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SENATE JOINT RESOLUTION NO. 278

Offered January 11, 2017

Prefiled January 10, 2017

Establishing a joint subcommittee to study local government fiscal stress. Report.

Patrons—Hanger, Dance and Favola

Referred to Committee on Rules

WHEREAS, over 53 percent of Virginia's counties and cities are experiencing above average or high fiscal stress, according to a recent report of the Commission on Local Government; and

WHEREAS, since FY 2013, only two localities improved their stress category while the stress category for 10 localities declined, according to such report; and

WHEREAS, Virginia localities rely heavily on the real property tax for revenue due to the limited number of other options available; and

WHEREAS, many representatives of counties and cities have argued that localities need additional authority to broaden and diversify their tax bases; and

WHEREAS, although broad authority currently exists in Virginia for localities to consolidate units of government or governmental services, localities have been reluctant to embrace such authority; and

WHEREAS, the Commonwealth may be able to provide greater incentives to encourage such consolidation; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study local government fiscal stress. The joint subcommittee shall consist of 15 members that include eight legislative members and seven nonlegislative citizen members. Members shall be appointed as follows: three members of the Senate to be appointed by the Senate Committee on Rules; five 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; three nonlegislative citizen members to be appointed by the Senate Committee on Rules upon consideration of the recommendation of the Virginia Municipal League, if any; and four nonlegislative citizen members to be appointed by the Speaker of the House of Delegates upon consideration of the recommendation of the Virginia Association of Counties, if any. Nonlegislative citizen members shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the chairman of the joint subcommittee and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required. 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 review (i) the taxing authorities of local governments, including the disparity between city and county tax authority; (ii) local responsibilities for service delivery of state-mandated or high priority programs, (iii) causes of fiscal stress among local governments, (iv) the current state tax system, including the future of the car tax; and (v) potential financial incentives and other governmental reforms to encourage increased regional cooperation and consolidation of services.

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. 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 2017 interim and four meetings for the 2018 interim, and the direct costs of this study shall not exceed \$26,640 for each year without approval as set out in this resolution. 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 votes against the recommendation.

The joint subcommittee shall complete its meetings for the first year by November 30, 2017, and for the second year by November 30, 2018, 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

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59 state whether the joint subcommittee intends to submit to the General Assembly and the Governor a
60 report of its findings and recommendations for publication as a House or Senate document. The
61 executive summaries and reports shall be submitted as provided in the procedures of the Division of
62 Legislative Automated Systems for the processing of legislative documents and reports and shall be
63 posted on the General Assembly's website.

64 Implementation of this resolution is subject to subsequent approval and certification by the Joint
65 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
66 delay the period for the conduct of the study, or authorize additional meetings during the 2017 or 2018
67 interims.