

# Capitol Contact

## Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219  
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Thursday, January 18, 2018

## VACo Supports Modernizing the Communications Sales and Use Tax

VACo calls on its County Members to adopt a resolution supporting [HB 1051 \(Watts\)](#), legislation that modernizes the Communications Sales and Use Tax (CSUT) to reflect the present-day telecommunications world.

[Here's a template of a resolution counties may use.](#) Please send a copy of your resolutions to Dean Lynch at [dlynch@vaco.org](mailto:dlynch@vaco.org).

VACo detailed the need to innovate the “typewriter tax” in a recent [County Connections article](#), stating, “(HB 1051) updates the CSUT by applying it to audio and visual streaming services – technology that was in its infancy when the CSUT was instituted in 2006. The bill also removes the current exemption for the sale or recharge of a prepaid calling service, placing this service on an equal footing with postpaid calling, which is subject to the CSUT.”

**Action Required** – please adopt a resolution and call your [legislators](#) in support of HB 1051. The bill has been referred to the [House Finance Committee](#).

### TALKING POINTS

- The bill updates the CSUT by removing the exemptions for audio and streaming services, and prepaid calling services.
- Elimination of these exemptions was identified by a Department of Taxation [study](#) (mandated by the General Assembly) in 2015 as a way to stabilize declining revenues and remove the “competitive disadvantage” they place on providers of similar service, such as cable television and post-paid calling services.

**VACo Contact:** [Joe Lerch, AICP](#) and [Katie Boyle](#)

# Adopt a Resolution to Oppose Harmful Wireless Bills

[HB 1258 \(Kilgore\)](#) and [SB 405 \(McDougle\)](#) substantially limit the ability of local-elected officials to determine how wireless infrastructure is incorporated into their communities, and effectively remove citizen input from decisions on the siting of towers and poles.

**Action Required** – Please adopt a resolution in opposition to HB 1258 and SB 405. [Here's a template of a resolution counties may use](#). Please send a copy of your resolutions to Dean Lynch at [dlynch@vaco.org](mailto:dlynch@vaco.org).

HB 1258 will be heard in the [House Commerce and Labor Committee](#) while SB 405 will be heard in the [Senate Commerce and Labor Committee](#).

## Talking Points

- Localities should not be stripped of their ability to determine how wireless towers and poles can be accommodated within their landscape.
- Restrictions on how much localities can charge for applications will place a fiscal burden on government operations.
- A “one-size-fits-all” approach is unnecessary. Wireless service providers can, and do, find solutions working with local governments and their citizens for the siting of towers and poles.

**VACo Contact:** [Joe Lerch, AICP](#)

# Oppose Repeal of the Pretrial Services Act

VACo opposes [HB 997 \(Gilbert\)](#), which repeals the Pretrial Services Act established in 1995. The bill is assigned to the [House Courts of Justice Committee's Subcommittee #1](#). The bill has not appeared on the docket.

**Action Required** – Contact your Delegates to oppose HB 997.

## TALKING POINTS

- Repealing the Pretrial Services Act will cause overcrowding in jails. More defendants would be required to remain in confinement in both local and regional jails. At a great cost to localities and the state, more individuals would stay in jail with higher bonds without pretrial services.

- Pretrial services provide courts with information on whether to release a defendant back into the community.
- According to the 2012 Joint Legislative Audit and Review Commission [report](#), pretrial services lower public safety costs up to \$65 per person per day by allowing individuals transferred from jail detention to community corrections programs.

Thirty-three pretrial service agencies serve 100 of the 133 localities across the state, and are managed and operated at the local level.

Pretrial services include supervision of defendants, treatment services, drug testing, maintaining residence and employment, adhering to curfew, and blocking contact with victims. Pretrial officers are the first to assess defendants and play a critical role in identifying mental health and substance abuse needs.

The Virginia Community Criminal Justice Association, Virginia Association of Chiefs of Police, Virginia Sheriffs' Association, Virginia Association of Regional Jails, and the Virginia Association of Commonwealth's Attorneys also oppose the bill.

**VACo Members** – please call your legislators now to oppose [HB 997 \(Gilbert\)](#).

## KEY CONTACTS

[House Courts of Justice Subcommittee #1: Gilbert \(Chairman\), Bell, Robert B., Cline, Adams, L.R., Collins, Watts, Herring, Mullin](#)

**VACo Contact:** [Khaki LaRiviere](#)

## County Taxing Authority Measures Heard in Senate Finance Committee

On January 17, the [Senate Finance Committee](#) took up several measures to provide additional taxing authority to counties. [SB 115 \(Locke\)](#), along with the identical [SB 527 \(Mason\)](#), would eliminate the requirement for counties to receive voter approval in a referendum before imposing a meals tax, and would increase the maximum tax rate from 4 to 8 percent. The bills failed to report from committee by a vote of 4-9; however, committee members expressed an interest in taking a comprehensive approach to local taxing authority.

[SB 510 \(Carrico\)](#), which would allow counties to levy a cigarette tax at a rate not to exceed 5 cents per pack or the state rate (currently 30 cents per pack), whichever is greater, after receiving voter approval in a referendum, was “carried

over” in the committee. (Bills in even-numbered sessions may be carried over, or continued until the following year in a committee for additional consideration.)

VACo spoke in support of the bills and will continue to advocate for measures that enhance counties’ ability to raise needed revenues.

**VACo Contact:** [Katie Boyle](#)

## Status Update on Juvenile Justice Transformation

Andy Block, Director of the Department of Juvenile Justice (DJJ), spoke before the [Senate Finance Public Safety Subcommittee](#) on January 17 about DJJ Transformation and related budget requests.

In 2016, the [Senate Finance Committee](#) authorized DJJ to maintain and reinvest savings for state treatment programs and alternative placements, close the Beaumont facility, establish a task force on juvenile correctional centers, and capital allocation. The capital authorization was provided for building two smaller units in Central Virginia and Hampton Roads to replace the Bon Air facility. Funding was approved for the design and construction of the Chesapeake facility, planning for the Central Virginia facility, and the additional 152 beds for each facility.

DJJ returned \$16.1 million for the Bon Air projects to offset the cost of the two proposed facilities. DJJ also established nine Community Placement Programs with 89 beds, 13 detention centers with re-entry programs, and 124 direct service providers (including 26 out-of-home operations). With the new service delivery model, AMI Kids and Evidence-Based Associates provide services to the Central, Eastern, Northern, Southern, and Western regions of the Commonwealth. In 2017, only two jurisdictions had access to these services compared to over 100 jurisdictions in 2018. To date, almost 1,000 youths have been referred to these services.

As of January 2018, the juvenile correctional center population decreased 68 percent since 2013, with 212 juveniles in correctional facilities and 127 in alternative placements. About 10 juveniles are in residential placements, and DJJ foresees this number growing with moving to the Community Treatment Model. Family engagement continues to grow with video visitation, DJJ transportation, and revised visitation procedures. Director Block highlighted the positive impact the Student Government Association has had on juvenile leadership development and staff-juvenile interactions.

Costs incurred for workers compensation decreased from over \$1.4 million in 2015 to \$423,357 in 2017. Staff grievances were down from 99 in 2013 to 30 in

2017. And, the rate of serious incident reports (SIRs) per youth decreased from a rate of 4.3 Aggressive SIRs and 2.4 Use of Force SIRs in 2016 to 2.8 Aggressive SIRs and 1.3 Use of Force SIRs in 2018. It's too early to tell how the DJJ Transformation impacted recidivism rates, but the Department is seeing reductions in re-arrest rates at 52.4 percent in 2015 and 48.2 percent in 2016.

In 2018, plans for the Chesapeake facility are at a crossroads because the City declined to transfer land. Director Block proposed the county-owned 60 bed facility offered by Isle of Wight or the Department of Corrections-owned Saint Brides facility. The DJJ-preferred facility is Isle of Wight, to satisfy the Hampton Roads location needs. Costs associated with this project over the original Chesapeake facility look to be either an increase of \$900,000 or \$2.7 million pending the final agreement. DJJ also asked for authorization to design and construct the new facility on the Bon Air campus.

Ultimately, DJJ will provide different funding proposals to the Subcommittee for the new facility and/or the Bon Air expansion, which together totals to about \$64 million.

To view Director Block's presentation, please click [here](#).

**VACo Contact:** [Khaki LaRiviere](#)

## Helpful Real Estate Tax Deferral Bill Advances

[SB 228 \(Howell\)](#), introduced at the request of the Treasurers Association of Virginia, relates to the point at which real property taxes deferred under a local tax deferral program for seniors and residents with disabilities become due. Currently, Virginia Code provides that the deferred taxes become due upon sale of the property, and does not address transfers of property. In some localities, properties in these tax deferral programs have been transferred to family members, neighbors, or caregivers as gifts; because the transfer is not a sale, the deferred taxes do not come due. The bill provides that the taxes would be due upon transfer, except when property is transferred between spouses or in accordance with certain recognized estate planning procedures.

VACo supports this legislation. The bill was heard in the [Senate Finance Committee](#) on January 17 and reported unanimously.

**VACo Contact:** [Katie Boyle](#)

## Health Care Costs for Inmates Rising

Department of Corrections (DOC) Director Harold Clarke spoke to the [Senate Finance Public Safety Subcommittee](#) about the DOC budget.

The total amount in the introduced budget for DOC Offender Health Care is \$17.8 million in 2019 and \$24.2 million in 2020. Using the June 2017 Consumer Price Increase (CPI-W), outpatient hospital services increased 6.2 percent, inpatient hospital services increased by 5.4 percent, prescription drugs increased 3.8 percent, and medical care services (physicians and dental services) increased by 2.6 percent.

Anthem administers payment for off-site healthcare for DOC self-operating and contractually-managed medical sites. The 5 percent growth in Anthem billing is due to the CPI-W increases. Costs for Hepatitis C treatments continue to decline. DOC started using the cheapest available drug starting January 2018, moving from over \$45,000 per person to about \$26,000.

In 2017, offender medical per capita cost was \$6,554, which puts Virginia in the median for state spending on offender health care. The Subcommittee asked Director Clarke for more information on the following items: \$20 million, over four years, linked to the Electronic Health Records system contract; 36 full time employees funded in 2020 and the offenders they serve; enrollment of offenders per Community Corrections Alternative Program location; and, a breakdown of employee classification for those leaving DOC.

To view Director Clarke's presentation, please click [here](#).

**VACo Contact:** [Khaki LaRiviere](#)

## Bill to Allow Limited Access to Taxpayer Information Moves Forward

[HB 495 \(Hodges\)](#) authorizes a local commissioner of the revenue or treasurer to disclose taxpayer information to a non-governmental entity with whom the locality has contracted to provide services related to tax administration. For the contractor to have access to this information, the contractor would agree to be bound by the confidentiality provisions that apply to the commissioner or treasurer. This authority is currently granted to the state Tax Commissioner, and extending it to local commissioners and treasurers will assist localities that require outside expertise to undertake certain projects, such as upgrading software systems in commissioners' or treasurers' offices. The bill was heard in the [House Finance Committee's Subcommittee #1](#) on January 17 and unanimously recommended for reporting by the full committee. The

subcommittee also agreed to technical amendments that would provide the same authority to local directors of finance (who fill the role of commissioners and treasurers in those localities that have eliminated those constitutional offices). VACo spoke in favor of the bill.

VACo Contact: [Katie Boyle](#)

## Key Dates for 2018 General Assembly Session

The Joint Rules Committee met on December 18 to adopt the procedural resolution that sets the [schedule](#) for the 2018 General Assembly session. Although the procedural resolution will be considered by the full House and Senate in January, typically it is agreed upon without amendments. Key dates in the procedural resolution are as follows:

- **January 10:** General Assembly convenes at noon. Prefiled legislation must be submitted by 10 a.m.; this is also the last day to file bills dealing with the Virginia Retirement System or legislation creating or continuing a study.
- **January 12:** Budget amendments by General Assembly members must be submitted by 5 p.m.
- **January 19:** All bills must be filed by 3 p.m.
- **February 13:** Crossover (deadline for legislation to pass its chamber of origin)
- **February 18:** The Senate Finance and House Appropriations Committees must report their respective budgets.
- **February 22:** Deadline for each chamber to complete work on its budget
- **March 5:** Deadline for committee action on legislation
- **March 10:** Scheduled adjournment *sine die*
- **April 18:** Reconvened session to consider the Governor's amendments and vetoes

VACo Contact: [Katie Boyle](#)



# Advocate for Your Locality at VACo County Government Day

**February 8, 2018 | Omni Richmond Hotel**  
[Registration Form](#) | [Register Online](#)

This is our day to advocate for counties at the 2018 General Assembly Session. Join us for VACo County Government Day on Thursday, February 8!

Registration opens at 11 a.m. and the event kicks off with lunch at noon. Governor-Elect Ralph Northam has been invited to speak on issues that affect counties. VACo staff will provide legislative briefs before inviting all present to meet with their General Assembly representatives that afternoon.

For information on how to reach your representatives, see the [Virginia House of Delegates](#) and the [Senate of Virginia](#) member listings websites. Find information about VACo's positions in the [2018 Legislative Program](#). We will distribute our VACo County Government Day Bulletin at the event.

We encourage all counties to participate in the legislative process - listen to briefs about the issues and speak with your representatives about your County's concerns. The VACo County Government Day event should conclude around 1:30 p.m.

Register for [VACo County Government Day online](#) or by faxing in a [registration form](#) to 804.788.0083. Register early and get involved in the legislative process.

**VACo Contact:** [Dean Lynch, CAE](#)