

2018 Richmond Legislative PROPOSALS

for the 2018 Virginia General Assembly Legislative Session

A Richmond Requests Virginia General Assembly Legislation Regarding:

- 1. Financing for Public Housing Replacement**
Richmond asks that the Virginia General Assembly establish a State commission led by the Virginia Housing Commission, which includes representatives of the Virginia Housing Development Authority, Virginia Department of Housing and Community Development, local redevelopment and housing authorities, and local governments with large concentrations of public housing to identify financing methods that could be developed or employed to assist localities in replacing concentrated public housing units.
- 2. Natural Gas Utility**
Define service areas of municipal natural gas utilities and clarify natural gas service may only be provided by municipal utilities in those areas. The Virginia State Corporation Commission doesn't define where utilities can serve. This is needed for utilities to grow/retain customers receiving municipal utility services.
- 3. Reporting of Stolen Firearms**
Require firearms owners report theft/loss to local or state police within 24 hours of discovery of loss or theft.
- 4. Unattended Vehicles**
Require a person in charge of a motor vehicle not leave it unattended on private/public property until engine is stopped, ignition locked, key removed, and brake effectively set. The Code of Virginia currently applies only to vehicles on a public street and only requires engine be stopped and brake be set.
- 5. Richmond City Charter**
 - a. Inspector General**
Establish an Office of Inspector General. The Richmond City Charter currently establishes a City Auditor with power to conduct investigations. Council also established an Inspector General by ordinance and similar powers were conveyed. This would clarify both offices and their roles in the Charter.
 - b. Councilmember Salary**
Provide full authority to set Council salary levels. The Charter currently provides authority to set mayor and Council salaries, however Council salaries must be fixed within limits prescribed in Virginia general laws. Under this proposal, any changes would follow a public hearing and ordinance vote, and wouldn't take effect until an intervening election. Any change also would have to be adopted at least 4 months prior to an election. This would allow decisions to be made based on local need rather than affecting all cities.

The cities of Alexandria, Virginia Beach and Portsmouth do not contain language in their charters that places maximum limits on council salaries and mayor. While charter language varies amongst other cities, Chesapeake, Newport News, Norfolk, Roanoke, and Suffolk have charter language that allow salary raises by ordinance within the limits set by state statute; whereas, Hampton and Lynchburg have language setting out specific salaries for mayor and councilmembers within state statute.

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- 6. Admissions Tax**
Amend Virginia Code to make public institutions of higher education subject to duty to collect local admissions tax charged for attendance at public events. The Virginia Attorney General opined in 2001 that a state statute of general application does not bind instrumentalities of the Commonwealth of Virginia, including institutions of higher education, unless expressly named or included by necessary implication. Therefore, the general statute authorizing cities to levy admissions tax does not compel state colleges/universities to collect a local admissions tax.

Over the past two decades, State colleges and universities have erected arenas/event venues designed to host far more than academic convocations and athletic team events. Many of these facilities are now operated as commercial enterprises hosting shows, band concerts, and other events that cater to the public at-large. These facilities operate in direct competition with similar private and locally owned facilities yet are tax exempt, creating an unfair advantage.
- 7. Interest Rates on Overpayment of Business/Professional/Occupational Licenses (BPOL)**
Amend Virginia Code of Laws to allow a lower interest rate on BPOL tax refunds resulting from overpayment due to taxpayer overstating amount of gross receipts. Virginia Code §58.1-3916 requires a locality pay interest on local tax overpayment at the same rate charged for delinquent taxes. That rate may not exceed the rate established pursuant to Internal Revenue Code §662, or 10% annually, whichever is greater. While this approach is rationale when penalty is assessed and a refund is made, it allows taxpayer to overstate self-reported amount and get interest far in excess of market rate. Richmond recently paid \$500,000 because of this practice.

B Richmond Policy Positions

- 1. Education**
 - a. Standards of Quality (SOQ) Re-benchmarking**
Support full funding for biennial SOQ re-benchmarking, as adopted by Virginia State Board of Education (VSBE). Every 2 yrs. VSBE reviews/updates prevailing (adv. based on previous 2 yrs.) costs of state recognized/required expenditures for public education.
 - b. True Cost of Public Education**
Direct Virginia General Assembly Joint Legislative Audit Review Committee to review true costs of public education in Virginia and the State role in funding those costs. The Standards of Quality (SOQ) used to calculate State share of public education costs are minimal to the point of being artificial. This is evidenced as every state school division exceeds most SOQ and has done so for many years. Other costs associated with providing quality education are not addressed in SOQ and not State-funded at any level. Virginia is not fully funding its share of the true cost of education and has not done so in decades. Local governments bear ever-increasing education costs.
 - c. Alternative School Funding**
Support increased funding for alternative education programs that allow school divisions to remove disruptive students from the classroom and place them in an educational environment better suited to their educational and behavioral needs as an alternative to any changes or reduction in local school board authority to discipline and expel students.

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- 2. Transportation**
 - a. Transit Capital Funding**
Support replacement of state bond funding for transit capital/state of good repair that will be exhausted in Fiscal Year (FY) 2019. GRTC Transit System has received more than \$7.1 million over the past three years from this source, primarily for bus replacement, support vehicles, computer systems, and related transit support. GRTC would be faced with either reducing services or seeking additional funds from participating local governments just to meet basic state of good repair for buses if state funding were not available.

Virginia General Assembly HB1359 in 2016 established a Transit Capital Project Revenue Advisory Board to examine state transit capital funding needs and identified potential solutions to meet needs. Findings highlights include the following:
 - Bond funding approved in 2007, primarily for state of good repair, will be exhausted at end of FY 2018.
 - End of funding will result in projected shortfall of \$130 million annually over next 10 years, starting FY 2019.
 - Funding only maintains historic investment levels.
 - 80% of funds typically used to meet basic state of good repair, like buying buses; remaining 20% for minor enhancements/some expansion.
 - Virginia's economy would lose \$200 million annually in economic activity related to capital investments if funding were not replaced. Not including additional losses across Virginia as daily transit operations are impacted.
Virginia needs steady/reliable revenues dedicated to transit state of good repair program.
 - b. Urban Street Maintenance Funding Formula**
Support increased state funding for urban streets maintenance coupled with a revision in the distribution formula to:
 1. recognize various types of design and construction present in urban streets;
 2. include a component that recognizes traffic counts on urban streets;
 3. include a component to prioritize need using either criteria similar to state maintained primary and secondary highway systems or other professionally accepted criteria for urban street systems; and,
 4. ensure urban streets are being maintained in a "state of good repair."
The Virginia Department of Transportation delivered a report to the 2017 Virginia General Assembly detailing amounts required and impact of formula changes.
- 3. Health and Human Services**
 - a. Expand health safety net for working poor**
Support expanding health safety net for working poor by increasing services to those whose incomes are too high for Medicaid but too low to buy insurance on Affordable Care Act exchange. If the State is not going to expand Medicaid, it must improve safety net under a state funded program collected/dedicated for this purpose. Virginians are caught in a health care netherworld with employers classifying them as part-time or independent contractors, therefore avoiding obligation to provide health care while the State has not expanded Medicaid to include low-wage earners and Virginia Medicaid standard for "affordable" coverage is not affordable for these families.

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- b. Mental Health and Substance Abuse Services**
Support more funding for community-based, recovery-focused mental health, substance abuse/emergency/crisis stabilization services to prevent costly care in state mental hospitals, training centers, or correctional facilities.
 - c. System Transformation, Excellence, and Performance in Virginia (STEP VA) Funding**
Support full funding in 2018-2020 budget to meet 2017 Virginia General Assembly STEP VA legislation that mandated Same Day Access (SDA) and Primary Care Screening (PCS) be implemented by 2019; remaining 8 services are slated for implementation by 2021. At a minimum, funding will be required for Virginia Community Service Boards (CSBs) still waiting to implement SDA and for all CSBs to implement PCS. STEP-VA services are intended to foster wellness and prevent crises.
 - d. Stroke Facility Designation, Registry, and Funding**
Support state standards for stroke facility designations and development/implementation of transport protocol plans for acute stroke patients in accordance with American Heart Association (AHA) criteria; development/utilization of a stroke registry in accordance with AHA criteria; and, funding for implementation.
 - e. Increase Temporary Assistance to Needy Families**
Support increasing Temporary Assistance to Needy Families (TANF) eligibility from 24 to 60 months. While Federal law sets a 60-month lifetime limit, states have flexibility within that limit using available funds.
 - f. Food Deserts**
Support funding for approaches (including but not limited to a \$5 million appropriation for the Virginia Grocery Investment Fund) that include financial and technical support for businesses to expand and ensure greater access to healthy food for Virginia residents.
 - g. Virginia Earned Income Tax Credits**
Support expanding the Virginia Earned Income Tax Credit to include families without children making 120% or less and income levels at 250% of the State poverty level for families. Currently, total family adjusted gross income must be below federal poverty guidelines to qualify for the credit. This includes filer, spouse, and dependents if they earn income, even if they do not have to file their own tax returns. Income requirements are based on number of dependent exemptions claimed on return, including personal exemptions.
- 4. Housing**
Affordable Housing Trust Fund
Support additional funding for the Virginia Housing Trust Fund. Richmond also supports providing a portion of Fund for providing matching money to localities that have established local housing funds, and grants to be made from to support innovative housing projects and low and moderate income housing that are located in areas experiencing extreme shortages of such housing.
 - 5. Public Safety**
 - a. Excessive Calls for Police Services**
The Virginia Housing Commission is studying issues that gave rise to 2017 bills that would have authorized a penalty for excessive police calls and will make a recommendation in the 2018 Session. HB 1934/SB 1183 would have authorized a locality to declare that when a property requires excessive calls for police service within a specified time period, the property owner is subject to a civil penalty. A locality would determine the number of calls that is excessive, but no owner could be cited for fewer than five calls in a 12-month period. The bill also required ordinance to contain an exclusion for domestic violence calls.

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b. Wireless E-911 Fund

Support the statutorily required redistribution of wireless E-911 funds. Legislation enacted in 2017 postponed from July 1, 2017, to July 1, 2018, the date by which the Virginia Department of Taxation must conduct its first recalculation of the percentage of funds in the Wireless E-911 Fund to be distributed to each public safety answering point. The effect was to delay redistribution of more than \$70 million in E-911 funds (which would shift from smaller to larger localities) to better match the call volume in each locality. The Wireless E-911 Board has reexamined distribution formulas in order to minimize revenue losses to rural communities and made a recommendation. Richmond will receive a 9.2% increase (\$120,000) under proposed revised distribution formula.

c. Virginia Juvenile Community Crime Control Act

Support increased funding for Virginia Juvenile Community Crime Control Act, enacted/funded in 1997 to provide locally-based alternatives to incarceration for juveniles who commit crimes or demonstrate anti-social behavior. Since that time, juvenile court commitments to state juvenile institutions have declined to where an average of only 258 juveniles statewide are expected to be committed to state custody over the next 5 years as more cases are handled through local programs.

d. Display of firearms during public demonstrations

Support authorizing local governments to ban display of firearms as a condition of a permit to demonstrate on public property upon a determination that such display would endanger public safety.

e. Increase the Larceny Threshold

Support raising grand larceny threshold to at least \$500.

f. Firearms in government buildings

Support authorizing local governments to ban firearms in local government buildings to ensure public safety and reduce risk to citizens. The Governor has issued an executive order banning firearms in certain State buildings and authority should be extended to localities.

g. Firearms purchase background checks

Support requiring background checks on all firearm purchases. This includes, closing gun show loophole and requiring mental health status be checked.

h. Military assault-style weapons

Support ban on sale of military assault-style weapons and limiting size of ammunition magazines that can be sold.

6. Land Use

a. Regulation of Unmanned Aerial Systems

Support allowing local governments to regulate where Unmanned Aerial Systems (UAS) can operate within their boundaries. The Federal Aviation Administration has ultimate regulatory authority over U.S. airspace and has pre-empted state/local actions attempting to regulate UAS. The Virginia Code further pre-empts local regulations until July 1, 2019 and makes it a Class 1 misdemeanor to use UAS to trespass upon the property of another for secretly or furtively peeping, spying, or attempting to peep or spy into a dwelling or occupied building located on such property.

b. Wireless Infrastructure

Oppose changes to its land use authority governing the siting of large cellular facilities (towers). Legislation enacted in the 2017 session resolved the local government regulation of siting small cell facilities, while issues related to siting large cellular facilities (towers) was put off until 2018. A wireless industry/local government work group met in summer of 2017 to attempt compromise on the issue but effort has not proven successful.

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c. Short-term Property Rental Regulation

Oppose any attempts to alter provisions of SB 1578, enacted by the 2017 Virginia General Assembly, governing local authority to regulate short-term property rentals (like Airbnb). When a short-term rental is in an owner-occupied dwelling, the city must retain the authority to regulate it like any other home occupation.

7. Finance

a. State Historic Rehabilitation Tax Credit

The Virginia Historic Rehabilitation Tax Credit has helped fuel revitalization of many areas of Richmond. Legislation enacted in the 2107 Virginia General Assembly session limits the amount of historic rehabilitation tax credits that may be claimed by each taxpayer to \$5 million per year, including any amounts carried over from prior taxable years, for taxable years beginning on and after January 1, 2017, but before January 1, 2019. Richmond opposes any decrease or further extension of this cap.

b. Local Taxing Authority

Oppose any efforts to cap, remove or restrict any revenue sources, taxing authority or user fees available to localities. The erosion of local revenue sources reduces local flexibility, increases local government's reliance on the real property tax and jeopardizes local bond ratings. If the State eliminates or restricts local revenue sources, it should replace those revenues lost to the localities. The loss to localities includes not only current revenues being derived from the revenue source, but also potential increases in revenues due to growth or rate increases.

c. State Aid to Localities

State aid to localities assists in providing services at the local level, many of which are mandated. The State and localities are in partnership in providing services to citizens and localities should not be expected to take on a greater and greater share of funding responsibility. Richmond opposes cuts in state assistance programs such as, but not limited to, full funding of State Aid to Local Public Libraries; HB 599 funding for localities with police departments; extension services; local offices on youth; Virginia Juvenile Community Crime Control Act funds; and, services for seniors. Richmond also opposes further reduction to car tax reimbursements to localities.

8. General Government

a. Virginia Freedom of Information Act (VFOIA) – Electronic Communication Meetings

Support amending the Virginia Freedom of Information Act to provide to local boards and commissions the same authority for electronic communications meetings currently provided to state public bodies with the same or similar requirements for a physical quorum, notice and reporting.

b. Living Wage Requirement

Support adoption of a State policy stating that Virginia is a living wage state, as opposed to a minimum wage state. This would require all State and local government employers to provide a living wage and to encourage businesses to do so as well.

c. Sexual Orientation

Support amending state law include sexual orientation as a protected class with regard to employment discrimination.

d. Association and Entity

Support the legislative priorities of the Virginia Municipal League, Virginia First Cities, and the health initiatives of the American Heart Association.

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Richmond City Council Office of the Council Chief of Staff - Public Information 11.17.2017 1606 hrs/srs

Notes



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FOR THE 2018

VIRGINIA GENERAL ASSEMBLY LEGISLATIVE SESSION

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