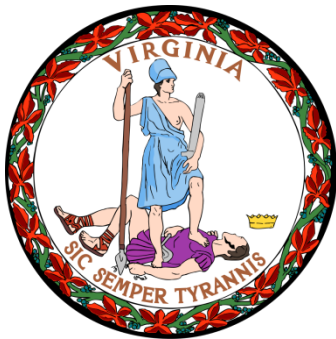


2017 EXECUTIVE SUMMARY OF

**THE JOINT SUBCOMMITTEE ON
LOCAL GOVERNMENT FISCAL STRESS**



TO THE GENERAL ASSEMBLY OF VIRGINIA



Commonwealth of Virginia

GENERAL ASSEMBLY

RICHMOND

January 10, 2018

TO: Members of the General Assembly

Pursuant to budget language (Chapter 836, 2017 Acts of Assembly, Item 1, U.) the Joint Subcommittee on Local Government Fiscal Stress is required to submit on or before the first day of the General Assembly session an executive summary of its findings and recommendations. This Executive Summary includes the activities performed by the Joint Subcommittee, as well as recommended areas for further analysis and consideration by the Joint Subcommittee.

Thank you for accepting the inaugural submission of the Executive Summary of the Joint Subcommittee on Local Government Fiscal Stress. Documents related to the Joint Subcommittee are available on the General Assembly's Legislative Information System web page (located here):

<https://rga.lis.virginia.gov/?OpenForm&StartKey=2017&ExpandView>.

In addition, requests for further information regarding the Joint Subcommittee can be made to staff members of the Senate Finance Committee, House Appropriations Committee, and the Division of Legislative Services.

Sincerely,

A handwritten signature in blue ink, appearing to read "Emmett W. Hanger, Jr.".

Emmett W. Hanger, Jr., Chair

2017

**JOINT SUBCOMMITTEE ON LOCAL
GOVERNMENT FISCAL STRESS**

SENATE OF VIRGINIA

THE HONORABLE EMMETT W. HANGER, JR., CHAIR

THE HONORABLE THOMAS K. NORMENT, JR.

THE HONORABLE RICHARD L. SASLAW

THE HONORABLE CHARLES W. CARRICO, SR.

THE HONORABLE ROSALYN R. DANCE

HOUSE OF DELEGATES

THE HONORABLE S. CHRIS JONES, VICE-CHAIR

THE HONORABLE R. LEE WARE

THE HONORABLE ROBERT "BOBBY" ORROCK

THE HONORABLE RICHARD "RICH" ANDERSEN

THE HONORABLE L. NICK RUSH

THE HONORABLE LASCHRECSE D. AIRD

EXECUTIVE SUMMARY

THE JOINT SUBCOMMITTEE ON LOCAL GOVERNMENT FISCAL STRESS - BACKGROUND

ENABLING AUTHORITY

(CHAPTER 836, 2017 ACTS OF ASSEMBLY)

Established in budget language contained in Chapter 836 of the 2017 Acts of Assembly, the goals and objectives of the Joint Subcommittee on Local Government Fiscal Stress are to review the following:

- i. Savings opportunities from increased regional cooperation and consolidation of services;
- ii. Local responsibilities for service delivery of state-mandated or other high priority items;
- iii. Causes of fiscal distress among local governments;
- iv. Potential financial incentives and other governmental reforms to encourage increased regional cooperation; and
- v. The different taxing authorities of cities and counties

The Joint Subcommittee on Local Government Fiscal Stress is comprised of 11 members of the General Assembly. Five members of the Senate Finance Committee are appointed by the Co-Chairs of the Senate Finance Committee, and four members of the House Appropriations Committee, and two members of the House Finance Committee are appointed by the Chairman of the House Appropriations Committee. Both a Chairman and Vice-Chairman are elected among the membership of the Joint Subcommittee.

MEETINGS OF THE JOINT SUBCOMMITTEE

Two meetings took place during 2017 on the following dates: June 15, 2017 and August 21, 2017. A summary of the meeting agendas and content are as follows:

Thursday, June 15, 2017 (1:30 p.m. in Senate Room 3, Capitol Building)

- Welcoming remarks/Election of Chair and Vice Chair
- Update on Petersburg
 - The Honorable Richard D. Brown
Secretary of Finance
 - Robert C. Bobb
President & CEO
The Robert Bobb Group, LLC
- Overview of Budget Language/Previous Local Fiscal Distress Activity
 - Adam Rosatelli
Legislative Fiscal Analyst
Senate Finance Committee Staff
- Communities in Fiscal Distress/Areas of Consolidation/Collaboration
 - David Conmy
Local Government Policy Administrator
Commission on Local Government (DHCD)
- Update on Local Taxation
 - Lisa Wallmeyer
Senior Attorney
Division of Legislative Services

Monday, August 21, 2017 Meeting (1:00 p.m in Senate Room 3, Capitol Building)

- Update on APA Workgroup Activities (pursuant to budget language in § 4-8.03) –
Prioritized early warning system; Review of local oversight, assistance and
intervention
 - Martha Mavredes
Auditor of Public Accounts
- Review of Previous Committees/Commissions and Key Tax Related Issues

- Joe Mayer
Senior Tax Policy Analyst
Department of Taxation
- Review of 2017 Work Plan
 - Adam Rosatelli
Legislative Fiscal Analyst
Senate Finance Committee Staff