

HBAV LEGISLATIVE BULLETIN

Volume X, Number I

January 11, 2008

EDITOR'S NOTE

Following is the first edition of the 2008 *Legislative Bulletin* of the Home Builders Association of Virginia (HBAV). It will be e-mailed on Friday of each week during the 2008 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 2008 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 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

“Budget and Mixed Leadership will Dominate in 2008”

The 2008 session of the Virginia General Assembly convened at 12:00 noon on Wednesday, January 9th. The House of Delegates seated 99 members and the State Senate welcomed back 40 members. One seat in the House of Delegates is open, since Westmoreland County Delegate Rob Wittman was elected to the U.S. House of Representatives to succeed Jo Ann Davis in the 1st Congressional District. Representative Davis lost a hard-fought battle with cancer late last year.

The House of Delegates seated 10 new members last Wednesday, and is now composed of 53 Republicans, 44 Democrats, and 2 Independents.

The State Senate welcomed 9 new members, and for the first time since 1995 seated a majority of Democrats. The upper chamber of the state legislature is now composed of 21 Democrats and 19 Republicans. In other words, the House of Delegates will be governed by the Republicans and the State Senate will be governed by Democrats, with the support of Democrat Governor Tim Kaine.

The House of Delegates will be led by Republican Speaker of the House William J. Howell of Fredericksburg and Republican Majority Leader Morgan Griffith of Salem. House Democrats will be led by House Minority Leader Ward Armstrong of Martinsville and Democratic Caucus Chairman Brian Moran of Alexandria. The State Senate will be led by Democrat Senate Pro Tempore Chuck Colgan of Manassas and Democratic Majority Leader Richard Saslaw of Fairfax County. The Senate Republicans will be led by Senate Minority Leader Tommy Norment of Williamsburg.

MIXED LEADERSHIP/BUDGET DEFICIT

The 2008 Session of the Virginia General Assembly will be dominated by the efforts of the House Republican majority and Senate Democrat majority to govern the 60-day session to a congenial close, in the face of a growing budget deficit now forecast to be \$641 million. In the mix is Democrat Governor Tim Kaine, who played a very partisan role in the efforts of his political party to gain control of the State Senate. And, who begins this session with a one-time opportunity, as a one-term governor, to establish a handprint on state government with the introduction of the FY 2009/2010 State Budget. With their takeover of the State Senate, the Democrats have also taken control of 10 of the 11 standing committees of the upper body. Throw in a forecast state budget deficit of \$641 million and differing philosophies on how to address the revenue shortfall and many other priority issues, and governing gets more complex, not simpler.

The more conservative House Republicans prefer to address the shortfall to targeted budget cuts, while the more progressive State Senate and certainly Governor Kaine prefer tapping the state reserve to fill the cap. At the same time, the governor has advocated more state spending for mental health reform (following the Virginia Tech tragedy) and more state funding for local pre-kindergarten education.

Other issues to likely dominate the 2008 session of the state legislature include, immigration, payday lending, gun control and reforms to the 2007 transportation funding bill, whose driver abuse fees created uproar during the 2007 elections. The transportation issue created a controversy on day 2 of the 2008 session when Senate Democrats stood in unity at a news conference to declare the 2007 transportation bill as inadequate and promised to prepare a long-term transportation-funding plan for the Commonwealth. The Republican leadership in the House immediately responded with a no new tag pledge.

HBAV 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 Capital throughout the 60-day session to protect and improve the home building climate in Virginia. HBAV members may 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.

HBAV members may also keep with the pace of the state legislature by visiting the Virginia General Assembly website. The address is www.leg1.state.va.us.

HOUSE SPEAKER NAMES HOUSE COMMITTEES

On Wednesday evening of this week, the House Speaker released his committee assignments for the 2008/2009 sessions of the state legislature. The House of Delegates has 14 standing committees. The power to appoint committees and to assign House and Senate bills to committee for review makes the House Speaker considered the second most powerful person in state government. Among the many surprises with Speaker Howell's committee assignments was the departure of many veteran Republicans from their committee chairmanships. Eight of the 14 standing committees of the House of Delegates will have new chairpersons this year.

COUNTIES, CITIES AND TOWNS COMMITTEE GETS 8 NEW MEMBERS

The House Counties, Cities and Towns (CC&T) Committee will have 8 new members on the 22-member committee for the 2008/2009 Sessions of the General Assembly. The committee will be composed of 13 Republicans and 9 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 the anti-growth coalition of localities.

The chairman of the House CC&T Committee will continue to be Hopewell Republican Riley Ingram. The minority leader on the committee will continue to be Richmond Democrat Frank Hall. New members to the committee are Augusta County Delegate Chris Saxman, Franklin County Delegate Charles Poindexter, Henrico County Delegate Jimmie Massie, Danville Delegate Don Merricks, Alexandria Delegate Brian Moran, Loudon County Delegate David Poisson, Fairfax County Delegate Chuck Caputo and Prince William Delegate Paul Nichols.

Continuing their service on the important committee to housing are Delegates Ingram, Marshall (Bob), Orrock, Suit, Marshall (Danny), Iaquinto, Crockett-Starke, Lohr, Hall, Hull, Jones (Dwight), Spruill and Ware (Onzlee).

Subcommittee Number 1 of the CC&T Committee, which considers charter bills and miscellaneous legislation, will be chaired by Western Virginia Delegate Anne B. Crockett-Starke. Other members of the subcommittee are Delegates Marshall (Bob), Orrock, Iaquinto, Poindexter, Massie, Hall, Jones (Dwight), Moran and Caputo.

Subcommittee Number 2, which considers most housing and growth-related measures will be chaired by Danville Delegate Danny Marshall. Also serving on Subcommittee Number 2 will be Delegates Suit, Oder, Lohr, Saxman, Merricks, Spruill, Ware (Onzlee), Poisson and Nichols.

The subcommittee of House CC&T will meet on Wednesday mornings of each week. The full committee will meet on each Friday morning of the 2008 legislative session.

DELEGATE SUIT TO LEAD HOUSE GENERAL LAWS

Delegate Terrie Suit of Virginia Beach was appointed as chairperson of the House General Laws Committee that considers much legislation that impacts the housing industry. All bills related to the Uniform Statewide Building Code (USBC), the Virginia Landlord Tenant Act and Community Associations are assigned to the House General Laws.

In an important decision, Delegate Suit has named Delegate Glenn Oder of Newport News to succeed her as chairman of the House General Laws Housing Subcommittee. That subcommittee will be first to consider all USBC, Landlord Tenant Act and Community Association bills for the full committee. Delegate Oder is a past president of the Peninsula Housing & Builders Association.

SENATE DEMOCRATS NAME COMMITTEE CHAIRMAN

“Senator Lucas to lead Senate Local Government Committee”

On Wednesday evening of this week, the chairperson of the State Senate was announced by Senate Majority Leader Dick Saslaw. He will lead the powerful Senate Commerce and Labor Committee. Ten of 11 standing committees of the State Senate will have a new Democratic Chairperson.

Taking over as “Madam Chair” of the Senate Local Government Committee will be Senator Louis Lucas of Portsmouth, Virginia. She succeeds Senator Fred Quayle as chairman of the committee that considers most housing legislation.

Senator Lucas has been a longtime advocate for housing as a member of the upper chamber. Also re-assigned to her Senate Committee were Senators Marsh, Quayle, Martin, Hanger, Ticer, Reynolds, Puller, Cuccinelli, Obenshain and Herring. Newcomers to the committee are veteran Senator Mamie Locke of Hampton, freshman Ralph Smith of Roanoke and Richard Stuart of Montross, Virginia.

The Senate Local Government Committee is the only committee of State Senate that will have a Republican majority. When the Senate was governed by the Republican party, it was 1 of 2 committees with a Democratic majority.

HBAV READIES FOR 2008 GENERAL ASSEMBLY

Amid the celebration of the convening 2008 Session of the Virginia General Assembly, HBAV readies for an expected onslaught of anti-growth legislation. Numerous impact fee and adequate public facility bills have already been introduced to this session of the state legislature. We will highlight each of them in next week’s HBAV *Legislative Bulletin*.

Although housing has been one of the very few sectors of the state economy to perform above expectations during the recent economic slowdown, an ever-increasing number of local governments, environmental groups and civic groups are calling for the Virginia General Assembly to immediately grant local governments more authority to manage or shape (of course, that means stop) residential growth

through changes in land use laws and/or the imposition of new taxes on new housing. The basis for their calls for new growth control laws and their calls for new taxes is their assertion that growth in the housing industry is creating more demand for new schools and roads (infrastructure) than they can currently afford to supply. Virginia is a Dillon Rule state, so any new growth control ordinances or new taxes on housing would have to be approved by the state legislature and signed by the Governor.

Consequently, the 2008 session of the state legislature is expected to be the most challenging for HBAV and our 17-affiliated local associations. Growth has developed into one of the top five issues for the General Assembly to address again this year.

We are fighting hard to hold the line, but it's getting tougher and tougher as the anti-growth movement continues to expand in the high-growth regions of the state.

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 2008 session of the General Assembly:

January 18, 2008	Deadline to Introduce Bills
February 13, 2008	Deadline to Consider Bills in the House of Origin
March 3, 2008	Deadline for Committee Action On Legislation
March 8, 2008	Adjournment