



Legislation Text

File #: 20-0426, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 24, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER

DOCKET TITLE:

Update on the 2020 General Assembly Session.

ISSUE: Update on the 2020 General Assembly Session.

DISCUSSION: The 2020 General Assembly Session began on January 9 - February 25 will be the 49th legislative day of the session. Since this is a long legislative session with the General Assembly in session for 60-days this year, sine die is currently scheduled for March 7. Sarah Taylor, the City's Legislative Director, will continue to represent the City in Richmond throughout the General Assembly Session.

Legislative Package - The City's 2020 Legislative Package has proposals organized into two sections - Legislative Principles and Legislative Priorities.

The section of Legislative Principles is structured around the City's Strategic Plan and creates a clear nexus between the City's goals and the legislative and funding measures necessary for us to achieve these goals. In general, the Legislative Principles are broadly crafted and focus on comprehensive legislative strategies rather than specific legislative tactics.

Legislation that aligns with and supports the City's Legislative Principles has been filed in each area, including: affordable housing authority; anti-discrimination in the areas of housing, employment, credit and public accommodations; procurement flexibility for localities; common sense gun safety, including "red flag" laws and stronger background checks for all gun buyers; decriminalization of marijuana possession; local authority regarding war memorials on public property; banning conversion therapy for LGBTQ youth; automated speed enforcement; single use plastic and Styrofoam products; taxing e-cigarettes and vaping products; raising the tax on tobacco products; and protecting vulnerable road users.

Several key pieces of legislation that align with the City's Legislative Principles saw action since last report, including:

- Plastic Bag Tax: Several bills were introduced this session to reduce the impact of plastic bags on landfills and state waters. The strategy for these bills continues to evolve.

In the House, HB1151 (Lopez) was reported out of the House on a 50-46 vote. The bill allows for localities to impose a tax on single-use plastic bags. The bill, however, would direct all revenue to go to the state, with funds allocated to the Virginia Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund. The bill is scheduled to be heard in the Senate Finance and Appropriations Committee this week.

HB534 (Carr) imposes a statewide \$.05 fee on all single use plastic bags. Revenues would be collected by the state and directed to the Water Quality Improvement Fund and the Litter Control and Recycling Fund. HB 534 passed out of the House on a 52-46 vote after initially failing on a 50-49 vote. The bill is scheduled to be heard in the Senate Finance and Appropriations Committee this week.

SB11 (Ebbin) would allow localities to impose a \$.05 fee on all single use plastic bags. Revenues would be collected by the localities with a portion of the fee remaining with the retailers and the majority of the fee remaining with the locality to be used for the purposes of local and regional recycling programs, solid waste and environmental cleanup, water pollution mitigation, or mitigation of pollution and litter. The bill was passed out of the House Finance Committee 13-9 and is awaiting Second Reading in the House.

In order to truly achieve the goal of a plastic bag tax, both changing behavior as well as raising revenue to mitigate the impacts of plastic bags in our communities, efforts are ongoing to earmark a portion of the tax revenue for local governments directly. We are continuing to work with the patrons and stakeholders to ensure that any fee imposed by a locality will remain in that community, at least in part, and be dedicated to address local environmental challenges.

- Styrofoam Container Ban: HB533 (Carr) would ban the dispensing of Styrofoam containers by all food vendors effective July 1, 2025. The bill would impose a fine of no more than \$50 per day for any person who violates the ban, with the revenue to be deposited in the Litter Control and Recycling Fund. The bill passed the House and was amended in the Senate and passed 23-13 with a reenactment clause, stating that the bill shall not become effective unless reenacted by the 2021 Session of the General Assembly.
- Marijuana Decriminalization: HB972 (Herring) and SB2 (Ebbin) are the current vehicles to decriminalize simple marijuana possession. Both the House and Senate have passed their respective bills to decriminalize marijuana, and the patrons have struck a deal to make them identical. This will keep the bills out of a conference committee, which would be necessary to resolve any differences between the bills, and speed up the process of sending the final legislation to the governor's desk. The final version of the House bill will be considered in the Senate Finance and Appropriations Committee this week. The Senate bill passed out of House Appropriations 16-6 late last week.
- Local Authority to Address War Memorials: HB1537 (McQuinn) provides that "a locality may remove, relocate, or alter any monument or memorial for war veterans located in its public space, regardless of when erected." Currently, localities are not permitted to take these actions. The bill was voted out of the House of Delegates 53-46 and will next be considered by the Senate Local Government Committee.

The Senate version, SB183 (Locke), passed out of the Senate 21-19 and will next be considered by the House Counties, Cities and Towns Committee. The Senate version includes a very prescriptive process localities must undertake in order to remove, relocate or alter a war memorial in a public space.

The differences between the House and Senate bills are likely to be resolved in conference.

The City's Legislative Priorities are, generally, specific revenue and legislative proposals that the City has identified as the issues of greatest impact to the City. These are the issues the City intends to continue expending significant political capital on and the issues that we intend to ask our General Assembly delegation to engage in on behalf of the City.

Some significant bills that align with the City's legislative priorities saw action this week.

- Virginia's Participation in the Regional Greenhouse Gas Initiative: HB981 (Herring) would bring Virginia into the Regional Greenhouse Gas Initiative (RGGI). Under Del. Herring's proposal, RGGI auction funds would be deposited into a state fund for distribution to the renamed Virginia Shoreline Resiliency Fund, low-income energy efficiency programs and statewide climate change planning and mitigation efforts. The bill passed out of the House 53-46 and passed the Senate Agriculture, Chesapeake and Natural Resources Committee 8-7. It will next be considered by the Senate Finance and Appropriations Committee.
- Drivers Licenses for Undocumented Immigrants: Legislation in both the House and Senate would allow undocumented immigrants to obtain driver privilege cards or driver's licenses.

SB34 (Surovell) authorizes the issuance of new "driver privilege cards" by the Department of Motor Vehicles (DMV) to immigrants regardless of their legal status. The bill requires anyone applying for a driver privilege card to present an individual tax return filed with the Commonwealth in the preceding 12 months. It does not permit an individual to waive any part of the driver examination. These driver privilege cards and permits will state "NOT VALID IDENTIFICATION FOR FEDERAL, VOTING, OR PUBLIC BENEFIT PURPOSES" in bold print on the face of the card or permit. SB34 passed the Senate 21-18 and passed out of the House Transportation Committee 13-9 and the House Appropriations Committee 14-7. It is awaiting first reading on the House floor.

HB1211 (Tran) would allow immigrants to obtain a driver's license regardless of legal status and are estimated to affect more than 308,000 undocumented immigrants in Virginia. The applicant must prove they don't have a social security or individual taxpayer identification number and submit a certified statement that their information is true. HB1211 passed out of the House 57-42 and passed out of the Senate Transportation Committee 8-7. It is awaiting action in the Senate Finance and Appropriations Committee.

Both bills have a delayed effective date of January 1, 2021 in order to do outreach and education as well as implement the systems and processes necessary to issue the driver privilege cards or drivers' licenses. There is still work to be done to resolve these bills and legislators will need to decide whether to permit driver's licenses or driver privilege cards for undocumented immigrants.

- Redistricting Reform: This week, the press called out the Virginia House of Delegates for its failure to act on an amendment to establish the Virginia Redistricting Commission. On Friday, however, its Committee on Privileges and Elections voted to conform and report the Senate's legislation - SB203

(Lucas) and SB717 (McClellan) - outlining the standards and criteria for the commission in case the amendment eventually passes. Committee Chair Joe Lindsey has indicated that should the Senate amendment (SJ18, Barker) be heard by the House, it would likely appear before the full Committee next week.

The alternative vehicle for redistricting reform, HB1256 (Price), calls for a similar redistricting process as the amendment, but would only apply to the upcoming census and subsequent redistricting. It would not amend the constitution to permanently remove map-drawing powers from the legislature.

- Restoration of Funding to the Northern Virginia Transportation Authority: The Administration's sweeping transportation funding and safety package are moving through the House of Delegates and the Senate, with most changes to the bills focusing on the safety policy issues as opposed to the transportation funding portions of the bills.

HB1414, sponsored by Speaker Eileen Filler-Corn, passed out of the House of Delegates 56-42 and has been referred to the Senate Finance and Appropriations Committee where it will be considered on February 25th. The Senate version of this bill, SB890, passed out of the Senate 23-17 and has passed the House Finance Committee, 13-9, and the House Appropriations Committee, 13-8.

Of particular interest to Alexandria is the portion of these bills that purports to make the Northern Virginia Transportation Authority (NVTA) whole, after \$100 million was diverted away from NVTA during the Metro funding efforts in 2018. Last year, a bill to establish new fees and taxes in the Interstate 81 corridor to fund improvements on the highway also included a provision that would distribute some of that revenue-estimated at \$20 million a year-to the NVTA. While HB 1414 outlines \$30-40 million in regional revenue for NVTA, it will actually take at least \$82 million to fully restore funding to NVTA.

Originally, the bills limited funding for NVTA to regional increases in the Transient Occupancy Tax (TOT) and Grantor's Tax. The City's position has consistently been that NVTA must be made whole through a broad-based funding package, including state-wide funding sources, that would limit additional burden on Northern Virginia taxpayers. Staff is also concerned that the effective total TOT rate (state sales tax, regional TOT, local TOT) does not have upward rate room.

Staff has continued to work to ensure that any legislation purporting to make NVTA whole ultimately includes a state or state-wide investment.

SB890 now includes \$20 million in funding from the Commonwealth Transportation Fund for NVTA, which would give NVTA \$50 million toward its \$82 million shortfall.

Del. Vivian Watts has evolved her HB729, which is a stand-alone bill regarding funding for the NVTA, to include a provision earmarking \$40 million in Recordation Tax revenue for NVTA in addition to the funding from the TOT and Grantor's Tax. This additional, statewide revenue source would get the funding package for NVTA significantly closer to fully restoring funding to NVTA. This bill was passed out of the House 55-45 and we are working to include that statewide funding in HB1414 as it moves forward.

Other bills of interest to the City currently being considered in the General Assembly include:

- Collective Bargaining: The House of Delegates is moving forward with legislation that would repeal the prohibition on collective bargaining by public employees while the Senate is considering a bill that would

permit localities to adopt ordinances to allow their employees to bargain collectively.

In the House, HB582 (Guzman) repeals the existing prohibition on collective bargaining by public employees. The current version of the bill creates a “Public Employee Relations Board” that would determine bargaining units and provide for certifications and decertification elections for bargaining representatives of state and local government employees. HB 582 has passed the House and is moving on for consideration in the Senate Commerce and Labor Committee.

In the Senate, SB 939 (Saslaw) gives the authority to local governments to adopt ordinances to allow collective bargaining by their employees. Employees in those localities would continue to be prohibited from striking. SB 939 has passed out of the Senate 21-19 and is awaiting action in the House Labor and Commerce Committee.

- Peer to Peer Car Sharing: Peer to Peer (P2P) car sharing is part of the new “disruption economy” where shared vehicle rentals are conducted by vehicle owners using a platform accessed via the internet or a smart-phone app - like an Airbnb service for cars. Under current law, P2P vehicle sharing transactions are subject to the Motor Vehicle Rental Tax at the same 10 percent total rate as all other motor vehicles offered for rent in the Commonwealth. However, very few, if any, P2P sharing platform companies or vehicle owners are fulfilling the requirement to collect and remit the required 10 percent tax.

The current situation creates an un-level playing field for traditional rental car companies who pay the tax as required by law and who arguably do more for local economies than P2P. Moreover, the lost tax dollars mean less revenue for localities.

Staff has been working with stakeholders to find a compromise position which protects as much local tax revenue as possible. SB735 is the compromise P2P bill, which the compromise peer-to-peer bill provides a lower tax rate (6.5% in FY2021 and 7% in FY2022 and beyond) for a shared vehicle owner who registers no more than 10 peer-to-peer vehicles on a platform. The bill passed out of the Senate 40-0 and has passed out of the House Finance Committee 22-0 and House Committee on Appropriations 22-0.

Sunday, Budget Sunday: Sunday, February 16 was “Budget Sunday” in the General Assembly with both House and Senate money committees releasing their amendments to the Governor’s proposed FY2020 budget (HB29 and SB29) and the FY21-22 biennial budget (HB30 and SB30).

The House and Senate passed amendments to increase and broaden the compensation proposed by Gov. Northam. To that end, but by different means, the House and Senate each proposed that teacher salaries should be raised 4% in the next biennium. The Senate also approved a 3% bonus in FY 2021. And, both sides agreed to provide salary increases for state employees, state-supported local employees and locally elected constitutional officers.

The General Assembly also supported Gov. Northam’s efforts to build up the state’s cash reserves. The House added \$222 million in FY20, raising the total deposit for the state’s Revenue Reserve Fund to \$641.8 million. The Senate added another \$94.8 million in FY22 to bring the total deposit to the state’s Revenue Reserve Fund to \$112.3 million in the second year of the next biennium.

Some items of interest to the City of Alexandria include:

- Both the House and Senate budgets include \$2.443 million to support the renovation, restoration and curation of the Freedom House historic site. The House budget includes the funding in FY21. The Senate budget moved the funding from FY21 to FY20. This difference will have to be worked out in Conference.
- Both the House and Senate budgets include funding for Alexandria's CSO remediation project. The House budget includes \$25 million in funding for the project with language referencing a 3rd funding phase for the project in the next biennium estimated at \$40 million. The Senate budget includes \$55 million for the project in FY21.
- The House budget includes \$70 million in funding to the Housing Trust Fund over the biennium. The Senate budget includes \$60 million in funding to the Housing Trust Fund over the biennium.
- The House budget includes \$3.3 million for each year of the FY 21/22 biennium for an Eviction Prevention and Diversion Pilot Program.
- The Senate budget includes \$27.5 million in each year to restore the school construction grants program, which provides grants to all school divisions to assist with school construction, modernization of classroom equipment or debt service payments.
- The House budget includes \$2.6 million in non-general funds each year of the biennium and 95 FTEs for the Department of Motor Vehicles (DMV) pursuant to the passage of HB 1211 which removes the legal presence requirement for individuals to be issued drivers licenses or special IDs from the DMV.
- The Senate budget includes \$22.1 million for projects related to the Tech Talent initiative.
- Both the House and Senate budgets have failed to include funding to support early voting rollout efforts at the local level.

ATTACHMENTS:

1. Status Update on 2020 Bills of Interest to the City

STAFF:

Laura B. Triggs, Deputy City Manager
Sarah Taylor, Legislative Director