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MAGAZINE

VIRGINIA TOWN & CITY

April 17, 2020

Dear Senator,

I am writing to urge you to oppose HB1726/SB1038 as amended in conference committee. This legislation will redirect revenue distributed by the Commonwealth from the Recordation and Grantor’s tax that is distributed to localities outside of Northern Virginia and Hampton Roads to regional transit in Hampton Roads. Starting in FY21 this legislation will remove an estimated \$3 million in revenue from the budgets of VML members at a time when local governments are already facing dire fiscal conditions as locally generated revenue dries up while demands for local services has increased dramatically.

According to a recent Department of Taxation estimate of the FY21 distribution of the recordation and grantor’s tax HB1726/SB1038 will zero out the state’s distribution to localities. This will impact all localities outside of Planning District 8 and Hampton Roads. Hampton Road’s localities under HB1726/SB1038 and Northern Virginia localities under HB1414/SB890 are no longer eligible for distributions as these distributions are instead directed to regional transportation priorities.

HB1726/SB1038 redirects this revenue to support public transit in the Hampton Roads region. While we support efforts to fund public transit systems, we do not support doing so in this fashion. This will harm localities already struggling with fiscal challenges that were unanticipated at the time the General Assembly accepted the conference report on HB1726/SB1038.

VML opposes directing local revenue distributions in a manner that precludes input from impacted localities. When this legislation emerged from conference it did so with an entirely new proposal to use revenue that previously went to localities for distribution by the Commonwealth. Now is not the time for the Commonwealth to back away from supporting local governments.

We urge you to help local governments as they make critical decisions about how to continue serving their community by opposing HB1726/SB1038.

Sincerely,

Michelle Gowdy, Executive Director
Virginia Municipal League

Cc: President Thomas R. Smigiel, Jr.,
President of VML
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