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Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 6, 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 #4 on the 2016 General Assembly Session.

RECOMMENDATION: That City Council receive this report.

DISCUSSION: The 2016 General Assembly Session is in its final days. It is scheduled to adjourn Saturday, March 12; it may adjourn a day or so early. There are several dozen bills that are in conference or otherwise still making their way through the process. All bills must be out of committee no later than midnight on Monday, March 7.

The most significant bill still in process is the State budget, which is in conference. Once the budget conferees reach agreement, their conference report cannot go to the House and Senate floors for a vote any sooner than 48 hours after copies of the conference report are made available to all legislators (this requirement was included

in the Procedural Resolution adopted at the beginning of Session).

The Governor will have 30 days following Session to review all the bills that have passed and decide whether to sign them, send them back to the General Assembly with proposed amendments, or veto them. The Reconvened Session, at which the General Assembly will accept or reject the Governor's amendments to, or vetoes of legislation, will be held on April 20.

City Package. As noted in the last Update, many of the bills that would have enacted positions in the 2016 City Package have died. Since the last Update, the House defeated legislation that would have put a floor on the local tax imposed on motor vehicle fuels sold in Northern Virginia and Hampton Roads.

Several City Package items, however, have passed the General Assembly. Legislation requiring NVRTA to use population estimates rather than projections has passed both houses and awaits the Governor's signature. Bills that permit local transit buses to use amber warning lights to prevent accidents have also been approved by both bodies and signed by the Governor. 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 and the Senate; it is now awaiting House approval of some Senate amendments.

Legislation Affecting the City's Living Wage Program. 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, has passed both the House and Senate. The Mayor has written a letter to the Governor, asking that he veto the bill. Other localities with living wage ordinances (Arlington and Charlottesville) have also requested a veto from the Governor.

Proffers. The Virginia Homebuilders' Proffers bill has now passed the House and Senate, and has gone to the Governor for his decision on whether to seek further amendments to it, veto it, or sign it. 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. Some localities are asking the Governor for further amendments to this bill; others are asking him to veto it. He has until March 8 to take action on it.

Airbnb. Changes to the law to authorize Airbnb in Virginia have been put on hold for a year. Legislation that would have moved the regulation of Airbnb facilities to the State was amended in several ways.

First, it requires on-line lodging companies, like Airbnb, to register with the Virginia Department of Taxation and collect and remit State and local taxes on every Airbnb (or similar company's) lodging transaction; an earlier version of the bill allowed registration and collection of taxes, but did not require it.

The amended bill also allows localities to adopt ordinances related to noise, parking, health and safety and related issues for "limited residential lodging," provided the ordinances are not more burdensome than restrictions placed on other residential property. Localities can also require the Airbnb operator to carry liability insurance for a "limited residential lodging" property, unless this insurance is provided by the "hosting platform" (e.g., Airbnb).

The legislation directs the Virginia Housing Commission to convene a work group with representatives of the hotel industry, companies like Airbnb, local government, state tax officials, and property owners to study issues related to Airbnb rentals and report back to the General Assembly with recommendations and draft legislation by December 1, 2016.

Most importantly, this bill will not become effective unless and until it is reenacted by the 2017 Session of the

General Assembly.

The bill now goes to the Governor for his signature.

Dooring. SB 117 (informally referred to as the “dooring” bill), 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. This week the bill passed the House Courts Committee (14-8), and now awaits a vote by the full House. Staff will give an oral update on this bill at the Council meeting.

Stormwater Management Program Service Charges. SB 468 originally would have required any locality to exempt any property that retains stormwater on-site from paying service charges related to the locality’s stormwater management program. This “retention on-site” provision was eliminated from the bill, but a new provision was added that would have exempted railroad right-of-way that is covered with ballast and rail from the charges. A House amendment removed the railroad exemption, but the Senate refused to agree to the House amendment. The bill is now on its way to a conference committee.

Constitutional Amendment-Local Option Property Tax Exemption. Council may remember that in the 2015 Session the General Assembly enacted legislation that, if reenacted this Session, would put before the State’s voters a proposed constitutional amendment pertaining to the real property tax. The amendment would give localities the option to exempt from taxation the real property of a surviving spouse of a law-enforcement officer, firefighter, or emergency medical services person who was killed in the line of duty.

The bill was reenacted this Session, so the proposed amendment will be on the ballot in November.

Conflict of Interests Act. A number of modifications are being made to the Conflict of Interests Act, which was significantly revised in the 2014 and 2015 Sessions. Most of these revisions will not be as significant as those of the last two years. Among those that are included in the bills that are still alive are these:

- A “gift,” which is currently defined as anything worth \$50 or more, is being redefined as anything with a value of \$20 or more;
- No food or beverage at an event will be considered a gift, no matter what the value;
- Disclosure statements and lobbyist reports will be required annually; they are now required semiannually, although this has been the case only since last year-prior to that, they were required annually;
- The value of gifts that must be reported on disclosure statements is being increased from \$50 to \$100.
- When the Conflicts Act was revised in 2015, a provision was added that said that a local official or employee could not be prosecuted for a violation of the Act if he was basing his actions on a written opinion from the locality’s attorney. Upon further reflection after Session, there was concern that a conflict may arise if a member of the governing body asked its attorney for such an opinion. Consequently, this provision is being rewritten to say that if the local official or employee is charged with a violation, and the alleged violation resulted from his reliance upon a written opinion of his locality’s attorney, the official or employee can introduce a copy of that opinion at his trial as evidence that he did not knowingly violate the Act. This change will allow the official or employee to be prosecuted.

These bills (there are several of them) are still undergoing scrutiny in committee and on the floor. They are likely to be some of the last ones acted on during the Session. After that, they will go to the Governor, where they will likely face further scrutiny before he signs, vetoes, or proposes amendments to them.

State Budget. As noted above, House and Senate conferees are working to come to agreement on a biennial budget for FY 2017 and FY 2018. Most observers believe that they will reach agreement no later than Monday or Tuesday (March 7 or 8) of the final week of Session. It would be very unusual for the full House and Senate not to accept the Budget conferees' recommendations when they are presented.

With the concurrence of Council's Legislative Subcommittee, staff asked its legislative delegation (particularly Senator Saslaw, a budget conferee) to seek to have the following items included in the final budget:

1. The Senate recommendation to approve the Governor's funding level for HB 599 (local law enforcement) funding. The House amendment would give the City about \$50,000 less than that proposed by the Governor and Senate in HB 599 funding in FY 17.
2. The Senate's proposed funding for K-12 education, which would provide about \$240,000 more for the Alexandria School System than either the House or the Governor proposed.
3. The Senate proposal for \$20 million in bonds for localities to address stormwater pollution; this would provide matching grants for local efforts.
4. The House inclusion of \$500,000 to assist localities in their administration of the CSA (Children's Services Act, which used to be the Comprehensive Services Act); and the House appropriation of an additional \$4 million annually for the operation of local social services departments.
5. Continued funding for transportation revenue sharing, which matches one local dollar for every State dollar appropriated to this program. A Senate amendment calls for level funding of this program (approximately \$380 million for the biennium; the Governor proposed only \$250 million); the City prefers the Senate proposal.
6. The City's 2016 Legislative Package requested the end of the program that allows the State to take a portion of local court fines; although neither the House nor the Senate proposed the elimination of this program, the language is not the same in the two budgets, which means it is an item for discussion by the conferees. The City continues to seek the program's elimination.

ATTACHMENTS:

Attachment 1. Current Status of City Package Bills, March 4, 2016

Attachment 2. Status Report on Bills on Which the City Has Taken a Position, March 4, 2016

STAFF: Bernard Caton, Legislative Director