

CITY OF MANASSAS LEGISLATIVE PRIORITIES 2010

The Mayor, City Council and staff understand fully the financial crisis shared by the Commonwealth, by local governments and the schools. Thus, our major legislative priorities reflect that understanding. All levels of government are struggling to balance budgets. The Manassas City Council has an adopted policy that states reductions in State funding of local State services will result in a reduction in those services in the City. Some of the most important of our priorities are also major priorities of the Manassas City Public Schools.

Major Priorities

The City **opposes** any new State mandates that are not fully funded by the Commonwealth. The City **supports** the suspension or deferral of several unfunded or underfunded. A list of such mandates is attached.

The City **opposes** any additional service responsibility or transfer from the Commonwealth to local government without full and sustainable funding to support such transfers. Proposed State budget reductions to Constitutional Officers are an example. Further, any **reduction to the funding of existing mandates should be accompanied by commensurate reductions in the cost, timing and/or scope of the affected mandates.**

The City **opposes** any effort to preempt local land use authority including any additional loss of conditional zoning authority or impact fee authority. The City **opposes** proposed legislation that would reduce or eliminate local enforcement of signs in city or state owned rights of way. The City **supports** the expansion of impact fee authority to include schools, infrastructure, public safety and quality of life services with provisions to compute the true cost of development in concert with the development community. The City **opposes** artificial and arbitrary caps on proffers or impact fees.

The City **opposes** any legislation that would limit, reduce or eliminate the Machinery and Tools (M&T) Tax or the Business and Professional Occupational License (BPOL) (HB 57 and HB 100 Cole) fees unless reliable and sustainable replacement revenue is guaranteed. The City and the Schools share this revenue which totals \$4.5 million (M&T) and \$3 million (BPOL) per year.

The City **opposes** the proposed delay in implementing changes in the Local Composite Index (LCI). Delaying the LCI would result in a \$3.1 million loss to the Manassas Public Schools in FY 2011. The new LCI calculation is the first improved calculation for the City in 10 years. **A delay in the LCI is fundamentally unfair to the City Schools and City taxpayers.**

The City **opposes** proposed changes to the basic aid support to the Schools. The proposed changes would cause the loss of an additional \$3.1 million to the Manassas Public Schools in FY 2011 and each year thereafter by reducing “minimum costs of education” and ignoring the true costs of education.

The City **opposes H.B. 246 (Merricks and Marshall), a reenactment bill from 2009** that mandates that 10% of the Local Government Investment Pool (LGIP) be invested in local and regional banks, some of which are unrated. The LGIP is a Department of Treasury cash management program created for smaller jurisdictions to increase the return on cash available for short term investment. **This is bad law** that would increase financial risk and reduce liquidity to City cash invested in the LGIP. If this idea is such a boon for economic development throughout the Commonwealth, the State also should be required to so invest 10% of State cash investments in local and regional banks. The bankers’ lobbyists have misrepresented the facts by creating a myth that local governments do not use local banks. In fact, local governments maintain deposits and investments of nearly \$5 billion in local banks.

The City **opposes** any changes to the basis for calculating recordation and grantor’s taxes that would reduce local revenue and increase the potential for fraud.

The City **supports** the amendment of budget language that would reduce the administrative charge paid to the Department of Taxation by local governments to collect the local sales tax. The charge to local governments to administer local sales tax collections has grown to \$6.7 million. One-half of that administrative fee (\$3.4) should be reallocated from the Department of Taxation back to the local governments to provide the needed oversight to avoid misallocations. The department’s lack of oversight of misallocations of the sales tax has forced local governments to provide the oversight not provided by the State to avoid the repayment of millions of dollars of misallocated revenue that happen annually.

Mandates to Suspend or Defer

1. The Commonwealth should **suspend and defer** pending storm water permit and UOSA sewer treatment effluent quality point source discharge permit mandate unless matching **Water Quality Improvement Grants are fully funded**. The Commonwealth is currently under funded by \$120 million to \$180 million. These unfunded mandates will go directly to water and sewer rate increase for residents and reduce the ability to recruit and retain business and industry.
2. The Commonwealth should **suspend** maximum classroom size mandates **until the Commonwealth fully funds such mandates**.
3. The Commonwealth should **grant** local school divisions **flexibility** for meeting minimum class size requirements under the Standards of Quality and allow the schools flexibility in the use of “incentive program” funding to address student population needs as they exist in the individual division.
4. The Commonwealth should **eliminate the triennial census** requirement and distribute sales tax revenue based on Average Daily Membership (ADM). The triennial census is expensive, inconsistent in accuracy and results in an inequitable distribution of funds. **ADM is more accurate, more equitable and would save tens of thousands of dollars in 2011.**