



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Commission on Local Government

May 13, 2021

11:00 A.M.

Digital Meeting Only

Due to the COVID-19 pandemic and public health emergency and the need to provide social distancing and prohibit large gatherings, the meeting was held electronically in accordance with the State of Emergency Declared by the Governor and the 2020 amendments to the 2020 Appropriations Act. The meeting was held via Google Meet.

Members Present

R. Michael Amyx
Stephanie Davis, PhD, Chair
Diane M. Linderman, PE, Vice Chair
Rosemary M. Mahan

Members Absent

Call to Order

The Commission on Local Government (CLG) Chair, Dr. Stephanie Davis, called the meeting to order at 11:00 a.m.

Mr. David Conmy, Local Government Policy Administrator for the Department of Housing and Community Development (DHCD) noted that due to the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Commission on Local Government to assemble in a single location, so the Commission meeting is being held electronically, by video conference and telephone options, pursuant to 2020 Amendments to the 2020 Appropriation Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Commission on Local Government and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the link and phone number options made available by staff to attend the meeting electronically. The Commission on Local Government will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3701.1 of the Code of Virginia.

Administration

After discussion, a motion was made by Ms. Linderman and seconded by Ms. Mahan to amend and approve the draft agenda with a change to allow public comment for the CLG Mandatory Property Tax Exemption Study to take place after the Notice of City of Martinsville's Intention to Petition for an Order Granting it Town Status Within Henry County discussion. The motion passed (Yea: Amyx, Davis, Mahan, Linderman).

A motion was made by Mr. Amyx and seconded by Ms. Linderman to approve the minutes of the Regular Meeting on March 25, 2021. The motion passed (Yea: Amyx, Davis, Linderman; Abstain: Mahan).

Dr. Davis opened the floor to receive comments from the public for any items outside of the CLG Mandatory Property Tax Exemption Study. No one from the public appeared before the Commission. The public comment period was then closed.

Mr. Conmy noted that two positions within CLG staff had been posted and that those postings would be closed on May 16, 2021. The goal is to have those staff positions filled prior to the next Commission meeting.

Mr. Conmy noted that Commissioner Reynolds' term ended at the conclusion of 2020 and that he will keep the Commission up to date on the status of an appointment for this vacancy.

Mr. Conmy briefly presented various news articles of interest to the Commission.

Notice of City of Martinsville's Intention to Petition for an Order Granting it Town Status Within Henry County

Mr. Conmy provided the Commission with a brief update on the Martinsville Reversion case. Mr. Conmy relayed that representatives of Martinsville and Henry County had met in a closed mediation session on April 28 and April 29, 2021. While it is unknown what the outcome of those discussions exactly entail, the parties provided the following statement for the Commission's record:

“The parties have reached an agreement in principal that they anticipate will be approved at a meeting of the two governing bodies before the end of the month.”

Mr. Conmy noted that due to the evolving circumstances surrounding the proposed reversion, staff recommends either cancelling future meetings specifically pertaining to the proposed reversion or temporarily pausing proceedings until more clarity can be ascertained.

After discussion, a motion was made by Ms. Mahan and seconded by Ms. Linderman to pause Commission proceedings related to Martinsville’s proposed reversion to town status within Henry County. The motion passed (Yea: Amyx, Davis, Linderman, Mahan).

Public Comment: CLG
Mandatory Property Tax
Exemption Study

Dr. Davis provided a brief overview of the Mandatory Property Tax Exemptions Study directed to be produced by the Commission by the General Assembly. The Commission is soliciting public comments on the matter with a particular emphasis on the fiscal implications of the exemptions on local governments and other affected parties including certain veterans and their surviving spouses. The second part of the directive of the study is to produce recommendations that can mitigate the fiscal impacts on local governments tied to these state tax exemption initiatives.

Mr. Cody Anderson, Policy Analyst at DHCD, indicated to the Commission that two parties had reached out in advance of the meeting with the intention of providing public comment. Of the two, one was a written public comment and the other was a written comment to supplement verbal comments.

Mr. Anderson read the comments submitted by Mr. Steve Trivett, Mayor of the Town of Ashland. Mr. Trivett expressed gratitude for both those serving our country in the armed forces, as well as for the spirit of the amendments adopted by the General Assembly to reward those who served. Mr. Trivett expressed concern that localities are not adequately brought into policy making decisions

like these and that tax exemption amendments such as these don't take into account the stress on the fiscal situation of localities. Mr. Trivett made the suggestions that any tax exemption should be accompanied by just compensation to localities to offset potential fiscal impacts and that the General Assembly make such exemptions optional for localities so that localities may adapt based on their own individual community needs.

Mr. Scott Mayausky, Commissioner of the Revenue for the County of Stafford expressed concern over the financial burden that mandatory property tax exemptions have had on localities. Specifically, nearly 4% of Stafford County's real estate base falls under these exemptions. Mr. Mayausky noted that these exemptions are causing adverse effects in other areas of the government's ability to provide services and is resulting in rising taxes to compensate. Mr. Mayausky suggested that the General Assembly take on a model of shared responsibility for mandatory tax exemptions and provide just compensation to localities to offset potential fiscal impacts.

Mr. Joe Lerch, representing the Virginia Association of Counties, expressed support for the study and noted that their members had been notified of the study and are aware of the opportunity to provide feedback and context as relates to the study.

The public comment period was closed. Dr. Davis noted that written public comment will be accepted by Commission staff until 5:00 p.m. on Thursday, May 20, 2021.

Periodic Review

Mr. Anderson provided a brief overview of the Periodic Review of Commission on Local Government regulations. Mr. Anderson noted that the Periodic Review is done every four years and requires any governing board to review regulations. The first step in the review is to announce the opening of a public input period in the Virginia Register.

A motion was made by Ms. Linderman and seconded by Mr. Amyx to open the Periodic Review public input period. The motion passed (Yea: Amyx, Davis, Linderman, Mahan).

Fiscal Stress Report for 2018/2019

Mr. Conmy provided a brief update on the Fiscal Stress Report for 2018/2019. He noted that Hopewell’s fiscal annual financial report from 2019 remains delinquent. Hopewell has indicated that the fiscal 2018 report is ongoing with a targeted completion date of May 31, 2021. The fiscal 2019 report has an estimated completion date of July 30, 2021. The fiscal 2020 report has an estimated completion date of September 30, 2021. Reasons for delay include implementation system issues, staff transition and turnover, and complications as relates to the COVID-19 pandemic.

Staff will continue to monitor the Hopewell situation and is targeting having the draft Fiscal Stress Report ready for the Commission’s consideration at the July meeting.

2021 General Assembly – Reconvened and Special Sessions

Mr. Anderson provided the Commission with a brief overview of the Reconvened Session of the General Assembly, including the status of the budget and various initiatives and amendments of interest as relates to the budget.

Mr. Conmy provided the Commission with a brief overview of the Special Session of the General Assembly, which will be convened as a result of amendments to the Appropriations Act. The goal of the special session will be to determine the allocations of flexible funds received from the federal government such as those funds being received from the American Rescue Plan.

Other

There was no other business.

Schedule of Regular Meetings

After discussion, a motion was made by Ms. Linderman and seconded by Ms. Mahan to move the July 22 meeting to July 8 and to strike the August 5 meeting of the Commission from the schedule. The motion passed (Yea: Amyx, Davis, Linderman, Mahan).

Following the July 8, 2021, meeting, the regular schedule of the Commission includes September 9, 2021, and November 4, 2021.

Upcoming Events of Interest

Mr. Anderson noted that the 2021 Virginia Municipal League Annual Conference is scheduled to take place in Leesburg,

Virginia from October 3 through October 5, 2021. It was also noted that the 2021 Virginia Governor's Housing Conference is scheduled to take place in Norfolk, Virginia from November 10 through November 12, 2021.

Adjournment

A motion was made by Ms. Linderman and seconded by Ms. Mahan for adjournment. The motion passed and the Commission adjourned at 12:05 p.m.