



Building a better Virginia



2013 Legislative Program
Virginia Municipal League

Parks
Animal control
Police
Elementary schools
Building code enforcement
Recreation leagues
Libraries
Water and sewer systems
Public transportation
High schools
Fire services
Health clinics
Garbage collection
Storm water utilities
Behavioral health services
Traffic control
After-school programs
Landfills
Economic development
Street lights
Jails
Building inspections
Emergency medical services
Housing authorities
Services for at-risk youth
Community centers
Middle schools
Parking enforcement
Hazardous materials response
Bookmobiles
Historic preservation
Building permits
Community festivals
Medicaid eligibility
E-911

Dear Legislator,

Strong, vibrant communities are crucial to the economic prosperity of Virginia. The Commonwealth, however, cannot live up to its potential if local governments serving these communities continue to be shortchanged by the state. Shifting state costs to local governments, restricting tax authority, and usurping city and county revenues is an unrelenting drain on city, town and county finances.

While state government has accumulated \$1.4 billion in surpluses over the past three fiscal years, local governments continue to struggle because of an anemic housing market that has diminished the effectiveness of the real estate tax. Many local governments already know that they will have trouble keeping their heads above water in FY14. The General Assembly should refrain from taking actions that will make this untenable situation even worse.

In short, many local government officials believe that the state-local partnership is badly frayed, if not broken. While the state continues to direct city, town and county governments to provide an assortment of services, it too often reduces funding for its share of the costs. These trends place an unsustainable burden on real estate taxpayers.

The state, however, could take any number of actions to ameliorate the situation. These include: eliminating the requirement for cities and counties to send back almost \$100 million this biennium to the state treasury, funding a reasonable portion of the true cost of instructional and support positions in public schools, and paying an adequate share of the soaring costs associated with improving water quality. Lastly, the state must work with cities and counties to develop an equitable solution for sharing the unfunded liabilities associated with the teacher retirement plan.

We pledge to work with you throughout the 2013 legislative session and beyond in meeting our mutual goals to promote long-term prosperity for Virginia's citizens.

Sincerely,



R. Michael Amyx
Executive Director

VML 2013 Legislative Program

VML's membership approved the following legislative positions Sept. 25 during the league's annual conference in Williamsburg. The first five items – ranked in order of importance – are priority issues for member local governments in the upcoming 2013 General Assembly session.

State budget and local revenues

The member local governments of the Virginia Municipal League hold the following principles on state budget issues.

The governor and General Assembly should not:

1. Further restrict local revenue authority or sources without providing alternative revenue authority and sustainable revenue sources. This includes, without limitation, the BPOL and M&T taxes.
2. Confiscate or re-direct local general funds and special funds to the state treasury.
3. Impose new funding requirements or expand existing ones on services delivered by local governments.
4. Shift state funding responsibilities onto local governments, including law enforcement and public safety activities.
5. Impose state fees, taxes or surcharges on local government services.
6. Place additional administrative burdens on local governments.

The governor and General Assembly should:

1. Immediately examine state requirements and service expansions to determine those that can be suspended or modified to alleviate some of the financial burden on state and local taxpayers.

Here are two specific examples of what the state needs to do:

- Critique the Standards of Accreditation and Standards of Learning to determine which standards impose costs on local governments that are not recognized in state funding formulas. In particular, changes adopted since 2009 to SOAs and SOLs should be examined as state funding on a per-pupil basis is now below 2009 levels.
- Re-examine those Standards of Quality that the Board of Education has adopted, but that the General Assembly has not funded. These

standards reflect prevailing practices necessary to improve children's academic performance. Their academic performance is crucial to students and schools meeting the accountability standards under the SOL and SOA. If funding is not available to pay for prevailing practices, the accountability standards should be adjusted so that local governments are not in the position of having to bear the entire burden of meeting these unfunded mandates.

2. Develop spending and revenue priorities. State tax credits, tax deductions and tax relief policies must receive the same scrutiny as spending programs.
3. After all other actions have been taken including eliminating unnecessary programs, achieving greater program efficiencies, and streamlining service delivery, the state has the obligation to look at ways to increase revenues in order to meet its constitutional and statutory obligations to Virginia citizens.

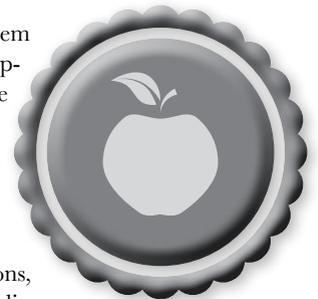
Local Aid to the Commonwealth

VML supports a budget amendment in the 2013 legislative session to restore the \$50 million reduction included in the FY13 budget, and supports eliminating this across-the-board reduction in FY14 and in any future budgets.

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. As an example, VML opposes the elimination or decrease of state funding for state-mandated benefits for school employees.

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. The State Board of Education should identify areas within the



Standards of Quality and other educational requirements, such as mandates for expenditures in the area of student health services, which can be modified or eliminated in order to provide localities with greater flexibility in their use of scarce education funds.

VML supports a study by the Joint Legislative Audit and Review Commission to determine how the SOQ may be revised and adequately funded to meet the requirements contained in the Standards of Learning and Standards of Accreditation. VML also supports implementation of JLARC recommendations to promote 3rd grade reading performance.

Transportation funding

VML supports a new, stable and predictable transportation funding plan that is comprehensive and addresses investment across the state. Critical to this plan is a new dedicated and ongoing source of non-general fund revenue to support \$65 billion dollars in transportation needs as identified in VTrans2035, Virginia's statewide long-range multimodal transportation plan.

The state should not place new tolls on existing roads as a method to fund ongoing transportation obligations. Further, no decision should be made to place tolls on an existing road without first evaluating the impact on other roads in the region and on the quality of the environment.

Water quality funding

Virginia's local governments face mounting costs for water quality improvements for sewage treatment plants, urban stormwater, combined sewer overflows (CSOs), and sanitary sewer overflows (SSOs). In response to federal and state legislation, regulation and policies, VML urges the federal government and the Commonwealth to provide adequate funding for these water quality improvements.



Other legislative positions

Transient Occupancy Tax and on-line travel companies

VML supports state legislation to make clear that transient occupancy taxes and sales taxes are applied on the room cost paid by the consumer.

In addition, VML should urge the Virginia congressional delegation to oppose any legislation or amendment to preempt state and local taxes from these Internet transactions.

Sales and use taxes on Internet-based sales

VML supports the continuation of legislation such as SB 597 (2012) to require remote sellers that use in-state facilities to collect and remit Virginia sales tax. (The federal issues identified in this position were sent to the executive committee for action.)

Impact fees & cash proffers

The General Assembly should enact laws to broaden impact fee authority to allow the adequate assessment of the fees for all public infrastructure, including school construction costs, caused by growth. The General Assembly should take all steps needed to assist towns and cities to work with the surrounding counties to promote growth in patterns that help the vitality of the municipalities by authorizing impact fees for public infrastructure. Any change must not shift the burden of paying for new infrastructure to existing citizens through increased real estate taxes.

Uranium mining

Uranium mining, milling and waste disposal of generated wastes poses health and environmental problems for Virginians. If these uranium mining activities are permitted in Virginia, VML is concerned that radiation and other pollutants from mill tailings may occur, downstream water supplies may be contaminated, water supplies near uranium mines may disappear or be severely reduced, and the health and safety of uranium miners might be jeopardized.

VML supports the moratorium on the mining and milling of uranium in the Commonwealth of Virginia. Any studies or efforts to develop a regulatory framework should address the concerns, warnings, and conclusions contained in the National Academies of Sciences report to the Commonwealth entitled "Uranium Mining in Virginia" and dated December 2011. Furthermore, the state should take no action to preempt, eliminate, or preclude local govern-

ment jurisdiction with respect to whether uranium mining would be allowed in the respective jurisdiction.

Town-county relations

The Code of Virginia should be amended to clarify the relationship of the exercise of powers by a town and the county in which it sits. The law must make it clear that countywide powers apply in or as to the town only until the town council adopts an ordinance regulating the same topic; that in the appropriate case, local county powers do not apply in or as to towns in the county unless the town so ordains; and that each county is protected from the obligation to exercise county powers solely in or as to towns in the county.

Health care reform impact on local governments

Many questions remain as to how Virginia will choose to implement the federal Affordable Care Act. Depending on the state's actions and decisions, local governments could face new administrative responsibilities and costs. Any new or enhanced roles and responsibilities for local government must be accompanied by sufficient federal and/or state financial resources.



Social services funding and penalties

For years the state has consistently underfunded its share of administrative costs (including personnel and technology) for programs administered on its behalf by local departments of social services. The state agency has now decided to make local agencies and local real estate taxpayers solely liable for federal financial penalties resulting from federal audits of the system. Federal law does not require passing this cost onto localities; it is the state's choice to do so. If the state wants to improve performance and accountability, it

must fully acknowledge and fulfill its responsibility in this partnership by properly funding, equipping, and supporting the local offices that render services on its behalf. The state should hold off on any assessment of penalties until it has done so.



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Street maintenance
Public health
Neighborhood preservation
Recycling
Animal shelters
Cable television franchises
Sidewalks
Voter registration
Child protective services
Courts
Zoning enforcement
Farmers' markets
Engineering
Consumer protection
Green Government
Street sweeping
Social services
Industrial development
Paratransit
Fire marshal
Electric utilities
Comprehensive planning
Senior citizen programs
Community development
Main Streets
Kindergarten
Elections administration
Adult protective services
Welfare administration
Juvenile detention
County fairs
Natural gas utilities
Airports
Citizen boards and commissions



About VML

The Virginia Municipal League is a statewide, nonprofit, nonpartisan association of city, town and county governments established in 1905 to improve and assist local governments through legislative advocacy, research, education and other services. The membership includes all 39 cities in the state, 159 towns and 10 counties.



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LOCAL GOVERNMENTS WORKING TOGETHER SINCE 1905