**2018 VML Legislative Program**

**Priorities**

**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 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 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.

**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 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 (HB599) 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.

**Legislative Program Items (listed in alphabetical order)**

**Communications Sales and Use Tax**

The Virginia Communication Sales and Use Tax was enacted to establish a statewide tax rate and to pre-empt local taxes on communication 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 services.

**Community Solar**

VML supports legislation that would allow for greater flexibility for community-owned solar facilities. VML supports the protection of current net metering compensation.

**Full Funding for Virginia State Parks**

VML supports full funding for Virginia State Parks, and supports what is needed to adequately maintain and operate current facilities, infrastructure, and authorized future construction, as detailed in the Virginia Association for Parks’ Needs Assessment.

**Incentives for In-Fill Development/Tax Abatement**

VML supports allowing local governments greater flexibility in creating incentives for in-fill development and tax abatement for properties that are not challenged by housing structures.

**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.

**Marijuana Decriminalization**

VML supports a change to the *Code of Virginia* to make anyone found to be in the simple possession of no more than 0.5 oz. of marijuana for personal use subject to a civil rather than criminal penalty. Individuals under 21 years of age found to be in possession should still be required to undergo drug screening and participation in a treatment or education program as a condition of the suspension of a conviction if appropriate.

**Medical Use of Marijuana**

VML supports the expansion of an affirmative defense to prosecution for the possession or distribution of marijuana if a person has a valid written certification issued by a practitioner licensed by the Virginia Board of Medicine to prescribe cannabidiol oil or THC-A oil for the treatment of, or to alleviate the symptoms of, cancer, glaucoma, HIV, AIDS, ALS, MS, PTSD, traumatic brain injury, and other chronic or terminal conditions.

**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.

**Public Transit Funding**

VML supports increased federal and state funding for public transit; policies that allow for the equitable distribution of such funding; and dedicated sources for such funding, all to avoid the impending fiscal cliff in 2019.

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

VML urges the General Assembly to address greenhouse gas emissions targets through the Regional Greenhouse Gas Inventory (RGGI) or carbon credit auctions. 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.

**Retain Local Land Use Authority in Implementation of Wireless Technology**

VML supports the implementation of new wireless technology to all localities and providing service to all residents of the Commonwealth. Localities must retain the ability to exercise current land use authority in the implementation of new wireless technology. Local rights-of-way are public property and proper local management and maintenance are essential to ensure public safety, to protect the integrity of the property, to guarantee the safety of workers and maintain efficient transportation.

**School Capital Funding Pilot Program**

Local governments pay the majority of public school capital costs. Communities struggle to balance financing the infrastructure and operational costs for 21st century learning environments with other public infrastructure and service needs. The Literary Fund long ago lost its capacity as a viable financing option for most communities’ school capital costs. VML supports new avenues for funding public school construction and renovation costs, including 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.

**Statewide Taxing Authority for Transit Capital Needs**

Public transportation is critical to the economy and quality of life of all Virginians. VML supports legislation that would allow localities to adopt additional regional or local taxes to provide needed capital funds.

**Stormwater Local Assistance Fund**

VML supports continued investment in the Stormwater Local Assistance Fund to assist localities with much-needed stormwater projects to meet federal and state clean-water requirements.

**Taxing, Licensing, and Registering 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 marketplace; (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.

**Transition of the Commonwealth of Virginia to Next Generation 911**

VML supports the Statewide Transition to Next Generation 911 using the state funds that will be dedicated by the 911 Services Board; this should not be an unfunded mandate for which localities become accountable.