

Update

February 13, 2004

The newsletter of the
Virginia Municipal League

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House committee rejects Warner tax initiatives Legislature on collision course over budget

The House Finance Committee has rejected approximately 40 tax bills, including Gov. Mark R. Warner's reform initiatives. The Warner proposal includes modest tax increases on some Virginians that would generate \$1.1 billion in additional revenue for the next biennium. With only one Republican on the committee voting with the governor, the measure failed last Wednesday largely along party lines.

The committee's action puts the House and Senate on a collision course over the budget. The Senate is likely to adopt increased tax rates necessary to generate approximately \$2 billion in new revenue for the next biennium, while the House will have to cut core government programs to balance the budget. Although the House will count on new revenues from projected economic

growth, the delegates would have to cut more than \$700 million in the next biennium.

The Senate Finance Committee heard both Warner's and Sen. John H. Chichester's tax plans for the first time on Tuesday. Chichester is chairman of the committee, which was scheduled to vote on the plans as soon as Thursday, as this edition of *Update* went to press.

The Warner and Chichester plans would increase the state sales tax by 1 cent and restructure brackets within the state income tax. Both plans would grant counties increased cigarette taxing authority, raise the state sales tax, and finish the car tax phase-out for personal vehicles valued at \$20,000 or less.

Warner's plan would phase out the car

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GENERAL ASSEMBLY 2004

Changes in Line of Duty Act would shift costs

SB 284 (Wampler) revamps the funding for the Line of Duty Act by passing most of the costs of the program to local governments. The act currently provides benefits, paid for by the state, to public safety employees, or their survivors, who are disabled or who die in the line of duty.

Eligible employees include those receiving workers compensation benefits under the heart/lung presumption in addition to those who are disabled or die as the result of a catastrophic event, such as a car wreck or a shooting. SB 284 retroactively extends eligibility for health insurance benefits under the act to employees (or survivors) who became eligible on or after April 7, 1972.

Up until 1998, the Line of Duty Act benefit primarily consisted of a cash payment (which now stands at \$75,000) and so was a fairly narrowly drawn benefit. In 1998 the General Assembly enacted legislation, which did not become effective until 2000, to add health insurance benefits for disabled persons, their spouses and dependents as well as spouses and surviving dependents of those who die as a Line of Duty benefit. This additional benefit substantially increased the cost of the program. In addition, there has been a great deal of confusion regarding exactly when the new health insurance benefits became

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tax by 2008, using the same methodology (dollar for dollar state reimbursement) used today. The Chichester plan would phase-out the tax in calendar year 2005 and swap the current method of dollar-for-dollar reimbursement in exchange for localities receiving 1.5 cents of the current state sales tax, plus an additional \$230 million.

Chichester's plan also increases the fuel excise tax to 20.5 cents per gallon, updates the motor vehicle titling tax from 3 percent to 5.5 percent (but allows trade-in value to be deducted before applying the new tax rate), applies the general sales tax to fuel purchases so that the half-cent sales tax on non-fuel purchases can be returned to the general fund for car tax relief, increases the deed recording tax by 30 percent, and increases the motor vehicle registration fee by \$10.

Chichester says his plan would generate substantial revenue for education funding, particularly some of the Standards of Quality items identified by JLARC in its 2002-2003 report.

The House response

On Feb. 5, House Appropriations Committee Chairman Vince Callahan

addressed the House of Delegates regarding the outline of the 2004-2006 budget. Callahan told the House its budget would be built using a baseline of \$26.1 billion dollars — approximately \$1.8 billion more than is included in the current biennial budget and \$600,000 million less than the introduced budget, which includes new revenue generated by tax reform. Callahan said the House's budget priorities are:

- Restoring the "Rainy Day" fund in an attempt to ensure that Virginia retains its triple-A bond rating.
- Funding the cost of rebenchmarking the SOQ as proposed by the governor. This includes several actions (such as the deduction of federal and locally-generated revenues) that lowers the cost of rebenchmarking by more than \$500 million a year.
- Additional support for higher education and tuition assistance.
- Some funding for mental health, including the Olmstead initiatives.
- Health care for children (FAMIS).

Noticeably absent from this list are historical funding commitments to local governments.

Presumably going forward to balance the budget are items included on a House Appropriations "hit list" widely leaked a few weeks earlier:

- Remove pay raises for state employees and teachers.
- Do not restore local/federal deduction from Standards of Quality to localities.
- Capture local share of lottery profits and use for No Child Left Behind.
- No new funding for Northern Virginia cost of competing, ESL programs, or At-Risk 4 year olds.
- Cap ABC profits and HB 599 law enforcement funding.
- Cap/further reduce jail per diems (a loss of more than \$13 million a year to localities).
- Fund teacher retirement at rate recommended by VRS Board (actuarial rate) instead of state/teacher pooled rate recommended by governor.
- Eliminate Commerce and Trade funding (affecting local economic development efforts).
- Eliminate funding for the Water Quality Improvement Fund. ❖

Line of Duty Act continued ...

effective. SB 284 makes clear that eligibility for the health insurance benefit extends back to 1972.

SB 284 puts administration of benefits under the Line of Duty Act under the Virginia Retirement System and establishes a fund to pay for the benefits. Political subdivisions with employees eligible for Line of Duty benefits would have to pay a contribution rate to the fund. The current estimate of the rate is 0.31 percent of payroll. The state would have to contribute to the fund as well in order to pay for the benefits for state officers eligible for Line

of Duty benefits. In FY05, the cost to the state is estimated at \$1.22 million; the cost to local governments at \$7 million.

The Senate Finance Committee was scheduled to hear the bill on Thursday (Feb. 12).

VACo and VML will contend that the state made the policy decision to enhance and extend benefits under the Line of Duty Act, and therefore should pay for those benefits. Shifting costs to local governments is nothing more than an unfunded mandate. ❖

FROM THE CAPITOL

GENERAL ASSEMBLY 2004

Legislative pace quickens as crossover date approaches

The volume of legislation being dispensed with has grown as the date for each house to complete work on its respective bills approaches. That date is Feb. 17. Here is an update on a handful of bills of interest to local governments. Please refer to your *Legislative Bulletins* that are posted on the VML Web site at www.vml.org for a comprehensive update on legislation.

Sickness and disability bill carried over. House Appropriations carried over HB 491 (Tata), the bill establishing a Virginia Local Sickness and Disability Program. Evidently police and fire employee associations were concerned about the return-to-work provisions in the legislation. VML, VACo and VRS will work with employee groups this summer to try to alleviate concerns about the legislation.

House exempts itself from FOIA. The House voted 52-48 to exempt itself from the Freedom of Information Act. HB 1357 (Griffith) exempts meetings of the

General Assembly or its members from the Freedom of Information Act by providing that "public access to any meeting of the General Assembly or a portion thereof shall be governed by rules established by the Joint Rules Committee." The Joint Rules Committee has to hold at least four regional public hearings before adopting the rules.

Blight bill would greatly help localities deal with derelict properties. HB 1456 (Jones, D.) increases the ability of localities to deal with the blight more effectively. It provides the first tool to force the real owner of property to pay his taxes. It accomplishes this by making corporate officers responsible for delinquent taxes when the officer willfully fails to pay.

The concepts in the bill were recommendations of the Governor's Urban Policy Task Force and were chosen by the governor as a priority among the task force's recommendations. A House Cities, Counties and Towns subcommit-

tee voted to recommend passage of the bill with only one dissent following an impassioned speech by committee member Del. Preston Bryant. The Lynchburg delegate said that older cities are in such need of redevelopment that the tools provided in the bill outweigh his strong beliefs regarding private property rights.

The bill was scheduled to be heard Friday (Feb. 13) by the full House Counties, Cities and Towns Committee.

Rental inspection bill agreement at hand. A House General Laws subcommittee approved a major rewrite of the rental inspection laws Tuesday night. The rewrite of HB 828 (Drake) involved local governments and rental property owner groups. The new agreement will hopefully make rental programs much easier to administer and avoid many of the conflicts in the recent past. The full House General Laws Committee was scheduled to take up the bill on Thursday (Feb. 12). ♦

Budget amendments need local support



Despite the uncertainty of Virginia's budget, legislators introduced a large number of budget amendments, many asking for millions of dollars to either make up for recent cuts or to meet growing needs for natural resources, transportation, disability services and the growing elderly population. Please ask your legislators to support the following budget amendments:

At risk education. Item 146#9h (Dillard) would add \$215 million in each year of the budget to fund HB 1013, the "Aiding Students to Achieve Program." This is a top priority of VACo and VML.

SOQ revisions. In the House, Item 146#10h (Dillard), Item 146#12h (Reid), and Senate Item 146#2s (Potts) would add \$301 million in FY05 and \$313 million in FY06 to fund the Board of Education's

SOQ revisions. Also in the Senate, Item 146#14s (Houck) would add \$73 million in FY05 and \$75 million in FY06 to fund music, art, and physical education elementary teachers.

Restoration of jail per diems/sheriffs cuts. Item 67#2h (Ingram) would restore \$19.3 million in FY05 and \$22.4 million in FY06 for the state share of jail per diems. Item 64#3h (Ingram) would restore the 2002 budget reductions for sheriffs' offices and regional jails (\$19.4 million in FY05; \$20.5 million in FY06). In the Senate, Item 70.1#1s (Potts), restores the cuts to all constitutional officer programs (including jails and sheriffs) taken during 2002-2003 and funds the shortfall in required positions. ♦

FROM THE CAPITOL

State Board of Elections announces voting equipment contracts



The State Board of Elections has announced the availability of state contracts for the purchase of voting equipment certified by Virginia and compliant with the federal Help America Vote Act. Local governments can customize orders for goods and services, and join forces to purchase equipment in order to take advantage of volume pricing. The State Board of Elections will help localities to bundle the purchases.

In addition, the SBE has distributed information to voting registrars on payment and reimbursement from federal funds for the purchase of the new equipment. Localities that were using punch card or lever equipment in November 2000 will receive \$3,192.22 in federal funds for each of those precincts when equipment is replaced. The precincts that used punch card or lever equipment in November 2000 are called "qualifying precincts." If a locality has more precincts now than in November 2000, there will not be additional funding for the new precincts. Localities that have fewer precincts now than in November 2000 will still receive \$3,192.22 for each precinct that existed in November 2000. The federal funds for these reimbursements are available through SBE.

Every locality is supposed to receive federal funding for one fully equipped, direct recording electronic (DRE) voting machine for each precinct that currently exists in the locality. The state has not yet received these federal funds, although they are expected within the next several months. Note that the number of precincts is not related to the November 2000 election, but to the current number of precincts.

The SBE's memorandum to registrars, dated January 23, contains additional information on the cost to localities for the new equipment. The memorandum is posted on the VML web site.

Localities will bear approximately 40 percent of the costs of the new equipment, according to the SBE memorandum. Federal dollars will pay the other 60 percent. The state is supposed to be putting up 5 percent of the money, but no state general funds have been appropriated. Instead, as reported in the Jan. 30 *Update*, localities have to send their checks for purchase of voting machines and ancillary services to the state in order to receive reimbursement for the HAVA dollars. The state then pays the vendors using the local money and uses proof of those payments to meet the requirements of HAVA, including proof of the 5 percent state match. ❖

POSITIONS

Longer version of job ads posted at www.vml.org

Because of the number of requests it receives to publish job advertisements, VML reduces the length of the position descriptions in *Update*. A full version of all of the job listings published here for the past two months appears on VML's Web site at www.vml.org. Visit the VML site and click on "Marketplace" to read the complete descriptions.

Town Sergeant, Boykins

SALARY: DOQ/DOE (+) benefits. (Pop. 650) FT. Current state certification is a plus, but not mandatory. Training available. Vehicle, uniform and required equipment provided. Apply in writing to: Mayor Richard Francis, P.O. Box 266, Boykins, VA 23827.

Senior Planner / Deputy Zoning Administrator, Ashland

SALARY: \$37,837-\$56,757 DOQ. Responsibilities include zoning admin. and enforcement; coordinating the development review process; the preparation, analysis and presentation of cases to the town council, board of zoning appeals, and planning commission; and conducting special planning studies as needed. Applications and job description at: Town of Ashland Municipal Building, 101 Thompson St. Inquiries may be made to: Ashland Planning Department at 804/798-1073. Mail or deliver completed applications to: Director of Planning, P.O. Box 1600, Ashland, VA 23005. Open until filled. EOE.

Planner, Isle of Wight County

SALARY: \$30,000 DOQ (+) benefits. Coordinate and review transportation issues, subdivision plats, land development plans and land-use proposals to ensure compliance with the county's adopted plan and land development ordinances. Work closely with major county and regional

stakeholders, as well as with the public. Strong communication skills essential. Reqs. min. comb. of educ. and exper. equiv. to a bachelor's degree in urban planning or related field with 2 yrs. of related work exper. The search for candidates has been extended and previous applicants need not reapply. Resume and completed county application should be sent to: Human Resources, P.O. Box 80, Isle of Wight, VA 23397. Deadline: Feb. 27.

Bus Driver, Virginia Regional Transportation Association

SALARY: \$10 per hour (+) limited benefits. Reqs. H.S. diploma, good driving record, clear criminal record and excellent people skills. Knowledge of Page County roads preferred. CDL req. All employees subject to pre-employment and random drug testing. Contact: 1-800/305-0077 and ask for John or Darlene. Send application to: CATS, P.O. Box 180, Verona, VA. 24482.

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POSITIONS

Assistant Town Manager, Culpeper

SALARY: \$60,118-\$89,225. New position in rapid growth, full-service municipality. Reqs. bachelor's degree with major course work in public admin., human resources or related field. Master's of public admin. preferred. Reqs. 5 yrs. progressively responsible exper. in local gov't. mngmnt. with broad background, including personnel development. Responsible for HR function, special projects, general assistance to town manager. Job description and application at www.culpeper.to or contact Town Manager Brannon Godfrey at 540/829-8250. Application deadline: March 26. EOE.

Landfill Superintendent, Stafford County

SALARY: \$41,974-\$68,764 DOQ. Directs landfill operations; supervises distribution of solid waste as soil on landfill; supervises, trains, and assigns personnel to equipment and maintenance activities; operates landfill equipment as needed; enforces local and state safety and waste material standards. Manager of Landfill Operations or Certified Landfill Manager certification or other landfill certification (or ability to obtain certification within 6 mos. of employment). For application, contact 540/658-4596 or www.co.stafford.va.us. Submit required county application to: Stafford County, Human Resources, P.O. Box 339, Stafford, VA 22555; fax: 540/658-4597. Open until filled. EOE.

Building Commissioner, Roanoke

SALARY: \$51,540-\$77,309. Oversee the administration and enforcement provisions of the Virginia Uniform Statewide Building Code as interpreted by the State Building Code Technical Review Board, and related ordinances. Bachelor's degree from 4-yr.

college with course work in engineering or related field; 5-10 yrs. related exper. and/or training in the building, electrical or plumbing inspection trades or equivalent combination of education and experience. Obtain and maintain certification from Board of Housing and Community Development in accordance with the Va. Certification Standards (13 VAC 5-21-10 et seq.) within 1 yr. To apply, visit: www.roanokegov.com or call Human Resources at 540/853-2231. Open until filled. EOE.

Other positions

NOTICE: The following positions also are listed on VML's Web site at www.vml.org.

City Assessor, Poquoson

SALARY: \$43,505-\$64,737 DOQ. Deadline: March 26.

Planning Director, Westmoreland County

SALARY: \$46,000-\$52,870. Deadline: Feb. 27.

Town Manager, Timberville

SALARY: DOQ/DOE. (Pop. 1,800) Deadline: Feb. 27.

Emergency Services Coordinator, Montgomery County

SALARY: \$38,297-\$42,268 hiring range (+) benefits. Deadline: Feb. 13.

Chief of Police, Radford

SALARY: Salary: Low \$60,000s DOE, DOQ (+) benefits. Deadline: Feb. 20.

Zoning Administrator, Colonial Beach

SALARY: DOQ. Open until filled.

Planning/Zoning Administrator, Orange

SALARY: DOQ/DOW (+) benefits. Deadline: Feb. 13.

Senior Transportation Planner, Northern Shenandoah Valley Regional Commission

SALARY: \$44,400-\$64,300 (+) benefits. *Readvertisement.* Open until filled.

City Plumbing/Cross Connection Inspector, Danville

SALARY: \$27,137-\$31,000 DOQ. Open until filled.

Transit Director, Winchester

SALARY: DOE. Open until filled.

Tax Field Auditor, Winchester

SALARY: DOE. Open until filled.

Utility Engineering Manager, Suffolk

SALARY: \$53,615-\$65,679 (midpoint). Open until filled.

Director of Human Resources, Chesapeake

SALARY: DOQ/DOE. Deadline: Feb. 27.

Fire Chief, Bristol

SALARY: \$43,092-\$59,591. Deadline: Feb. 28.

DEADLINE: *The deadline for placing a job advertisement in the next issue of Update is Friday, Feb. 20. Submit ads via e-mail to David Parsons at: dparsons@vml.org. You may also submit via FAX at: 804/343-3758. VML publishes job advertisements at no cost to its local government members. Non-members are charged a flat rate of \$25 per ad per issue, which includes posting on VML's web site and publication in Virginia Town & City (deadlines permitting). VML edits position descriptions in printed publications because of space limitations.*

CALENDAR

Virginia Water Conference, March 7-9, Virginia Beach

Speakers, workshops, exhibitors and more. Conference theme: "Restoring Virginia's Watersheds." Full registration: \$175. Double Tree Hotel conference room rate: \$55 per night. Contact: Stuart Stein, at 703/642-5080 or sstein@gky.com.

Virginia Rural Water Association 16th Annual Exposition, March 15-17, Richmond

At Holiday Inn Select-Koger Center. Contact: 540/261-7178.

Virginia Municipal Clerks Association Annual Conference, April 21-23, Williamsburg

The conference will be held at the Williamsburg Hospitality House. Contact: Shelia Crist 757/220-6103 or scrist@ci.williamsburg.va.us.

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Update is published
biweekly by the
Virginia Municipal League

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