



2006 Report from Richmond

By Delegate David Bulova

Overview

- Session convened January 11th.
- 3,285 bills considered / 1,747 bills passed.
- Committee Assignments:
 - General Laws/Housing Subcommittee
 - Agriculture, Chesapeake, and Natural Resources
- Session adjourned March 11th.
- Special Session began March 27th to deal with budget and transportation.
- Met on April 19th for Veto Session to consider 7 vetoes and amendments to 123 bills.

Transportation Background

- Northern Virginia
 - The Northern Virginia Transportation Authority estimates TransAction 2030 Plan costs at \$27.3B for system expansion and \$19.3B for operations/maintenance.
 - That translates to an additional \$700M per year.
- State-Wide
 - Virginia runs out of money for new construction by 2010, with all funds going towards maintenance; debt reduction, and federal match.
- The Question
 - How do we address transportation in a way that is sensitive to our neighborhoods and economy, and represents a responsible use of taxes?

Budget Negotiations

- Aside from disagreement on taxes, part of the disagreement is on process – whether to keep appropriations separate from finance.
- The House Finance Committee rejected the Senate's four transportation bills on May 3rd.
- The General Assembly adopted a budget on June 28th, without new sources of transportation funding.
- A Special Session on transportation will be held in the Fall.

House Transportation Plan

- Does not increase taxes, but relies on abuser fees and redistribution of insurance premiums and recordation taxes (had been to GF).
- Provides \$400 million for Northern Virginia in the first year, but then falls to \$200 million in subsequent years.
- Acknowledges the crisis in Northern Virginia and Hampton Roads by focusing funding in these two regions.

Senate Transportation Plan

- Originally focused just on State-wide solution. Now provides smaller State increase, supplemented by regional “self help.”
- State-wide revenue increases are:
 - Abuser fees;
 - Increase in vehicle and heavy truck (double) registration fees;
 - Increased fines for exceeding weight limits;
 - Diesel fuel tax equalization (from 16 cents to 17.5 cents);
 - Increase in motor vehicle registration tax (3% to 3.75%);
 - 6-cents per gallon fee on oil company terminals; and,
 - Dedicate all automobile insurance license tax revenues.
- Total annual increase approximately \$700 million.
- First \$50 million goes towards rail while 14.7% of the remainder goes towards transit.

Senate Transportation Plan

- Also includes a Northern Virginia Plan.
- All revenue stays in Northern Virginia. Options that can be exercised are:
 - Transient Occupancy Tax (2.5%).
 - New fee at first time registered in locality at 0.5% of value.
 - Local sales and use tax of 0.5%.
 - Increase in grantor's tax (\$0.30 per \$100).
- Total annual increase approximately \$400 million.
- Funds would be spent by NVTA, except:
 - \$20 million each year goes to VRE.
 - \$50 million each year goes to match federal Metro money.
- Bill contains a “hold harmless” clause regarding other transportation and education funding.

Hot Topics



- **Clean Smokestacks Act (passed).**
 - Accelerates reductions in mercury, nitrogen oxide, and sulfur dioxide and limits “trading” outside of Virginia.
 - Important amendment by the Governor includes the Mirant Plant in Alexandria.
- **Energy Bill (passed).**
 - Original language asking to lift ban on off-shore drilling taken out. Incentives for energy efficient appliances added.
 - Allows Dominion to slowly ramp up fuel recovery costs to avoid spike when caps expire in 2011.

Hot Topics



- **Communications tax reform (passed).**
 - Replaces existing local communications taxes with a State-wide 5% flat tax.
 - Taxes several items not presently covered including voice over internet and satellite.
 - Over 80% of Fairfax residents will see an overall decrease in taxes.
 - Provisions only go into effect if revenue will be equal to or greater than localities are currently receiving.

Hot Topics



- **Eminent domain (carried over).**
 - Efforts are in response to a Supreme Court decision that greatly expanded eminent domain powers.
 - The House and Senate passed two different versions limiting eminent domain powers. Conferees couldn't agree so efforts are dead for the year.
- **Avian flu planning (passed).**
 - Allows the State to develop emergency regulations to govern “live bird” markets.

Hot Topics



- **Illegal immigration issues (mostly failed).**
 - Comprehensive study on immigration issues (HJR 63 defeated in Senate).
 - Localities prohibited from establishing employment centers unless there is a process to check eligibility (HB 1051 defeated in House).
 - In-state tuition prohibited for those in the State illegally (HB 1050 carried over in Senate).
 - Reporting strengthened for illegal immigrants involved in gang activities (only in instances of minors involved in violent crimes).
 - Penalties against businesses strengthened (HBs 1067 and 1048 carried over in Senate).

Hot Topics



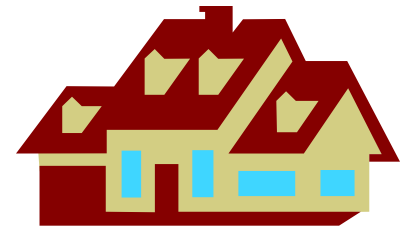
- **Growth and development (mixed).**
 - Authority of local governments to transfer development rights (passed).
 - Give local governments authority to reject rezonings if there is not sufficient infrastructure (failed).
- **Cell phones and teens (failed).**
 - SB533 would have put restrictions on cell phone use by those with provisional drivers licenses.
 - Defeated in committee 7Y-8N.

Unsung Bills of the Year



- **Tenant notification (passed).**
 - SB427 allows a tenant to designate a third party to receive late payment, eviction, or other legal notices.
- **Auto emissions (passed).**
 - SB312 exempts cars four years old or newer from emissions inspections provided that the plan is approved by the U.S. EPA.

Real Estate Assessments



- The Constitution requires taxation of real property.
- The Code stipulates that it must be done at 100% of assessed value.
- Exceptions are made for elderly and disabled.
- 2006 General Assembly
 - HJR 125 would look at additional exemptions on a person's primary residence. Study effort died in House Finance Committee.
 - HB 121 increases the cap that a locality can exempt for elderly and disabled from \$340,000 to \$540,000.

Health Care – The Next Big Issue



- Cost of private health care and Medicaid are growing much faster than the rate of inflation.
- Budget increase for Medicaid this biennium is over \$480 million.
- About 15% of Virginians are uninsured. Nationally, this represents \$75 billion in costs to rate payers and health providers every year.
- HJ158 will study ways to make insurance more affordable and accessible.
- HB758 will study ways to reform and revitalize Medicaid in Virginia.

Questions

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