

AUGUSTA COUNTY BOARD OF SUPERVISORS



Legislative Issues, Priorities, and Proposals 2018 Session



Augusta County Facts

The County of Augusta was formed in 1738 and named for Augusta, Princess of Wales and the mother of King George, III. The original western boundary of the County was the western edge of Virginia, which at that time was the Mississippi River. The present boundaries of the county were set in 1790. Situated in the Shenandoah Valley of Virginia, the County of Augusta is at the juncture of Interstates 64 and 81, and the headwaters of the James River and the Potomac River basins. It is 150 miles southwest of the nation’s capital, Washington, D.C., 100 miles west of the state capital, Richmond, and 85 miles north of the City of Roanoke. Within the boundaries of the County of Augusta are the independent cities of Staunton, founded in 1747, and Waynesboro, founded in 1801.

Although primarily a rural county, Augusta County’s 2015 population was 73,314. Augusta County enjoys a diversified economy, with manufacturing accounting for approximately 21% of the jobs in the County. Manufacturing employs approximately 5,500 of 36,000 plus workers in the County’s labor force and makes up approximately 3.2% of the total local property taxes. The County is home to several well-known industries, such as Hershey Chocolate, McKee Foods (Little Debbie), Nibco and McQuay.

Agriculture is a large portion of the overall economy of the County. Augusta County is one of the top producers of many commodities in the state and this wealth of production overflows into many other industries of the County; including farm equipment manufacturers and dealers, transportation, energy, retail, and the ever growing agri-tourism business. The unemployment rate for the County decreased from 4.7% in 2015 to 3.5% in 2016. The County’s rate remains lower than that of the State’s unemployment rate of 4.0% and compares favorably to the national unemployment rate of 5.1%.

Population 2010 Census	73,750
Median Age	50-54
Student Population	10,106
Real property tax rate – FY2018	\$.58 per hundred
Machinery and tools tax rate – FY2018	\$2.00 per hundred
Assessed value of taxable real property – 2017	\$6,858,965,626
Personal property tax rate – FY2018	\$2.50 per hundred
State reimbursement for personal property taxes	\$4,296,000
FY2018 General Government Budget	\$125,370,359
FY2018 School System Budget	\$61,776,644
General Government employees	484
School System employees	1,555
FY2016 Debt service per capita	\$1,131
Schools	11 (E) 4 (M) 5 (H)
Voting Precincts	26

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Priority Legislative Issues for the 2018 General Assembly Session:

- **Support Fair Taxation Authority for Counties:**

Counties should have the ability to impose a cigarette tax and to raise the meals tax beyond 4% without a referendum. Cities have authority for both revenue sources which places counties at a disadvantage; as a result, Counties are more reliant on real property taxes. For example, a 1% increase on meals tax rate would equal \$630,000 or almost one cent on the real property tax rate. Average one cent real estate increase for a household would be \$18.61, which equates to spending \$1,861 eating out and paying the additional 1% meals tax.

- **Support Change in School Composite Index Formula to Use-value assessments:**

Support legislation to adjust the calculation of the local Composite Index for public school funding by directing the Department of Education to adjust its funding calculations for the local ability to pay by using the use-value assessment of real property, instead of the true value, in localities that have adopted use-value taxation. By putting this in place, the Commonwealth can align its goals across programmatic areas, supporting a strong agricultural economy while also accepting responsibility for its fair share of public education funding.

- **Support Funding Hearthstone Dam:**

The Board of Supervisors is seeking an additional \$380,000 to ensure the full (65%) federal funding match for federal and state mandated improvements to Hearthstone Dam. This amount is consistent with the formula used for similar dams owned by the Soil & Water Conservation districts. Start-up funding was appropriated by the Commonwealth in the 2015 session (\$633,000). Total state share is estimated at \$1,013,000.

- **Support Update to Law regarding Courthouse and Contiguous Property:**

Augusta County requests a change to Virginia Code Section 15.2-1646 as it relates to relocation of a current courthouse to contiguous land. The current language limits the relocation to contiguous land within the same county only. We request that “and city” be added to allow for relocation to contiguous land in the city where the courthouse is currently located and where the citizens voted to keep it. Revised language would read: “The relocation of a courthouse to land contiguous with its present location, including contiguous property

directly across a public right-of-way, and within the same county **or city** is not such a removal as to require authorization by the electorate.”

Taxation:

- **Oppose Change to Machinery & Tools and Business, Professional and Occupational Tax Structure:**

While neither of these taxes is particularly “popular” with various constituencies, unless and until the Commonwealth enacts replacement revenue sources for local governments, the two above-referenced taxes must stay in place as options for local governments. It is irresponsible to further add to the real property tax burden on constituents by eliminating more diverse revenue sources for local governments. A loophole in the BPOL is growing by virtue of the buying up of doctors’ practices by untaxed (not-for-profit) hospitals. Not only do local governments forego real property taxes on these hospitals and their expansions, but now, the impact on BPOL is becoming yet one more burden to be offset by residential real property taxes.

Machinery & Tools	\$3,791,000
Business License	<u>3,450,000</u>
Total	<u>\$7,241,000</u>

Oppose Unfunded Initiatives Pushed to Local Tax Burden:

- **Public Education:**

Since 2009, the state has reduced per pupil contributions to Augusta County schools by \$791; which represents a 15% decrease. Local funding has increased \$806 per pupil from 2009 to 2016, or 25% (from \$3,276 to \$4,082). The state needs to fully and realistically fund its responsibility for high quality public education.

- **Mandates:**

Mandates from the General Assembly come to local governments in two forms:

-Issues that local governments have to perform which they are not currently performing (this item means additional expenditures in local budgets); and

-Issues which involve revenue reductions either by cutting state revenue that has historically been shared with local government (example – ABC profits), or the abolition/altering of local revenues (example – car tax, BPOL, machinery and tools tax).

Workgroups considering local mandates and local fiscal stress need to be bold in their recommendations for the 2018 Session and include reduction of financial burdens on local governments.

- **State Funding for Any New State Initiatives:**

The Commonwealth should bear 100% of the cost for any service or program mandated by the state.

- **State Funding for Mandated and Shared Programs:**

The state has enacted programs which are overseen at the state level and administered at the local level and concurrently required the localities to fund increasingly larger shares of the expenses of these programs, whether directly or through re-defining terms within the formulas used to compute such funding requirements. The state needs to fund its true and responsible share of these programs including:

- education, including:

- *sufficient funding for K-12

- *sufficient funding for the SOLs

- *additional funding for school construction;

- public libraries;

- constitutional officers and their offices;**

- area agencies on aging;

- community service boards;

- mental health and intellectual disability programs and facilities;

- funding for local EMS and Rescue Squad training;

- the mandated replacement of election equipment; and

- law enforcement agencies and staff, including total compensation and benefits.

- **Funding for Local Libraries:**

The state has enacted a formula for full funding of local public libraries; however, the Commonwealth has not fully funded the formula, leaving great disparities in library access across the Commonwealth. The Commonwealth needs to fully fund the local library formula.

- **Relationship between State and Localities:**

The relationship between the Commonwealth and its local jurisdictions has deteriorated over some of the last several years with responsibilities and costs being shifted to local governments. The Board of Supervisors commends the Governor and the General Assembly for eliminating the “Local Aid to the Commonwealth” and encourages the General Assembly to eliminate any proposed reinstatement of this burden on local governments in SFY2019 as well as unfunded shifting of responsibilities to local governments.

The State should consider reimbursing localities for past “allocations”:

2009	\$50 million
2011	60 million
2013	50 million
2015	30 million

For Augusta County this reimbursement would total \$1.9 million

Additionally, The Board would request that the General Assembly consider an additional \$1.7 million reimbursement for Middle River Regional Jail.

- **Children’s Services Act Costs:**

This “partnership” program has been in existence for over a dozen years, during which time County costs have increased significantly. Something must be done. A comprehensive, objective JLARC study which would include the judiciary and how judges are using the CSA, including for those charged with felony acts, needs to occur and to include, the local and state costs associated with such judicial actions and potential revenue streams to cover those costs outside of CSA (i.e., Juvenile Justice). Further, it is time that the regulatory provisions of this program be treated like regulations of virtually every other office and be subject to the Administrative Process Act or at a minimum, be posted for timely public comment and amended as appropriate based on such commentary from the public. All stages of such regulatory work must be easily and timely visible to the public.

<u>Fiscal Year</u>	<u>State Funding</u>	<u>% Change</u>	<u>Local Funding</u>	<u>% Change</u>
2011	\$2,004,597		\$1,164,226	
2012	2,225,750	11.03%	1,164,226	22.12%
2013	2,090,037	-6.1%	1,099,998	-5.52%
2014	2,426,842	16.11%	1,345,326	22.3%
2015	2,513,077	3.55%	1,519,735	12.96%
2016	2,520,543	.3%	1,429,944	-5.91%
2017	3,110,573	23.41%	1,752,197	22.54%

- **Elections:**

Virginia Code 24.2-626 mandates that all localities to convert to optical scan voting equipment by July 1, 2020, without any state or federal funding provided. Augusta County replaced the equipment at a cost of \$293,890. This would not include each election’s coding and testing expenses, the need for optical scan paper ballots for every voter in the locality (over 46,000) each election, and the needed additional storage required by both the county for the equipment and the Clerk of Court for the huge increase in ballots that will be housed there for retention and recount purposes. These expenditures will cost the County tens of thousand dollars each budget year. Such a mandate by the State without funding is fiscally irresponsible.

Land Management:

- **Land-Use Decisions:**

Local land use decisions should remain at the local level without unreasonable or arbitrary state constraints.

Legislation on cash proffers or similar legislation should not affect counties that don't use cash proffers nor should it interfere with those that accept on- or off-site, non-cash voluntary proffers. Concerns and issue still remain with the 2016 proffer bill. Amendments to the 2016 legislation are crucial to balance land use decisions throughout the Commonwealth.

- **Storm Water Regulations:**

The current process to reject a developer's BMP are extremely burdensome and requires a long review period by the state. Decisions on acceptable BMP's that are intended to be maintained by the locality should rest solely with the locality responsible for the maintenance of the proposed BMP: We **support** adequate funding to enable local governments to meet ongoing costs associated with local storm water management programs that became effective on July 1, 2014. We believe it is critical for the state to evaluate the effectiveness of the fee structure as outlined in the Virginia Storm Water Management Permit regulations because these fees are the PRIMARY source of revenue for funding local storm water management programs.

Inspection by both the state and local government when local erosion and sediment control requirements and ordinances are identical to the state's requirements is wasteful. The recent TMDL requirements along with storm water regulations pose a significant burden on local governments as well as developers. When applied to existing development, these become an unfunded tax burden on residents and businesses.

We also **support** legislation to:

- Amend Section 62.1-44.15:48 of the Code of Virginia to remove the requirement that proceeds from penalties must be used only for purposes mandated under that section of the Code.
- Remove the requirement from the Construction General Permit that permittees must comply with Virginia's post construction standards for water quality.
- Amend Section 62.1-44.15:28 of the Code of Virginia to give localities the ability to waive the state's portion of the VSMP fees if a locality waiver policy has been implemented by a locality and approved by the Board. We also request a new locality/state workload analysis to justify the state's portion from the storm water permit fee. The new analysis should address long-term responsibilities placed on localities that previous studies ignored.
- Amend Virginia's Storm Water Management Law that would distribute a maximum of 10 percent of statewide storm water fees revenue to the Virginia Storm Water Management Fund with the remaining 90 percent remaining with local governments.

- Amend Section 62.1-44.15:33 of the Code of Virginia to mandate that the State Water Control Board consider long-term maintenance costs of a Best Management practice when approving a local storm water program.
- **Nutrient Credits:**
Support legislation for localities to retain their Nutrient Credits from “unused” Wastewater Treatment Plant capacities.
- **Large Utility Projects (Pipelines)**
Support adequate direction and resources for the Department of Environmental Quality (DEQ) to provide monitoring and enforcement of Erosion and Sediment Control and Storm water requirement by entities constructing large-scale utility projects. DEQ should conduct a review of the annual standards, specifications and construction general permit requirements for these projects to determine if they are providing adequate protection of water quality and natural resources.
- **Maintain Public Sector Role in Onsite Sewer Program**
Support an onsite sewage program at the Virginia Department of Health (VDH) that protects public health and the environment in all regions of the Commonwealth. The Commonwealth should give special focus to addressing the challenge of failing septic systems and allow localities authority to develop and implement policies that support the state’s program. We support the private sector providing onsite sewage system design, installation and repair services, as long as the services can be provided at affordable rates and in a timely manner, and as long as VDH continues to provide these direct services as well.
- **Broadband/Wireless Telecommunications**
Support efforts to expand broadband capabilities in underserved and rural areas including strengthening local authority to deploy broadband directly or through public-private partnerships. Efforts to enhance the deployment of new technologies must include expansion of high-speed service to rural areas. **Oppose** legislation attempting to bypass, limit, or otherwise further restrict the local zoning, permitting and review process for telecommunications infrastructure.

Local Government Operations:

- **Annexation:**
The General Assembly needs to end annexation in all parts of the Commonwealth of Virginia. The General Assembly should guarantee “599” funding increases to all localities with police departments.

- **VAC § 9.1-701. Overtime Compensation Rate:**

If expanded, this has the same effect on businesses and local governments as collective bargaining; Augusta County **opposes** such action.

- **Legislative Nominating Processes:**

The costs of holding primary and special elections are not small for local governments. In the primary election in 2016, there were 3,225 total Augusta County voters, 6.95% of the total registrant count of 46,396. The primary cost to the county was approximately \$25,000, or \$7.75 per vote. The state must continue to share in the costs of such elections or require those who use the primary election processes for nomination to share or bear costs. The Privileges and Elections committees should also study and report on alternative methods for legislative nominating that are less costly while still allowing a maximum voter input in the process. Ideas might include such constructs as all-day mass meeting voting at a limited number of site(s) for each district.

- **Volunteer EMS and Rescue Squad Training:**

Augusta County **supports** practical and reasonable initial certification and ongoing continuing medical education (CME) requirements for county fire EMS and rescue squad volunteers. Augusta County recognizes the vital importance of volunteer EMS and rescue squad training; however, we **do not support** unreasonable education requirements that discourage public volunteer service.

- **Public Notice Requirements:**

A thorough review of State Code requirements as they relate to “public notices” needs to be undertaken. A recent ordinance amendment notice cost Augusta County in excess of \$3,400.00 for a single advertisement. Under certain Code requirements, multiple advertisements are required. The cost to the County for FY17 was in excess of \$22,000 for such mandated public notices.

- **Reform and Restructuring:**

The Reform and Restructuring Commission was strong in their recognition of the need to analyze legislation for its local impact, whether financial or otherwise; legislation must not move forward that has not been well analyzed and the state fiscal share appropriated. The General Assembly needs to examine carefully short-term and long-term effects on state government and local governments, particularly with respect to state and local budgets. Many of the ideas that have been forwarded seem to have merit; however, the methods by which the concepts are proposed to be implemented have to be carefully reviewed for long-term effectiveness, efficiency and fairness.

The legislature may also put forward recommendations to prepare for potential health insurance expansion under the federal ACA. Any and all

additional requirements for local departments of social services, health departments, etc., need to be fully and responsibly funded by the state and/or federal government and the implications vetted before moving forward.

- **Extend LEOS Benefits to Animal Control:**

The County recognizes that duties of animal control officers are hazardous, dealing with animals, people, and situations, similar to law enforcement officers. Animal Control works with the local Sheriff's office on calls, such as drug busts, that include animals. County animal control does not fall under the control of the Sheriff's office and therefore, according to State law, is not eligible for LEOS benefits. Augusta County **supports** offering LEOS benefits to animal control officers.

Other Items of Interest:

- **Certificate of Public Need Program (COPN):**

The County **supports** Virginia's COPN program as an important component of the Commonwealth's health care policy and encourages the General Assembly to retain COPN in its current form with process reforms similar to those recommended by the state work group lead by the Secretary of Health and Human Resources in 2015. Legislation to deregulate COPN must be coupled with policies to promote access to care, ensure provision of essential health services, fund graduate medical education, and maintain the fiscal stability of Virginia's community hospitals.