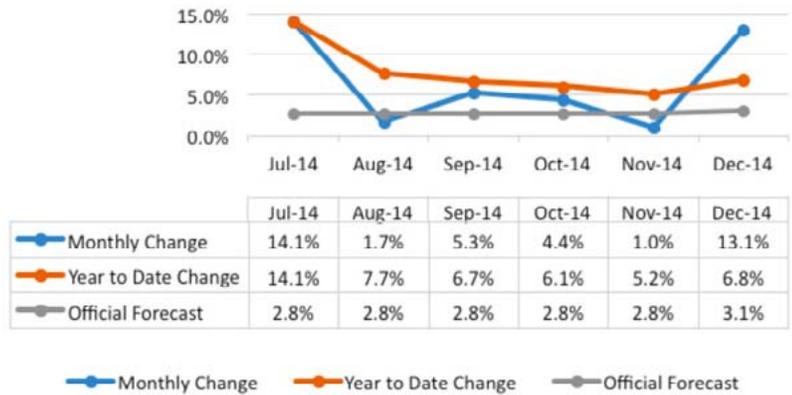
Employment in the state, however, expanded 0.4 percent in November as firms added some 11,500 jobs to the Virginia economy. The high-paying professional and business services sector added 5,300 jobs, although the number of industry jobs are 0.9 percent fewer than November 2013. Employment in the state, on average, grew 0.4 percent since November 2013. The Richmond MSA (2.2 percent), Winchester MSA (2 percent), Charlottesville MSA (1.6 percent), Virginia Beach-Norfolk MSA (1.2 percent), Northern Virginia (0.6 percent), and the Blacksburg MSA (0.5 percent) all exceeded the statewide employment growth rate.

The state unemployment rate declined 0.3 percentage point to 5 percent in November. The good news is somewhat tempered by the fact that the civilian labor force contracted in November for the sixth straight month.

The barely encouraging state economic news is belied by the deposits to the state’s general fund. The Commonwealth’s revenue collections continue to pleasantly surprise the budget staffs in state government. Collections are running almost 7 percent ahead of last fiscal year’s numbers. However, even

if revenue collections outperform the official forecast for fiscal year 2015, the additional money will not be available for spending or erasing the \$30 million debt the state saddled local governments with under the “local aid to the commonwealth” program. Here’s why. Under the provisions of the Virginia Constitution and state statutes, half of any revenue surplus must be deposited to the state’s Rainy Day Fund.

State General Fund Collections in FY 2015



For the “bread and butter” revenue source for localities, real estate taxes, have yet to bounce back as Virginia’s housing industry remains sluggish. Sales decreased 22 percent from October to November 2014, according to the Virginia Home Sales Report published by the Virginia Association of Realtors. Sales were down 6.72 percent year-over-year. With the exception of the months of September and October, the pace of monthly sales in 2014 trailed sales number in 2013. Sales prices seem to have recovered and stabilized. But, values have not appreciated in the Danville, Harrisonburg and Lynchburg MSAs on a year-over-year basis.

As for the housing future, the Federal Reserve Bank of Richmond reports that some 1,831 new residential permits were issued in November, down 34.9 percent from October and 8 percent from a year ago.

What do all this economic data mean for local governments? Expect another tough budget year, stretching local revenue to cover the increasing retirement and health care costs of local employees as well as higher expenses for state-mandated and high-priority programs administered by localities. ☹

Job opportunities



VML MAINTAINS A detailed listing of local government job openings on its website at <http://www.vml.org/job-listings>. The most recent job openings posted as of Wednesday morning, Jan. 14, included:

Librarian III, Chesapeake

SALARY: \$47,629. Deadline: Feb. 12.

Director of Planning and Zoning, Vienna

SALARY: \$95,146-\$153,423. Deadline: Feb. 1.

Utility Operator, Hanover County

SALARY: \$27,565 - \$46,854. Open until filled.

Construction Manager (Chesapeake Public Schools), Chesapeake

SALARY: \$61,388-\$72,982. Open until filled.

Director of Transportation, Richmond Regional Planning District Commission

SALARY: Negotiable. Deadline: Jan. 26.

Deputy Director of Parks and Recreation, Hampton

SALARY: \$74,003-\$80,403. Deadline: Jan. 29.

CD Program Manager, Virginia Department of Housing and Community Development

SALARY: \$70,000/negotiable. Deadline: Feb. 6.

Gardener II, Charlottesville

SALARY: \$14.88-\$23.28 per hr. Deadline: Jan. 20.

Planner II, Richmond

SALARY: \$44,000-\$52,000. Deadline: Jan. 25.

Water Plant Operator, Crewe

SALARY: DOQ/DOE. Open until filled.

IT Business Analyst, Fredericksburg

SALARY: \$50,390-\$61,517. Deadline: Jan. 30.

311 Director and Customer Service Strategist, Hampton

SALARY: \$80,000 DOQ/DOE. Deadline: Jan. 28.

Administrative Assistant – Facilities Development, Charlottesville

SALARY: \$16.65-\$21.10 per hr. Open until filled.

Safety Programs – HR Specialist, Albemarle County

SALARY: \$15.07-\$18.09 per hr. Deadline: Jan. 21.

Public Utilities Engineering Manager, Hanover

SALARY: \$67,012-\$90,481. Open until filled.

Water Treatment Plant Chief Operator, Winchester

SALARY: \$44,408-\$71,032. Open until filled.

Planner, Shenandoah County

SALARY: \$38,595. Deadline: Jan. 30.

Water Quality Operations Supervisor, Buena Vista

SALARY: DOQ/DOE. Deadline: Feb. 15.

Executive Director (Green Foundation), Newport News

SALARY: DOQ/DOE. Open until filled.

Town Manager, Strasburg

SALARY: DOQ/DOE. Deadline: Feb. 13.

Risk Manager, Chesapeake

SALARY: \$65,747 (min) - \$86,753 (mid) DOQ/DOE. Deadline: Jan. 21.

Wastewater Treatment Operator I, Winchester

SALARY: DOQ/DOE. Open until filled.

Re-entry Case Manager, Tidewater Youth Services Commission

SALARY: \$32,088. Open until filled.



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