



News Release

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For Immediate Release

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Nearly 40 counties adopt VACo resolution

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From Albemarle County to Wythe County, VACo members voiced their concerns and opinions through adopted resolutions that offered specific state budget and revenue recommendations to the governor and the Virginia General Assembly.

With the Commonwealth facing a \$3.7 billion revenue shortfall and K-12 public education cuts greater than \$600 million, VACo members did not stand idly aside.

The Board of Supervisors from the respective counties swiftly adopted [VACo's model resolution](#) and communicated the action to Gov. Timothy M. Kaine and the General Assembly.

Also, VACo President Donald L. Hart sent [a letter](#) to House and Senate conferees urging them to employ the Senate version of the budget as a foundation. [The letter](#) also encourages the conferees to adopt a budget agreement as swiftly as possible.

As for the adopted resolutions, the response was positive as the House and Senate included several of the recommendations in their proposed budgets.

The resolution and its recommendations are the byproduct of VACo's Overarching 2009 Priority Policy statement regarding State and Local Fiscal Sustainability. The statement is included in [VACo's 2009 Legislative Program](#).

VACo's five specific state budget and revenue recommendations—outlined in its model resolution:

1. Budget and appropriate sufficient withdrawals from the state's Revenue Stabilization Fund (Rainy Day Fund) to help offset necessary state budget reductions. Counties will shoulder a significant percentage of the budget cuts because nearly 50 percent of the Commonwealth's General Fund is appropriated to local governments for mandated services, including K-12 public education. Significant FY 2010 budget reductions will be required with or without a FY 2010 Rainy Day Fund transfer, but the total dollar amount of cuts will be less if the state makes a sizable yet allowable transfer from the Fund.

2. Before budgeting and appropriating necessary state budget reductions, revisit recent state tax exemptions.

Since the late 1990s the state has enacted more than \$1.8 billion in net biennial tax reductions and specific General Fund transfers. Many of the reductions were enacted in good economic times. The current economic downturn warrants a reconsideration of exemptions before cutting state funding to the core government services.

3. Oppose the enactment of new unfunded and underfunded state mandates that will impose new costs on local governments. Additionally, consider repealing specific, unfunded and underfunded state mandates.

VACo annually adopts an aggressive priority policy statement opposing unfunded mandates—new as well as existing. The 2009 Legislative Program contains a similar statement. The current budget shortfall serves to highlight the importance of this position.

4. Enact a law authorizing equal taxing authority for counties.

Counties should be enabled, like cities and towns, to institute specific taxes, including a meals tax without a referendum. The new sources of revenue would be tailored to the needs of a jurisdiction and could help local governments protect adequate funding for the core government services including K-12 public education, and reduce county dependence on property taxes.

5. Permit local governments, at their option, to implement a 0.5 percent increase in the sales tax as a way to minimize the potential burden passed on to homeowners through increased real property taxes.

The new local revenues will help to i) protect adequate funding for the core government services, including K-12 public education, ii) reduce county dependence on property taxes, and iii) offset forthcoming state budget reductions.

[Click here](#) to read VACo's model resolution. Please contact [Gage Harter](#) if you want to view a county's budget resolution.

VACo exists to support county officials and to effectively represent, promote and protect the interests of counties to better serve the people of Virginia.

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