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## SENATE JOINT RESOLUTION NO. 318

Offered January 9, 2013

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*Establishing a joint subcommittee to study local and state government service responsibility and taxing authority. Report.*

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Patron—Hanger

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Referred to Committee on Rules

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WHEREAS, there are many required government services that are paid for by revenue from state and local taxes; and

WHEREAS, when new requirements to provide government services are placed on counties, cities, and towns they have limited means to increase their revenue to pay for such services; and

WHEREAS, the taxing ability of counties varies from that of cities and towns although services are required of all localities; and

WHEREAS, there are unfunded mandates and issues of disparity and antiquated tax policy that lead to fiscal hardships for counties, cities, and towns; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study local and state government service responsibility and taxing authority. The joint subcommittee shall consist of nine members that include six legislative members, two nonlegislative citizen members, and one ex officio member. Members shall be appointed as follows: two members of the Senate to be appointed by the Senate Committee on Rules; four members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one nonlegislative citizen member who shall be the Executive Director of the Virginia Municipal League or his designee and one nonlegislative citizen member who shall be the Executive Director of the Virginia Association of Counties or his designee; and the Secretary of Finance or his designee to serve ex officio with voting privileges. Nonlegislative citizen members shall be citizens of the Commonwealth of Virginia. The joint subcommittee shall elect a chairman and vice-chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall develop an efficient, fair, and adequate tax structure and source of revenue to pay for required services. The joint subcommittee shall (i) determine the taxing abilities of counties, cities, and towns, (ii) determine the fiscal impact of local taxation, (iii) determine the services required by state and local governments and the necessary revenue to supply such services, (iv) examine state and local tax structure, and (v) review the issues of disparity, outdated tax policy, and fiscal strain in order to adequately identify service responsibilities between state and local governments and make recommendations accordingly.

Administrative staff support shall be provided by the Office of the Clerk of the Senate. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the Senate Clerk's Office. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2013 interim and four meetings for the 2014 interim, and the direct costs of this study shall not exceed \$16,680 for each year without approval as set out in this resolution. Of this amount an estimated \$3,000 is allocated for speakers, materials, and other resources. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

No recommendation of the joint subcommittee shall be adopted if a majority of the Senate members or a majority of the House members appointed to the joint subcommittee (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the joint subcommittee.

The joint subcommittee shall complete its meetings for the first year by November 30, 2013, and for the second year by November 30, 2014, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the joint subcommittee intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a document. The executive summaries and

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59 reports shall be submitted as provided in the procedures of the Division of Legislative Automated  
60 Systems for the processing of legislative documents and reports and shall be posted on the General  
61 Assembly's website.

62 Implementation of this resolution is subject to subsequent approval and certification by the Joint  
63 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or  
64 delay the period for the conduct of the study, or authorize additional meetings during the 2013 or 2014  
65 interims.