

2018 General Assembly Updates from VFA

The <u>Virginia General Assembly</u> convened on January 10, 2018. Since entering into session, a total of nearly 3,300 bills, resolutions, and joint resolutions had been introduced for consideration by our state Senators and Delegates. Of this total, slightly more than 2,600 were actual bills that could make changes to the Code of Virginia. Well more than half of these bills have already failed to pass.

VFA has been diligently reviewing, monitoring, and acting on legislation with potential impact on our wide array of forest product businesses, woodland owners, forestry professionals, and other forestry stakeholder members. This list of bills and resolutions includes those primarily classified into groups of trucking and transportation, conservation of our water resources, tax and property rights laws with potential impact on landowners, energy, and numerous others concerning forest landowners and the forest industry.

We are also working on the state budget in terms of specific budget items of importance to forestry, particularly as applies to programs of the Virginia Department of Forestry.

The intense state advocacy aspect of VFA's purpose will continue until the General Assembly's scheduled adjournment on March 10.

Following is a more detailed listing and look at some of the key legislation on VFA's plate (click on the bill links to see the bills and General Assembly actions):

Trucking and Transportation

<u>HB 125</u> – Delegate <u>Terry Austin</u>'s bill to add rough-sawn green lumber to the list of forest products eligible for the state's overweight forest products hauling permit passed in both the House and Senate and is awaiting the Governor's signature. VFA worked diligently to assist the Virginia Forest Products Association in advocating for this bill.

HB 1276 & SB 504 – Introduced by Delegate Scott Garrett and Senator Bill Carrico, both bills have been amended and are making their ways through the process. VFA served as part of a coalition to promote a potential future federal pilot program for increased truck weights using six-axle trailers to include the federal highway system. The bills now direct the Virginia Department of Transportation to convene a work group to consider such a pilot program. VFA will continue to participate as this effort materializes.

VFA was also engaged in several other transportation-related bills, including <u>HB 214</u>, <u>HB 636</u>, <u>HJ 89</u>, <u>SB 73</u>, <u>SB 561</u>, and <u>SB 971</u>.

Water Conservation

Of the numerous bills introduced with the intention to promote more efficient water usage, better manage natural water supply, protect water quality, and improve stormwater management regulations,

VFA determined that Delegate <u>Keith Hodges</u>' bills were among the best legislative vehicles for practical and useful results. These were <u>HB 494</u>, <u>HB 1035</u>, and <u>HB 1036</u>. Each has passed in the House of Delegates and is receiving favorable treatment in the Senate.

VFA expressed concern about unintended consequences of <u>HB 447</u> and <u>HB 1186</u> as regards forestry and forest products manufacturers. Other bills of note, some helpful and some of concern, were <u>HB 211</u>, <u>HB 771</u>, <u>HB 801</u>, <u>HB 805</u>, <u>HB 1185</u>, <u>HB 1206</u>, <u>HB 1234</u>, <u>HJ 93</u>, <u>SB 211</u>, and <u>SB 766</u>.

Taxes and Property Rights

VFA testified or worked in favor of several bills strengthening land use property tax valuation and property tax exemptions for forest landowners, including Delegate <u>Bobby Orrock</u>'s <u>HB 871</u>, Delegate <u>Les Adams</u>' <u>HB 1022</u>, and Senator <u>Frank Ruff</u>'s <u>SB 314</u>. VFA followed the lead of partners <u>Virginia Farm Bureau</u> and <u>Virginia Agribusiness Council</u> for most of these bills, which passed in their body of origination.

Delegate <u>Matt Fariss'</u> <u>HB 1460</u>, Delegate <u>Nick Rush'</u>s <u>HB 365</u>, Delegate <u>Bobby Orrock'</u>s <u>HB 1442</u>, and Senator <u>Emmett Hanger'</u>s <u>SB 81</u> were also favorable bills with tax implications potentially helpful to landowners.

Working with the <u>Family Foundation</u> and other partners, VFA also spoke in committees in favor of Senator <u>Chap Petersen</u>'s <u>SB 278</u> and <u>SB 809</u>, augmenting property owners' compensation rights in cases of eminent domain actions. Senator <u>Amanda Chase</u>'s supportive <u>SB 911</u> was incorporated into <u>SB 809</u>. This legislation appears on its way to passage.

VFA opposed <u>HB 310</u> which sought to reinstate the estate tax in some cases.

Energy

Various energy-related bills have been front and center during the General Assembly, with flagship bills <u>HB 1558</u> (Delegate <u>Terry Kilgore</u>) and <u>SB 966/SB 967</u> (Senators <u>Frank Wagner</u> and <u>Dick Saslaw</u>) being of major importance. VFA reviewed these bills and similar ones for any impact on use of woody biomass. VFA expressed concerns about <u>HB 436</u> which would have eliminated biomass from the Renewable Portfolio Standard.

Monitored energy legislation included <u>HB 54</u>, <u>HB 946</u>, <u>HB 963</u>, <u>HB 1273</u>, <u>HB 1344</u>, <u>HB 1372</u>, <u>SB 855</u>, and <u>SB 965</u>, among others.

Other Legislation

VFA assisted with such bills as <u>HB 844</u>, dealing with the state's outdoor burning regulation, <u>HB</u> <u>987</u> and <u>SB 567</u>, addressing agricultural (includes forestry) nuisance complaints, and <u>HB 1458</u>, adding restrictions on dumping of animal carcasses on others property.

We worked to defeat <u>HB 936</u>, which would have prohibited a practical insecticide used in forestry applications, and <u>HB 981</u>, which would have imposed a five-cent tax on paper bags.

Budget

The House and Senate budget reports offered in response to Governor Northam's proposed biennial budget differ significantly as a result of the approach or lack thereof regarding Medicaid and corresponding federal revenue. Conferees from each legislative body will hammer out a final product, with the following forestry-related items in the balance.

Both the House and Senate included an additional \$112,000 annually for the <u>Reforestation of Timberlands (RT) Program</u> as administered by the <u>Department of Forestry (DOF)</u>, matching industry's contribution to the Forest Products Tax. The discrepancy was addressed by Senator Frank Ruff and Delegate Charles Poindexter in their introduced budget amendments.

The Senate removed \$236,000 from the Governor's budget for a one-year appropriation to jump-start production of containerized longleaf and loblolly pine seedlings at DOF's Garland Gray Forestry Center nursery. The House retained the funding.

The Senate also dropped \$107,500 in each year of the budget to increase operational funding needed for adequate staffing in the Office of the Secretary of Agriculture and Forestry, while the House maintained this support.

In the time remaining for this General Assembly, VFA's highest budget priority is to work with its partners to protect the RT funding and urge Governor Northam to approve its inclusion in a final state budget. We will also encourage the General Assembly budget conferees to give consideration for funding DOF nursery enhancement and the Secretary's operational needs. VFA members are asked to contact their legislators to voice support for these budget items.