



## **VML 2022 Legislative Program**

*As approved by the VML Membership on October 4, 2021*

### **I. LEGISLATIVE PRIORITIES**

#### **FUNDING THE REAL COST OF EDUCATION**

- 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 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.
- Local governments match more than is required for basic state education dollars, pay most 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 for creating 21<sup>st</sup> century learning environments for our children to master the challenges of tomorrow's workplace.

#### **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

#### **SOVEREIGN IMMUNITY**

Expanding liability and eroding immunities at state levels 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.

## **FUNDING OF COMMUNITY SERVICES BOARDS AND BEHAVIORAL HEALTH AUTHORITIES**

- VML supports sufficient and sustained state funding and technical assistance for community services boards/behavioral health authorities to implement STEP-VA requirements and to support the planning and implementation of Marcus Alert protocols. This funding should not come at the expense of other community-based service initiatives and requirements; nor should the burden of funding these state initiatives be shifted to local governments.
- Federal ARPA funds and robust state revenues offer an opportunity for the state to make new investments in the community and in the state hospitals.
- Investments must go to both build the network of community-based services and to assist state hospitals with their vital mission. This cannot be a zero-sum funding situation where one part of the system benefits at the expense of the other part of the system.

## **MARIJUANA: CLARIFICATION OF LOCAL REFERENDUM AND STATE SUPPORT**

VML urges the General Assembly to clarify the city and town referendum opt-out process by specifying that:

- towns may hold concurrent referendum with their counties with the outcome of the town referendum binding within the town, and
- only in the case of a town not holding a referendum would a county's referendum outcome affect a town's legal sales of recreational marijuana.

VML further requests dedicated and near-term financial state support to assist communities with the upfront, pre-implementation administrative, health, and public safety costs incurred prior to the start of legal sales in localities. This includes training for local law enforcement, and other applicable local government personnel (taxation, finance, revenue, code enforcement, zoning, etc.) on the new law and regulations.

VML urges the Cannabis Control Authority to begin its work as soon as possible to fill the regulatory vacuum. This work must include participation by local governments to clarify state and local roles and responsibilities pertaining to marijuana rules and regulations. This work must include participation by local governments to clarify state and local roles and responsibilities pertaining to marijuana rules and regulation, including but not limited to, establishing enforcement guidance and training, standards, and guidance for marijuana equivalents, and eliminate ambiguity from local authority. VML supports the equitable implementation of this law.

## **II. LEGISLATIVE PROGRAM ITEMS (listed alphabetically)**

### **ADDRESSING BEHAVIORAL HEALTH SERVICES IN LOCAL AND REGIONAL JAILS**

New state regulations establishing behavioral health care will apply to every local and regional jail. VML urges the state to provide adequate and necessary funding for such services through either enhanced jail per diem payments or other funding mechanisms to cover the additional costs to appropriately serve inmates with serious behavioral health needs.

### **BROADBAND**

VML supports affordable broadband or internet access for all Virginians. Localities understand the importance of robust broadband for economic development projects as well as in households. As the state and federal governments offer money to ensure all Virginians have broadband, they should also use their funding resources to make it affordable for all. This includes working with private broadband, internet, and wireless companies and potential new service providers, including electric cooperatives, to ensure access to robust service at an affordable cost.

### **COLLECTIVE BARGAINING**

Concerns about the increase in the cost of government, bureaucracy in local government operations, and more adversarial employee relations are reasons that VML has traditionally opposed collective bargaining.

VML does not support requiring localities to engage in collective bargaining.

### **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.

### **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 for current businesses that are both efficient and effective.

The 2020 General Assembly-approved amendments to Sec. 2.2-3115 under the Conflict of Interests Act are creating 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.

## **EXPAND LOCAL AUTHORITY TO SELF-CERTIFY TAX EXEMPT UTILITY CAPITAL IMPROVEMENTS**

VML supports an amendment to Code of Virginia § 58.1-3660 enabling political subdivisions to self-certify equipment, facilities, devices, or other property intended for their own use in conjunction with the operation of their water, wastewater, stormwater, or solid waste management facilities or systems.

## **FREEDOM OF INFORMATION ACT (FOIA)**

The Virginia FOIA drives and impacts localities every single day. Poorly conceived legislation can complicate and unintentionally thwart the timely delivery of public documents to Virginia citizens seeking information.

- VML supports FOIA legislation review by the FOIA Council prior to enactment.
- VML supports expanding electronic meetings outside of declared emergency periods with flexibility for localities to determine how to include public participation and public comment.
- VML supports clear guidelines on fees for FOIA requests but does not support shifting the burden of FOIA costs to localities.

## **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 all types of housing to include but not limited to short-term rentals. VML also supports local government authority to promote affordable and mixed income housing as well as the required infrastructure to facilitate in-fill development, redevelopment and mixing of uses. Any mandate from the state should include full funding for the locality.

## **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. Such authority could help take the pressure off real estate taxes and help keep people in their homes as property values rise.

## **SCHOOL MODERNIZATION AND ONE PERCENT LOCAL OPTION SALES TAX**

VML supports the statewide authority for local governments to impose a one percent sales tax to help raise funds for school construction and renovation. For those already imposing an approved one percent sales tax for local or regional special funding needs, an additional one percent for school infrastructure funding should be authorized for school construction and renovation purposes.

## **STATEWIDE AUTHORITY TO ENTER INTO A CLEAN ENERGY CONTRACT**

VML supports legislation that allows any locality to enter into a Clean Energy Contract also known as a Virtual Power Purchase Agreement (VPPA).

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

State actions to regulate private enterprises employing a business model that emphasizes the use of the internet to either provide retail, facilities, or ride-sharing services must acknowledge local government interests and include local governments 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 a 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.

## **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 and usually have bonding authority and financial restrictions on their operations. Moratoriums on service cut-offs without proof of COVID-related hardship result in lost revenues that cannot be recovered from citizens who were fully able to pay for the service. Customers' bills become a significant financial hardship for them because they assumed the state was going to cover the expense during the moratorium.

VML supports localities' right to manage the operation of utilities without state interference.