

# It's Time to Modernize the Communications Sales and Use Tax



VACo has worked with Delegate Vivian Watts to introduce legislation to modernize the Communications Sales and Use Tax (CSUT) to reflect the present-day telecommunications landscape. Language in support of such a proposal was adopted in VACo's 2018 Legislative Program. VACo encourages member counties to prepare resolutions in support of <u>HB 1051</u>; resolutions should be sent to Dean Lynch at <u>dlynch@vaco.org</u>.

#### What the Bill Does

The legislation 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.

#### **Background on the CSUT**

The CSUT was established by the 2006 General Assembly and took effect January 1, 2007. It replaced certain local taxes and fees on telecommunications services with one consolidated tax levied by the state at a rate of 5 percent. The CSUT is collected and remitted by communications service providers to the Department of Taxation, where it is deposited into the Communications Sales and Use Tax Trust Fund. The Department recoups its costs to administer the tax from the Fund, and then a portion is allocated to the Department for the Deaf and Hard-of-Hearing to fund the telephone relay service center and to localities that had cable television franchise agreements in effect as of January 1, 2007 and are owed franchise fees. The remaining funds are distributed in accordance with each locality's share of total revenues received from the local taxes and fees that were in place in FY 2006, prior to being replaced by the CSUT.

#### 2015 Review of the CSUT

The Department of Taxation conducted <u>a study</u> in 2015 at the direction of the General Assembly; the Department worked with an advisory panel of stakeholders, including representatives of local government and the communications industry. Part of the Department's charge was to "identify any communications services that receive a competitive advantage by not being taxed" and "determine whether the tax is structured such that it will apply to new methods of communications."

The Department's report notes that in general, since the inception of the CSUT, it has generated declining amounts of revenue. CSUT Fund revenues in FY 2008 were \$472 million (adjusted for refunds and transfers); in FY 2015, that amount had fallen to \$396 million. Part of this decline is attributable to a transition by consumers away from landline telephones; in the report, the Department estimates a 21.1 percent decrease in the number of landlines between 2007 and 2014.

The report also discusses a flourishing new communications service that is not subject to the CSUT: audio and visual streaming. While cable television services such as pay-per-view and video on demand are subject to the CSUT, audio and video content streamed over the internet is not, a situation the report describes as placing the cable providers at a competitive disadvantage. The Department estimated that if the CSUT had been imposed on streaming services in 2014, it would have generated an additional \$10 to \$20 million for distribution to localities. The report makes a similar point about the carve-out for the sale or recharge of prepaid calling services, which the Department suggested were growing at a faster rate than post-paid calling services, and were receiving a competitive advantage over comparable services provided through a post-paid monthly plan.

The report concludes, "If the General Assembly would like to enact legislation to increase CSUT revenues and level the playing field, this can be accomplished by broadening the tax base by eliminating the current exemptions for audio and video streaming services and prepaid calling services."



# Are you a County Board Chair or Vice Chair?



# February 9-10, 2018

VACo Training Center 1207 East Main Street | Richmond, VA 23219

Registration Form

<u>Agenda</u>

**Register Online** 

# Join fellow Board Chairs and Vice Chairs

If you are a County Board Chair or Vice Chair, then VACo's Chairpersons' Institute is for you.

Held at the **VACo Training Center on February 9-10, 2018**, the Institute offers a professional learning experience that is carefully tailored to the needs of county board chairs and vice chairs.

These uncertain times require county leaders who are prepared for every eventuality. To succeed, board chairs and vice chairs must be active leaders who know how to encourage teamwork and manage conflict. They must be confident problem solvers as well as visionary leaders.

The Chairpersons' Institute was developed with the cooperation of an ad-hoc committee of board chairs. This Institute gives chairs a chance to learn practical strategies in critical areas, including the duties, powers and responsibilities of board chairs.

This program provides details on the structure and functions of county government, active leadership, communications, meeting management, decision making, working strategically to achieve important goals, and building partnerships with local staff, board colleagues, the media and other government entities.

The deadline to register for the Chairpersons' Institute is January 19, 2018. The VACo Training Center is located at 1207 East Main Street, Richmond, VA 23219. Enrollment is limited to the first 25 registrants.

Registration Form | Agenda | Register Online

# Letourneau Elected Chairman of Regional Council of Governments Board

Loudoun County Dulles District Supervisor Matthew F. Letourneau has been elected Chairman of the Metropolitan Washington Council of Governments (COG) Board of Directors for 2018, becoming the first person from Loudoun County to chair the COG board since 1983.

"I am honored to have been elected Chairman of the Metropolitan Washington Council of Governments Board of Directors," said Letourneau. "My role as COG Chairman is a reflection of Loudoun's increased importance within the Metro DC region. COG is a unique institution that provides an important forum to address regional issues, from Metro's ongoing challenges to shared public safety resources. I look forward to this opportunity and have a robust agenda planned for 2018."

COG is an independent, nonprofit association, with a membership of 300 elected officials from 24 local governments, the Maryland and Virginia state legislatures and U.S. Congress. COG is the region's designated Metropolitan Planning Organization with responsibility for air quality, federal

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grants, regional public safety issues and overall cooperation and communication. The Board of Directors is COG's governing body and is responsible for its overall policies, functions and funds. Letourneau has served on the COG Board since 2012, including as vice chairman. He also served as COG Corporate President in 2014.

Letourneau intends to launch several initiatives as COG Chairman, including TIME (Traffic Incident Management Enhancement), which would improve the region's ability to respond to traffic incidents to ensure the mobility, safety and reliability of the regional transportation system. He also intends to focus on ongoing Metro issues as well as exploring safety and security in public buildings. More information about COG is posted at <u>www.mwcog.org</u>.

Letourneau was elected to represent the Dulles District on the Board of Supervisors in November 2011 and re-elected in 2015. He serves as chair of the Board's Finance/Government Operations and Economic Development Committee. In addition to serving on the COG Board, he is the newly-elected vice chairman of the Northern Virginia Transportation Commission for 2018 and also represents Loudoun County on the Route 28 Transportation Improvement District Commission and the Dulles Area Transportation Association. More information about the Board is posted at <u>www.loudoun.gov/bos</u>.

# Commission on Youth Releases Updated Resource on Mental Health Treatment Options

The Virginia Commission on Youth recently released a newly-updated edition of the *Collection of Evidence-based Practices for Children and Adolescents with Mental Health Treatment Needs.* This document was initially compiled at the direction of the General Assembly in 2002 and provides a comprehensive review of treatment options for a variety of mental health disorders afflicting children and youth. Legislation passed by the General Assembly in 2003 requires that this document be updated biennially, and the most recent edition incorporates substantial revisions to reflect the American Psychiatric Association's revisions to the classifications of disorders in the *Diagnostic and Statistical Manual, Fifth Edition* (DSM-V). The *Collection* is updated with the guidance of an advisory board of specialists in children's mental health.

For each mental health condition, the *Collection* provides an analysis of treatments based on their documented effectiveness, grouping treatments into the following categories: "what works" (treatments that have performed well in randomized controlled trials with at least two researchers and use a treatment manual); "what seems to work" (treatments that meet all but one of the "what works" criteria or are commonly accepted as valid based on substantial evidence); "what does not work" (treatments that do not demonstrate effectiveness, were found to be inferior to another treatment option in a randomized controlled study, or demonstrated harmful effects in a study); or "not adequately tested." The *Collection* also provides an extensive list of resources and related organizations for individuals seeking additional information.

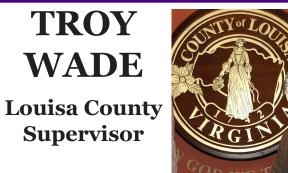
The entire report may be found on the <u>General Assembly website</u>, and individual sections are available at the <u>Commission on</u> <u>Youth's website</u>.

VACo Contact: Katie Boyle



## January 17, 2018





Q1. What sparked your interest in serving as an elected official? What advice would you give to others who might be interested in running for office?

**Troy Wade:** My grandfather was a local elected official and helped one of his best friends, V. Earl Dickinson, who served in the General Assembly for years. So I was immersed in politics at a very young age. The combination of my childhood experiences and becoming a father are the two triggers that sparked my interest. The best advice I would have for someone interested in running is to have a stronger desire to serve than to receive services from others. It sounds cliché but shake hands and kiss babies because in local politics you have the blessing of really getting to know the people who elect you. Also, you learn way more with your ears than you do with your mouth so be quiet and listen.

# Q2. In your professional life, you are the president of a construction company. How does that experience shape your approach to public service?

**TW:** I get the pleasure of working with a large and diverse group of people who represent the full spectrum of current socioeconomic groups. This blessing helps me better understand all perspectives and ways to best serve those that I represent. My career has also helped a great deal in showing me how much I can accomplish with a great team. I have a very talented administrative team in Louisa that would rival any team I've met.

# Q3. In your view, what are the greatest challenges and opportunities facing Louisa County in the next 10 years?

**TW:** Our greatest challenge and opportunity in Louisa are going to be one and the same over the next 10 years. We have invested well over \$60 million in infrastructure for economic development in the last six years with the goal of growing our growth areas to best serve the people of Louisa and to maintain the lowest combined tax rates in Central Virginia. Our greatest challenge is going to be managing that growth in a smart and efficient manner that allows our County to remain aesthetically pleasing, financially prosperous, and user-friendly.

# Q4. Louisa County was the epicenter of an earthquake in 2011 that caused significant damage, notably to two of your schools. What were some of your lessons learned from the recovery process?

**TW:** I learned two lessons and one was much less rewarding than the other. The least important lesson was simple - get earthquake insurance. The second lesson was not as much a lesson as it was a confirmation. My thought and appreciation of the people of Louisa were confirmed 10 times over. We are a proud and strong County full of people who will give their all to help their neighbor. We were and we are Louisa Strong.

#### Q5. What are the "must-see" places in Louisa County for a first-time visitor?

**TW:** Go to Lake Anna, check out a show at our world-class Arts Center, drive slow with good music down a gravel road in our historic districts, take a walk down Main Street, and then stop by a realtor's office to find your new home.

VACo Contact: Katie Boyle | Step into the VACo Spotlight Webpage





# Visit Highland County and the Crab Run Lane Truss Bridge

Crab Run Lane Truss Bridge is a historic Truss bridge located on State Route 645 in McDowell, Highland County. It was built in 1896 by the West Virginia Bridge Works. It is a single-span, four-panel pony truss measuring 39 feet long, 12 feet, 6 inches wide, and 5 feet, 2 inches tall. Much of the bridge is constructed of bent and straight steel railroad rails. The bridge was taken out of service for vehicular traffic in 1994; it is now used to carry pedestrian and bicycle traffic.

It was listed on the National Register of Historic Places in 2009.

SOURCE: Wikipedia



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# March 23-24, 2018

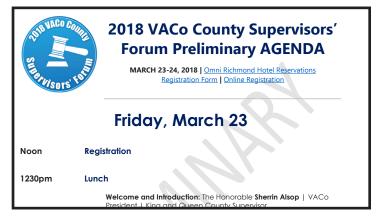
<u>Registration Form</u> | <u>Preliminary Agenda</u> | <u>Register Online</u> | <u>Book Online Omni Richmond Hotel</u>

The County Supervisors' Forum helps supervisors concentrate on critical issues facing counties today: intergovernmental relations, financial responsibilities, schools, economic development, transportation, environmental protection, communications, legal issues and more. An overview of county government and the work of county supervisors are covered.

Newly elected and incumbent supervisors, chief county administrative officers and other government managers should attend. These leaders will come away with information they need to steer their locality forward.

The conference registration fee is \$295, which covers a County Supervisors' Manual, Friday lunch and dinner and Saturday breakfast and lunch. Spouses and guests who attend may register for \$150, which covers those meals.

Click here for the Registration Form.





# VACo 2018 County Government Day

## FEBRUARY 8 | REGISTRATION FORM | REGISTER ONLINE

## Omni Richmond Hotel 100 S. 12th Street | Richmond, VA 23219



This is our day to advocate for counties at the 2018 General Assembly Session. Join us at 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 talk 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 <u>Virginia House of Delegates</u> and the <u>Senate of Virginia</u> member listings websites. Find information about VACo's positions in the <u>2018 Legislative Program</u>. 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 <u>VACo County Government Day online</u> or by faxing in a <u>registration form</u> to 804.788.0083. Register early and get involved in the legislative process.

VACo Contact: Dean Lynch, CAE



# State General Fund Revenues Up 10 Percent in December; January Data Awaited

State General Fund revenues continued to perform well in December, increasing by 10 percent relative to the previous year and by 5.9 percent on a year-to-date basis. Growth was driven by nonwithholding payments, which tend to be a volatile revenue source, and Secretary of Finance Richard D. Brown cautioned in his revenue report that the state's revenue situation will be clearer after January collections are tallied, in part due to taxpayers splitting estimated tax payments between December and January.

Individual income tax withholding collections dropped in December relative to the previous year, but December 2017 included one less deposit day than December 2016. On a year-to-date basis, individual withholding has grown by 3 percent, behind the forecast of 3.5 percent growth. By contrast, individual nonwithholding collections grew by 144.7 percent in December and are running far ahead of the annual forecast of 4.3 percent, with year-to-date growth of 30.6 percent. However, Secretary Brown noted in his memorandum that some of this growth may be attributable to taxpayers making payments ahead of schedule (in December rather than January). Sales tax collections, representing sales in November, were flat in December, but January collections, reflecting holiday shopping in December, will provide more clarity in this category as well. In an encouraging sign, sales tax revenues have grown 3.8 percent on a year-to-date basis, outpacing the forecast of 3 percent growth.

Newly-appointed Secretary of Finance Aubrey Layne made a presentation on the December revenue report and the potential effects of federal tax reform to the House Appropriations Committee on January 15. He struck a tone of cautious optimism in his remarks, noting that revenues are trending ahead of the forecast, but that several elements of uncertainty remain, such as the possibility of another round of federal spending cuts under sequestration and the prospect of a potentially-overdue downturn in the business cycle as the national economy continues an unusually long period of expansion. He reported that the Department of Taxation is in the process of determining the effect of the recently-enacted federal Tax Cuts and Jobs Act, and although he expects an overall positive effect on state revenue, he suggested that a full year of tax return data may be necessary before the full impact of the federal legislation on taxpayer behavior may be known. Appropriations Chairman Chris Jones similarly stressed the need for a cautious approach to revenue projections based on the December windfall and anticipated future growth, suggesting that he would prefer to "under-promise and over-deliver."

Secretary Brown's memorandum is available here and Secretary Layne's presentation is available here.

VACo Contact: Katie Boyle



The Internal Revenue Service issued tax withholding tables for 2018 to be used to implement changes to the tax law enacted last month. The IRS has asked employers to use the tables as soon as possible but no later than February 15, 2018.

VACo Contact: <u>Vicky</u> <u>Steinruck, CPA</u>

# **Governor's Task Force on Civil Unrest Reports**

On August 24, 2017, Governor Terry McAuliffe signed Executive Order 68, creating the Task Force on Public Safety Preparedness and Response to Civil Unrest. This Task Force was charged with evaluating the circumstances that led to the events in Charlottesville on August 11-12 and assessing the Commonwealth's procedures for preparing and responding to events where civil unrest could occur.

VACo participated in the Task Force, which was comprised of state and local government officials with public safety expertise and experience.

The Task Force established a Permitting Work Group and a Preparedness and Response Work Group. The Task Force met four times and received expert briefings, shared and discussed information, and adopted recommendations presented by the work groups.

The task force has produced three reports – <u>the final report on the event</u>, <u>an After Action</u> <u>review report</u>, and a <u>permitting reference document</u> to provide local governments with guidance in developing or revising current permitting processes.

There have been many bills introduced in the first week of the 2018 General Assembly session that address a locality's ability to regulate weapons at such events including <u>HB 814</u> (Levine), <u>HB 1019 (Toscano)</u>, <u>HB 1052 (Watts)</u>, and <u>SB 63 (Favola)</u>.

Local governments should review these documents as they move forward in addressing the possibility of events in their jurisdictions. VACo Contact: <u>Phyllis Errico, Esq., CAE</u>

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The 2018 General Assembly session will span from January 10 to March 10, and legislators will deliberate on many issues critical to local government, including taxes, the state budget, education funding, economic development, public safety, and other policy matters.

VACo will continually provide updates during the session through <u>Capitol Contact</u>. To ensure that you are receiving our legislative bulletin, please send <u>Gage Harter</u> your best email address. Below are recent Capitol Contacts.

January 16, 2018: VACo Opposes Solar Zoning Ordinance Bills

January 15, 2018: Wireless bill erodes local decision-making authority for the siting of towers and poles

January 11, 2018: Virginia General Assembly Convenes

January 9, 2018: VACo Opposes Gutting of Local Authority for Siting of Wireless Towers and Poles

# **Become a Certified Supervisor**

#### **SIGN UP TODAY!** | <u>The Supervisors' Certification Brochure</u>

The Virginia Association of Counties, in partnership with Virginia Tech and Virginia Cooperative Extension, offers Virginia's county supervisors an opportunity to enhance their capacity to effectively and efficiently lead their respective counties in the 21st century by participating in the Virginia Certified County Supervisors' Program.

Since its inception in 2005, 70 supervisors representing more than 40 counties spanning from Bath County and Highland County in the west to Stafford County and Richmond County in the east have completed the training program and have earned their credentials as a certified county supervisor. Of greater importance, each supervisor has gained the insight, perspective and confidence needed to address the issues and opportunities that constitute the governance challenge in the 21st century.

#### Inventing Your County's Future: The Role of Community Planning

**Opening Session** | March 16 Albemarle County

Closing Session | May 18 VACo Training Center

Registration Deadline | February 23

Registration Form | Register Online

#### Governance in the 21st Century: The Role of Leadership

- **Opening Session** | June 1 Albemarle County
- Closing Session | August 3 VACo Training Center

Registration Deadline | May 16

#### Managing While Leading:

Understanding Your Powers, Duties, and Responsibilities

**Opening Session** | September 7 Albemarle County

Closing Session | November 2 VACo Training Center

Registration Deadline | August 20

# *employment* pportunities

The Virginia Association of Counties accepts employment ads in a PDF file or a link to a job site. Please include information for applying, and a link to other important information. Please do not fax your employment ad. VACo members are not charged for placing an employment ad. The cost is \$50 per ad for non-VACo members. VACo publishes the ad on its website and mobile app as well as the upcoming County Connections issue. If you have any questions or concerns, please email Valerie Russell.

UTILITY PLANT SUPERVISOR OR UTILITY PLANT **OPERATOR: TRAINEE, I, II OR** SENIOR | Town of Leesburg | Posted January 12





**CHIEF OF FIRE &** EMERGENCY MEDICAL SERVICES Stafford County | Posted January 11



**SENIOR FINANCIAL** 

ANALYST | Spotsylvania County | Posted January 11

Chesapeake VIRGINIA HR GENERALIST I (BENEFITS & EMPLOYEE **<u>RELATIONS</u>** | City of Chesapeake | Posted January 10



**CODE INSPECTOR III |** 

City of Alexandria | Posted January 10



**COUNTY PLANNER** 

Essex County | Posted January 10



#### **ENVIRONMENTAL**

**INSPECTOR** | King George County | Posted January 9



**CIRCULATION** SERVICES ASSISTANT | James City County | Posted January 9



RECREATION **OPERATIONS COORDINATOR | James** City County | Posted January 9



**DEPUTY COUNTY** ADMINISTRATOR/FINANCE & **ADMINISTRATION** | Chesterfield County | Posted January 8



**PUBLIC INFORMATION OFFICER/GRANT COORDINATOR** Wythe County | Posted January 5



**CODE INSPECTOR I –** PROPERTY MAINTENANCE | City of Alexandria | Posted January 4



HUMAN RESOURCES

MANAGER | Fluvanna County | Posted January 3



#### **REVENUE MANAGER**

Albemarle County | Posted December 29





Northampton County | Posted December 29



**GLOUCESTER COUNTY** 

**CAREER OPPORTUNITIES Gloucester County** | Posted December 28



ASSISTANT DIRECTOR |

Loudoun County | Posted December 27



## January 17, 2018



#### ASSISTANT DIRECTOR COMMUNITY SERVICES | Loudoun County | Posted December 27





| **James City County** | Posted December 27



**DENTIST** | James City County | Posted December 27



DENTAL HYGIENIST |

James City County | Posted December 27





DEPUTY COUNTY ADMINISTRATOR | Gloucester County | Posted December 21



GLOUCESTER COUNTY EMPLOYMENT OPPORTUNITIES

**Gloucester County** | Posted December 21



RECREATION MANAGER |

**Botetourt County** | Posted December 21



FIELD MANAGER | Botetourt County | Posted December 21



#### PLANNING AND GIS INTERN-TEMPORARY | Botetourt County | Posted December 21

## PART-TIME

**ADMINISTRATIVE ASSISTANT** | Town of Bowling Green | Posted December 20



COMMUNICATIONS AND INFRASTRUCTURE DIVISION CHIEF | Prince William County | Posted

December 20



<u>PROJECTS COORDINATOR/</u> <u>SYSTEM ADMINISTRATOR | Prince</u> William County | Posted December 20



# OFFICER TRAINING – PUBLIC SAFETY

| **Campbell County** | Posted December 20



ALS/FFI – PUBLIC SAFETY | Campbell County | Posted December 20



#### OFFICE MANAGER I -

**<u>REGISTRAR</u> | Campbell County |** Posted December 20





BASEBALL INSTRUCTORS | James City County | Posted December 15



### ASSISTANT FIRE CHIEF

(OPERATIONS) | James City County | Posted December 15



EMERGENCY SERVICES COORDINATOR/DEPUTY EMERGENCY MANAGEMENT COORDINATOR | Rappahannock County | Posted December 13



#### IT ASSISTANT

**Cumberland County** | Posted December 13



SENIOR CONVENIENCE CENTER ATTENDANT | James City County | Posted December 13



**FINANCE DIRECTOR** 

Albemarle County | Posted December 12



#### CHIEF OF PLANNING

**Fauquier County** | Posted December 12



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1207 East Main Street Suite 300 Richmond, VA 23219-3627 Phone: 804.788.6652 Fax: 804.788.0083 www.vaco.org

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Editor: A. Gage Harter 804.343.2502