

# Capitol Contact

## Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219  
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Monday, February 5, 2018

## Oppose House and Senate Bills Mandating Public Comment

[HB 1101 \(Robinson\)](#) requires every public body, except for governing boards of public institutions of higher education, provide an opportunity for public comment during any open meeting. Although the bill states that if a public body holds more than four meetings each calendar year, such public body may, by recorded vote, limit the number of meetings at which an opportunity for public comment is afforded to four meetings per calendar year. This will still require all advisory work groups or other committees formed by local boards to take public comment.

A similar bill, [HB 1247 \(Cline\)](#), was struck from the docket. However, [SB 336 \(Peake\)](#), which is broader and more cumbersome, is flying through the Senate without opposition.

**Action Required** - Please contact your legislators to oppose these problematic bills.

HB 1101 will be heard Tuesday, February 6, in [House General Laws Committee's Subcommittee #4](#) and then on Thursday, February 8, by the [House General Laws Committee](#).

SB 336 will likely come up tomorrow on the Senate floor for a vote. Please contact your [Senators](#) to oppose.

### KEY POINTS

- There are requirements for public hearing already in the code on a variety of issues from budget to zoning to tax rates that provide for public comment, thus HB 1101 is unnecessary.

- The bill will lead to lengthier meetings and will require public comment in numerous advisory committees that don't have authority to take action.
- This bill has already gone to the FOIA Council, which did not recommend this concept.

## KEY CONTACTS

[House General Laws Committee's Subcommittee #4: Hodges \(Chairman\), Fowler, Miyares, Leftwich, Davis, Carr, Hope, Murphy, Peace](#)

[House General Laws Committee: Peace \(Chairman\), Gilbert \(Vice Chair\), Wright, Knight, Helsel, Hodges, Bell, Richard P., Leftwich, Morefield, Davis, Fowler, Miyares, Ward, Bulova, Carr, Torian, McQuinn, Aird, Hope, Murphy, Price, Jones, J.C.](#)

[Senate of Virginia](#)

**VACo Contact:** [Phyllis Errico, Esq., CAE](#)

## Calls Needed to Oppose Bill Mandating Land Use Value Taxation for Certain Properties

[HB 1204 \(Hugo\)](#) is a problematic bill that would require certain property to be assessed based on use value in certain localities meeting specified population growth criteria. The bill would require that real property of at least five acres that is devoted to open space be assessed based on the property's land use value.

**VACo opposes this legislation and spoke against the bill in subcommittee.** Although the legislation applies to a limited number of localities now, it sets a worrisome future precedent by requiring a locality to assess property as if it were part of a local program of use value taxation, regardless of whether the locality has adopted use value taxation. Adopting use value taxation is a local option under current Code. This bill would supersede that local authority and direct that certain property be afforded preferential tax treatment.

HB 1204 was prompted by a dispute between two property owners and one locality. The General Assembly has enacted a process for property owners to appeal assessments. This bill would interpose the General Assembly in this existing process for resolution of disputes about the valuation of property.

**Action Required** – HB 1204 was recommended to be reported by the [House Finance Committee's Subcommittee #1](#) on January 31 and will be heard by the

House Finance Committee on February 7. **Please contact members of the [House Finance Committee](#) and express opposition to this legislation.**

## KEY POINTS

- Adopting land use value taxation should be a local decision, not a mandate by the General Assembly.
- A process for appealing assessments is already in place. Taxpayers may appeal to the local assessor or Commissioner of the Revenue, the local Board of Equalization, and Circuit Court.

## KEY CONTACTS

**House Finance Committee:** [Ware \(Chairman\)](#), [Pogge \(Vice Chair\)](#), [Orrock](#), [Byron](#), [Cole](#), [Hugo](#), [Cline](#), [Fariss](#), [Fowler](#), [Bloxom](#), [Freitas](#), [Brewer](#), [Watts](#), [Keam](#), [Filler-Corn](#), [Kory](#), [Sullivan](#), [Heretick](#), [Lindsey](#), [Ayala](#), [Jones, J.C.](#), [Carter](#)

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

## Oppose Heavier Trucks in Virginia – Committee Votes Scheduled for Early this Week

[SB 504 \(Carrico\)](#) and [HB 1276 \(Garrett\)](#) authorize the Commissioner of Highways, with the approval of the Governor, to allow for heavier, six-axle tractor trucks to travel Virginia roads as part of any federal pilot program, for a period of up to 15 years.

**Action Required** - Please contact your legislators now to OPPOSE SB 504 and HB 1276. SB 504 was heard in [Senate Transportation Committee](#) on January 31 and carried over for the week after initially failing to report out of committee. The bill is expected to be voted on again in the Senate Transportation Committee on Wednesday, February 7. HB 1276 was reported out of subcommittee by a 4-2 vote on February 1 and will be before the [House Transportation Committee](#) on the morning of Tuesday, February 6.

## KEY POINTS

- Counties, in partnership with VDOT, make significant investments in road construction and maintenance. Such investments need to be properly safeguarded from any undue acceleration in wear and tear.

- Increases in truck weight beyond current federal standards, even of limited duration, will put highways, roads, and bridges at increased risk of damage and deterioration.

## KEY CONTACTS

**Senate Transportation Committee:** [Carrico \(Chairman\)](#), [Newman](#), [Deeds](#), [Marsden](#), [Favola](#), [Cosgrove](#), [Edwards](#), [Wexton](#), [DeSteph](#), [Chase](#), [Suetterlein](#), [McClellan](#), [Peake](#)

**House Transportation Committee:** [Yancey \(Chairman\)](#), [Hugo \(Vice Chair\)](#), [Garrett](#), [Davis](#), [LaRock](#), [Pillion](#), [Adams, L.R.](#), [Collins](#), [Bloxom](#), [Miyares](#), [Thomas](#), [Rush](#), [Ward](#), [McQuinn](#), [Carr](#), [Filler-Corn](#), [Plum](#), [Bagby](#), [Murphy](#), [Jones, J.C.](#), [Delaney](#), [Reid](#)

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

## Support the Virginia Grocery Investment Fund

The Virginia Grocery Investment Fund (VGIF) needs your help. [SB 37 \(Stanley\)](#) unanimously reported out of the [Senate Finance Committee](#) and passed on the Senate floor by a 36-4 vote. However, the House of Delegates has not yet taken action or placed on an agenda [HB 85 \(Bell/McQuinn\)](#), the House counterpart to SB 37. With crossover fast approaching (February 13), the House needs to consider this important legislation and support funding the VGIF through the 2019-2020 budget.

**Required Action** – Contact your Delegates to support HB 85 and including funding in the Budget for the Virginia Grocery Investment Fund.

## KEY POINTS

- The Fund would create a public-private partnership leveraging state dollars with private money and would be used for one time low-interest loans and grants. These incentives would allow independent grocery operators to overcome the initial barriers to opening or renovating stores in underserved communities.
- The proposed 2019-2020 budget contains \$7.5 million for the Fund. This \$7.5 million investment will generate up to \$30 million in private investment and will ultimately affect 1.7 million Virginians (including 480,000 children) who currently live in lower income communities with limited supermarket access.
- Independent grocery stores contribute \$107.56 million in state and local tax revenues. Grocery stores are viewed as essential to prospective employers

striving to attract and retain a talented workforce.

- The average grocery store hires 40 people from the neighborhood where it operates. Grocery stores bring private sector, entry level jobs with room for growth to communities often with the highest rates of unemployment.

## KEY CONTACT

[House Appropriations Committee's Commerce, Agriculture, Natural Resources & Technology Subcommittee: Ingram \(Chairman\), Landes, Poindexter, Knight, Robinson, Sickles, James, Bell, John J., Jones, S.C.](#)

**VACo Contact:** [Chris McDonald, Esq.](#)

## Problematic Tax Bills Defeated; Cigarette Taxing Authority Legislation Carried Over to 2019

On February 2, the [House Finance Committee's Subcommittee #3](#) took up several bills of concern to localities. [HB 471 \(Reid\)](#), as amended in a previous hearing by the House Commerce and Labor Committee, exempts certain new small businesses from the local option sales tax and from local business license taxes for their first five years of existence. VACo and VML opposed the bill as a mandate on localities. Local governments already have the authority to provide an exemption from local license taxes for new businesses for their first two years in operation in a locality. The bill was recommended to be passed by indefinitely.

[HB 256 \(Guzman\)](#), as introduced, mandates a local real property tax exemption for certain solar equipment and provided a state income tax credit to reduce the up-front installation costs of the equipment, subject to individual and aggregate statewide caps. VACo and VML worked with the patron to remove the local mandate, but subcommittee members voted to pass the bill by indefinitely due to concerns about the effect of the proposed income tax credit on state revenues.

[HB 1338 \(Campbell\)](#) authorizes counties to impose a tax on cigarettes at a rate of 5 cents per pack or the amount charged by the state, whichever is greater, provided that the voters approve the tax in a referendum. The bill was continued to 2019 at the request of the patron. A companion Senate measure, [SB 510 \(Carrico\)](#), was similarly "carried over" in the Senate Finance Committee. It is anticipated that proposals to enhance county taxing authority will be considered in the coming months, likely in the Joint Subcommittee on Local Government Fiscal Stress.

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

## Tax Increment Financing for Dredging Passes House

A bill that makes dredging projects eligible for tax increment financing passed the House of Delegates on February 2. Under current law, the definition of “development project area” does not specifically include or mention dredging projects. [HB 1092 \(Hodges\)](#) modifies the definition to include “any area designated as a dredging project” for purposes of tax increment financing. This measure was amended in Committee to specify that “dredging projects” shall not include those undertaken by the Virginia Port Authority.

HB 1092 has enjoyed widespread support over the last several weeks, from stakeholders like VACo and from the legislature itself. The House Finance Committee’s Subcommittee #1 unanimously (10-0) recommended reporting the bill, the full House Finance Committee unanimously reported (22-0) the bill, and the House of Delegates ultimately passed the measure by a 97-0-1 vote.

**VACo Contact:** [Chris McDonald, Esq.](#)

## Solar Tax Exemption Bill Passes Senate

[SB 902 \(Lucas\)](#) passed the Senate by a vote of 33-6-1. As described in VACo’s [January 23 Capitol Contact](#), the bill makes it a local option to provide certain local tax exemptions for solar facilities of a certain size.

Under current law, solar facilities greater than 20 MW in generation capacity are provided a mandatory 80 percent exemption from local property tax. SB 902 removes this mandate and instead allows localities, at their discretion, to provide a tax incentive for installations up to 150 MW. The bill originally capped the maximum facility size at 100 MW, but this was later amended.

VACo supports SB 902, which now heads to the other side where it has been referred to the [House Finance Committee](#). It will be placed on a committee or subcommittee agenda and heard sometime after crossover (February 13).

**VACo Contacts:** [Joe Lerch, AICP](#) and [Chris McDonald, Esq.](#)

## Former VACo President-Elect’s Merchants’ Capital Tax Bill Passes House

Former VACo President-Elect Bob Thomas’s merchants’ capital tax bill passed the House of Delegates on February 2 by a 94-3 margin.

VACo spoke in support of [HB 119 \(Thomas\)](#), which creates a separate class for merchants' capital of any wholesaler reported as inventory that is located, and is normally located, in a structure that contains at least 100,000 square feet, with at least 100,000 square feet used solely to store such inventory. Any locality may impose a tax rate on such inventory that is lower than that applicable generally to merchants' capital.

HB 119 will now crossover to the Senate where it will likely be referred to the Senate Finance Committee.

Delegate Thomas served on the Stafford County Board of Supervisors and VACo Executive Board until his 2017 election to the House of Delegates, when he succeeded retiring Speaker Bill Howell in the 28<sup>th</sup> District.

**VACo Contact:** [Chris McDonald, Esq.](#)

## VACo Supports Electric Vehicle Charging Station Legislation

VACo supports Delegate David Bulova's bill that authorizes localities to locate and operate a retail fee-based electric vehicle charging station on any property it owns or leases.

Legislation in 2011 initially enabled any "person" to operate such a charging station, but there has been confusion in the ensuing years whether this language encompasses local governments. While some localities interpreted this language in the broadest sense and installed their own charging stations, most have not. [HB 922 \(Bulova\)](#) clarifies this uncertainty, stipulating that any locality, public institution of higher education, or the Department of Conservation and Recreation may install such charging stations. Additionally, the bill exempts these entities from being considered a "public utility" solely because of the sale of electric vehicle charging service or the ownership or operation of an electric vehicle charging station and exempts such service from constituting the retail sale of electricity. Those localities that already installed these stations will be retroactively authorized via this bill's enabling clause.

VACo worked with Delegate Bulova on an amendment to this bill that removes the requirement that the use of a charging station on local government property be restricted to employees of the locality and authorized visitors. Under the new language, localities are still authorized to enact this restriction at their discretion, though it is no longer mandatory.

House General Laws Committee's Subcommittee #2 unanimously recommended reporting HB 922. VACo spoke in favor of the bill to the subcommittee and looks

forward to supporting HB 922 as it continues to move through the General Assembly.

**VACo Contact:** [Chris McDonald, Esq.](#)

## **Governor Ralph Northam to Speak at VACo County Government Day**

**February 8, 2018 | Omni Richmond Hotel | [Agenda](#)**

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 Ralph Northam will 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 Governor Northam share his vision for how we can work together to advance policies beneficial to Virginia localities. Also hear the VACo Team talk about the issues and then go speak with your representatives about your County's concerns. The VACo County Government Day event should conclude around 1-1:30 p.m.

Online registration is closed. Late registration will be taken at the VACo registration table, which opens at 11 a.m.

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

## **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:



- **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](#)