

City of Harrisonburg 2018 Legislative Agenda

The City of Harrisonburg is a member of the Virginia Municipal League (VML) and supports the legislative agenda of the organization.

The City of Harrisonburg 2018 Legislative Agenda is meant to highlight those issues of particular importance to the City.

The Harrisonburg City Council asks that its legislators keep the following principles in mind as they evaluate and vote on legislation and the biennial budget.

- Local governments are instruments of the state, created in large measure to deliver state responsible services in a more efficient and effective manner. This state/local partnership requires an equitable allocation of costs between the two levels of government and across the various jurisdictions of the Commonwealth.
- Specific local revenue authority and sources cannot be further restricted without first granting and providing alternative revenue authority with reliable, sustainable revenue sources. This includes, without limitation, the BPOL and M&T taxes.
- Local governments should be involved in any discussions relating to local taxing authority including legislation that exempts specific industries from local taxes and fees.
- Local general fund revenue and special funds cannot be confiscated or redirected to the state treasury.
- Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level. Local governments cannot be expected to bear the expenses related to the imposition of new funding requirements or the expansion of existing ones on services delivered at the local level without a commensurate increase of state financial assistance or new local taxing authority.
- Shifting traditional state funding responsibilities onto local governments for services including public education, law enforcement, and public safety activities and any core services affecting local government, is bad fiscal policy, resulting in stress on local finances without reductions in overall program costs.
- Imposing state fees, taxes or surcharges on local government services impedes transparency at both the state and local level.

- Any efforts at tax reform must begin with a thorough examination of state tax reform and the financing of state services. The State should reform its own tax structure before taking on the topic of local taxes. State or local tax changes should not negatively affect local revenues.
- State budget cuts to state mandated and other high priority programs should specify the programs to be affected by the cuts.
- Enter a dialogue with local governments to examine state requirements and service expansions that can be suspended or modified to alleviate to the degree possible the financial burden on state and local taxpayers.
- Examine models in other states that allow for modernizing state and local taxing authority.
- Develop spending and revenue priorities that support economic development, public safety, education and other public goals. State tax credits, tax deductions and tax relief policies must receive the same scrutiny as spending programs as part of the prioritization process.
- The General Assembly should preserve local zoning and land use authority, allowing flexibility to meet the needs of individual communities.
- In times of revenue crises, review ways to increase revenues to meet constitutional and statutory obligations to Virginia citizens after all other actions have been taken.
- Include local government representatives on any “blue ribbon” commission or other body established by the state that has as its purpose changes to local revenue authority or governance.

City of Harrisonburg 2018 Legislative Priorities

Filing of Bills with Local Fiscal Impact: Support legislation that requires members of the General Assembly to file bills with local fiscal impacts as early as possible and no later than the first day of the legislative session, so that the appropriate fiscal impact analysis can be completed and reported in a timely manner.

Taxes- Machinery and Tools: Oppose legislation that would reduce or eliminate a locality’s authority to impose a machinery and tools tax. The loss of \$2,172,700 in revenue from the Machinery and Tools Tax would equate to a 5.43 cent increase in the City’s Real Property Tax rate.

Taxes- Business License: Oppose legislation that would reduce or eliminate a locality's authority to impose a business license tax. The loss of \$6,800,000 in revenue from the Business License Tax would equate to a 17 cent increase in the City's Real Property Tax rate.

Landscape Materials: Localities should have the ability to regulate the use of specific landscape cover materials or the retrofit of existing landscape cover materials for the health, safety, and welfare of its citizens.

Educational Funding: Jobs are the key to economic recovery and adequate education is essential for preparing the current and future workforce. The State should fully fund the Standards of Quality (SOQ), including support staff costs and categorical incentive funds for At-Risk students and restore funding from cuts to education over the last biennium. The state has a constitutional duty to meet its education funding obligations and should refrain from changes in methodology and the division of financial responsibility that result in a further shift of funding responsibility from the state to localities. These shifts do not change what it actually costs to provide education but simply transfers additional costs to local governments, and ultimately to the local real estate tax base.

Educational Funding – SOQ Funds for ESL: Harrisonburg has a very high percentage of ESL students in its school system relative to most of the Commonwealth due to immigration and refugee resettlement which requires the system to spend nearly two dollars for every one in SOQ funds for ESL. Targeted, additional funding should be provided to localities with significantly high ESL student populations.

Local Law Enforcement Funding: The Commonwealth should be equitable in its support for local law enforcement funding both to those localities with police departments (HB 599 funding) and to those in which Sheriff's Departments provide law enforcement (through the Compensation Board). Cities should not bear a disproportionate burden for law enforcement funding through continued reductions in funds provided by HB 599.

Transportation Funding - Revenue Sharing: Preserve the Revenue Sharing program administered by the Virginia Department of Transportation. This program allows localities to leverage funds for needed projects that have no other source of funding.

Transportation Funding - Smart Scale: Support local and regional applications to the Smart Scale project selection process. Smart Scale promotes the implementation of safe and efficient transportation systems.

Transportation Funding – Roadway Maintenance Payments: Localities like Harrisonburg, that receive roadway maintenance payments from the Commonwealth based on moving-lane miles of roadway should not see those payments reduced if moving-lane miles of roadway are converted to bicycle-only lanes. Municipalities will not reduce their funding for maintenance after any such conversion.

Children’s Services Act (CSA): CSA funding continues to be a serious concern. Actions taken by the General Assembly have increased mandated services and shifted costs to the localities. The General Assembly should refrain from adding additional mandated services and should fund its full share of the CSA program.

Economic Development: Preserve existing incentive and grant funds offered by the Virginia Economic Development Partnership, the Virginia Department of Agriculture and Consumer Services, the Department of Housing and Community Development, the Department of Environmental Quality, Virginia Tourism Corporation, and Virginia Commission for the Arts.

Historic Rehabilitation Tax Credits: Support this financing tool which supports the development and redevelopment of historic buildings.

Water Quality and Environment: Harrisonburg, like other localities continues to face significant financial burdens in its efforts to comply with water quality regulations. The management of all the related water quality programs imposes high costs on sewer and stormwater rate payers. Continued Federal and State assistance is required to avoid an unreasonable economic burden on City residents and businesses. The City urges support for the following positions:

- Oppose any legislation that would reduce the Harrisonburg-Rockingham Regional Sewer Authority’s nutrient allocations, require the authority to re-justify its nutrient allocations for its existing treatment facility, or otherwise take away any nutrient allocation or related treatment capacity.
- Continue to adequately fund the Virginia Cleanwater Revolving Loan Fund (VCWRLF) program and make available low and zero interest loans for water quality improvement projects that are necessary for permit compliance and the achievement of the goals of the Chesapeake Bay and other local Total Maximum Daily Loads(TMDL)s.
- Support efforts to fund the Stormwater Local Assistance Fund in the amount of \$50 million to help localities offset some of the multi-billion dollar cost attributed to stormwater through the Chesapeake Bay TMDL.
- Oppose any efforts to exempt certain properties from stormwater utility fees. Additionally, oppose efforts to provide reduced stormwater fees for certain properties or situations. Equitable distribution of stormwater program costs is essential to meeting regulatory requirements and minimizing stormwater rates.
- Oppose any efforts to increase DEQ’s penalty authority against localities.

- Oppose more stringent requirements and regulations associated with the land application of biosolids.
- Oppose efforts to regulate water and wastewater utilities by the State Corporation Commission.
- Support funding associated with lead water service replacement efforts.

Medical Use of Marijuana and Decriminalization: Support the expansion of an affirmative defense to prosecution for the possession or distribution of marijuana if a person has a valid written certification issued by a practitioner licensed by the Virginia Board of Medicine to prescribe cannabidiol oil or THC-A oil for the treatment of, or to alleviate the symptoms of, cancer, glaucoma, HIV, AIDS, ALS, MS, PTSD, traumatic brain injury, and other chronic or terminal conditions. Also, support a change to the Code of Virginia to make anyone found to be in the simple possession of no more than 0.5 oz. of marijuana for personal use subject to a civil rather than criminal penalty. Individuals under 21 years of age found to be in possession should still be required to undergo drug screening and participation in a treatment or education program as a condition of the suspension of a conviction if appropriate.

Full Funding for Virginia State Parks: Support full funding for Virginia State Parks, and support what is needed to adequately maintain and operate current facilities, infrastructure, and authorized future construction, as detailed in the Virginia Association for Parks' Needs Assessment.

Incentives for In-Fill Development/Tax Abatement: Support allowing local governments greater flexibility in creating incentives for in-fill development, including tax abatement for properties that do not have derelict structures.

Price Floor for Regional Gas Taxes: Support an amendment to Virginia Code §58.1-2295 that would establish a protective floor price for the 2.1 percent regional gas tax, such as was done for the statewide fuels tax in §58.1-2217. Such a floor concept is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects.

Regional Greenhouse Gas Initiative and Commonwealth Resilience Fund: The General Assembly should address greenhouse gas emissions targets through the Regional Greenhouse Gas Initiative (RGGI) or carbon credit auctions. All proceeds derived from the auction of credits should be used to establish the "Commonwealth Resilience Fund," a special state-dedicated fund to assist localities in addressing flooding, energy efficiency improvements, and economic development.

School Capital Funding Pilot Program: Harrisonburg like other Local governments pay the majority of public school capital costs. Communities struggle to balance financing the infrastructure and operational costs for 21st century learning environments with other public

infrastructure and service needs. Harrisonburg supports new avenues for funding public school construction and renovation costs, including the creation of a pilot program of competitive grants using funds from the Virginia Public Building Authority to offset new construction or renovation costs for publicly owned and operated K-12 schools

Statewide Taxing Authority for Transit Capital Needs: Public transportation is critical to the economy and quality of life of all Virginians. Harrisonburg supports legislation that would allow localities to adopt additional regional or local taxes to provide needed capital funds.

Taxing, Licensing, and Registering Internet-based Businesses and Services: In taking state action to regulate private enterprises employing a business model that emphasizes the use of the Internet to either provide retail or facilitate lodging or ride-sharing services, local government interests should be acknowledged and localities should be included in the decision-making. As general principles, Harrisonburg believes state and local policies should (1) encourage a level playing field for competing services in the marketplace; (2) seek to preserve and/or replace local and state tax revenues; (3) ensure safety, reliability, and access for consumers, providers, and the public; and (4) protect local government's ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

Other Legislative Priorities

James Madison University: As the largest employer in the Shenandoah Valley and Harrisonburg City, JMU contributes substantially to the local economy by providing over 3,700 jobs to both faculty and staff, and in supporting an estimated 4,600 non-JMU jobs in the local community. In FY 16, spending by JMU, its students, employees, and visitors totaled over \$480 million. The University also attracted nearly 280,000 visitors to the Harrisonburg area who shop, dine, and lodge in local stores, restaurants, and hotels. The University contributes significantly to local economic development and volunteer groups in the community. The City of Harrisonburg and JMU work in partnership on many large projects that will have a positive impact on our community, such as the Hotel Madison and Shenandoah Valley Conference Center. Fully funded University operations are critical to our local economy.

Communications Sales and Use Tax: Support legislation to reclassify the communications sales and use tax as a local not a state tax.

Exemptions from Local Ordinances: Oppose any legislation that would exempt churches and other religious and non-profit organizations from neutral, generally applicable local ordinances, and in particular local health, safety and zoning ordinances.

FOIA Exemption on the Release of Information Pertaining to Closed Criminal

Justice Case Files: Oppose legislative action to remove the current FOIA exemption on the release of information pertaining to closed criminal justice case files. While not preventing the disclosure of information from closed criminal case files, the exemption allows law enforcement agencies the option to decline disclosure in situations where such disclosure is deemed likely to

compromise ongoing criminal investigations; to identify at-risk witnesses, informants or victims; or to otherwise jeopardize public safety. Beyond the scope of endangering witnesses, informants or victims in certain cases, indiscriminate release of all closed case information would significantly hamper current criminal investigations involving the same suspect, similar modus operandi, etc. A primary reason for keeping investigative details from public knowledge is to preserve investigators' ability to evaluate the validity of information gathered from various sources.

Line of Duty Act: Support initiatives that return program funding responsibility to the state. Should this unfunded mandate continue, support efforts to implement the recommendations of the 2014 Joint Legislative Audit and Review Commission (JLARC) "Line of Duty Act Report".

Reimbursement for Political Party Primaries: Support the full reimbursement to localities for the costs related to political party primaries.

Reimbursement for General Registrar and Electoral Board Expenses: Support the full reimbursement by the State to the localities for the compensation and expenses of the General Registrar and Electoral Board.

Social Services: Maintain funding for workforce re-training through appropriate agencies, retaining Virginia Initiative for Employment not Welfare (VIEW) staff and funding in Social Services. This program has successfully helped Temporary Assistance for Needy Families (TANF) recipients secure and maintain jobs.

State Aid to Public Libraries: Restore state aid for libraries to at least FY 2010 levels. Public libraries serve as resources for early childhood education and for the unemployed seeking job opportunities.

Substance Abuse Treatment: Restore state funding for substance abuse treatment programs. Such funding could be provided to Community Service Boards, programs such as "The Healing Place" or other pilot programs.

Tax on Electronic Cigarettes and Vapor: Support legislation to allow localities to tax electronic cigarettes and vapor in a manner similar to traditional cigarettes.

Taxes on Local Services: Oppose the imposition of a state fee, tax or surcharge on water, sewer, and solid waste or on any other local government funds or services.

Telecommunications and Wireless Technology: Maintain local authority over zoning, land use, rights-of-way and taxation. Limit new state regulation preempting local authority regarding the use and compensation of local rights of way for telecommunications.

Workers Compensation Medical Fees: Virginia should adopt Medicare-based fee schedules for setting medical provider fees in workers' compensation cases, instead of the prevailing community rate standard now used. This will make providing workers' compensation coverage more affordable and will adequately protect the financial interests of the medical providers of Virginia.