

Capitol Contact

Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219
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Thursday, January 28, 2016

Proposed legislation freezes local business tax rates

[HB 217 \(LeMunyon\)](#) prohibits localities from increasing their business machinery and tools tax, merchants' capital tax, and local license (BPOL) fees and taxes above the rates in effect as of January 1, 2016. Any locality wanting to impose BPOL tax on Virginia taxable income may not later choose to impose the tax on gross receipts.

The [House Finance Committee's Subcommittee #3](#) will consider HB 217 tomorrow morning. Please contact legislators on Subcommittee #3 to **oppose** freezing local business tax rates.

Localities generated \$674.3 million from BPOL tax and fee and \$192.5 million from the Machinery and Tools Tax in FY 2014.

TALKING POINTS

- The bill restricts local flexibility in raising funds necessary to carry out state mandates.
- Reducing local taxing authority in these areas puts even more pressure on real estate taxes.
- General Assembly has expressed reservations about the Governor's revenue projections for this year and the next biennium. If these doubts prove true, it makes little sense to reduce local taxing authority.

KEY CONTACTS

[House Finance Committee Subcommittee #3: Byron \(Chairman\), Ware, Orrock, Hugo, Keam](#)

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

Bill introduced to fix stormwater ‘donut hole’

[HB 1340 \(Hodges\)](#) requires the Department of Environmental Quality to operate stormwater management programs that regulate land-disturbing activities of 2,500 square feet up to one acre in localities east of Interstate 95 that fall under the provisions of the Chesapeake Bay Preservation Act (CBPA) and that elect not to operate such a program. For localities subject to CBPA, the bill is being introduced to address the so-called “donut hole” problem summarized in the [January 21 issue of Capitol Contact](#).

In all likelihood, HB 1340 will be referred to the [Chesapeake Subcommittee](#) of the House Agriculture, Chesapeake and Natural Resources Committee, along with [HB 1250 \(Wilt\)](#), a bill VACo opposes.

HB 1340 and HB 1250 are likely to be considered during the [Chesapeake Subcommittee](#) meeting on February 4 at 4 p.m. in the 5th floor east conference room of the General Assembly Building.

VACo Contact: [Larry Land, CAE](#)

Update on local government meeting agendas and public comments bill

After some negotiations, [HB 757 \(Robert Bell\)](#) was amended to require a minimum of three minutes of public comment on each agenda item by each person desiring to make comments. [Subcommittee #2](#) of the House Counties, Cities and Towns Committee considered the bill and tabled it – effectively defeating the proposal.

VACo Contact: [Jim Campbell, CAE](#)

Update on tax legislation

On January 27, the [House Finance Committee’s Subcommittee #2](#) heard and subsequently failed to pass [HB 92 \(Cole\)](#) and [HB 85 \(Campbell\)](#), bills supported by VACo.

[HB 92 \(Cole\)](#) authorizes localities to withhold interest on refunds of local taxes that are the result of an erroneous assessment caused by the taxpayer’s failure to file a license application or tax return prior to the filing deadline. Under current law, localities that elect to impose interest on delinquent taxes must also pay interest at the same rate on overpayments due to erroneously assessed taxes. Interest on delinquent taxes can accrue beginning no earlier than the first day

following the day such taxes are due, and may not exceed 10 percent per year. Local governing bodies may impose interest at a rate not to exceed the rate of interest established in the Internal Revenue Code, or 10 percent annually, whichever is greater, for the second and subsequent years of delinquency. Similar bills [HB 469 \(Head\)](#) and [HB 1144 \(Cole\)](#) were incorporated into HB 92.

[HB 85 \(Campbell\)](#) authorizes all counties to impose a local cigarette tax at a rate limited to 5 cents per pack or the amount levied under state law, whichever is greater. All cities and towns with general taxing powers are already currently authorized to impose a cigarette tax with no rate limitations.

VACo appreciates all the support from localities on these bills.

VACo Contact: [Beau Blevins](#)

General Assembly considers constitutional amendments on charter schools

After receiving the necessary approval in the first year of consideration, the General Assembly is considering several initiatives that would amend the Constitution by allowing the Board of Education (BOE) to approve the establishment of charter schools. Constitutional amendments can only be accepted through referendum after being approved in two successive legislative sessions with an intervening popular elections for seats in the General Assembly.

Currently, charter schools may only be approved by local school boards. There are now nine charter schools in Virginia. This bill would transfer the authority from localities to the state to approve charter schools. VACo's 2016 Legislative Program opposes approval of charter schools by a state board.

The following are General Assembly initiatives to amend the Constitution to allow state-level approval of charter schools.

- [HB 3 \(Robert Bell\)](#) provides for a referendum at the November 8, 2016, election to approve or reject an amendment to grant the Board of Education the authority to establish charter schools within the school divisions of the Commonwealth, subject to any criteria or conditions that the General Assembly may prescribe. HB 3 was referred to the [House Privileges and Elections Committee](#).
- [HJR 1 \(Robert Bell\)/SJR 6 \(Obenshain\)](#) grant the Board of Education authority, subject to criteria and conditions prescribed by the General Assembly, to establish charter schools within the school divisions of the Commonwealth. The bills were referred to the [House Privileges and Elections Committee](#). These are the second resolution for [Senate Joint](#)

[Resolution 256 \(2015\)](#). SJR 6 is being considered by the [Senate Privileges and Elections Committee](#).

- [SJR 93 \(Obenshain\)](#) provides by resolution for a referendum at the November 8, 2016, election to approve or reject an amendment to grant the Board of Education the authority to establish charter schools within the school divisions of the Commonwealth, subject to any criteria or conditions that the General Assembly may prescribe. SJR 93 is being considered by the [Senate Privileges and Elections Committee](#).

VACo Contact: [Larry Land, CAE](#)

VACo requests feedback on bill relating to E&S on utility projects

[SB 726 \(Edwards\)](#) relates to erosion and sediment requirements for utility projects involving land disturbances exceeding 50 acres within a locality. Under Virginia's Erosion and Sediment Control Law, natural gas and telephone utility companies undertaking construction projects are currently required to annually file general erosion and sediment control standards and specifications for approval with the Department of Environmental Quality.

As introduced, SB 726 provides that such requirements "shall not apply to any land-disturbing activities that disturb 50 acres or more in any one locality," but that the utility company will be required to submit an erosion and sediment control plan. However, the language in the bill is not clear as to whether the E&S plan is to be submitted to a state agency or to the locality where the land disturbance takes place.

SB 726 was referred to the [Senate Agriculture, Conservation and Natural Resources Committee](#).

VACo Contact: [Larry Land, CAE](#)

Study proposed on calculation of land use value in Composite Index

[HJR 50 \(Webert\)](#) directs the Department of Education to study the effect of local use value assessment when calculating the Local Composite Index. Results from the study are to be submitted to the General Assembly no later than the first day of the 2017 Legislative Session. HJR 50 was referred to the [Studies Subcommittee](#) of the House Rules Committee.

VACo supports the study.

VACo Contact: [Larry Land, CAE](#)

Initiatives promoting career and technical training in public schools

[SB 336 \(Miller\)](#) requires the Board of Education (BOE) to develop a “Profile of a Virginia Graduate” that identifies the knowledge and skills that students should attain during high school in order to be “successful contributors to the economy of the Commonwealth.”

When developing this Profile, the bill also directs the BOE to consider “alternative paths toward college and career readiness that include internships, externships, and credentialing.” The bill expects the BOE to establish such graduation requirements no later than September 1, 2017. VACo backs this measure because it is consistent with VACo’s Legislative Program that supports career and technical education at the K-12 level. SB 336 was referred to the [Public Education Subcommittee](#) of the Senate Education and Health Committee.

In related matter the Senate unanimously passed [SB 573 \(Ruff\)](#), which directs the BOE to provide for the issuance of temporary part-time teacher permits to qualified professionals with expertise and credentials in career and technical education areas who are recommended for the permit by employing school divisions.

VACo spoke in support of the bill when it was considered by the [Senate Education and Health Committee](#).

VACo Contact: [Larry Land, CAE](#)

Publication of legal notices

Several bills – [HB 129 \(Richard Bell\)](#), [HB 286 \(Head\)](#), [HB 956 \(Keam\)](#) and [HB 1078 \(Boysko\)](#) – were introduced to provide local governments alternative ways to disseminate legal notices in addition to the required publication in newspapers, including the local government’s website, email distribution, etc.

Recognizing the complexity of modern communications, [Subcommittee #2](#) of the House Counties, Cities and Towns Committee recommended to continue all of the bills until 2017 to allow stakeholders to work out acceptable language.

VACo Contact: [Jim Campbell, CAE](#)

Noxious weed bill passes

[HB 734 \(Hope\)](#) unanimously passed the House of Delegates. The measure establishes an advisory committee to evaluate certain plant types that should be designated as a noxious weed. HB 734 requires the advisory committee to consider the plant's (i) impact on water bodies, other plants, livestock, land, public health, the environment, and the economy and (ii) current and potential in-state commercial viability.

VACo supported the bill.

VACo Contact: [Larry Land, CAE](#)

Creating New Cities; Dissolving Towns

[HB 192 \(Minchew\)](#) provides an exception to the current moratorium on creating new cities to permit any town with a population in excess of 40,000 to apply for a city charter. Currently only the towns of Blacksburg and Leesburg would be eligible.

In other action, [HB 14 \(Ware\)](#) would repeal the charter of the Town of Columbia in Fluvanna County (population 82).

Both bills were reported out of [Subcommittee #1](#) and should be considered by the [House Counties, Cities and Towns Committee](#) on Friday, January 29 at 8 am.

VACo Contact: [Jim Campbell, CAE](#)

Register for the 2016 County Government Day at the General Assembly on February 11



Thursday, February 11, 2016

[Registration Form](#) | [Register Online](#) | [Agenda](#) | [Omni Richmond Hotel](#)

The Virginia Association of Counties invites county officials to VACo County Government Day at the General Assembly on February 11 at the Omni Richmond Hotel.

Governor Terry McAuliffe is confirmed as the Keynote Speaker.

VACo staff will report on legislation affecting local governments, then county officials are encouraged to go to the Capitol to participate in committee meetings and lobby state legislators. In the evening, county officials are strongly encouraged to invite their state legislators to dinner.

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