

HBAV LEGISLATIVE BULLETIN

Volume XII, Number 1

January 15, 2010

EDITOR'S NOTE

Following is the first edition of the 2010 *Legislative Bulletin* of the Home Builders Association of Virginia (HBAV). It will be e-mailed on Friday of each week during the 2010 session of the Virginia General Assembly, and posted on the HBAV website (<http://www.hbav.com>) by the following Monday morning. Current plans call for entire membership (with e-mail addresses) to receive the weekly *Legislative Bulletin*.

The 2010 HBAV *Legislative Bulletin* will feature an update on General Assembly matters of general interest to the building industry, background information and a status report on the package of bills introduced at the request of HBAV, a status report on other issues of more specific interest or concern to HBAV membership and could contain an occasional ACTION ALERT. We may also highlight a matter before the U.S Congress from time to time. The *Legislative Bulletin* will replace the *Virginia eVoice* during the legislative session. The *Virginia eVoice* will resume publication immediately following the 2010 session of the Virginia General Assembly.

We hope you find the HBAV *Legislative Bulletin* to be a valuable and informative tool in your efforts to help us build a sound business climate for our industry and the citizens of the Commonwealth.

Michael L. Toalson
Executive Vice President

VIRGINIA GENERAL ASSEMBLY CONVENES IN RICHMOND

“State Budget Deficit will dominate in 2010”

The 2010 session of the Virginia General Assembly convened at 12:00 noon on Wednesday, January 13th. The House of Delegates seated 100 members and the State Senate welcomed back 40 members. Two Senate seats were filled on Tuesday of this week, when retired Insurance Executive Jeff McWaters and Delegate Dave Marsden were elected. Senator McWaters, a Republican, will complete the term of Ken Stolle, who was elected the Sheriff of Virginia Beach last November. Democrat Marsden will complete the term of Ken Cuccinelli, who was elected Attorney General of Virginia last November.

The House of Delegates seated 20 new members on Wednesday, and is now composed of 59 Republicans, 39 Democrats, and 2 Independents. The State Senate is now composed of 22

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Democrats and 18 Republicans.

The House of Delegates elected William J. Howell of Fredericksburg as Speaker of the House during the opening session of the so-called lower chamber. He was first elected Speaker in 2003. Republican Morgan Griffith of Salem was re-elected Majority Leader. House Democrats re-elected Ward Armstrong of Martinsville as House Minority Leader.

The State Senate will continue to be led by Democratic Majority Leader Richard Saslaw of Fairfax County. The Senate Republicans will be led by Senate Minority Leader Tommy Norment of Williamsburg. State Senators were elected in 2008 and serve four (4) year terms.

MIXED LEADERSHIP/BUDGET DEFICIT

The 2010 Session of the Virginia General Assembly will be dominated by the efforts of the House Republican majority and Senate Democratic majority to govern the 60-day session to a congenial close, in the face of a growing budget deficit now forecast to be approaching \$4 billion for the proposed 2010-2012 Budget. State Revenues declined by over \$7 billion during the 2008-10 Biennium.

In the mix is newly-elected Republican Governor Bob McDonnell, who played a role in the very successful efforts of his Republican party to gain a significant increase in their majority in the House of Delegates this year. McDonnell begins the 2010 Legislative Session with a one-time opportunity, as a one-term governor, to establish a handprint on state government.

The more conservative House Republicans and Governor McDonnell will likely prefer to address the Budget shortfall through targeted cuts or by reducing the size of the state government. The more progressive Democrat controlled State Senate will likely look to governmental cuts and increases in taxes or fees to fill the gap. At the same time, many are continuing to call for more broad-based funding for the state transportation system, whose revenues have further deteriorated this year by the current economic downturn. One House Delegate told us this week that state lawmakers could reduce the appropriation level for higher education in Virginia to \$0 dollars, and that reduction alone, would not be enough to balance the state Budget.

HBAV Staff and Counsel, and the members of the HBAV leadership team and Legislative Committee will be present in the halls of the General Assembly Building (GAB) and the State Capitol throughout the 60-day session to protect and improve the home building climate in Virginia. The members of HBAV can keep up with all of the actions of the state legislature that may impact the housing industry this year by watching for the weekly *HBAV Legislative Bulletin* in their e-mail address inbox.

Over 3,000 bills and resolutions are anticipated to be introduced by the 140 members of the state

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legislature this year. Many legislative initiatives will impact the housing industry. Some will be positive for the industry and many, despite the historic housing downturn, would harm the business.

HBAV members may also keep pace with all of the activities of the state legislature by visiting www.hbav.com or the Virginia General Assembly website at www.leg1.state.va.us.

RICHMOND BUZZES WITH INAUGURATION EXCITEMENT

“Pro-Business/Pro-Housing McDonnell is Ready to Serve”

The City of Richmond and Capitol Square are buzzing with excitement today in anticipation of the Inauguration of Bob McDonnell as the 71st Governor of the Commonwealth, and the numerous celebrations that will precede and follow the formal swearing-in of our next governor, lieutenant governor and attorney general. Supporters of Governor-Elect McDonnell, Lieutenant Governor-Elect Bill Bolling and Attorney General-Elect Ken Cuccinelli have streamed into the Capitol City from all across the Commonwealth to witness the swearing-in ceremony scheduled for noon at the historic State Capitol.

HBAV President Mike Newsome and his wife Bonnie led an HBAV Delegation to the Hampton Roads Inaugural Ball last Sunday evening at the Chrysler Museum in Norfolk. Governor-Elect McDonnell resided in Virginia Beach until he was elected Attorney General in 2005. It is our understanding that many HBAV members also plan to attend many of this weekend's ceremonies.

While serving in the House of Delegates, Governor-Elect McDonnell was very supportive of the housing industry and as a private attorney he represented many in the housing industry in their dealing with local governments. He campaigned on a jobs theme in 2009, and all of his actions and statements since elected have been geared to enhancing the business climate in Virginia.

HOUSE SPEAKER HOWELL NAMES HOUSE CHAIRMEN/COMMITTEES

On Wednesday evening of this week, the House Speaker released his committee assignments for the 2010/2011 Sessions of the State Legislature. The House of Delegates has 14 standing committees. The power to appoint committee chairman and committee members and to assign House and Senate bills to committee for review makes the House Speaker the second most powerful person in state government, according to most. Only one (1) new committee chairman was named by Speaker Howell. Delegate Bobby Orrock of Caroline and

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Spotsylvania Counties was named to lead the Health, Welfare and Institutions Committee. He succeeds Delegate Phil Hamilton, who lost his re-election bid to the House.

COUNTIES, CITIES AND TOWNS COMMITTEE GETS EIGHT (8) NEW MEMBERS

The House Counties, Cities and Towns (CC&T) Committee will have 8 new members on the 22-member committee for the 2010/2011 Sessions of the General Assembly. The committee will be composed of 14 Republicans and 8 Democrats. The CC&T Committee of the House reviews most legislation before the state legislature that affects the home building industry, including property rights legislation and the anti-growth/anti-housing agenda of advocate's anti-growth policies.

The chairman of the House CC&T Committee will continue to be Hopewell Republican Riley Ingram. The new minority leader on the committee will be Chesapeake Delegate Lionell Spruill. He succeeds Richmond Democrat Frank Hall, who did not seek re-election. New Republican members to the all-important committee to HBAV members are Tazewell County Delegate Will Morefield, Halifax County Delegate James Edmunds, Virginia Beach Delegate Chris Stolle and Loudoun County Delegate Jim LeMunyon.

Democratic newcomers to House CC&T are veteran Norfolk Delegate Algie Howell, Mount Vernon Delegate Scott Surovell, Fairfax Delegate Kaye Kory and Prince William County Delegate Luke Torian. All but Delegate Algie Howell are new to the Virginia General Assembly.

Continuing their service on the important committee to housing are Republican Delegates Ingram, Marshall (Bob), Marshall (Danny), Oder, Iaquinto, Crockett-Starke, Lohr, Poindexter Merricks and Knight and Democrats Spruill, Ware (Onzlee), Pollard and McQuinn.

One subcommittee of House CC&T will meet on Wednesday morning and the other will meet on Thursday morning of each week. The full committee will meet on each Friday morning of the 2010 legislative session.

U.S. SENATOR WARNER BATTLES FOR CONSTRUCTION INDUSTRY OVER HEALTH CARE MANDATE

U.S. Senator Mark Warner of Virginia has taken a leading role in the efforts of the home building industry to terminate a late addition to the Federal Health Care Legislation that "ONLY" requires construction businesses with 5 employees or greater to provide health

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insurance to their employees or face stiff penalties. All other businesses in the country are granted an exemption from the employer mandates if they have fewer than 50 employees.

The Federal Health Care Legislation has passed the U.S Senate and the U.S. House. Both of the differing versions of the federal legislation and is currently in a Conference Committee, where Senate and House leaders are reconciling the differences. The House-passed version of the legislation did not include that provision that unfairly singled out the construction industry.

Senator Warner has written a letter to U.S. Senate Majority Leader Harry Reid that requests that unfair provision to be “stricken” from the legislation during the House-Senate Conference Committee negotiating process. Senator Warner labeled the provision as “one which arbitrarily singled out the construction industry for different treatment.” He urged Senate Leader Reid “to delete the provision which unjustly targets an industry just trying to keep its doors open during the worst housing downturn since the Great Depression.”

The 4,000 business members of HBAV should be very grateful to Senator Warner for his efforts to terminate the unprecedented assault on the construction industry!!!

HBAV LEADS CHARGE TO HAVE STATE STORMWATER REGULATION SUSPENDED

On Thursday, January 14th, after an hour and a half of deliberations behind closed doors, the Soil and Water Conservation Board (SWCB) voted to suspend the controversial stormwater regulation for an additional 30-day comment period. The comment period begins on the date the notice of suspension is published in the Register of Regulations.

The move surprised many after statements from the SWCB Chairwoman, Linda Campbell, at the December 9, 2009 meeting of the Board that the regulations were not substantially different and another comment would not be granted. However, HBAV was able to generate 25 letters from members and other concerned parties to force the Board to reconsider her previous statement to grant another 30-day comment period.

This suspension requires an additional action by the SWCB to reaffirm their previous action after the 30-day comment period. This latest development brings the controversial regulation beyond the term of Governor Kaine, its biggest advocate, and adds a new layer of complexity to the already politically charged landscape surrounding these regulations.

HBAV will keep you apprised of both legislative and regulatory developments related to this stormwater regulation.

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HBAV READIES LEGISLATIVE AGENDA FOR 2010 GENERAL ASSEMBLY

Amid the celebration of the convening 2010 Session of the Virginia General Assembly and the Inauguration of three (3) new statewide office holders, HBAV readies to promote its five (5) bill package of pro-housing bills the HBAV Legislative Committee has developed for this session of the State Legislature to consider.

HBAV will be seeking to suspend the draconian Stormwater Regulation, which was adopted in the waning days of the Kaine Administration. HBAV will also be seeking a delay in the payment of per lot cash proffers from building permits to the issuance of a certificate of occupancy and will be seeking a requirement that changes in the Cash Proffer Guidelines or Policies of local governments must adopted as ordinances to trigger notice requirements to those affected by the same.

HBAV will also be urging the State Legislature to amend the Vested Rights Act to include a Letter of Determination as a Significant Governmental Action. The final HBAV agenda item will allow landlords to retain a portion of a tenant's deposit for a longer period of time to insure the payment of water and sewer bills. We will highlight each of the HBAV agenda items in next week's HBAV *Legislative Bulletin*.

IMPORTANT DATES TO REMEMBER

Among the major rules adopted by each General Assembly is a schedule of dates that manages the flow of legislation. Following are the dates of the important deadlines for consideration of legislation during the 2010 Session of the General Assembly:

January 22, 2010 Deadline to Introduce Bills

February 16, 2010 Deadline to Consider Bills in the House of Origin

March 8, 2010 Deadline for Committee Action On Legislation

March 13, 2010 Adjournment