

Capitol Contact

Virginia General Assembly

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Thursday, January 17, 2019

VACo President Tim Reeves Testifies in Support of Cigarette Taxing Authority



Bills to allow counties authority to levy cigarette taxes were unsuccessful in both chambers on January 16 – albeit narrowly in a subcommittee of House Finance, where

[HB 1946 \(Campbell\)](#) failed on a tie vote. HB 1946, as amended in subcommittee, would have provided broad authority for counties to levy cigarette taxes at a rate of 5 cents a pack or the state rate (currently 30 cents per pack). [SB 1512 \(Carrico\)](#) would have allowed counties to impose cigarette taxes at the same rate after receiving approval from voters in a referendum.

VACo President and Wythe County Chairman Tim Reeves testified in favor of the measures, speaking about the strain on local finances of funding public education, including school capital projects and needed safety enhancements, within the limited revenue options available to counties. Bland County Administrator Eric Workman and Pulaski County Supervisor Joe Guthrie also traveled from Southwest Virginia to support the bills. Dr. Workman spoke about the difficulty of funding county services with revenue from real and personal property taxes in a smaller locality, and Supervisor Guthrie discussed the benefits to Pulaski County of equalizing the County's taxing authority with cities' and towns' ability to raise needed revenues. VACo is grateful for their strong advocacy on behalf of counties.

Although this authorizing legislation will not move forward this year, several bills dealing with "vaping" contain language continuing a study by the Joint Subcommittee to Evaluate Tax Preferences of modernizing the cigarette tax statutes, including a study directive to examine "possible reforms to the taxation of tobacco products that will provide fairness and equity for all local governments."

Legislation introduced at VACo's request to provide for equal taxing authority for counties allowed to cities and towns has not yet been considered this session. [HB 2189 \(Kilgore\)](#) has been referred to House Counties, Cities, and Towns Subcommittee #2, and [SB 1127 \(Favola\)](#) was rereferred from Senate Local Government to Senate Finance.

VACo encourages members to contact their legislators who sit on the [House Counties, Cities, and Towns Committee's Subcommittee #2](#) and [Senate Finance](#) in support of HB 2189 and SB 1127.

VACo Contact: [Katie Boyle](#)

Problematic Constitutional amendments introduced

A pair of Constitutional amendments, [HJ 676 \(Filler-Corn\)](#) and [SJ 278 \(Reeves\)](#), provide that one motor vehicle owned by a veteran of the U.S. armed forces or the Virginia National Guard who has a 100 percent service-connected, permanent disability will be exempt from state and local taxation. Current Virginia Code classifies a motor vehicle owned by a veteran with certain disabilities as a separate class of personal property, which allows localities to tax such motor vehicles at a lower rate or provide a full exemption, and some localities already

offer such tax relief. This Constitutional amendment proposes to mandate the exemption for all localities.

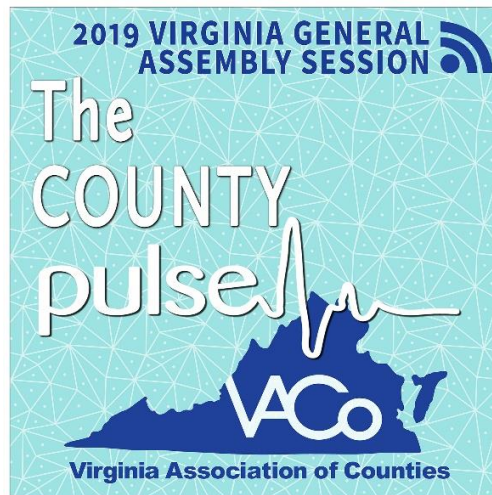
[HJ 657 \(Pogge\)](#) would expand the existing mandatory real property tax exemption for the surviving spouses of disabled veterans to apply in cases in which the veteran died prior to January 1, 2011. Currently, the exemption applies in cases in which the veteran died after that date. This amendment has the potential to significantly expand the number of veterans who may qualify for the mandatory tax relief.

VACo has significant concerns about expanding existing mandatory tax exemption programs or adding new exemptions, as the existing mandatory real property tax exemptions (for disabled veterans and their surviving spouses and for the surviving spouses of servicemembers who are killed in action) have been a costly requirement for localities; according to a survey done by Commissioners of the Revenue, the mandatory exemptions cost local governments approximately \$50 million in 2018.

HJ 676 and HJ 657 have been referred to the [House Privileges and Elections Committee's Subcommittee #4](#) and may be heard as early as Monday afternoon. SJ 278 has been referred to the [Senate Privileges and Elections Committee](#).

VACo Contact: [Katie Boyle](#)

VACo County Pulse | 2019 General Assembly Edition | Part 1



Welcome to the VACo County Pulse. VACo Lobbyists Joe Lerch and Chris McDonald join Executive Director and Host Dean Lynch to talk about the start of

the 2019 General Assembly Session. The trio discusses issues such solar, proffers, procurement, I-81, water quality, agriculture, and much more.

[Listen to the Podcast.](#)

VACo Contact: [Dean Lynch](#)

Grocery bills introduced; House bill stalls while Senate bill advances

VACo supports legislation seeking to create the Virginia Grocery Investment Fund (VGIF), which was introduced in House and Senate committees to varying results on January 16.

In the Senate, Senator Rosalyn Dance and Senator William Stanley introduced [SB 1189 \(Dance\)](#) and [SB 999 \(Stanley\)](#), respectively, which they elected to roll together. The [Senate Finance Committee](#) had heard and passed the same bill last year, so after a brief discussion, SB 999 was unanimously passed by the Committee. Senate Finance did attach a financial contingency clause to the bill, however, which means that even if passed, it will not become effective unless the General Assembly includes an appropriation for the VGIF in the final form of the budget that the GA is working on. SB 999 now heads to the Senate floor, where it is expected to pass without any issue.

In the House, Delegate Delores McQuinn introduced [HB 1858 \(McQuinn\)](#) to the [House Appropriations Committee's Commerce, Agriculture, Natural Resources & Technology Subcommittee](#), which received a great deal of testimony in favor of the bill. Subcommittee members noted the importance of rectifying food deserts and ensuring all Virginians have access to healthy, nutritious food, but nonetheless they expressed great hesitation to take up any measures this year that included new funding that had not already been appropriated by the 2019-2020 Budget. Delegate McQuinn emphasized the dire need that exists across Virginia and argued that the final, specific funding amount was far less important than simply providing *something* for the program. Ultimately, the subcommittee voted 5-4 to table the bill, though Delegate Steve Landes did commit to advocate on behalf of the VGIF should new funding become available as they continue to work through the budget.

VACo was pleased to speak in favor of these bills, and we look forward to continuing to fight for the VGIF for the remainder of the 2019 session.

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

VACo supports grow your own teacher pilot programs

VACo spoke in support of [HB 1724 \(Krizek\)](#) on the floor of the [House Education Committee's Subcommittee #2](#) on January 16. The bill establishes a pilot program fund administered by the Department of Education to award grants to local school boards to establish Grow Your Own Teacher Pilot Programs. These programs would provide scholarships not exceeding \$7,500 per year to students who meet certain conditions to attend Longwood University College of Education and Human Services with the commitment to teach for a minimum of four years at a public high school with at least 50 percent of students that qualify for free or reduced lunch.

VACo supports efforts of the General Assembly to approve and fund strategies addressing teacher shortage in the Commonwealth, including programs aimed at reducing student debt for teaching in public schools.

[HB 1724](#) was recommended to be reported and rereferred to House Appropriations on a 9-1 vote.

VACo Contact: [Jeremy Bennett](#)

VACo supports using GIS for voluntary boundary line adjustments

[HB 1649 \(Fowler\)](#) and [SB 1594 \(Dunnivant\)](#) allow all localities to make voluntary boundary line adjustments using Geographic Information System (GIS) surveys. This streamlined process to address situations in which census boundaries do not align with locally drawn or commonly adhered to boundaries is less costly than completing an expensive “metes and bounds” survey.

HB 1649 passed unanimously in subcommittee and will likely be before the [House Counties, Cities and Towns Committee](#) on Friday at 8 am. SB 1594 will be voted on in the [Senate Local Government Committee](#) on Tuesday, January 22.

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

VACo unrestrained in concern over Seat Belt Bill

VACo spoke in opposition to [HB 1710 \(Krizek\)](#) on the floor of the [House Education Committee's Subcommittee #2](#) on January 16. The bill instructs the Virginia Board of Education to make regulations requiring each new purchased

public school bus to be equipped with a seat belt consisting of a lap belt and shoulder strap or harness in every seat. The bill would also require that every school board also ensure that such seat belt equipment is present in every school bus by July 1, 2037.

While some localities have already begun to voluntarily move in this direction, most localities have not. Upgrading a school division's fleet of school buses to include new seat belts or purchasing new buses to comply would create a significant fiscal impact to localities.

[HB 1710](#) was recommended to be reported and rereferred to the House Appropriations Committee on a 6-4 vote.

VACo Contact: [Jeremy Bennett](#)

WQIF and SLAF bill moves on

Delegate David Bulova's Water Quality Improvement Fund (WQIF) and Stormwater Local Assistance Fund (SLAF) began its journey through the 2019 session in the House Committee on Agriculture, Chesapeake, and Natural Resources on Wednesday morning.

[HB 1822 \(Bulova\)](#), which VACo supports, does three key things:

First, it authorizes the Director of the Department of Environmental Quality (DEQ) to authorize WQIF grants for the design and installation of certain wastewater conveyance infrastructure that (1) diverts wastewater from one publicly owned treatment works (that is already eligible for WQIF grant funding) to another publicly owned treatment works (that is also already eligible for WQIF grant funding); (2) diverts wastewater to a receiving treatment works that is capable of achieving compliance with its nutrient reduction or ammonia control discharge requirements and results in a net reduction in total phosphorus, total nitrogen, or nitrogen-containing ammonia discharges; and (3) results in a WQIF expense that is the same as or lower than the expense the DEQ would incur in funding design and installation of eligible nutrient removal or other applicable treatment technology at such treatment works that would have treated the wastewater in the absence of the diversion project.

Currently law would prohibit WQIF funding for this conveyance (piping) infrastructure, and instead only the treatment facilities would be eligible for funding to upgrade their systems. The bill provides localities a much more efficient and cost-effective means to accomplish their wastewater treatment goals.

Secondly, HB 1822 directs the DEQ to consult with stakeholders (including local governments representatives) annually to estimate the amount of WQIF grant funding that local governments are expected to request during the upcoming year. In other words, it requires the DEQ to annually perform a needs assessment.

Finally, HB 1822 directs the DEQ to consult with stakeholders and perform an annual needs assessment for SLAF funding.

HB 1822 was heard by the House Agriculture, Chesapeake, and Natural Resources Committee's Subcommittee #3 early Wednesday morning. The Subcommittee reacted favorably to the legislation, recommending that the bill be reported and rereferred. Ultimately, the full Committee passed the bill 22-0 and referred it to the House Appropriations Committee.

VACo spoke in favor of HB 1822, and will continue to support this bill in the [House Appropriations Committee](#) and later on the Senate side.

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

Helpful bill to assist with jail costs advances

VACo spoke in favor of [SB 1040 \(Peake\)](#), which would require the state to compensate local jails in accordance with the actual cost of housing state-responsible inmates (individuals convicted of felonies who have been sentenced to one year or more in a state correctional facility), as calculated by the Compensation Board. Currently the state provides funding in accordance with the Appropriations Act, through the Compensation Board-funded salaries and benefits for sheriffs' deputies and jail per diems, but this funding typically falls short of fully covering local expenses. Jail per diem rates have not been increased since FY 2011, when rates for local-responsible inmates were cut in half and rates for state-responsible inmates were reduced to a lesser degree.

VACo spoke for the bill in the Senate Finance Committee on January 16, suggesting that enhanced state support will be required to address legislators' concerns about the level of behavioral health services provided in local and regional jails. The Committee amended the bill to add language providing that it will not take effect unless the necessary funding is included in the state budget and reported the legislation to the Senate floor.

VACo Contact: [Katie Boyle](#)

Key Dates for 2019 General Assembly Session

In accordance with the [procedural resolution](#) adopted by the House and Senate on January 9, key dates for the 2019 General Assembly Session are as follows:

- **January 9:** General Assembly convenes at noon. Bills that are “prefiled” must be submitted by 10 a.m. House bills affecting the Virginia Retirement System or creating or continuing a study must be filed before adjournment of the House; a similar deadline applies to Senate bills. The House and Senate will meet in Joint Assembly, typically at 7 p.m., for the Governor’s “State of the Commonwealth” address.
- **January 11:** Budget amendments from General Assembly members must be submitted to the House Appropriations and Senate Finance Committees by 5 p.m.
- **January 18:** All bills must be filed by 3 p.m. (bills may be introduced after the deadline by unanimous consent)
- **February 3:** House Appropriations and Senate Finance Committees report their respective budgets by midnight.
- **February 5:** “Crossover” deadline for each chamber to complete work on legislation originating in that chamber (except for the budget bills)
- **February 7:** Deadline for each chamber to complete work on its budget
- **February 13:** Deadline for each chamber to complete work on the other chamber’s budget and appoint budget conferees; also the deadline for each chamber to act on revenue bills from the other chamber and appoint conferees.
- **February 18:** Deadline for committee action on bills
- **February 23:** Scheduled adjournment *sine die*
- **April 3:** Reconvened session to consider gubernatorial amendments and vetoes

VACo Contact: [Katie Boyle](#)

Advocate for your locality at VACo County Government Day

In Partnership with VAPDC's 50th Anniversary



January 31, 2019 | Omni Richmond Hotel

100 S 12th Street | Richmond, VA 23219

[Registration Form](#) | [Register Online](#) | [Omni Room Reservation Form](#)

Join us at VACo County Government Day on Thursday, January 31! This is our day to advocate on behalf of Counties at the 2019 General Assembly Session.

The event kicks off with a box lunch at noon as Governor Ralph Northam takes the podium. We're excited to learn more about how the Governor's legislative agenda will strengthen Virginia's communities. In addition, VACo staff will provide legislative reports on the major issues facing Counties in the 2019 General Assembly Session. Attendees will then meet with their General Assembly representatives.

- 930am** VACo Board of Directors' Meeting
- 11am** Registration
- Noon** Governor Ralph Northam | VACo Staff Reports
- Afternoon** Visit Capitol and Lobby Legislators
- Evening** Make plans to take your state legislators to dinner

For information on how to reach your representatives, see the [Virginia House of Delegates](#) and the [Senate of Virginia](#) member websites. Find information about

VACo's positions in the [2019 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 reports about the issues and speak with your representatives about your County's concerns.

Register for the event at [VACo County Government Day Online](#) or fax the [Registration Form](#) to 804.788.0083.

VACo Contact: [Angela Inglett](#)