

## **GOVERNOR MCDONNELL WEIGHS IN ON STATE BUDGET CRISIS**

In the first edition of the HBAV 2010 Legislative Bulletin, it was highlighted that the State Budget Crisis would be the dominant issue of the 2010 Legislative Session. Until this week, powerful members of the House Appropriations Committee and Senate Finance were grappling with dealing with a forecast \$2 billion in shortfall of revenue behind closed doors. Much of the impact of the State Budget crisis went public on Wednesday of this week.

That morning, Governor Bob McDonnell presented his solution to the Budget Crisis. Governor McDonnell accepted the reins of state government on January 16<sup>th</sup>, just 32 days before his announcement. Many state lawmakers and those to be most affected by his recommendations were anxiously waiting for his direction. And as expected by most veteran Capitol Observers, the new Republican Governor urged state lawmakers to cut \$2 billion in state expenses through job furloughs, job cuts and reductions in health benefits, employee benefits and state services.

Approximately \$731 million in aid to localities would be cut for K-12 public education. Some \$30 million would be cut from state health and welfare programs, and \$181 would be saved by requiring most state employees to 5 days of unpaid leave in each of the next 2 years. In his plan, approximately \$612 million would be saved by reducing the state contribution to the Virginia Retirement System for the next 2 years and by requiring new state hires to contribute to the state retirement system. Governor McDonnell stated that “All of the cuts were very difficult because he knew that behind every cut there is a Virginian....that might be affected.

Republican leaders in the House of Delegates and State Senate applauded the governor for his leadership on this Budget Crisis, but expressed some reluctance on the job furlough recommendation. Democrats were reported to be split on the McDonnell Budget proposal. Some Democrats favor the budget cuts, while others would prefer a combination of Budget cuts and tax increases to lessen the impacts on public education and state funded health and welfare services.

The House Appropriations Committee and Senate Finance Committee will release their competing Budgets this Sunday afternoon. From that point, they will have to be reconciled by the scheduled March 13<sup>th</sup> Adjournment Date of the 2010 Legislative Session. The House majority Republicans, the Senate majority Democrats and Governor McDonnell all seem committed to making every effort to adjourn this session of the Assembly on time. Stay tuned for more details.

## **HBAV JOINS BUSINESS ALLIANCE OPPOSING MASSIVE COURT FEE INCREASES**

HBAV joined a coalition of business groups this week that has organized to fight a massive increase

in court fees. The Patron of Senate Bill 329 is Senator Richard Stuart of Westmoreland. It would raise general district court fees from \$27 to \$75 and raise circuit court fees from \$60 to \$110 to \$500 for circuit court cases involving less than \$1 million, and from \$160 to \$1,000 in cases seeking \$1 million or more. If passed, it would cost more to file a civil lawsuit in Virginia than any other state.

The measure would significantly increase the business cost of the HBAV business property and multi-family owners seeking to exercise their legal rights with delinquent tenants.

The proponents of the measure are the Virginia Sheriffs, who see no other way to find money for Sheriffs to do their jobs. According to the Patron of SB 329, over 1,400 Virginia Sheriff deputies would lose their jobs because of state Budget cuts, if the fee increase is not passed. When the measure was considered by the 40-member State Senate, the Senate gallery was packed with uniformed Sheriffs and the measure passed the upper chamber on a 23 to 17 vote. Thirteen Democrats and 10 Republicans voted for the bill.

SB 329 now goes to the more conservative House of Delegates where it is expected to have tougher sledding. It has been assigned to the House Courts of Justice Committee by the House Speaker William J. Howell. Some Coalition members believe the much more conservative House Courts Committee, who has rejected such fee increases in the past, will have difficulty with the massive fee increase.

## **CROSSOVER DAY PASSING POINTS TO SESSION CONCLUSION**

This Tuesday was Crossover Day in Richmond and at the State Capitol. According to the Joint Rules of the Virginia General Assembly, after the annual Crossover Day, the House of Delegates may only consider Senate Bills and the State Senate may only consider House Bills. For the most part, Crossover Day signals the END of the legislative process for many, many legislative bills and resolutions.

HBAV is pleased to announce that the full 2010 HBAV Legislative Agenda made it past its house of origin, and will be considered by the opposite house during the final 22 days of the 2010 Session of the State Legislature. The 2010 session is scheduled to adjourn on Saturday, March 13<sup>th</sup>. HBAV is also pleased to announce that ALL legislation that would have had negative impact on the struggling housing industry has been set aside by the 2010 edition of the State Legislature.

## **HBAV PACKAGE MOVES FORWARD**

**VESTED RIGHTS - House Bill 1250, by Delegate Barry Knight of Virginia Beach** has been approved by the House of Delegates and has been assigned to the Senate Committee on Local Government.

**House Bill 1250** would add to the list of Significant Affirmative Governmental Acts (now 7 in total) the issuance of any written order, requirement, decision or determination made by the zoning administrator or other administrative officer regarding the permissibility of a specific use or density of

the landowner's property, after the appeals period, to the Act.

In 1998, at the request of HBAV, the Virginia General Assembly codified a Vested Rights Statute. At the time, the Act was hailed by national land use attorney organizations as the most progressive property rights legislation that had been approved by a state legislature in over 20 years.

With little exception, the basis for the Act was a series of Supreme Court of Virginia decisions. The purpose of the bill in 1998 was to draw "brighter" lines for local governments and landowners on what actions by local governments and, what actions by landowners created vested rights in Virginia. Most agree that the passage of the Act has brought much clarity to the issue of vested rights in Virginia. It is now time for a small, but important update to the Virginia Vested Rights Act to be adopted. The 2010 amendment will create more certainty for property owners in Virginia.

In many cases, prior to beginning improvements or construction on property in Virginia, lenders require and property owners obtain, a "Determination" from a Zoning Administrator to insure the intended use or density intended for the property is allowed by the underlying zoning classification. In most localities, such a "Determination" is a formal process. This measure will simply protect the property rights and add a layer of certainty for landowners who have acquired a Zoning Determination from a local government.

**STORMWATER REGULATION SUSPENSION - House Bill 1220, by Delegate Tim Hugo of Fairfax County and Senate Bill 395 by Senator Frank Wagner have both passed their house of origin.** The companion bills would suspend the controversial Stormwater regulation of the Department of Conservation and Recreation (DCR) until 280 days after the completion of the Virginia Total Maximum Daily Loads (TMDL) Implementation Plan for the Chesapeake Bay Nutrient and Sediment TMDL is approved by the United States Environmental Protection Agency, but no later than December 1, 2011.

Last week HBAV announced that an HBAV-led coalition of business organizations and local governments had reached a tentative Agreement with the Chesapeake Bay Foundation, the James River Association and the Nature Conservancy on a measure to "Temporarily" suspend the Kaine Administration and DCR proposed Stormwater regulation which would have significantly increased the cost of land development in every part of Virginia, and will do very little to improve the water quality of the Chesapeake Bay.

The EPA-TMDL is forecast to be completed by December, 2010. That will give Virginia's Department of Conservation and Recreation nearly 12 months to adopt a new Stormwater regulation that will meet the allocations to be set out by the EPA-TMDL.

**House Bill 1220** has been assigned to the Senate AG Committee for further consideration and **Senate Bill 395** has been assigned to the House AG Committee for the same.

The passage of the legislation to suspend the Stormwater Regulation in both houses of the State Legislature creates a "High Likelihood" of final passage of this important HBAV Legislative Priority for the 2010 Session of the State legislature.

HBAV has consistently asserted that there was an attempt to rush the controversial Stormwater Regulation to the finish line by the Kaine Administration in their waning days, with their full knowledge that the current Stormwater Management Regulation, has brought Virginia very close to its current Phosphorous Goal, and the FACT, that the EPA is in the process of revising the current phosphorous loading limits for Virginia.

**PROFFER PAYMENT DELAY – House Bill 374, by Delegate John Cosgrove and Senate Bill 632, by Senator Mark Obenshain** have passed their house of origin in good shape.

The measures would “temporarily” delay collection or acceptance of a per lot cash proffer by a locality, until after final inspection and before the residential property has been issued a certificate of occupancy by said locality.

**Senate Bill 632 and House Bill 374** have been vigorously opposed by Fairfax County, who has very few per lot cash proffers. The Virginia Association of Counties (VACO) and the Coalition of former High Growth Localities spoke against the bill, but with less vigor than Fairfax County. They seem to better understand than Fairfax County, that the 70% downturn in annual housing starts in Virginia, since 2005, is affecting local economies and local revenue gathering. Also speaking against both bills were Prince William County, Chesterfield County and the Piedmont Environmental Council.

**SB 632** was approved by the House CC&T Committee this Friday morning, and will be considered by the 100-member House of Delegates next week. **HB 374** will likely be considered by the Senate Committee on Local Government this coming Tuesday afternoon.

Senate Bill 632 and House Bill 374 are designed to temporarily eliminate a major impediment to the recovery of the new housing industry in many markets. Such “UPFRONT” required cash payments to local governments, in the current building and banking environment, stifle job production by the housing industry. HBAV believes it is now appropriate to “temporarily” delay this costly upfront payment of cash proffers or impediment to the production of new housing in many areas of Virginia.

**WATER AND SEWER DELINQUENT PAYMENT – House Bill 407, by Delegate Glenn Oder** has passed the House of Delegates. As a component of the annual update of the Virginia Landlord Tenant Act, the measure provides that if the landlord has not received the final water, sewer or other utility bill for the dwelling unit within the 45 day period, the landlord may provide written notice to the tenant that a portion of the security deposit is being held pending settlement of the water, sewer or other utility account, after which settlement, the landlord shall refund any remaining balance within 10 days. The tenant may provide the landlord written confirmation of the final settlement of such charges within the 45 day period, in which case the landlord shall refund the security deposit unless other deductions shall apply.

Many localities or their Water and/or Sewer Authorities have the ability to place liens on property (owners) for delinquent water and sewer charges. That same authority applies to rental units. Meaning, many property owners are being required to pay the delinquent water and sewer bills for tenants that vacate their rental property. Often such bills are received long after an apartment or rental home is vacated and the delinquent charges can be substantial (\$\$). HB 407 will now go to the Senate Committee on General Laws for review.

## **HBAV LEGISLATIVE COMMITTEE MARCHES TO GAB THIS WEEK IN RICHMOND**

The HBAV Legislative Committee, chaired by Bill Garrett of Richmond, met in Richmond on Wednesday morning of this week to get a full review of all matters before the state legislature that could impact the housing industry. Following the briefing by the HBAV lobbying team, the members of the Committee, from all parts of the Commonwealth, went to the General Assembly Building (GAB), to visit with their House Delegates and State Senators.

The purpose of the visits to the GAB was to thank those many members of the State legislature that had been helpful on the HBAV 2010 Legislative Agenda and get Committee Members better acquainted with the 20 new members of the House of Delegates and 2 new members of the State Senate.

Each of the 16 HBAV affiliated local associations is represented on the HBAV Legislative Committee.

### **HBAV FOR HAITI ORPHANS “Much More Help Needed – Conditions Worsen for Girls”**

For the past ten (10) years, HBAV Past President Bob Flynn of the Roanoke Regional Home Builders Association has used his annual personal vacation days to travel to Haiti to help make improvements to the “Quality of Life” for “The Home of the Daughters of God” Orphanage in Port-au-Prince. The orphanage provides food, clothing, shelter and education for 70 Haitian orphan girls.

On Wednesday, January 13<sup>th</sup>, Bob was due to fly into Haiti for a 7 day work-visit to the girl’s orphanage/home. The earthquake hit on Tuesday, January 12<sup>th</sup>.

The orphanage is located in Port-au-Prince. It is a maze of connecting buildings, some as high as 3 stories. The orphanage was severely damaged during the quake, and is now uninhabitable. The 70 girls that use to call the orphanage home are now living in the street in front of the orphanage in tents donated to them by UNICEF. Three of the girls and the orphanage’s cook’s wife and his 3 children lost their lives on that Tuesday.

**HBAV PRESIDENT MIKE NEWSOME AND HBAV PAST PRESIDENT BOB FLYNN URGES ALL HBAV MEMBERS TO MAKE A CONTRIBUTION TO THE ORPHANAGE AND THE GIRLS. PAST PRESIDENT FLYNN HAS ASSURED US THAT 100% OF ALL MONIES CONTRIBUTED WILL GO DIRECTLY TO THE ORPHANAGE!!!!** As of this date, no decent food, water or medical supplies have reached the girls.

The surviving girls are in need now, more than ever!!! Please consider making a Donation. Every dollar will help the girls through this tragedy. Please contribute \$25.00, \$50.00, \$100.00 or more.

PLEASE MAKE YOU PERSONAL OR BUSINESS CHECK PAYABLE TO RESURRECTION CATHOLIC CHURCH, and mail it to HBAV, 707 East Franklin Street, Richmond, Virginia 23219.

HBAV will bundle all Donations and deliver them directly to Past President Flynn in Roanoke. All contributions are 100% tax deductible.

Please send your personal or business contribution today. **As President Newsome said when approving this request, “Yes, this is about humanity”!!!!**

As of this writing, approximately \$5,000 has been contributed to the girl’s home by the members of HBAV. PLEASE CONSIDER SUPPORTING THE GIRLS. THEY NEED US!!!!