



2017 VML Legislative Program

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 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.

State and Local Government Fiscal Relationship

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.

- 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 should 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 cannot be confiscated or re-directed 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 state mandated and other high priority programs should specify the programs to be affected by the cuts.

The Commonwealth should:

- 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.
- 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.

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 as stipulated in the Code of Virginia.

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

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; (3) ensure safety, reliability, and access for consumers, providers, and the public; and (4) protect local government’s ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

Transportation and Transit 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. VML supports adequate funding of the Smart Scale (HB 2) program in addressing transportation and transit needs.

Access to Healthy Food

VML supports approaches (including but not limited to the Virginia Grocery Investment Fund) to provide financial and technical support for businesses to expand and ensure greater access to healthy food for residents of the Commonwealth.

Roadway Maintenance Payments; Bicycle Lanes

VML supports the ability of cities and towns that receive roadway maintenance payments from the Commonwealth based on moving-lane miles of roadway to not see their payments reduced if moving-lane miles of roadway are converted to bicycle-only lanes. Municipalities will not reduce their funding after a conversion.

Landscape Materials

VML supports the ability of localities to regulate the use of specific landscape cover materials or the retrofit of existing landscape cover materials for the health, safety, and welfare of their citizens.

Local Authority to Regulate Plastic Bags

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

Lottery for Localities

VML requests that the General Assembly authorize the Joint Legislative Audit and Review Commission to study the feasibility of dedicating additional lottery dollars to local governments. As part of the study, JLARC should identify and evaluate the potential impacts of the "Lottery for Localities" proposal on other state financial aid programs, including school funding, and the proposal's possible financial impact on lottery sales.

Municipal Net Metering

VML requests that 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 that the General Assembly raise the net-metering limit from 1,000 kilowatts to 2,000 kilowatts for non-residential customers.

Price Floor for Regional Gas Taxes

VML supports an amendment to Virginia Code § 58.1-2295 that would establish a protective floor price for the 2.1 percent regional gas tax, such 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.

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.

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.

Stormwater Utility Charges

VML opposes further amendments to the regulation of stormwater that would require a locality to waive stormwater charges.

Water Quality Funding / Wastewater Discharge and Pollutant Allocation Limits

VML requests that the General Assembly 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 that the General Assembly 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.

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