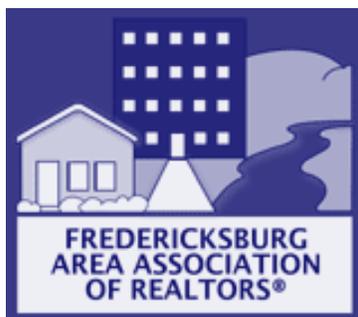




# 2011 Legislative Package



## Fredericksburg Area Association of REALTORS® 2011 Legislative Package

<b>PURPOSE</b>	<b>3</b>
<b>FAAR ISSUES OF CONCERN</b>	<b>4</b>
Transportation Crisis	4
Providing Housing Opportunity and Choice	4
Growth Issues	5
VREB Responsiveness	5
Ethical Business Practices	5
Third Party Provision of HOA/COA Documents	5
Fair and Equitable Real Estate Assessments	6
Access to Stable and Affordable Flood Insurance	6
Regional Cooperation	6
<b>FAAR STANDING POSITIONS</b>	<b>6</b>
Business, Professional and Occupational Licensing Tax	7
Chesapeake Bay Preservation Act	7
Comprehensive Plans	7
Family Subdivisions	7
Historic Preservation Ordinances	7
Premises Liability	7
Preservation of Open Space and the Environment	7
Private Property Rights	8
Privatization of Government Services	8
Purchase or Transfer of Development Rights	8
Real Estate Recovery Fund	8
Roll Back Taxes	8
Storm-Water Management	8
VRE Access	8

## **PURPOSE**

The 2011 Legislative Package for the Fredericksburg Area Association of REALTORS® is intended to be an outline for the government affairs efforts of the association throughout the year. In addition, FAAR will also submit this package to the Virginia Association of REALTORS® for consideration for the VAR Legislative Package for the 2011 General Assembly Session.

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## **FAAR ISSUES OF CONCERN**

### **TRANSPORTATION CRISIS**

The number one issue facing the Commonwealth of Virginia is the growing mobility crisis throughout the population crescent stretching from Northern Virginia to Hampton Roads. Without increased federal, state, and local investment in all types of transportation infrastructure, the Commonwealth runs the risk of economic stagnation, business flight, and a decreased tax base.

FAAR promotes the efficient movement of people, goods, and services throughout the Commonwealth of Virginia. Maintaining a balanced, multi-modal, and regional transportation system is critical to our long-term economic viability. In order to meet the current and future demands on the Commonwealth's transportation network, the Virginia Department of Transportation (VDOT) must continue to invest in major highway projects such as extending the HOV lanes into Stafford County and beyond, support mass transit expansion such as Virginia Railway Express into Spotsylvania County, and a commitment to expanding regional bus networks like the partnership between area communities in FRED. It is vital that future local land use plans accommodate the growth that this area continues to experience and that local, state, and federal entities work together to ensure that current needs are being met and future capacity is being planned for.

Transportation must remain a state priority and responsibility that provides dedicated, broad-based funding sources for multi-modal transportation solutions. The General Assembly must continue to enact reforms reestablishing the link between land-use and transportation planning.

### **PROVIDING HOUSING OPPORTUNITY AND CHOICE**

The Fredericksburg area sits 50 miles south of Washington, DC, making it a desirable community for those commuting to our nation's capital. Residents and potential homebuyers in the Fredericksburg area saw home prices skyrocket, with a 238% increase in the period of from 2001 through 2007. While prices have fallen considerably in the region, there are still many barriers to homeownership for many potential buyers.

Housing opportunity and choice are the cornerstones of the American economy and tradition. Homeownership has always been considered a lucrative source of investment leading to more responsible and contributing citizens to the local community. It is important that government at all levels create an atmosphere for the market to produce housing choices for people at all income levels that encourages the exchange of real property.

FAAR supports the availability of a wide-range of urban, suburban and rural housing choices at all price levels. In order to assist communities in developing growth plans and policies, FAAR supports and encourages implementation of the following objectives:

- Ensuring an adequate supply of land for housing, at all market levels, to meet existing and forecasted housing demand.
- Use of market analysis to reflect an area's diverse population and income levels in a wide range of suburban and rural housing types and choices.
- Reduction of regulatory barriers to home rehabilitation to enable historic preservation, modernization of older housing units and to increase affordable housing options.
- Evolution of planning, zoning and subdivision laws to accommodate mixed-use

development, and changing growth patterns.

- Implementation of fair and reasonable development, building review and permit processes.
- Transportation systems that enhance access to work and services.
- Market-driven and incentive-based approaches to managing growth.
- Balanced, equitable, and fair financing of infrastructure needs, including a more proportionately balanced revenue return to localities from the state.

## **GROWTH ISSUES**

During the past ten years, the population of the greater Fredericksburg Area has dramatically increased. The region is home to two of the nation's fastest growing counties, Spotsylvania and Stafford. During this time of rapid growth the region has struggled with meeting the demands associated with growth. The ever expanding costs for investing in critical infrastructure have placed enormous burdens on the fiscal health of the regional governments. It is unlikely that the region will experience a significant reduction in its growth rate over the next ten years so growth issues will continue to dominate public policy debates.

FAAR supports the following measures to accommodate current growth and plan for future growth:

- Provide ample housing opportunity and choice
- Improve public safety and schools
- Ease traffic congestion
- Enhancement and expansion of the Enterprise Zone Program
- Implementation of responsible and reasonable storm water management programs
- Fair and equitable taxation plans to provide necessary financial resources without overburdening property owners
- Sensible adequate public facilities planning and revenue raising that does not infringe on private property rights

## **VIRGINIA REAL ESTATE BOARD RESPONSIVENESS**

As the number of real estate agents, brokers and transactions in the Commonwealth continue to increase the state regulatory agency, the Virginia Real Estate Board, has not been able to keep pace with increased demands on the staff to process continuing education application and investigate consumer complaints efficiently. Because the VREB is financed through licensing fees from sales agents and brokers, the membership of FAAR is seeking additional staff support for VREB to meet the demands of a rapidly expanding pool of licensees.

## **ETHICAL BUSINESS PRACTICES**

The vast increases in the number of real estate licensees throughout the Commonwealth requires a greater commitment, within our own ranks, to the REALTOR® Code of Ethics and to increased professionalism through continuing education. PWAR stands ready to help VAR in the on going state effort to address these issues.

## **THIRD PARTY PROVISION OF HOME/CONDO OWNERS DOCUMENTS**

While the General Assembly passed legislation to clarify the amount HOA/COA's could charge a homeowner or unit owner for the timely provision of the association's document package, there is a growing concern that as more associations turn to third party providers, documents are not being provided in the necessary time frame. FAAR will continue to monitor this situation and will

reserve the right to seek legislative remedy should the situation warrant.

### **FAIR AND EQUITABLE REAL ESTATE ASSESSMENTS**

Local governments across the region are struggling to balance municipal budgets as tax revenue decreases and the demand on services increase. In some counties, real assessments for commercial properties are holding steady while residential assessments are falling dramatically. Commercial real estate is facing major challenges in the market place and many property owners are now seeing their tax bills increase due to flat assessments and an increased equalized tax rate. FAAR will continue to monitor the situation and work with local supervisors and the Commissioner of the Revenue to ensure that one class of real estate is not unfairly shouldering a tax burden.

### **ACCESS TO STABLE AND AFFORDABLE FLOOD INSURANCE**

The National Flood Insurance Program is vital to the Fredericksburg region with its many rivers, tributaries, and lakes. The program has been plagued by short-term congressional extensions which have often led to lapses in the program and a freeze on issuing new or renewed policies. FAAR will continue to advocate at a federal level for a long-term, multi-year reauthorization of the flood insurance program to ensure that homeowners and homebuyers have access to the policies they need.

### **REGIONAL COOPERATION**

As the Fredericksburg region continues to grow, it's often hard to distinguish where one county or city ends and another begins. Benefits and challenges are shared across the region and no unit of local government is operating in isolation from its neighbors. FAAR supports enhanced regional cooperation among the governments in the region as collaboration and combining of some infrastructure services provides great benefits to the citizens of our communities.

The Central Rappahannock Regional Library is a great example of what partnership between local governments can accomplish. It is imperative that area governments continue to work together on mutually beneficial projects like the library, water and sewer, parks and recreation, and other various opportunities to maximize efficiency and public service. FAAR encourages local governments affecting decisions in the Greater Fredericksburg area to work together in regional efforts to save costs and eliminate the duplication of services. The General Assembly should continue to develop and implement incentives for local governments to band together in regional cooperative efforts to provide services to citizens at a lower cost, and to enhance the region's opportunities for future economic development.

## **FAAR STANDING POSITIONS**

### **BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSING (BPOL) TAX:**

FAAR supports repeal of the BPOL tax and its replacement with another source of revenue that is collected more fairly, or with state revenue sharing. The association does not wish to further financially constrain local governments and supports the repeal of BPOL only to the extent that the state replaces any loss of revenue with an alternative source that is more equitable. We do not support the repeal of BPOL if such action increases real estate taxes and/or development and real estate related fees. Until an alternative can be found, FAAR continues to oppose any increase in the BPOL tax.

**CHESAPEAKE BAY PRESERVATION ACT:** FAAR is concerned about achieving a balance between a healthy Chesapeake Bay and a strong, viable economy in Virginia. FAAR supports local ordinances that do not go beyond the Commonwealth's mandated minimums. FAAR will continue to support reasonable and fair regulations that promote a balance between economic growth, the protection of private property rights and the preservation of the environment while opposing any initiatives that exceed these criteria. .

### **COMPREHENSIVE PLANS**

Comprehensive Plans should be fluid documents, frequently updated, that serve as a guide for the provision of an adequate supply of developable land to meet the market's demand for housing opportunities. Economic development efforts and comprehensive planning efforts must work in tandem to ensure that workers can find affordable housing in close proximity to their places of employment. FAAR supports the following objectives:

- Clustering of development and innovative land-use policies that encourage mixed-use and pedestrian friendly developments
- Comprehensive land-use planning that serves as a guide for identifying land to be made available for residential, recreational, commercial, industrial and other uses.
- Updating Comprehensive Plans on a regular basis to accommodate changing demands for different types of housing needed to support the local workforce.
- Flexible planning which avoids fixed growth boundaries that exacerbate sprawl and adversely affect housing affordability.

**FAMILY SUBDIVISIONS:** FAAR supports introduction of legislation requiring local governing bodies to strictly adhere to the Code of Virginia with respect to family transfers. It will oppose any unreasonable restrictions that would limit a family (as defined by the Code) in its rights to divide, sell or gift their property among themselves.

**HISTORIC PRESERVATION ORDINANCES:** FAAR opposes the implementation of historic preservation ordinances that go beyond the current state law in its regulation of historic preservation and create unreasonable costs for property owners. Our primary concern is that historic preservation benefits the entire community and should be paid for by the entire community by allowing tax credits for compliance with ordinance requirements.

**PREMISES LIABILITY:** FAAR opposes any premise liability legislation that would require businesses to be responsible for crime (including vandalism) occurring on their property.

### **PRESERVATION OF OPEN SPACE AND THE ENVIRONMENT**

FAAR recognizes the importance of preserving Virginia's environment and supports:

- The preservation of sensitive lands through public action as long as those efforts respect private property rights and are not achieved through "takings."
- Land purchased for open space should always be purchased from a willing seller who is compensated at fair market value.
- Community Open Space Taxation must be fairly and uniformly applied and place an appropriate value on community open space.
- Predictability in the development process.
- Increased uses of density.

- Access to open space and parks.

**PRIVATE PROPERTY RIGHTS:** FAAR supports fair and comprehensive federal and state private property rights legislation that balances restrictions on property with the constitutional private property rights guaranteed to our citizens under the Fifth Amendment. The United States Supreme Court ruling in *Kelo v. City of New London* has substantially weakened private property rights in the United States and FAAR will be monitoring private property issues in the Commonwealth to ensure that Virginia remains a leader among the states in the protection of private property rights.

**PRIVATIZATION OF GOVERNMENT SERVICES:** FAAR supports continued efforts to move appropriate government services into the private sector, both at the state and local levels.

**PURCHASE OR TRANSFER OF DEVELOPMENT RIGHTS:** FAAR opposes any TDR legislation that addresses the shifting of population from one area to another without addressing services, tax shifting, economic development and equitable compensation to the landowner. FAAR opposes any PDR legislation that uses tax money to finance purchases unless the land in question is open and accessible to the general public at all times.

**REAL ESTATE RECOVERY FUND:** FAAR is opposed to increasing the cap on the Recovery Fund to \$5 million since currently the only way to reach \$5 million is through additional assessments. FAAR would rather see the VREB look at other methods of increasing the Fund's balance. In addition, FAAR favors making the 1997 legislation mandatory – requiring interest to be counted towards the fund's balance – rather than simply permissive.

**ROLL BACK TAXES:** FAAR supports this program as it relates to the landowner's use of property and opposes any efforts to impose roll back taxes based on comprehensive plans or zoning status. FAAR opposes any further attempt to expand the roll-back tax assessments in situations where the locality's adopted comprehensive plan projects a non-agricultural use for the land, and supports addressing the inequities under the current statute. FAAR seeks a repeal of the Virginia Code Section that allows the assessment of roll back taxes in cases where the use of the land continues to qualify as an approved use for land use assessment under the Code.

**STORM-WATER MANAGEMENT:** FAAR supports responsible and reasonable storm-water control programs that do not overly burden the property owner.

**VRE ACCESS:** FAAR supports expansion of the VRE and will continue to work on moving the approved extension of the line from the Fredericksburg station out to the newly approved Spotsylvania Station. VRE relieves traffic congestion on roads by providing an alternative form of transportation. Spotsylvania and Caroline county commuters are forced to existing VRE stations contributing to traffic congestion on local roads and complicating issues with limited parking in downtown. FAAR will continue to work with the affected counties and residents to fully realize the many economic and community benefits of the VRE.