

2010 LEGISLATIVE SESSION SCHEDULED FOR SATURDAY CLOSING

“State Budget Impasse to Likely Delay Adjournment”

On this rainy, but warm Friday morning in Richmond, State lawmakers have only 36 hours to meet their scheduled deadline for adjournment of the 2010 session of the State Legislature. The 100 members of the House of Delegates and 40 State Senators are scheduled to adjourn on Saturday, March 13th. At this late hour of the 2010 Session, some say the Budget Conferees (12 veteran state legislators) and legislative leaders will extend the stay of the State Legislature in Richmond. Others are suggesting they may make the deadline.

Some of the talk this morning in the halls of the State Capitol was about a Friday evening recess until Wednesday. Over the weekend, Budget Conferees would continue to meet and other State Legislators would return home for work and rest. That could change quickly with either the Senate Conferees or House Conferees conceding a point or two.

Currently, the House of Delegates is refusing to accept \$145 million in State Senate approved fee increases to raise the state level of funding for K-12 education. The State Senate is refusing to further reduce K-12 funding and insisting on the fee income. Including other factors, the apparent number in dispute is close to \$500 million dollars. Complicating the issue was a statement by Virginia Secretary of Finance, Ric Brown this week that tentative February collections by the State appear to be lagging behind earlier forecasts.

As a result of a significant decline in State revenue in recent years, the State Legislature is facing a decision between major cuts in most State programs and services (including public education) or raising state taxes or fees. Over \$4 billion dollars in cuts must be made by the Budget Conferees, on top of the \$7 billion in earlier State Budget cuts during the Kaine years.

The House Budget Conferees are House Appropriations Committee Chairman Lacey Putney, (I), Bedford; Kirk Cox, (R), Colonial Heights; Beverly Sherwood, (R), Frederick; Johnny Joannou, (D), Portsmouth; Chris Jones, (R), Suffolk; and Steve Landes, (R), Augusta. Delegate Jones and Landes are new House Conferees.

The Senate Budget Conferees are Senate Majority Leader Dick Saslaw, (D), Fairfax; Senate Finance Committee Chairman Chick Colgan, (D), Prince William; Ed Houck, (D), Spotsylvania; Janet Howell, (D), Reston; Walter Stosch, (R), Henrico; Tommy Norment, (R), Williamsburg; and William Wampler, (R), Bristol.

COURT FEES PART OF BUDGET IMPASSE

The massive court fee increase in Senate Bill 329 has been imbedded in the Senate Budget, and the refusal of the House to accept the same, is one of the major State Budget Impasse issue.

HBAV is part of a coalition of business groups urging state lawmakers to reject the massive increase in court fees. The proposed increase would raise general district court fees from \$27 to \$75 and raise circuit court fees from \$60 to between \$110 and \$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 fee increases passed the State Senate in the form of SB 329, by Senator Richard Stuart.

The measure would significantly increase the cost of doing business of the HBAV commercial 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. It passed the State Senate on a 23 to 17 vote with a packed gallery of uniformed Sheriffs in attendance.

Rumored in the halls of the General Assembly Building is that some of the proponents of the fee increase have offered to reduce them by more by 50%, and both the House Conferees and Senate Conferees said "NO".

HBAV and our business coalition partners are working "OVERTIME" to express our vehement opposition to the proposed fee increases to the House Conferees and the Senate Conferees.

HOME BUILDING INDUSTRY CLOSES IN ON VERY SUCCESSFUL LEGISLATIVE SESSION

As the 2010 Session of the Virginia General Assembly draws to a close, HBAV members should express thanks to the members of the State Legislature for their support of our struggling business. All four bills on the 2010 HBAV Legislative Agenda have passed both houses of the Assembly, and are waiting action by Governor Bob McDonnell. All four bills will bring immediate relief to the housing industry. Each legislative bill has a July 1, 2010 Effective Date.

It is also important to note, that no anti-housing legislation passed the State Legislature this year.

The 2010 HBAV Legislative Package was developed by the HBAV Legislative Committee, Chaired by Bill Garrett of Richmond. This is the second year Mr. Garrett, a past president of the HBA of Richmond, has guided the HBAV legislative agenda through the state legislature. All four bills made it through the legislative process in good shape. No significant amendments were made to the HBAV package of legislation.

Below is a brief summary of each legislative bill in the 2010 HBAV agenda.

VESTED RIGHTS - House Bill 1250, by Delegate Barry Knight of Virginia Beach has been approved by the House of Delegates and State Senate despite a despicable editorial against the measure, which was published in the Roanoke Times. The newspaper misrepresented the intent and purpose of the legislation.

House Bill 1250 would add to the list of Significant Affirmative Governmental Acts (now seven 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 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 passed both houses of the state legislature this year. 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.

HBAV announced earlier this Session 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.

The passage of the legislation in both houses means the measures now go to Governor McDonnell for his consideration. Earlier this year, the new McDonnell Administration expressed support for the suspension of the Kaine-backed DCR regulation. HBAV will urge Governor McDonnell to sign the legislation into law. HB 1220 and SB 395 were the highest Legislative Priority of HBAV for the 2010 Session of the State legislature.

PROFFER PAYMENT DELAY – House Bill 374, by Delegate John Cosgrove and Senate Bill 632, by Senator Mark Obenshain 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.

THE MEASURES WERE CRAFTED AND DESIGNED TO IMPACT EXISTING PER LOT CASH PROFFERS, OR PROFFERS AGREED TO PRIOR TO THE JULY 1, 2010 EFFECTIVE DATE OF THE ACT. EVIDENCE OF THAT CAN BE FOUND BY THE UNSUCCESSFUL EFFORTS OF FAIRFAX COUNTY TO HAVE THE BILL AMENDED ON THE HOUSE FLOOR TO “NOT” MAKE IT APPLY TO PER LOT CASH PROFFERS PRIOR TO JULY 1, 2010 THAT REQUIRED PAYMENT EARLIER, SUCH AS AT THE TIME OF THE ISSUANCE OF A BUILDING PERMIT. THAT FLOOR AMENDMENT FAILED ON A 26 TO 73 VOTE!

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 (\$\$).

Mims Selected for Virginia Supreme Court Seat

On Thursday of this week, William C. Mims was selected by the House of Delegates and State Senate to serve on the Virginia Supreme Court. He succeeds Barbara Keenan, who was recently named to the U.S. Court of Appeals for the 4th District in Richmond.

Bill Mims, a Republican was well known by the House of Delegates, State Senate and Governor Bob McDonnell. He served 3 terms in the House of Delegates, 2 terms in the State Senate and was Governor McDonnell’s Chief of Staff when he served as Attorney General. He completed McDonnell’s term as AG, after he resigned to run for governor. He represented Loudoun County in the State Legislature

The HBAV leadership from Northern Virginia and the HBAV Lobbying team had a very good

working relationship with Mims.

LIEUTENANT GOVERNOR BILL BOLLING TO ADDRESS HBAV SPRING BOARD MEETING

The Guest Speaker for the HBAV Board of Directors Meeting, scheduled for Thursday, March 25th in Richmond, will be Lieutenant Governor of Virginia, Bill Bolling. He was first elected to the office of Lieutenant Governor of Virginia in 2005. On November 3rd, 2009 the Lieutenant Governor was re-elected to a second four-year term. Prior to his election as Lieutenant Governor, Bill Bolling served 10 years in the State Senate. Prior to his service in the Senate, he served as Chairman of the Hanover County Board of Supervisors.

As you may remember, upon his swearing-in, Governor McDonnell appointed the Lieutenant Governor as the state's Chief Job-Creation Officer and made him a member of his cabinet. He is to be on the front lines of the state's effort to create jobs and economic opportunity. Many economists and supporters of the housing industry believe job growth will be the catalyst to an improving new housing market.

Following the remarks by Lieutenant Governor Bolling, the Board will receive the reports of the Treasurer, Independent Auditor, Local Presidents/Membership Improvement Task Force, Legislative Committee (including the results of the 2010 Session of the Virginia General Assembly), the Associates Committee and the State Representative's report. We will also get an update on the HBAV Support for the Haiti Orphanage by HBAV Past President Bob Flynn and we will also kickoff our 2010 HBAV Build-PAC campaign at this meeting of the HBAV Board of Directors. There will also be an important local update of each association's plans for the DIRECTDrive Membership Campaign.

All HBAV Board Members, including Local Presidents are strongly encouraged to attend the HBAV Spring Board Meeting.