

**AUGUSTA COUNTY BOARD OF SUPERVISORS**  
**Legislative Issues, Priorities, and Proposals**  
**2017 Session**

**The relationship between the Commonwealth and its local jurisdictions has deteriorated over the last several years with responsibilities and costs being shifted to local governments. The Board of Supervisors commends the Governor and the General Assembly for prior eliminating the “Local Aid to the Commonwealth” and encourages the General Assembly to eliminate any proposed reinstatement of this burden on local governments in SFY2017 as well as unfunded shifting of responsibilities to local governments.**

**The State should consider reimbursing localities for past “allocations”:**

<b>2009</b>	<b>\$50 million</b>
<b>2011</b>	<b>60 million</b>
<b>2013</b>	<b>50 million</b>
<b>2015</b>	<b>30 million</b>

**For Augusta County this reimbursement would total \$1.6 million**

**Additionally, The Board would request that the General Assembly consider an additional \$1.7 million reimbursement to Augusta County for Middle River Regional Jail.**

**Augusta County has two priority legislation issues for the 2017 General Assembly Session:**

**Fair Taxation ability for Counties:**

Counties need a fair playing field with cities in regard to the ability to tax. Counties should have the ability to impose a cigarette tax and to raise the meals tax without a referendum. Currently cities can implement both of these taxes without having to go to a referendum. Being able to adjust these taxes gives cities the ability to increase their cash flow. Counties should be on an even playing field with the cities in regards to the right of taxation.

Specifically the meals tax legislation in section 58.1-3833 of the code of Virginia places a disadvantage to counties. This legislation should be changed to allow counties the opportunity, if they so desire, to raise the meals tax without a referendum.

Augusta County’s meals tax is set at 4% which generated \$2,458,522 in revenues for FY16. Each of the Cities surrounding Augusta County also impose a meals tax, with Staunton and Waynesboro both at 6%. The cities’ ability to have a higher meals tax and to increase the meals tax without a referendum provides them more funding options that the county cannot utilize.

**School Composite Index Formula**

Support legislation to adjust the calculation of the local Composite Index for public school funding by directing the Department of Education to adjust its funding calculations for the local ability to pay by using the use-value assessment of real property, instead of the true value, in localities that have adopted use-value taxation. By putting this in place, the Commonwealth can align its goals across programmatic areas.

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**Other General Priorities:**

**Mandates:**

Mandates from the General Assembly come to local governments in two forms:

- Issues that local governments have to perform which they are not currently performing (this item means additional expenditures in local budgets); and
- Issues which involve revenue reductions either by cutting state revenue that has historically been shared with local government (example – ABC profits), or the abolition/altering of local revenues (example – car tax, BPOL, machinery and tools tax).

Workgroups considering local mandates need to be bold in their recommendations for the 2017 Session and include reduction of financial burdens on local governments.

**State Funding for Any New State Initiatives:**

The Commonwealth should bear 100% of the cost for any service or program mandated by the state.

**Public Education**

Since 2009, the state has reduced its per pupil contribution to Augusta schools by \$791; this represents a 16% decrease. Local funding has increased \$815 per pupil from 2009 to 2015, or 25% (from \$3,276 to \$4,091). The state needs to fully and realistically fund its responsibility for high quality public education.

**State Funding for Mandated and Shared Programs:**

The state has enacted programs which are overseen at the state level and administered at the local level and then required the localities to fund increasingly larger shares of the expense of these programs, whether directly or through re-defining terms within the formulas used to compute such funding requirements. The state needs to fund its true and responsible share of these programs including:

- education, including:
  - \*sufficient funding for K-12
  - \*sufficient funding for the SOLs
  - \*additional funding for school construction;
- public libraries;
- constitutional officers and their offices;
- area agencies on aging;
- community service boards;
- mental health and intellectual disability programs and facilities;
- funding for local EMS and Rescue Squad training;
- the mandated replacement of election equipment; and

-law enforcement agencies and staff, including total compensation and benefits

**Funding for Local Libraries:**

The state has enacted a formula for full funding of local public libraries; however, the Commonwealth has not fully funded the formula, leaving great disparities in library access across the Commonwealth. The Commonwealth needs to fully fund the local library formula.

**Transportation:**

Augusta County opposes legislative or administrative initiatives that transfer to counties the responsibility for the construction, maintenance or operation of new and existing roads. We believe it is important to closely monitor the implementation of HB 2 and HB 1887 and determine whether process improvements need to be made. We are also concerned about the condition of secondary roads throughout the County. While we have seen a slight increase in funding in the Secondary Six Year Improvement Plan, needs still overcome the funding available to make substantial improvements.

The Board of Supervisors believes that sustainable, dedicated sources of revenue reserved for transportation only are the fairest ways to fund the increasing transportation needs. We also believe that revenue sources should be found that maximize the payments by out-of-state drivers that travel the Virginia transportation system. Substandard road conditions are a tax in themselves.

**Machinery and Tools Tax & Business, Professional and Occupational Taxes:**

While neither of these taxes is particularly “popular” with various constituencies, unless and until the Commonwealth enacts replacement revenue sources for local governments, the two above-referenced taxes must stay in place as options for local governments. It is irresponsible to further add to the real property tax burden on constituents by eliminating more diverse revenue sources for local governments. A loophole in the BPOL is growing by virtue of the buying up of doctors’ practices by untaxed (not-for-profit) hospitals. Not only do local governments forego real property taxes on these hospitals and their expansions, but now, the impact on BPOL is becoming yet one more burden to be offset by residential real property taxes.

**Children’s (Comprehensive) Services Act (CSA) Costs:**

This “partnership” program has been in existence for over a dozen years, during which time County costs have increased significantly. Something must be done. A comprehensive, objective JLARC study which would include the judiciary and how judges are using the CSA, including for those charged with felony acts, needs to occur and to include, the local and state costs associated with such judicial actions and potential revenue streams to cover those costs outside of CSA (eg., Juvenile Justice).

**Land-Use Decisions:**

Local land use decisions should remain at the local level without unreasonable or arbitrary state constraints.

Legislation on cash proffers or similar legislation should not affect counties that don't use cash proffers nor should it interfere with those that accept on- or off-site, non-cash voluntary proffers. Concerns and issues still remain with the 2016 proffer bill. Amendments to the 2016 legislation are crucial to balance land use decisions throughout the Commonwealth.

### **Storm Water Regulations:**

The current process to reject a developer's BMP are extremely burdensome and requires a long review period by the state. Decisions on acceptable BMPs that are intended to be maintained by the locality should rest solely with the locality responsible for the maintenance of the proposed BMP: We support adequate funding to enable local governments to meet ongoing costs associated with local storm water management programs that became effective on July 1, 2014. We believe it is critical for the state to evaluate the effectiveness of the fee structure as outlined in the Virginia Storm Water Management Permit regulations because these fees are the PRIMARY source of revenue for funding local storm water management programs.

Inspection by both the state and local government when local erosion and sediment control requirements and ordinances are identical to the state's requirements is wasteful. The recent TMDL requirements along with storm water regulations pose a significant burden on local governments as well as developers. When applied to existing development, these become an unfunded tax burden on residents and businesses.

We also support legislation to:

- Amend Section 62.1-44.15:48 of the Code of Virginia to remove the requirement that proceeds from penalties must be used only for purposes mandated under that section of the Code.
- Remove the requirement from the Construction General Permit that permittees must comply with Virginia's post construction standards for water quality.
- Amend Section 62.1-44.15:28 of the Code of Virginia to give localities the ability to waive the state's portion of the VSMP fees if a locality waiver policy has been implemented by a locality and approved by the Board. We also request a new locality/state workload analysis to justify the state's portion from the storm water permit fee. The new analysis should address long-term responsibilities placed on localities that previous studies ignored.
- Amend Virginia's Storm Water Management Law that would distribute a maximum of 10 percent of statewide storm water fees revenue to the Virginia Storm Water Management Fund with the remaining 90 percent remaining with local governments.
- Amend Section 62.1-44.15:33 of the Code of Virginia to mandate that the State Water Control Board consider long-term maintenance costs of a Best Management practice when approving a local storm water program.

**Nutrient Credits:**

Support legislation for localities to retain their Nutrient Credits from “unused” Wastewater Treatment Plant capacities.

**Large Utility Projects (Pipelines)**

Support adequate direction and resources for the Department of Environmental Quality (DEQ) to provide monitoring and enforcement of Erosion and Sediment Control and Storm water requirement by entities constructing large-scale utility projects. DEQ should conduct a review of the annual standards, specifications and construction general permit requirements for these projects to determine if they are providing adequate protection of water quality and natural resources.

**Local Government Operations:**

**Annexation:**

The General Assembly needs to end annexation in all parts of the Commonwealth of Virginia. The General Assembly should guarantee “599” funding increases to all localities with police departments.

**VAC § 9.1-701. Overtime compensation rate:**

If expanded, this has the same effect on businesses and local governments as collective bargaining; August County opposes such action.

**Legislative Nominating Processes:**

The costs of holding primary and special elections are not small for local governments. In the primary election in 2016, there were 3,225 total Augusta voters, 6.95% of the total registrant count of 46,396. The primary cost to the county was approximately \$25,000, or \$7.75 per vote. The state must continue to share in the costs of such elections or require those who use the primary election processes for nomination to share or bear costs. The Privileges and Elections committees should also study and report on alternative methods for legislative nominating that are less costly while still allowing a maximum voter input in the process. Ideas might include such constructs as all-day mass meeting voting at a limited number of site(s) for each district.

**Elections:**

Virginia Code 24.2-626 mandates that all localities to convert to optical scan voting equipment by July 1, 2020, without any state or federal funding provided. Rough estimates on the cost would be around \$300,000 for Augusta County. This would not include each election’s coding and testing expenses, the need for optical scan paper ballots for every voter in the locality (over 46,000) each election, and the needed additional storage required by both the county for the equipment and the Clerk of Court for the huge increase in ballots that will

be housed there for retention and recount purposes. Such a mandate without funding is fiscally irresponsible.

**Volunteer EMS and Rescue Squad Training:**

Augusta County supports practical and reasonable initial certification and ongoing continuing medical education (CME) requirements for county fire EMS and rescue squad volunteers. Augusta County recognizes the vital importance of volunteer EMS and rescue squad training; however, we do not support unreasonable education requirements that discourage public volunteer service.

**Fire and Rescue License plate requirements:**

The Virginia Department of Motor Vehicles provides specialized license plates for members of Fire Departments and Rescue Squads upon request. Although the plates afford no special privileges, they do look official and readily identify the operator of the vehicle as a member of a Virginia Fire Department or Rescue Squad. The Commonwealth obviously understands the quasi-official nature of these plates, as issuance requires an official form which includes a signature by the agency Chief to affirm the applicant is a member in good standing. Once a person obtains a Fire Department or Rescue Squad license plate, it is the opinion of the Department of Motor Vehicles that the plates become the property of the owner and there is no mechanism for the plates to be recalled. A member could theoretically be convicted of a crime which would cause them to be stripped of all Virginia training certificates and to be dismissed from an agency, yet they can, and often do continue to drive vehicles with Virginia Fire Department or Rescue Squad license plates. This creates a misleading scenario for the general public and in many small communities where citizens are aware of a former members' convictions, the integrity of the agency can be damaged.

This problem has been identified and discussed with DMV leadership at various points over the past several years. We have been advised the law must be changed to allow DMV to alter how they manage these specialty plates. We respectfully request that a bill be drafted which will allow an agency Chief to work through DMV to recall plates from members who are no longer affiliated with any fire or rescue agency in Virginia. This may be as easy as requiring the signature of the agency chief each time the plates are renewed.

**Public Notice Requirements:**

A thorough review of State Code requirements as they relate to "public notices" needs to be undertaken. A recent ordinance amendment notice cost August County in excess of \$3,400.00 for a single advertisement. Under certain Code requirements, multiple advertisements are required. The cost to the County for the most recent 12-month period was in excess of \$17,000 for such mandated public notices.

**Reform and Restructuring:**

The Reform and Restructuring Commission was strong in their recognition of the need to analyze legislation for its local impact, whether financial or otherwise; legislation must not move forward that has not been well analyzed and the state fiscal share appropriated. The General Assembly needs to examine carefully short-term and long-term effects on state government and local governments, particularly with respect to state and local budgets.

Many of the ideas that have been forwarded seem to have merit; however, the methods by which the concepts are proposed to be implemented have to be carefully reviewed for long-term effectiveness, efficiency and fairness.

The legislature may also put forward recommendations to prepare for potential health insurance expansion under the federal ACA. Any and all additional requirements for local departments of social services, health departments, etc., need to be fully and responsibly funded by the state and/or federal government and the implications vetted before moving forward.