



Proposed VML 2021 Legislative Program

As approved by the VML Legislative Committee on Oct. 2, 2020, for consideration and adoption by the VML membership during the 2020 VML Annual Conference

I. Priorities

FUNDING THE REAL COST OF EDUCATION

- A strong public school system is essential to economic development and prosperity.
- During an economic downturn and particularly during a pandemic, state funding is vital to provide the tools and supplies necessary to maintain safe and effective education services – in person or virtually – for students across Virginia. This includes access to broadband service.
- 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 staff 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.
- 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 funding formula for education operating costs breaks down on a statewide level as 55 percent state/45 percent local funding. However, the Standards of Quality does not recognize the true costs of education, including pupil transportation, school support staff, providing and updating broadband and other technology, and instructional staff salaries. Neither does it recognize most construction and renovation costs.
- Local governments match more than is required for basic state education dollars, pay the majority of public school capital costs and struggle to find scarce local tax dollars to keep up with the demands for meeting additional and expanding state requirements and for creating 21st century learning environments for our children to master the challenges of tomorrow's workplace.
- VML supports actions for the Commonwealth to recognize and fund the true costs of public education, including new avenues for funding public school construction and renovation costs such as 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 in fiscally stressed communities as defined by the Virginia Commission on Local Government.

COVID-19 – ADDRESSING SHORT AND LONG TERM NEEDS

The COVID-19 pandemic has exacerbated the need to provide broadband access for all homes and businesses without delay. Localities understand the importance of robust broadband for economic viability; the pandemic has further stressed the need for broadband to address K-12 education and telemedicine access. Private broadband, internet and wireless companies and potential new service providers including electric cooperatives need to work with localities and the state to provide this access.

Along with broadband access for economic, education, and medical needs during an extended health emergency now and in the future, VML supports:

- Increased state and federal funding and technical support to allow for robust and timely COVID-19 testing and contact tracing services throughout the Commonwealth;
- Creation of a state stockpile of personal protection equipment (PPE) to ensure that essential workers – including those in public safety, human services, transit, and public schools - get access to sufficient PPE on a timely basis;
- State funding for public health emergency services functions to enable the state and its local health departments and stakeholders to better prepare for and respond to public health emergencies such as a pandemic;
- Increased state funding for public health information technology resources and staff so that critical, timely information about public health emergencies is made available to state and local policy makers, first responders, and the public.
- Additional funding and programming to prevent evictions resulting from people battling the COVID-19 pandemic or economic hardship from job layoffs or reduced work hours.
- Additional funding to help households with extreme medical needs or financial insecurities because of the ailing economy make payments for utility services.
- Additional funding for local governments to work with local businesses to develop and implement strategies necessary to implement public health standards and combat the Coronavirus.
- Additional funding for local governments to keep public buildings and facilities both safe and free from the coronavirus.
- State efforts to persuade Congress to enact new legislation providing financial assistance to local governments and to individuals. Such assistance to localities should permit local governing bodies to replace lost local revenues with the additional federal money until the economic recovery takes hold.

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 (HB 599) 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 or lift the moratorium on annexation.

STORMWATER LOCAL ASSISTANCE

VML supports continued investment of at least \$50 million annually in the Stormwater Local Assistance Fund to assist localities with critical stormwater projects to comply with federal and state clean-water requirements.

TAXING, LICENSING, AND REGULATING INTERNET-BASED BUSINESSES AND SERVICES

In taking state action to regulate private enterprises employing a business model that emphasizes the use of the internet to either provide retail or facilities or ride-sharing services, 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) not provide a tax preference or tax policy advantage for one group at the expense of another group in the competitive field; 3) seek to preserve state and local revenue; 4) ensure safety, reliability, and access for consumers, providers, and the public; and 5) protect local government's ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

VML also believes that the state should not prohibit the sharing of financial information between the Commonwealth and appropriate local authorities that is normally treated as part of the public domain. VML further believes that the state should not prohibit a locality from exercising its authority to enter into voluntary collection agreements provided that such agreements include provisions to protect the public's interest.

II. Other Legislative Positions

ADDRESSING BEHAVIORAL HEALTH SERVICES IN LOCAL AND REGIONAL JAILS

The Board of Corrections is considering enhanced behavioral health care regulations to apply to every local and regional jail in response to legislation approved by the 2019 General Assembly. VML supports necessary health care services and urges the state to provide needed funding for such services through either enhanced jail per diem payments or another funding mechanism that covers the additional costs to serve inmates with serious behavioral health needs.

COMMUNICATIONS SALES AND USE TAX

The Virginia Communications Sales and Use Tax was enacted to establish a statewide tax rate and to preempt local taxes on communications 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 cards.
- VML opposes transfers of these revenues to the state general fund for purposes other than those currently stipulated in the Code of Virginia.

CSA SPECIAL EDUCATION PROGRAMS AND PRIVATE DAY SCHOOL FUNDING

Virginia cities and counties share the funding responsibility for special education private day school placements through the Children’s Services Act (CSA) program. The cost of these programs has been growing at a greater rate than inflation for a number of years; the number of placements continue to steadily rise as well. VML supports:

- state rate-setting;
- state contracts for such day programs as well as for residential placement services, with an opt-out provision for larger localities; and
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- pilot programs allowing local school districts and their local governments to individually or regionally offer special education day programs using CSA funds to serve more children in the community

ECONOMIC DEVELOPMENT

VML supports local flexibility to promote economic development as our localities come out of this pandemic. A changed business landscape will necessitate a review of revenue sources to localities along with new ideas and actions that will broaden and diversify local revenue streams. Retention of current businesses is vital, and we support continued grant funding and common-sense restrictions for current businesses that are both efficient and effective.

2020 General Assembly-approved amendments to Sec. 2.2-3115 under the Conflict of Interests Act have created a major deterrent to continued participation by citizen volunteers on local industrial development authorities and economic development authorities. VML supports transparency but also a balance in financial reporting requirements on citizen volunteers to ensure that economic development authorities and industrial development authorities continue to operate with interested and knowledgeable volunteers.

FOIA

VML supports the position that any proposed changes to the Freedom of Information Act legislation be sent to the FOIA Council for analysis and recommendations prior to General Assembly consideration or enactment.

FUNDING FOR PLANNING DISTRICT COMMISSIONS

VML supports increased state funding for the statewide network of planning district commissions/regional councils (PDCs). PDCs carry out efforts supported by state and local policy makers to advance and sustain regional coordination, cooperation, and technical assistance for the benefit of regions across the Commonwealth.

FUNDING OF COMMUNITY SERVICES BOARDS AND BEHAVIORAL HEALTH AUTHORITIES

VML supports additional state funding to community services boards/behavioral health authorities in order to:

- Successfully implement STEP-VA requirements;
- Allow CSBs/RBHs to fully and safely respond to community needs during an extended pandemic, including the use of tele-health services, which require access to broadband service in communities across the state.
- Respond to increased focus and need for crisis response resources as part of criminal justice reform.

LAND USE CONTROL

Localities must maintain control of local land use decisions. Neither the state nor the federal government should usurp or pre-empt a locality's authority to make such decisions; nor should they impose requirements that weaken planning and land use functions. This includes the authority to promote affordable and mixed income housing as well as the required infrastructure to facilitate in-fill development, redevelopment and mixing of uses.

LOCAL OPTION INCOME TAX

To broaden local tax bases, the General Assembly should authorize, at local option, a "piggy-back" income tax to be imposed at the local level for both general and special purposes.

PROPERTY ASSESSEMENTS APPEALS

Article X of the Virginia Constitution mandates that all real and personal property be assessed at fair market value and that all property not constitutionally exempt be taxed.

Taxpayers have the right to contest property assessments through administrative and legal means. Taxpayers pay no local fees to challenge real property and personal property assessments. If taxpayers are displeased with the determinations made by their local commissioner of the revenue or other local assessing official, additional real property appeals can be submitted to the local Boards of Equalization. Taxpayers can also appeal real and personal property assessments in the Circuit Courts and, if still aggrieved, may appeal to the Virginia Supreme Court.

Reforms enacted in the 2011 Session of the General Assembly lowered the level of proof required by the taxpayer (from “clear preponderance” to “preponderance”) to prove property is valued at more than fair market value or that the assessment is not uniform in its application and that it was not developed in accordance with generally accepted appraisal practices and applicable Virginia law relating to property valuation.

In 2017, there were more than 3.1 million taxable parcels and 20,777 appeals of which 10,472 were administratively resolved. Another 2,341 appeals were granted by local Boards of Equalization. Taxpayers filed 18 appeals in circuit courts of which seven were granted.

VML does not believe the assessment appeals process is flawed or in need of major policy changes and opposes statutory changes that would upend a process that protects taxpayers and the public.

SOVEREIGN IMMUNITY

Expanding liability and eroding immunities at the state level across the nation have had a chilling effect on the actions of local government officials contributing to local government insurance problems, creating immense financial risks (particularly for legal costs), and posing a substantial obstacle to the provision of needed public services.

The Virginia General Assembly should strengthen and must maintain the principles of sovereign immunity for local governments and their officials.

VML supports limiting the liability for civil damages for injury or death resulting from or related to actual or alleged exposure to COVID-19 in the course of or through the performance or provision of the localities business operations unless the government, or political subdivision failed to substantially comply with applicable COVID procedures established by the federal, state, or local agency which governs the business operations.

TRANSPORTATION FUNDING ASSISTANCE

VML supports continued funding assistance and flexibility to continue local transportation programs and projects and the operation of public transit systems.

UTILITIES

Many local governments own and operate utilities that provide services that may include but are not limited to water, sewer, electric and natural gas. These utility services are funded by localities both outright and as enterprise funds. These utilities have bonding authority and financial restrictions on their operations. Localities must be able to manage revenues and expenditures related to these services without state interference.

WATER QUALITY FUNDING

For continued successful local water quality improvement projects the Commonwealth must fully capitalize the Water Quality Improvement Fund and provide the necessary appropriations for local government water quality improvement projects to clean up the Chesapeake Bay and its tributaries. In addition, any changes to the state's stringent wastewater mandates imposed on localities must be scientifically and economically defensible, employing implementation strategies that produce any necessary wastewater improvements at the least cost.