



Legislation Details (With Text)

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 22, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:
Consideration of an Update On The 2016 General Assembly Session.

ISSUE: Update #3 on the 2016 General Assembly Session.

RECOMMENDATION: That City Council receive this report.

DISCUSSION: The 2016 General Assembly Session began on January 13 and is scheduled to adjourn on March 12. "Crossover" occurred last week. From now on, except for budget and revenue bills, the House can only take up Senate bills, and the Senate can only consider House bills.

On February 21, the Senate Finance and House Appropriations Committees reported their recommended amendments to the biennial budget that was proposed by the Governor in December. The full House and

Senate will vote on these amendments on February 25. Both bodies will spend the rest of the Session trying to reach agreement on the differences between their budget proposals. More details on the budget are included later in this Update.

City Package. In its Legislative Package, the City expressed support for bills to allow for no excuse absentee voting; to authorize early voting; to limit the interest rate and fees charged for payday and car title loans; to prohibit, limit the use of, or tax plastic grocery bags; to raise the minimum wage; to expand Medicaid; to increase charges for court costs and use these funds to support the City's Law Library; and to "Ban the Box" (eliminate questions about a person's criminal record on an initial employment application). Many bills were introduced to accomplish these goals, but they are all now dead.

Proposed constitutional amendments that would restore the right to vote for persons convicted of nonviolent felonies who have completed their prison sentences have been defeated or carried over to the 2017 Session (where they are likely to be defeated).

Finally, bills that would direct a portion of State recordation tax revenues into the Housing Trust Fund have been defeated in the House (HB 683), and carried over to the 2017 Session in the Senate (SB 105).

There is better news about some of the City Package proposals. Legislation that will require the use of population estimates, not population projections, by NVTa has passed both the House and the Senate with no negative votes. Legislation permitting local transit buses to use amber warning lights to prevent accidents has also been approved by both bodies.

A bill (HB 716) that would have significantly increased the weight given to congestion mitigation (at the expense of factors such as safety and economic development) when VDOT evaluates proposed transportation projects in Northern Virginia, was defeated. And legislation to create a Transit Capital Project Revenue Advisory Board (the Board will study what is needed to address the upcoming shortfall in State funding for transit capital) has passed the House unanimously and is now being considered by the Senate.

SB 742, which passed the Senate and is now before the House, would put a floor on the local tax imposed on motor vehicle fuels sold in Northern Virginia. The floor would be based on the cost of fuel on February 20, 2013. As the bill passed out of the Senate, it also raised the tax from 2.1 to 3 percent. The House has defeated a similar bill-HB 1008, patroned by Delegate Levine.

Legislation Affecting the City's Living Wage Program. No action has been taken by the Senate yet on HB 1371, which would prohibit a locality from requiring an employer within the locality to pay a living wage, or any other wage that exceeds what is required under federal law. Staff has alerted the Governor's Office that this bill may end up before him, and that some localities would be asking him to veto it. The bill is scheduled to be heard in the Senate General Laws Committee Tuesday afternoon, so staff may have an update at Council's meeting that evening.

Proffers. The Virginia Homebuilders' Proffers bill, which has been covered in earlier Updates, is the legislation that has received the most attention from local governments this Session. This bill, which will definitely pass, will make changes to the ability of localities to accept proffers from developers when the locality agrees to a rezoning. As noted in prior docket memos, the provisions of the bill that would have directly affected the way the City regulates new residential construction have been deleted from it.

In addition, a substitute for the Senate version of the bill was approved by the House Committee on Counties, Cities, and Towns on this past Friday. It contains some changes from earlier versions of the bill, and still

eliminates the section of the bill that would have had a big impact on the City: a provision that would have prohibited localities from placing restrictions on building materials and building designs. Identical changes are expected to be made to the House version of the bill when it is heard in the Senate Committee on Local Government this Tuesday.

Vacant Building Registration. As noted in staff's oral report at the February 9 Council meeting, Senator Ebbin's legislation that would have allowed the locality to require the registration of any vacant building (SB 481) was defeated, 9-3, by the Senate Local Government Committee. After the defeat of Senator Ebbin's bill, Delegate Herring withdrew HB 1307, which had a similar purpose. Both bills were opposed by the Northern Virginia and statewide Realtors' Associations.

Airbnb. Legislation to move the regulation of, and tax collection from, Airbnb facilities to the State level is proceeding through both the House and the Senate (HB 812, SB 416). SB 416 passed the Senate by one vote (20-19), while HB 812 passed the House by a much larger margin (75-22). Although some improvements have been made to the bills since they were introduced, no local government has shown support for them.

The current version of SB 416 (which has been updated more recently than HB 812) requires localities to treat Airbnb facilities the same as any other residential property, with no additional zoning or licensing requirements. "Hosting platforms," such as Airbnb may (but are not required to) register with the Virginia Department of Taxation; the hosting platform would then be responsible for collecting and remitting to the Department of Taxation any taxes (such as transit occupancy and sales taxes) owed by Airbnb homes. The Department of Taxation would be responsible for distributing to localities the portion of these taxes that are owed to them.

Any information on which homes in a locality are Airbnb homes will remain confidential and will not be provided to localities.

Local governments will continue to work with legislators to make improvements to the bills, but it is unlikely that they will be changed enough to receive the support of cities and counties.

The Virginia Housing Commission is being directed to convene a workgroup of all stakeholders to further examine land use, tax, and other issues related to Airbnb.

Dooring. Staff continues to monitor SB 117, informally referred to as the "dooring" bill, which would penalize the "operator" of a parked vehicle who carelessly opens a vehicle's door and causes an accident with a bicyclist, pedestrian, or another vehicle. The bill passed the Senate, and has been sent to the House Transportation Committee. It was approved 4-3 in one of the Transportation subcommittees Monday morning. It will likely be considered by the full Committee Tuesday morning.

License Plate Readers and Body Cameras. Several bills were considered that would have regulated the use of body cameras and limited the time that license plate reader data could be retained. All these bills were defeated, although some of the issues behind them may be studied by the State Crime Commission.

Stormwater Management Program Service Charges. SB 468 as introduced would have required any locality with a stormwater management program that includes a system of service charges to exempt from the service charges any property that retains stormwater on-site. The City opposed the bill as introduced. While this provision was eliminated as the bill went through the Senate, a provision was added that exempts railroad right-of-way that is covered with ballast and rail from the charges. Localities are currently trying to get this provision removed from the bill.

State Budget. The House Appropriations and Senate Finance Committees met on Sunday, February 21, to report on their proposed amendments to the budget that was proposed by Governor McAuliffe on December 17, 2015. There are a number of items are of interest to the City. These include the following.

- The House has proposed a reduction in HB 599 funds (local law enforcement funding) coming to the City. HB 599 statewide funding increases are based on projected increases in State general fund revenues. The Governor's budget assumes that general fund revenues will be 3.9 percent higher in FY 2017 than 2016. The House, however, lowered the growth projection to 3 percent-or about 25 percent less growth than what is assumed in the Governor's budget. Consequently, the House reduced the increase in HB 599 funding by 25 percent. Staff had estimated that, under the Governor's budget, City HB 599 funds would grow by about \$200,000 in the coming fiscal year. It appears now that this growth will be approximately \$150,000 if the House prevails on this issue. The Senate did not propose a reduction in HB 599 funding.
- Both the House and Senate have proposed a number of changes to what had been recommended by the Governor in his budget. These include changes to Cost of Competing funding for Northern Virginia, as well as increases in State funding for teachers' salaries (although increases in State funding for teacher salaries do not provide much money to the City's schools, since the State provides such a small portion of the Alexandria City Public Schools' [ACPS] budget). The State provides about \$40.1 million in funding for the Alexandria school system in the current fiscal year. For FY 2016, the Governor had proposed \$43,315,271 for ACPS; the House has lowered this slightly to \$43,313,334; and the Senate has recommended a higher amount--\$43,554,357.

Attachment 3 is a copy of a letter recently sent by the Northern Virginia Mayors and Chairs to members of the region's legislative delegation, urging them to fully fund the Cost of Competing for Northern Virginia school systems (Attachment 3).

- It appears that the Governor, the Senate and the House have all recommended that each locality be authorized to set eligibility standards for up to 15 percent of the locality's families participating in VPI (the Virginia Preschool Initiative). This should allow most, if not all, Alexandria families who currently participate in VPI to continue to do so.
- It is unclear whether either the House or the Senate has proposed language to eliminate the reversion of court-collected fines and fees (for the violation of local ordinances) to the State. We will likely know for sure when the more detailed budget "half sheets" are released by each committee on Tuesday.
- The Senate has recommended a 2 percent salary increase for state-supported local employees on December 1, 2016; the House has proposed a 3 percent increase effective the same day.
- The Governor proposed increasing the annual appropriation to the Virginia Housing Trust Fund to \$10 million annually. The Senate has recommended a \$6 million annual appropriation; the House has proposed only \$4 million a year.
- In their continued attempt to address the needs of Virginians with mental health problems, both the House and the Senate have added resources for a number of programs, including child psychiatry services, children's crisis response, supportive housing for individuals with mental illness, and Medicaid waivers for those in need of mental health and related services.

- The Governor proposed an increase of \$250,000 each year of the biennium for Project Discovery. The House has rejected this increase, while the Senate appears to have proposed doubling the increase-to \$500,000 annually.

The House and Senate will debate these proposed amendments on Thursday, February 25. Few, if any, changes are likely to be made that day. For the next 10 days to two weeks following that, conferees from both bodies will meet to reach agreement on the differences in the House and Senate proposals. Final agreement on the budget is likely to come in the last week of Session.

ATTACHMENTS:

Attachment 1. Current Status of City Package Bills, February 19, 2016

Attachment 2. Status Report on Bills on Which the City Has Taken a Position, February 19, 2016

Attachment 3. Letter from the Northern Virginia Mayors and Chairs on Funding for Cost of Competing

STAFF: Bernard Caton, Legislative Director