



# 2010 Legislative Summary



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# Vital Statistics from the 2010 Session

	<b>Introduced</b>	<b>Passed Both</b>	<b>Failed</b>	<b>Approved</b>	<b>Vetoed</b>
<b>House Bills</b>	1,396	543	688	538	0
<b>House Joint Resolutions</b>	495	428	65	3	0
<b>House Resolutions</b>	40	37	3	0	0
<b>Senate Bills</b>	739	328	319	327	0
<b>Senate Joint Resolutions</b>	274	242	18	3	0
<b>Senate Resolutions</b>	20	20	0	0	0
<b>General Assembly Totals</b>	2,964	1,598	1,093	871	0

# 2010 Legislative Priorities

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## State and Local Fiscal Sustainability

During a period when the Commonwealth and its local governments are experiencing the worst economic crisis since the Great Depression, VACo reaffirms its commitment to protecting state and local fiscal stability.

Fiscal stability enables the Commonwealth to provide core public services critical to the long-term economic vitality of Virginia. Difficult financial times require government, at all levels, to evaluate its service delivery and determine the continued importance and viability of the programs created to meet critical service needs.

The counties in Virginia stand ready to partner with the Commonwealth to make the tough decisions required.

- **State Funding:** VACo is concerned with protecting the reliability and sustainability of the Commonwealth's general fund which finances most core government functions mandated by the state but provided by local governments, including public primary and secondary education (K-12).
- **State Tax Reform:** VACo supports significant tax reform that includes a restructuring of state income and sales and use taxes with the intent to stabilize and increase revenues to meet current and foreseeable core service demands. Tax reform also will reduce pressure on local government leaders who continually must consider raising real estate tax rates to fund K-12 public education, public safety, the Comprehensive Services Act, mental health and mental retardation, and other critical services.
- **Local Government Revenues:** VACo supports equal taxing authority for cities and counties. VACo also asks the Commonwealth to grant counties and cities the option, by action of the local governing body without a referendum, to increase the local sales and use tax by 0.5 percent to help offset state budget reductions affecting localities.
- **Local Discretion for Budget Reductions:** VACo supports sufficient local discretion to manage state-mandated reductions.

- **Local Government Fiscal Policy:**
  - VACo supports proposals ensuring the appropriate collection of applied and assessed taxes including Transient Occupancy Taxes from online transactions.
  - VACo opposes constitutional amendments mandating real property tax relief.
  - VACo opposes proposals reducing state and local grantor and recordation tax revenue.
  - VACo opposes state-mandated policies affecting the Local Government Investment Pool.

## Broadband

- VACo urges the Commonwealth to assist counties in their efforts to deploy universal affordable broadband services, particularly in underserved and rural areas, by adopting targeted statewide budgetary and statutory policies.

## Education

- VACo supports full state funding for public education programs, including the Standards of Quality, teacher salaries and retirement costs, the Standards of Accreditation, the Standards of Learning, incentive and categorical aid, and capital and maintenance support.
- VACo opposes changes in methodologies and the division of financial responsibility intended to shift education costs from the state to localities.
- VACo supports local flexibility to make appropriate reductions across state educational categories when general funding that supports the Standards of Learning and Standards of Accreditation is reduced.

## Health and Human Resources

- VACo supports state policies and funding to ensure the Commonwealth's at-risk families have access to high quality and appropriate services.

## Growth Management

- VACo opposes any legislation to weaken the authority of localities to plan and regulate land use.

- VACo supports legislation to grant localities additional tools necessary to adequately meet citizens' increasing public infrastructure needs that are driven by new development.

### **Sovereign Immunity**

- VACo opposes any substantive change in local governments' present defense of sovereign immunity for tort liability. VACo opposes bringing counties under the Virginia Tort Claims Act.

### **Stormwater**

- VACo opposes any stormwater requirements on local governments related to new development, redevelopment and existing development that are not cost-effective, affordable and manageable at the local level.

### **Transportation**

- VACo urges the Commonwealth to enact a transportation funding package to include dedicated, new, significant and recurring annual revenues to address the Commonwealth's documented transportation infrastructure needs.
- VACo supports restoration of the Transportation Revenue Sharing program to the structure that existed prior to the 2006 session with robust funding.

### **Unfunded Mandates**

- VACo opposes unfunded mandates by the Commonwealth.

### **Water Quality**

- VACo supports additional state funding and technical assistance to help localities improve water quality in a manner consistent with tributary strategies, implementation of Total Maximum Daily Loading goals, and water quality standards established by the State Water Control Board.
- VACo opposes the imposition of a state fee, tax or surcharge on water, sewer, solid waste or any other service provided by a local government or authority.

# FY 2010-2012 State Budget

## Key Links

- The Virginia Department of Education released locality specific funding spreadsheets on March 18.
- The Compensation Board released locality specific biennial funding spreadsheets on March 26.
- 599 spreadsheets show locality specific funding levels for FY 2010, FY 2011 and 2012. VACo also has linked DCJS' 599 cover memo of March 18.
- VRS biennial rates as shown in the adopted FY2010-2012 biennial budget (Item 469 #3c).

The Virginia Department of Housing and Community Development released a model PDC funding reduction spreadsheet the week of March 15.

- Please be advised that TAX has posted their 2011 estimates on local distribution of
  - 1) State Sales and Use Tax for Public Education
  - 2) Local Option Sales and Use Tax
  - 3) Recordation and Grantor's Tax

In December 2009, Gov. Timothy M. Kaine released his proposed FY 2010-2012 (HB 30) biennial budget and announced a biennial general fund revenue shortfall of \$4.5 billion. As part of his introduced budget, Kaine recommended eliminating annual state Car Tax reimbursements and replacing the annual appropriations with a new income tax surcharge. The General Assembly rejected his proposal and reinstated the existing Car Tax program, which required the legislature "to find" an additional \$1.9 billion.

The House and Senate agreed to the joint conference committee report to House Bill 29 (FY 2010) and House Bill 30 (FY 2010-2012) on the evening of Sunday, March 14. The House Appropriations and Senate Finance Committees have posted the Conference Report for HB 29 and Conference Report for HB 30 and both the House and Senate have provided summary documents. In adopting revisions to HB 30 (hereinafter referred to as the report), the General Assembly addresses Kaine's announced revenue shortfall and includes new biennial fees totaling more than \$95 million.\* Revenue offsets total more than \$53 million (for a net revenue increase of \$42 million).

Gov. Robert F. McDonnell's February revenue forecast, referred to as the mid-session update, added \$63.9 million to the budget for FY 2011 and \$54.1 million for FY 2012. The report assumes

biennial interest earnings of \$36.1 million and a biennial adjustment to the tax refund base of more than \$84 million. If revenue projections are unmet, Gov. McDonnell and the General Assembly may be forced to make "mid-year" reductions to FY 2011 expenditure levels. The General Assembly includes an FY 2010 un-appropriated balance of more than \$130 million.

### **\*Examples of revenue offsets (new fees)**

- Environmental Health Services Fee Increase: \$38 million each year
- DEQ Environmental Fees: \$2.5 million each year
- Driver's License Reinstatement Fee (Trauma Fund): \$9 million each year
- \$4 for Life Increase (\$4.25 to \$6.25): \$12.6 million each year
- New Court Filing Fees: \$9.5 million each year
- Deed Recordation Fee Increase (\$10): \$9.1 million each year for Agriculture BMPs

### **Reconvened session and actions**

The General Assembly reconvened on Wednesday, April 21, to act on gubernatorial recommendations including vetoes and amendments. In accordance with the Constitution of Virginia, the governor may sign a bill into law, veto a bill or recommend amendments to a bill. The budget is a single bill. The governor also may propose line-item budget vetoes. The legislature acts on vetoes and

amendments. Vetoes are overridden by a two-thirds vote, while amendments are adopted by a simple majority vote. If the Governor does not act on the bill, it shall become law without his signature. A review of the actions taken on many matters at the reconvened session can be found here.

### **Public Education (K-12)**

The Virginia Department of Education released locality specific funding spreadsheets on March 18. The link above directs the reader to details for FY 2010 and FY 2010-2012.

A 12-month analysis of state funding for public education (K-12) finds a 9 percent reduction, which is calculated by comparing the adopted FY 2010 state budget of a year ago to the new FY 2011 state budget. (Readers are reminded that Gov. Kaine reduced FY 2010 K-12 expenditures by approximately 4 percent in September 2010.) Several factors suggest that 9 percent does not reflect the state's structural K-12 budgetary challenges. For example, federal stimulus funding helped to buttress FY 2010 expenditures (\$584 million) while modest federal stimulus funding (\$126 million) and state and local VRS "savings," estimated at greater than \$850 million for the new biennium, help to support FY 2010-2012 expenditures.

**FY 2010-2012 VRS Rates (Source: DOE): See chart below.**

- **Rebenchmarking:** The report funds only technical biennial rebenchmarking costs totaling more than \$140 million. The state saved more than \$750 million in new biennial rebenchmarking costs last year by capping state support for administrative support positions.
- **Composite Index and Hold Harmless Funding:** The report reinstates the 2010-2012 composite index of local ability-to-pay. The report also provides \$116.5 million in FY 2011 (100 percent hold harmless funding) and \$57.6 million in FY 2012 (50 percent hold harmless funding) for all school divisions that experienced a reduction in state funding as a result of the composite index update.
- **Adjust Funded Health Care Premiums to Reflect Prevailing Division-Level Participation:** The report adjusts the state reimbursement for health care premiums to reflect actual participation. Therefore the new premium of \$3,375 represents the statewide prevailing average of the division level premiums weighted for plan type participation (\$5,107) multiplied by the prevailing rate of overall employee participation in any employer-provided health care plan (66.1 percent). Heretofore the state has recognized 100 percent of state recognized costs.

FRINGE BENEFIT RATES:	Final GA Conference	
	FY 2011	FY 2012
Instructional / Professional Support VRS Retirement (Employer Share) (Does not include RHCC - see below)	3.93%	5.16%
Instructional / Professional Support VRS Retirement (Employee Share)	5.00%	5.00%
<b>Instructional / Professional Support VRS Retirement Rate</b>	8.93%	10.16%
Group Life (Employer Share)	0.28%	0.28%
Group Life (Employee Share)	0.00%	0.00%
<b>Total Group Life Rate</b>	0.28%	0.28%
Retiree Health Care Credit (Paid as part of the VRS per pupil amount)	0.60%	0.60%
Non-professional Support VRS Retirement	7.53%	7.53%
Social Security	7.65%	7.65%
Health Care Premium	\$3,375	\$3,375
<b>Total Instructional / Professional Support Benefits Percent (Employer Share)</b>	12.46%	13.69%
<b>Total Non-professional Support Benefits Percent (Employer Share)</b>	15.46%	15.46%

- **Eliminate VPSA Literary Fund Interest Rate Subsidy Program**
- **Modify SOQ to Include Zero Values in the Calculation of Prevailing Non-Personal Support Costs:** By including zeros in these calculations, the prevailing statewide averages for non-personal support costs are lowered thereby reducing the overall cost of the SOQ. [Non-personal factors include: Operation and Maintenance (Utilities, Communications, Insurance); Fixed Charges (Unemployment, Workers' Comp., Disability Insurance, Other Benefits); Instructional (Classroom Instruction, Instructional Support, Principal's Office); Miscellaneous (Administration, Attendance & Health, Facilities, Pupil Transportation, Reserve Contingency, Textbooks and Health Care Premiums.)]
- **Eliminate the Support for School Construction and Operating Costs Account and the Enrollment Loss Account**
- **Lottery Service Area:** The report moves support for two accounts, English as a Second Language and Remedial Summer School, from the General Fund to the Lottery.
- **Incentive, categorical, supplemental programs:** The report reduces biennial funding for certain incentive, categorical and supplemental education programs by 15 percent. Project Discovery is reduced by 25 percent.
- **Provide Temporary Flexibility for Staffing Requirements:** The report provides temporary flexibility by permitting an increase in specific pupil-teacher staffing ratio requirements. Pupil-teacher staffing ratios in kindergarten through grade seven, and English classes for grades six through 12 can be increased by one additional student. However, programs funded for Elementary Resource teachers, Prevention, Intervention, and Remediation, English as a Second Language, Gifted and Talented, Career and Technical are exempt from the increased staffing ratios. Further, the increased staffing ratio requirements are also waived for instructional and support technology position, librarian, and guidance counselor. This temporary flexibility does not apply to the K-3 Primary Class Size Program.
- **Restoration of the VPSA Education Technology Grant Program**

- **Increase Literary Fund Support for VRS Retirement:** The report uses \$13 million of Literary Fund balances in FY 2011 to pay a portion of the state share of cost for teacher retirement and Social Security. This increases the Literary Fund transfer amount to \$138 million in FY 2011.
- **Reduce Funding for Textbooks:** The report reduces textbook funding by approximately one-third in each year of the biennium. In addition, the adopted budget split funding for textbooks between the General Fund and the Lottery.
- **School Bus Replacement:** Extend School Bus Replacement Cycle from 12 years to 15 years.
- **Increase School Breakfast Funding:** The report increases the reimbursement rate for the School Breakfast program from 20 cents per meal to 22 cents per meal for each year of the biennium.

### **Compensation Board**

The biennial reductions outlined below are compared to the FY 2010 budget adopted by the 2009 General Assembly last spring. In addition, one-time funding reductions are also outlined in Gov. Kaine's FY 2010 Budget Reduction Plan of September 2009.

The Compensation Board budget estimates final adjustments after the 2010 reconvened session, in which an additional \$15.8 million in each year was approved for appropriation. The estimates are provided through a link entitled "Budget Estimates" located on the Compensation Board's agency Web site. On the Web site, select your locality or regional jail, and then select the office estimate you wish to review. Each selection will provide you with an estimate of reimbursable expenses to be fixed for FY 2011 and information regarding the development of the estimated fund amounts provided. Because budget estimates represent revenue to be anticipated by localities for support of constitutional and appointed offices, projected reductions are shown at the reimbursable level. Constitutional officers have received additional information regarding implementation plans to achieve the reductions at the budgeted level. Constitutional officers have the opportunity to request revisions to the reductions as implemented by the Board in the first two weeks of May 2010. The estimates provide for the use of savings gener-

ated by the lesser reimbursement rates for fringe benefits to offset the across-the-board reduction associated with the conversion of the vacancy freeze/restrictions.

#### **Constitutional Officers: Summary**

- **Sheriffs:** Retains the law enforcement deputy sheriff staffing ratio of one deputy per 1,500 locality population. FY 2011 across the board reductions equal 4 percent.
- **Commissioners of the Revenue:** FY 2011 across the board reductions equal 15 percent
- **Treasurers:** FY 2011 across the board reductions equal 19.2 percent.
- **Circuit Court Clerks:** FY 2011 across the board reductions equal 1 percent.
- **Commonwealth's Attorneys:** FY 2011 across the board reductions equal 4 percent.
- **Directors of Finance:** FY 2011 across the board reductions equal 22.5 percent.
- **State responsible inmates:** The final budget, approved during the reconvened session, deleted the provision that defined, state-responsible offenders from felons with sentences of one year or more to felons with sentences of two years or more.

#### **Constitutional Officers: Details**

- **Career Development Programs:** The report provides biennial program funding of \$5.2 million to support current constitutional officer and employee career development programs (including Sheriffs' Accreditation and Certification, Master Deputy, Master Jail Officer, Career Prosecutor, Master Commissioner, Master Deputy Commissioner, Master Treasurer, Master Deputy Treasurer). Funding is not provided for individuals participating as of Jan. 1, 2010. A governor's amendment approved during the reconvened session clarifies that career development programs supported by state funding shall be suspended for any individual who was not participating in the program on Jan. 1, 2010.
- **Liability and Surety Bond:** The report provides for the recovery of 50 percent of liability and surety bond premiums paid on behalf of constitutional officers. The introduced budget required localities to contribute 100 percent of this premium.
- **VRS Retirement and Group Life Premiums:** The report restores reimbursement funding in FY 2011 and FY 2012 for VRS retirement and group

life insurance premium amounts payable on reimbursed salaries of constitutional officers and their employees. The cost is \$30.8 million in each year.

#### **Sheriffs and Jails**

- **Staffing Ratio:** The report restores law enforcement deputy funding of \$12.6 million in FY 2011 and \$12 million in FY 2012 to support the staffing standard ratio of 1:1500. Note: Additional staff funding was not approved to fully support current staff needs, i.e. the current program remains underfunded.
- **Sheriff and Regional Jail Funding:** FY 2011 across the board reductions equal 4 percent. The total appropriations not restored, including Byrne JAG funds, but excluding vacancy freeze savings, equal \$17 million in FY 2011 and \$16.1 million in FY 2012.
- **State Responsible Felons:** The General Assembly, at the reconvened session, repealed the Conference Report definition of state-responsible offenders. The report had originally defined state-responsible offenders from felons with sentences of one year or more to felons with sentences of two years or more.
- **Reductions in Per Diem Funding:** Reductions in per diem funding of \$23 million in FY 2011 and \$22.7 million in FY 2012 based on reductions to the per diem amounts paid for local responsible inmates housed in local or regional jails from \$8 per day to \$4 per day; for local responsible inmates housed in jail farms from \$22 per day to \$18 per day; for state responsible inmates housed in local or regional jails from \$8 (local jails) or \$14 (regional jails) per day to \$12 per day; and the reduction of the additional per diem currently paid for any inmates in contract beds by agreement with the Department of Corrections from \$14 per day to \$8 per day.
- **Jail Operating Budgets:** The report restores \$10 million of general funds in each year for jail operations. The funding supplants \$23.3 million of Byrne JAG funding that was supplanting general funds in FY 2010.
- **Housing Pennsylvania Inmates Per Diem:** Per diem funding of \$1.56 million in FY 2011 and \$800,000 in FY 2012 is included to support the anticipated increase in inmate populations due to potential housing of Pennsylvania inmates in Department of Correction facilities.

- **State Responsible Inmates:** Reductions in per diem funding of \$2.6 million in FY 2011 based on one-time savings due to language associated with the early release of state responsible inmates.

#### Commonwealth's Attorneys

- **Funding:** FY 2011 across the board reductions equal 4 percent. The total amount not restored, excluding vacancy freeze funds, is \$2.6 million in each year of the next biennium.

#### Circuit Court Clerks

- **Funding:** FY 2011 across the board reductions equal 1 percent. The report provides funding restoration totaling \$9 million in each year of the biennium. Total unrestored appropriation reductions, excluding vacancy freeze funds, is \$480,917 in each year.
- **Circuit Court Clerks:** Introduced budget bill proposals unchanged by the report.
- **Clerk Technology Funds:** Continuation of the use of an additional \$1.49 million (for a total of \$2.98 million) of non-general Technology Trust Funds to offset a reduction in Clerks' General Fund operating expenses and \$1 million to supplement Clerks' General Fund operating expenses.

In addition, language in the report provides for a line of credit in the amount of \$8 million for budgeting Technology Trust Fund cash in the year in which it is collected, beginning with FY 2011, to replace \$2 million in FY 2009 cash and \$7 million in FY 2010 cash collections, both to be reverted to the general fund at the end of FY 2010.

#### Treasurers

- **Funding:** FY 2011 across the board reductions equal 19.2 percent. The report provides for restoration of general funds totaling \$7.2 million in each year of the biennium. Total appropriations not restored, excluding vacancy freeze funds, is \$3.8 million in each year of the next biennium.

#### Commissioners of the Revenue

- **Funding:** FY 2011 across the board reductions equal 15 percent. Total appropriations not restored, excluding vacancy freeze funds, is \$3.8 million in each year of the next biennium.

#### Directors of Finance

- **Funding:** FY 2011 across the board reductions

equal 22.5 percent. The report provides for restoration of general fund reductions totaling \$7.5 million in each year of the biennium. Total unrestored appropriation reductions, excluding vacancy freeze funds, is \$3 million in each year of next biennium.

- **Establishing Finance Office that assume duties of Treasurer and Commissioner of Revenue:**

The report eliminates introduced language authorizing counties and cities to establish offices of finance intended to assume the duties of the offices of Treasurers and Commissioners of the Revenue.

#### Administration

- **Moving Compensation Board to Public Safety:**

The report eliminates introduced language that moved the Compensation Board from under the authority of the Secretary of Administration to the Secretary of Public Safety.

- **SAVIN:** Restores funding of \$11,221 in each year provided to the Virginia Center for Policing Innovation in support of the SAVIN victim notification system in local and regional jails.

- **LIDS:** Restores funding of \$1.102 million in each year related to shifting a portion of LIDS system support costs to local and regional users.

- **Compensation Board Administration:**

Introduced budget bill proposals unchanged in the report.

- **Salary and Positions:** Reduction of \$218,000 and 3 positions each year in elimination and consolidation of Compensation Board responsibilities.

#### Compensation and Retirement

- **VRS:** The report eliminates Kaine's proposal that current state employees in VRS pay 1 percent and 2 percent of their member contributions in FY 2011 and FY 2012, respectively; and Kaine's proposal to delay fourth quarter VRS payments to the next fiscal year (FY 2011 payments in FY 2012 and FY 2012 payments in FY 2013). Alternatively, the report identifies (a) savings assumed as a result of requiring new employees to pay the 5 percent employee contribution (HB 1189 and SB 232 - see below); and (b) savings resulting from lowering the Other Retirement Plan (ORP) contribution rate for new employees. These new savings result from the passage of HB 1189 and SB 232 as outlined below.

- **VRS "Savings:"** The report assumes substantial savings from reductions in payments into VRS

programs including state employee retirement ("normal rate" both years), teacher retirement (normal rate in FY 2011 and normal rate plus 20 percent of unfunded liability in FY 2012). In addition to capturing the savings of \$850 million (noted above under K-12), the General Assembly established future savings with the passage of HB 1189 (Putney) and SB 232 (Watkins).

- **VRS Payback:** The report requires the repayment of the above "savings" to VRS over 10 years. The required payments are estimated to be \$74 million annually beginning in FY 2013.

- **Key provisions of budget language contained in the approved budget that relate to HB 1189/SB 232:** HB 1189 (Putney) and SB 232 (Watkins) alter future retirement benefits. The provisions become effective on July 1 of this year. The provisions, that are included in the budget, are summarized below:

- o Mandates that new state employees pay the 5 percent employee contribution.

- o Actions approved at the 2010 reconvened session (i) eliminated the authority that would have allowed localities and school divisions the option to require current employees (i.e., hired before June 30, 2010) to pay the 5 percent employee contribution; and (ii) gave local governments and school divisions the option to pay all or a portion of the 5 percent employee contribution for new employees (i.e., hired after June 30, 2010, but any election by local governments or school divisions to pay any contribution for new employees is revocable. Additionally, VRS interprets the action at the reconvened session to allow any of the 37 entities that currently pay only a portion of the 5 percent employee contribution to elect a phase-in plan to pick up all of the employee 5 percent contribution over the next six years.

- o Maintains the benefit multiplier at 1.7 percent for all employees.

- o Increases from 36 to 60 the highest consecutive months for new employees.

- o For early unreduced retirement for new employees, replaces 50/30 provision for the regular VRS and establishes the "rule of 90:" Specifies that age plus years of creditable service must be greater than or equal to 90.

- o Links Normal Retirement Age to Social Security Normal Retirement Age with at least 5 years of service for new employees.

- o For new employees, rescinds the provision that allows employees to retire at 50/10 with an actuarial reduction. Current employees will still be able to retire with an actuarial reduction with 55/5. New employees, however, must be age 60 with 5 or more years of service for an early retirement.

- o New formula guarantees the first 2 percent of CPI plus the next 8 percent of any additional increase. COLA is capped at 6 percent.

- o Reduces the period of time from 3 years to 1 year in which a new employee may purchase service credit at a rate below the "actuarial equivalent cost."

- o Increases the cost to purchase the service credit during the initial purchase period from 5 percent per year of service to "an amount approximating the normal cost" for the retirement benefit.

- o The effective date of the normal cost rates are Jan. 1, 2011. Anyone hired on or after July 1, 2010, but prior to Jan. 1, 2011, shall have his or her one-year period for purchasing service commence on Jan. 1, 2011.

- **VRS Group Life Insurance (GLI):** The report includes a GLI rate of 0.28 percent in FY 2011. In addition, the FY 2010 budget includes a fourth quarter GLI holiday. Again, participating localities also will benefit.

- **Line of Duty Benefits:** The report transitions the Line of Duty benefit in FY 2012 from a fully state funded program to one paid by the employer. New premiums will be charged to state agencies and localities based on the number of employees potentially eligible to receive benefits under the program. The budget assumes that part of the funding for the benefits paid out in FY 2011 would come from cash borrowed from the VRS group life program. The new premiums will be collected from the affected employers beginning in FY 2012.

- **State Employee Bonus Pay:** The report provides for a one-time bonus payment equal to 3 percent of base pay on Dec. 16, 2010, for employees of the Commonwealth, except elected officials, who were employed on June 30, 2010. The one-time bonus payment is contingent on general fund revenue collections for FY 2010 exceeding the official FY 2010 revenue estimate contained in the 2010 Acts of Assembly by at least \$82.2 million. If general fund revenue collections for FY 2010 are less than \$82.2 million, the one-time bonus payment shall be prorated to a percentage of base pay for the general

fund payroll that equates to the amount of excess revenues collected.

• **Transitional Severance Benefits for Local Governments (local option):** Language contained in the introduced budget and adopted by the report provides a transitional severance benefit, under the conditions specified, to eligible city, county, school division or other political subdivision employees who are involuntarily separated from employment with their employer.

o On his date of involuntary separation, an eligible employee with (i) two years service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) 10 years through and including 14 years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to 12 weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) 15 years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed 36 weeks of salary.

o Transitional severance benefits shall be computed by the terminating employer's payroll department. Partial years of service shall be rounded up to the next highest year of service.

o Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with the Code of Virginia, transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to the Code shall not be denied, abridged, or modified due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one

lump sum at the time the last transitional severance benefit payment is made.

o For 12 months after the employee's date of involuntary separation, the employee continues to be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to the Code or such other group life insurance plan as may be administered by the employer. During such 12 months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such 12-month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA.

o Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is receiving such payments.

o All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations.

## **General Government**

• **State Reductions in Aid to Localities:** The report captures general fund savings of \$60 million each year from state aid to local governments. The introduced budget eliminated the current biennial requirement for local governments to revert \$50 million a year in "local aid to the state." However, the conference report reinstates the requirement for FY 2011 and 2012 and increases the yearly contribution by \$10 million a year for an annual total of \$60 million in FY 2011 and \$60 million in FY 2012.

Each county in the Commonwealth shall have "flexibility" in determining how it will implement the reductions. Each county can choose to (1) take the total savings out of one program included on the list provided by the Department of Planning and Budget (DPB), (2) reduce multiple state aid programs on a proportional basis or by a specified percentage reduction, or (3) reimburse the Commonwealth in aggregate for their share of the savings, thereby keeping the state aid programs at an

unreduced level. Each locality may also use number 3 above in combination with 1 or 2.

The governing body of each county shall make its selection and certify its choice to DPB, by Aug. 30, 2010. Within 10 days of receipt, DPB will review such certification for accuracy to ascertain that the required savings apportioned to the county are obtainable using the selection(s) submitted on the certification. Unless DPB finds a certification to include savings that are not obtainable or sustainable, the certification will be approved and implemented without further delay.

In the event that a county has not submitted or obtained an approved certification by Oct. 1, 2010, DPB is authorized to withhold an amount equivalent to the savings apportioned to the affected county from the aid to local government programs that DPB determines are most discretionary and represent general purpose aid to the local government in question before DPB begins to withhold any funds from categorical grants serving a particular functional area or public service.

DPB will notify the affected locality of the decision in this regard and the decision will remain in force unless it is superseded by the subsequent approval of a certification for the affected county after Oct. 1, 2010.

• **Distribution from Virginia Tobacco Settlement Fund:** The report adds language stipulating that at least \$1 million each year from the Fund (Virginia Healthy Youth Foundation) be used for obesity prevention. Language also is added requiring the Director of the Foundation to report on funding provided to local organizations regarding obesity issues.

### **Commerce and Trade**

The FY 2011 and FY 2012 introduced budget proposed an increase of \$43.7 million in new spending. The increase was, in large part, due to the creation of a new agency known as Economic Development Incentive Payments. The agency will serve as a holding account for all economic development incentive funds. Included in the Economic Development Incentive Payments is \$23.6 million for the Governor's Development Opportunity Fund, \$20.3 million for higher education and job creation grants to Rolls Royce in

Prince George County (aerospace engine manufacturing), \$5.5 million for Ignite Institute in Fairfax County (biotechnology project), \$5.4 million to Micron (semiconductor manufacturing) and \$3 million for SRI (drug research) in Harrisonburg. These initiatives were incorporated into the report.

Another highlight in the introduced budget was an appropriation of \$7.6 million in the Department of Housing and Community Development (DHCD) for homeless programs. The infusion of general funding will supplant lost Temporary Assistance to Needy Families (TANF) funds.

• **Planning District Commissions:** The budget reduces state support for Planning District Commissions on average by more than 25 percent. However, Cumberland, Hampton Roads, Lenowisco, Northern Virginia and Richmond PDCs experience greater than average reductions ranging from 30 percent to 50 percent. Please see the PDC funding reduction spreadsheet.

• **Economic Development Incentive Payments:** In addition to the Economic Development Incentive Payments listed above, the following programs and funding levels contained in the introduced budget is contained in the report but additional funds were provided.

◦ **Governor's Development Opportunity Fund, \$23.6 million general fund:** The report doubles the appropriation for the Governor's Opportunity Fund to \$24.2 million in the first year. The second year amount is reduced by \$6 million pending levels of balances remaining in the Fund at the end of the first fiscal year. Balances in the Fund do not revert to the general fund but are retained within the Governor's Development Opportunity Fund.

◦ **Governor's Motion Picture Opportunity Fund, \$100,000 general fund and \$750,000 non-general fund:** The report increases the amounts projected from the digital media fee established pursuant to § 58.1-1731, Code of Virginia. It is estimated that the fee will generate \$400,000 each year for the Motion Picture Opportunity Fund.

◦ **Virginia Investment Partnership and Major Eligible Employer Grants:** \$1.8 million general fund and \$7.8 million non-general fund; the report adopted funding contained in the introduced budget.

o **Base Realignment and Closure:** \$15 million general fund. The report eliminates \$7.5 million in FY 2012 for purchases of property to mitigate encroachment around the Oceana U.S. Navy Master Jet Base but allows proceeds from the sale or lease of properties acquired by these funds to be used for future property acquisitions.

o **Expand Use of Governor's Opportunity Fund (GOF):** Report language allows up to \$5 million of unclaimed/unused funds to be used by Prince George County for site improvements for the Rolls Royce project.

• **Gov. McDonnell's "Jobs Initiative:"** The report also made several adjustments to support the governors "Jobs Initiative" program.

o **DBA and EDP Merge:** Secretary of Commerce and Trade will examine the potential to merge the Department of Business Assistance and the Economic Development Partnership, and report the findings to the Governor's Commission on Government Reform and Restructure established by Executive Order 2 (2010) and the Chairmen of the House Appropriations and Senate Finance Committees.

o **MEI:** Funding of \$5 million of non-general fund resources in FY 2011 will be available for the Major Employment and Investment (MEI) Project Site Planning Fund established pursuant to legislation adopted by the 2010 General Assembly for an economic development project in Southside.

o **Local Match for GOF:** Expanding the content of the report on the uses of the Governor's Opportunity Fund to include an accounting of any decision to waive the local match requirement authorized pursuant to legislation adopted by the 2010 General Assembly.

o **Biofuel Production:** Fulfills the Commonwealth's commitment to a company that selected Virginia for the location of the nation's first barley ethanol production facility. This \$170 million investment, which is the largest alternative energy project in Virginia, will produce 65 million gallons per year of alternative fuel and is on schedule to be completed in June 2010. The Commonwealth directed funding from the Virginia Biofuel Production Fund as an economic development incentive to locate in the City of Hopewell. Funding for this commitment was not included in the introduced budget.

o **Department of Business Assistance:** The report increases funding contained in the introduced budget (\$11.1 million) by \$5 million in FY 2011. Language stipulates that \$1 million is provided in the first year for the DBA Loan Guarantee Program, \$500,000 in each year of the biennium for the Business One-Stop Program and \$3.5 million in the first year for the Virginia Jobs Investment Program at the Department of Business Assistance.

o **DHCD:** The report removes \$250,000 from the introduced budget each year that was directed toward a program initiated in FY 2009 to provide foreclosure counseling services across the Commonwealth.

o **Virginia Economic Development Partnership:** The report directs the VDEP to investigate the feasibility of developing a satellite site of the Center for Advanced Manufacturing in the Shenandoah Valley.

o **Expansion of Commonwealth Trade Markets:** The report provides \$1.5 million over the biennium to support expanding the Commonwealth's trade with India and China, expand the state's presence in Western Europe, and assist small businesses to enter the export market.

o **Marketing Campaign:** The report increases funding contained in the introduced budget by \$5 million over the biennium to implement a national and international advertising campaign and to market Virginia through the Virginia Economic Development Partnership.

o **Tourism:** The report provides an additional \$3.6 million each year in additional funding to promote tourism across the Commonwealth.

## **Health and Human Resources**

The governor's introduced budget for FY 2011 and 2012 provides a net general fund increase in HHR spending of \$1 billion. Almost all new spending will be used to restore funding for Medicaid that was supplanted in FY 2010 with federal Medicaid funding. This funding was adopted in part by the report.

The report also requires the Secretary of Health and Human Resources to examine options and incentives for workload efficiencies and report the findings to the Governor's Commission on Government Reform and Restructure and the

Chairmen of the Senate Finance and House Appropriations Committees.

• **Child Advocacy Centers:** The introduced budget reduced statewide funding for centers by 5 percent (\$50,000) in FY 2010 and another 5 percent (\$50,000) beginning FY 2011. The cumulative reduction is 10 percent from the approved FY 2010 budget. The report retains these reductions, but replaces language in the introduced budget allocating funding for child advocacy centers between accredited and developing centers. Funding is also allocated to Children's Advocacy Centers of Virginia, the recognized chapter of National Children's Alliance for Virginia's child advocacy centers, to assist and support the centers.

• **Comprehensive Services Act (CSA):** The introduced budget contained reductions of \$36.6 million in each year of the biennium due to lower caseloads and less expenditure growth. Also reflected in the introduced budget was a reduction in each year for mental health services for high risk children. TANF funding for the CSA Trust Fund was eliminated in the introduced budget, as was the "hold harmless" clause for residential services. The report reduces CSA funding another \$2 million in FY 2011 due to a reduction in caseloads, bringing total reductions to \$38.6 million. The report also increases the local share of Medicaid-funded residential services provided under CSA similar to non-Medicaid residential services beginning July 1, 2011, resulting in a \$4 million savings to the state.

• **Aging:** The introduced budget reduced funding by \$1.4 million in each year for community based service providers, transportation services, adult daycare, personal care, care coordination and homemaker services. The reductions percentages contained in the introduced budget for FY 2011 and 2012 are compared to the approved 2010 budget for: (a) community based service providers - 15 percent reduction and (b) transportation, adult daycare, personal care, care coordination and homemaker services - 4.7 percent reduction. The Respite Care Grant Program was also suspended in the introduced budget. The report adopts these reductions and reduces an additional \$0.168 million from the general fund each year for care coordination services provided to the elderly. The report adopts language requiring the Department of Social Services to work with 18 Area Agencies on

Aging (AAAs) that receives funding for care coordination to determine the best models to use for care coordination. It allows AAAs to submit a plan describing the model of care coordination to be used and requires the agencies to work with the Department to ensure that the plan embraces best practices, works with other service delivery systems and includes evaluation measures. The Department and designated AAAs are required to determine which models of service delivery are appropriate and demonstrate beneficial use of these funds.

• **Deaf and Hard of Hearing:** The introduced budget reduced funding by \$93,000 each year for an 18 percent reduction in local outreach contracts for FY 2011 and 2012. Also reduced in the introduced budget was the general fund share of the Technology Assistance Program. It is replaced with non-general fund revenues. The report adopts these reductions and also earmarks \$434,000 each year from the Communications Sales and Use Tax Trust Fund for the Technology Assistance Program to provide communications devices for individuals who are deaf or hard-of-hearing.

• **Health Department:** The introduced budget proposed health funding reductions of \$7.8 million in FY 2011 and \$7.9 million in FY 2012 through a combination of strategies. These strategies include reductions to community service providers, administrative efficiencies, program reductions or eliminations and non-general fund revenue sources. Several budget reductions in the introduced were adopted by the report and are as follows.

- o Supplant general funds for environmental health services with increased fee revenues
- o Supplant general fund for Office of Chief Medical Examiner with increased Vital Records fee. This fee was eliminated in the report and \$2.5 million general funding in FY 2011 was restored.
- o Supplant general funds for the Office of Licensure and Certification with additional fee revenue. This fee revenue was eliminated in the report and \$400,000 general fund is restored in FY 2011.
- o Establish fee structure for Marina Program and Shellfish Sanitation Program. This fee revenue was eliminated in the report and \$214,000 general fund was restored in FY 2011.
- o Transfer balance of funds from Trauma Center Fund to the general fund.
- o Reduce funding for free clinics by 10 percent.

The report restores \$331,900 from the general fund each year for free clinics that was reduced by 10 percent in the introduced budget.

- o Eliminate funding for local health district laboratories.
- o Eliminate funding for local health department pharmacies.
- o Eliminate funding for local health district.
- o Eliminate funding for case management OB service projects.

• **Office of Minority Health and Public Health Policy:** Additionally, the report reduces funding (\$120,000 in FY 2011 and \$149,000 in FY 2012) for various administrative activities within the Office of Minority Health and Public Health Policy including administration, health care workforce management, information technology support and program support technician.

• **CHIP:** A reduction of \$843,000 from the general fund in FY 2012 for the Comprehensive Health Investment Project (CHIP) of Virginia was approved in the report.

• **Drinking Water Projects:** The introduced budget increased spending on drinking water projects by \$2.6 million in each year of the biennium but the report eliminates the increase. These additional general funds were added in 2006 to offset reductions in federal drinking water funding, but Virginia recently received an additional \$20.8 million from the American Recovery and Reinvestment Act for drinking water construction projects. This reduction does not affect the Commonwealth's required general fund match for the federal drinking water program funds.

• **State Police Med-Flight/\$4 for Life program:** The report increases the annual vehicle registration fee known as "\$4 for Life" from \$4.25 to \$6.25. The additional \$2 fee is expected to generate \$12.6 million annually. Out of the fee increase, \$2.1 million will be transferred to the Department of State Police for med-flight operations. Additionally, another \$10.5 million in FY 2011 and again in FY 2012 will be transferred from the special emergency medical services fund to the Department of State Police for med-flight operations, eliminating the need to transfer funds from the Rescue Squad Assistance Fund for those operations.

• **Medical Assistance Services:** The report approved numerous reductions and eligibility

standards for programs participating in Medicaid funded services. Language is added to restore funding if Congress passes a six-month extension of increased Federal Medical Assistance Percentage (FMAP) through June 30, 2011. The programs affected by the FMAP restoration provision include:

- o Eligibility for the FAMIS and FAMIS Moms program from 200 percent to 175 percent in fiscal year 2012.
- o Eliminates an automatic inflationary increase in the medically needy income limits in FY 2012.
- o Applies new parameters to the use of environmental modifications and assistive technology. Currently, an individual can receive up to \$5,000 for environmental modification and assistive technology. The report reduces the limit to \$3,000 per project.

o Reduces funding of \$7.1 million each year to the Virginia Commonwealth University Health System and the University of Virginia Health System for indigent health care costs.

o Language will restore \$449,000 from the general fund and \$567,000 from the non-general fund in FY 2011 and \$522,000 from the general fund and \$522,000 from the non-general fund from federal Medicaid matching funds in FY 2012 for long-stay hospitals.

o Language will restore \$431,000 from the general fund and \$544,000 from the non-general fund in FY 2011 from federal Medicaid matching funds to delay a proposal to eliminate Medicaid coverage of podiatry services that was included in the introduced budget.

o Reduces payments to out-of-state hospitals treating Virginia Medicaid recipients by reimbursing these hospitals at the same rate their states pay Virginia hospitals for serving children from that state. Hospitals whose Virginia Medicaid days make up 12 percent or more of their total Medicaid days are not subject to the reduction.

o Reduces funding for inpatient hospital rates paid through the Medicaid program by 3 percent the first year and 4 percent the second year.

o Reduces payments for outpatient hospital services provided through Medicaid by 3 percent the first year and 4 percent the second year.

o Language is added to reduce the operating payment rate for nursing homes by 3 percent each year and capital payments by 0.25 percent the first

year and 0.5 percent the second year.

- o Reduces funding by 3 percent the first year and 4 percent the second year for physicians and other practitioners delivering Medicaid-funded services.

- o Reduces funding by 3 percent the first year and 4 percent the second year for dental services funded through Medicaid.

- o Reduces the dispensing fee paid to pharmacists by 25 cents effective July 1, 2011.

- o Reduces income eligibility under Medicaid for the aged, blind and disabled to 75 percent of poverty level in the second year. Currently, aged, blind and disabled individuals are eligible for Medicaid if they have income up to 80 percent of poverty level.

- o Adjusts funding for Medicaid to reflect a 4 percent rate reduction for auxiliary grant payments. Reducing the auxiliary grant payment rate has the effect of reducing enrollment in Medicaid.

- o Reduces eligibility for the SSI eligibility group from 275 to 250 percent of SSI. The introduced budget reduces eligibility on Jan. 1, 2011, from 300 to 275 percent of SSI.

- o The introduced budget included several reductions to Medicaid home- and community-based waiver services including a 5 percent reduction in provider rates, a reduction of respite care from 720 to 240 hours per year, and a freeze on the reallocation of community-based waiver slots.

- o Reduces Medicaid funding for residential psychiatric facilities by 3 percent the first year and 4 percent the second year.

- o The introduced budget included several reductions to Medicaid home- and community-based waiver services including a freeze on adding new slots not specifically related to the down-sizing of Southeastern Virginia Training Center or other state facilities. Report language provides an exception for the addition of 250 community-based waiver slots for individuals with intellectual disabilities if Congress passes the FMAP extension.

- o The report reduces the general fund by \$593,000 and increases federal Medicaid funding by a like amount by requiring the Department of Medical Assistance Services to retain 5 percent of the federal Medicaid matching reimbursed to school divisions for medical and transportation services for

administrative costs of processing billing for localities.

- o Reduces Medicaid funding for mental health therapeutic day treatment by 3 percent in fiscal year 2011 and 4 percent in fiscal year 2012.

- **Medicare Part D "Clawback":** The report reduces the general fund share of the Commonwealth's required Medicare Part D "Clawback" payment to reflect a recent decision by the federal government to apply the enhanced federal match to the payment. This one-time action results in general fund savings of \$85.7 million in FY 2011.

- **ID Waiver Slots:** The introduced budget proposed reducing funding of \$500,000 general funds in each year and reducing census beds by 32. Language contained in the report adds 15 Intellectual Disabilities (ID) waiver slots each year for residents of Southeastern Virginia Training Center (SEVTC) who are being discharged into the community. Funding is already included in the budget for individuals transferring out of SEVTC.

- **Commonwealth Center for Children and Adolescents (CCCA):** The CCCA is a 48-bed mental health treatment facility in Staunton. The introduced budget proposed closing the facility over the biennium for a general fund savings of \$9.1 million exclusive of a \$2.1 million set aside for private inpatient mental health services for children. In order to prevent the closing of the facility, the report restores \$5 million from the general fund and \$1.8 million from non-general funds in FY 2011 and \$8.3 million from the general fund and \$1.8 million from non-general funds in FY 2012.

- **Southwestern Virginia Mental Health Institute (SWVMHI):** The introduced budget proposes closing SWVMHI by June 30, 2010, for a state savings of \$2.1 million over the biennium. The facility is a 16-bed unit that treats adolescent children with acute mental illness. The report adopted the initiative.

- **Local Social Services:** The introduced budget proposed a one percent reduction for local social services operations over the biennium, with a net savings for the state of \$1.2 million general funding in each year. The conference report adopts the reduction contained in the introduced budget and further reduces financial assistance for local social services departments by an additional \$1.6 million

in FY 2011 and an additional \$4.6 million in FY 2012. Report language is added, however, to eliminate the FY 2011 and FY 2012 reductions if Congress passes the FMAP extension.

• **Assisted Living Facilities:** The report reduces the rates paid to assisted living facilities under the auxiliary grant program by four percent in FY 2012. The report also reduces funding in Medicaid based on this provider rate reduction which has the effect of reducing eligibility in Medicaid. Language is added to restore funding if Congress passes the FMAP extension.

• **Chore and Companion Services:** The report reduces funding by \$1 million each year for chore and companion services provided through the Social Services Block Grant. Language contained in the Conference Report transfers these funds to Child Welfare Services, supplanting general fund dollars in that program. Language is added to restore funding the first year if Congress passes the FMAP extension.

• **Other Purchased Services:** The report reduces funding by \$1 million each year for social services purchased through local departments of social services, termed "other purchased services." Language is added to restore funding the first year if Congress passes the FMAP extension. An executive amendment approved during the 2010 reconvened session reduces funding by an additional \$1.75 million in FY 2012.

• **SSBG Supplanting:** The report supplants \$1 million each year from the general fund with federal Social Services Block Grant (SSBG) funds. Language in the Conference Report transfers these funds from Adult Programs and Services. Additionally, language is added to restore the first-year general fund reduction and reverses the SSBG transfer if Congress passes the FMAP extension.

• **Child Welfare Services:** The report reduces funding by \$3 million in Child Welfare Services. Language is added to restore the first-year reduction if Congress passes the FMAP extension.

• **General Relief Program:** The report reduces \$2.4 million from the general fund each year to the General Relief program. Language is added to restore funding if Congress passes the FMAP extension.

• **Virginia Commonwealth Challenge Program /**

**Virginia Juvenile Community Crime Control Act (VLCCCA):** At the 2010 reconvened session, the General Assembly adopted language and funding to reinstate the Virginia Commonwealth Challenge Program using additional cuts to VJCCCA. VJCCCA funding was reduced \$600,000 in FY 2011 and \$1.3 million in FY 2012.

• **Healthy Families of Virginia:** The introduced budget proposed \$1.4 million in FY 2011 and \$4.9 million in FY 2012 general funds to offset TANF reductions in Healthy Families of Virginia. Healthy Families provides home-visiting services for high risk families in Virginia. The report reduces \$1.4 million in FY 2011 and \$2 million in FY 2012 from the increased allocation in the introduced budget. Additionally, the introduced budget phased out federal TANF funding for the program and restored general fund support. In the report, Healthy Families of Virginia will receive \$3.6 million from the federal TANF block grant in FY 2011 and \$2.9 million from general funds in FY 2012. Language is added to restore general funding the first year if Congress passes the FMAP extension.

## Public Safety

The introduced budget for public safety decreased the general fund appropriation by 10.3 percent less than the approved FY 2010 budget. The introduced budget supplanted general funding in local law enforcement, courtroom security, HB 599 and state police counter-terrorism with non-general funds from the Virginia Public Safety Fund. Kaine's Virginia Public Safety Fund would have been established with a new tax on casualty insurance premiums. The General Assembly rejected Kaine's proposal to establish the new fund, and the report restored many of these items with general funds.

• **HB 599 - Police Department Funding:** The report increases funding for state aid to localities with police departments (the House Bill 599 Program) by \$22.2 million in FY 2011 and \$10.2 million in FY 2012 from the general fund. The FY 2011 appropriation equates to only a 1.2 percent reduction from the current year. The introduced budget reduced funding by \$40.9 million in FY 2011 and \$47.6 million in FY 2012, which represented a 27 percent decrease. See 599 spreadsheet.

- **ABC Offices:** The introduced budget provided that \$15 million in non-general funds be appropriated each year to reflect anticipated increase purchases from authorizing five new stores while assuming a 2 percent increase markup in alcoholic beverages. The report compliments the introduced budget and provides an additional \$4.5 million each year and 30 positions each year from non-general funds to open up to 15 additional ABC stores.

- **State Responsible Felons:** The General Assembly, at the reconvened session, repealed the Conference Report definition of state-responsible offenders. The report had defined state-responsible offenders from felons with sentences of one year or more to felons with sentences of two years or more.

- **Inmate Medical Expenses:** The introduced budget authorized \$4.7 million in FY 2012 for inmate medical expenses. This general funding was eliminated in the report.

- **Law Enforcement Training:** The General Assembly, at the 2010 reconvened session, restored \$50,000 in FY 2011 for Alzheimer's disease training. The report had previously eliminated \$50,000 each year from the general fund for training of law enforcement officers and other first responders in managing persons with Alzheimer's disease or other memory-related impairments that were included in the introduced budget.

- **CASA:** The introduced budget reduced funding for the Court Appointed Special Advocate (CASA) program by 13.5 percent. This represented a \$218,000 reduction each year in addition to \$145,000 reduction in FY 2010. The report reduced an additional \$61,904 each year from the general fund. The cumulative reduction in this grant is 23.3 percent, when compared to the appropriation as adopted by the 2008 General Assembly.

- **VJCCCA:** At the 2010 reconvened session, the General Assembly adopted language and funding reinstating the Virginia Commonwealth Challenge Program using additional cuts to VJCCCA. VJCCCA funding was reduced \$600,000 in FY 2011 and \$1.3 million in FY 2012. The introduced budget also reduces state aid to localities for the Virginia Juvenile Community Crime Control Act by \$2.5 million each year from the general fund. This reduction was adopted by the General Assembly.

## Libraries

- **Public Libraries:** The introduced budget incorporated Kaine's September 2009 reductions to public libraries and reduced funding by 10 percent or \$1.7 million each year. The report reduces aid by an additional 5 percent or \$800,000 each year, bringing the total reduction for public libraries to 15 percent or \$2.5 million in each year.

## Elections

- **General Registrar Salaries:** The introduced budget reduced assistance for General Registrar salaries by 10 percent from the approved FY 2010 budget. The report reduced assistance by an additional 10 percent in both FY 2011 and 2012. The total reduction of \$1.4 million in the report represents a 20 percent reduction from the approved FY 2010 budget.

- **HAVA:** The introduced budget reduced non-general funds by \$5.5 million in FY 2011 and \$6.1 million in FY 2012 to reflect depletion of Help America Vote Act (HAVA) funds. This reduction was adopted by the report.

## Agriculture and Forestry

- **Weights and Measures Inspections:** The report removes authorization in the introduced budget for the establishment of a new \$17.50 per year per device fee and \$2.1 million non-general fund appropriation. The report, however, adds the option of private sector inspectors that are licensed by the Department of Agriculture and Consumer Services to complete the required annual inspections and report the results to the Department.

- **VT Cooperative Extension Services:** The report reduces funding by \$1 million from the general fund in FY 2012 and requires a report by the Extension Service concerning their strategic planning process, restructuring and consolidating local offices.

- **PDR programs:** The report removes \$300,000 from the general fund each year that was directed to matching grants to localities with purchase of development rights programs.

- **Forest Fire Protection Fee:** Unchanged by the report is the appropriation in the introduced budget of \$500,000 in both FY 2011 and 2012 from fee revenue. This fee is charged to localities for forest fire protection and suppression services pursuant to

legislation adopted by the 2008 General Assembly (HB 1115, Abbitt).

## **Natural Resources**

The governor's introduced FY 2011 and FY 2012 budget decreases general funding for Natural Resources by \$21.2 million offset by new proposed spending of \$13.6 million. This represents a 3.9 percent decrease in spending compared to the approved 2010 budget. These reductions and proposed spending initiatives were approved in part by the report and are as follows:

- **Agricultural Best Management Practices:** The new spending, \$10 million in general funds included in the introduced budget, is for the implementation of agricultural best management practices, funded through an increase of \$10 in the Recordation Fee. The report included this new fee.
- **Water Quality Agreement Program:** The report continues the Water Quality Agreement Program which protects the waters of the Commonwealth through voluntary cooperation with lawn care operators across the state.
- **Virginia Land Conservation Fund:** General fund support for the Virginia Land Conservation Fund was reduced by \$500,000 in each year by the report. Since the introduced budget provided \$1 million in each year, this represents a \$1 million reduction.
- **State Parks:** The introduced budget proposed reduction strategies in state park visitor services by \$2 million in each year. The report adds back \$500,000 each year from the general fund to support state park visitor centers and facilities as part of the Governor's Economic Development tourism promotion efforts.
- **Land Conservation Foundation:** The introduced budget provided \$1 million each year in general funds for the Foundation, which was previously funded at \$2 million each year prior to federal ARRA supplanting. The report provides for the removal of the cap on Land Preservation Tax credit (LPTC) transfer fees. Fee revenues, projected to be \$2 million in each year, will be proportionally distributed by the Foundation to public and private entities based on the number of easements held under the LPTC program for monitoring and enforcement of easement restrictions.
- **Waste Management Board:** The General

Assembly, at the 2010 reconvened session, adopted language requiring the Waste Management Board to establish a schedule of fees upon operators of solid waste facilities that will cover no more than 60 percent of the direct costs of processing solid waste permits. The report had previously provided for a fee schedule that would cover at least 58 percent, but no more than 100 percent, of the direct costs associated with processing permit applications. Budget language was approved to establish a stakeholder group to consider recommendations pertaining to DEQ's solid waste fee structure. It is anticipated the fee revenues will defray costs associated with inspection and enforcement of permits.

Additionally, the Board must adopt regulations to cover all direct costs associated with DEQ's program for regulating hazardous waste management programs. A new fee schedule, exempt from the Administrative Process Act requirements, is projected to result in general fund savings of \$1 million in each year and raise \$250,000 in non-general fund revenues. The new fee schedule will be in effect FY 2011.

- **State Water Control Board:** The General Assembly, at the 2010 reconvened session, adopted language requiring the State Water Control Board to establish a schedule of fees upon operators of facilities with water discharge permits that will cover no more than 50 percent of the costs associated with the water permit program. The report had previously provided for a fee schedule that would cover at least 39 percent, but no more than 100 percent, of the direct costs associated with administration, compliance and enforcement of the Virginia Pollutant Discharge Elimination System and the Virginia Pollutant Abatement programs.
- **Virginia Marine Resources Commission:** The introduced budget provides \$2 million in non-general funding in each year for oyster replenishment efforts. Additionally, the report added \$600,000 in general funding to the Virginia Marine Resources Commission for replenishment efforts.

## **Additional Revenue Issues**

- **Communications Sales and Use Tax:** The General Assembly, at the 2010 reconvened session, clarified that appropriations of the Virginia Communications

Sales and Use Tax Fund will be in accordance with statute, including formula shares to counties, cities and towns: "1. In order to carry out the provisions of § 58.1 - 645 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of non-general fund revenues estimated at \$460,000,000 in the second year equal to the revenues collected pursuant to § 58.1 - 645 et seq., Code of Virginia, from the Virginia Communications Sales and Use Tax.

For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury. 2. All revenue received by the Commonwealth pursuant to the provisions of § 58.1 - 645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and distributions from the Fund shall be made pursuant to § 58.1-662, Code of Virginia."

Summary of the above action: The General Assembly will appropriate the fund to the Department of Taxation. The Department will reimburse localities based on the current statutory formula. However, the state will treat the dollars as general funds for purposes of expanding its debt capacity.

The report also earmarks \$434,000 each year from the Communications Sales and Use Tax Trust Fund for the Department of Deaf and Hard of Hearing's Technology Assistance Program. The program provides telephonic communications devices for eligible individuals. Since its inception, the Fund has supported the Department's contract to operate the state's relay center in Norton, but the report includes the requirement that the fund support equipment purchases for the program.

• **Dealer Discount:** HB 29 and report partially eliminates retailers' Dealer Discount (vendor compensation) for collecting and remitting the sales and use tax. Kaine proposed eliminating retailers' Dealer Discount entirely which would have saved \$61 million the first year. The report saves \$49 million by protecting a portion of the compensation for certain retailers. The amendment is included in HB 29 although it impacts FY 2010-2012. The

General Assembly, at the 2010 reconvened session, clarified that the partial elimination was a temporary suspension.

• **Manufacturers' deduction allowed for domestic production activities:** One-third reduction of the manufacturers' deduction allowed for domestic production activities saving the state \$30 million over the biennium.

### **Judicial**

• **Courthouse Repairs:** The report continues the suspension of the authority of circuit courts to enter orders requiring localities to repair or replace court facilities if they are deemed out of repair. This language was included in Chapter 781, the 2009 Appropriation Act but missing from the introduced budget.

• **Court Appointed Counsel for Juveniles:** The report eliminates funding for court appointed counsel for individuals confined in juvenile correction facilities. House Bill 483 and Senate Bill 585 of the 2010 Session would have authorized the appointment of counsel for individuals confined in juvenile correction facilities, but these bills were not enacted and the funding is therefore not needed.

• **Vacant Judgeships:** The report realizes savings of \$3.9 million in FY 2011 and \$6.5 million in FY 2012 from deferring the replacement of vacant judgeships.

### **Urban Development Areas (UDAs)**

The report removes the requirement in the introduced budget that in awarding grants for new or expanded transit service priority be given, among other criteria, to projects within UDAs. Also removed by the report is the requirement that state-funded passenger rail service not serve any locality that has not designated the area around their train station as a UDA. Retained by the report were provisions that i) DEQ cannot award Water Quality Improvement Fund grants after July 1, 2011, to localities required to designate UDAs but have not yet done so by that date; and ii) VDOT may give higher priority in awarding planning grants to localities that designate UDAs.

## **Transportation**

- **Elimination of planning grants:** The report removes language dedicating a portion of transit capital funding for land use planning and development grants. Kaine proposed the grant allowance using funding authorized under the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds debt obligation from House Bill 3202 (2007).
- **Transit Operating Funding:** The report provides the Commonwealth Transportation Board the flexibility to temporarily dedicate up to 20 percent of transit capital improvement funds to transit operating grant funds.
- **Unused VDOT facilities:** The report directs the Secretaries of Transportation and Administration, along with the impacted agency heads, to conduct an assessment of unused VDOT facilities to determine which could be used or leased, and requires a report to be submitted by Oct. 1, 2010.

**VACo Contacts:** Gage Harter (Editor); Mike Edwards (Revenues, Public Education, Transportation and miscellaneous); Larry Land (Agriculture and Forestry, and Natural Resources); Dean Lynch (Compensation Board, General Government, Commerce and Trade, HHR, Public Safety, Elections, Judicial and miscellaneous); and Ted McCormack (PDCs and UDAs).

## **Wireless E-911 Fund**

Currently the FY 2010 budget transfers \$9.7 million from the Wireless E-911 Fund to support sheriff dispatchers. HB 29 and the report increase the annual transfer from the Fund by \$2 million for FY 2010 - FY 2012. Thus, annual support for sheriff dispatchers will total \$8 million and the State Police will receive \$3.7 million.

## **Joint Legislative and Audit Review Commission (JLARC)**

The report named two studies for JLARC review:

- **VITA:** Continue to provide ongoing oversight of Virginia's information technology outsourcing arrangement using the same model currently utilized by JLARC for ongoing review of the Virginia Retirement System.
- **TICR:** Evaluate and report on the performance of the Tobacco Indemnification and Community Revitalization Commission (TICR), including a review of the effectiveness of the economic revitalization grants of the TICR, an evaluation of the TICR economic revitalization strategy, and propose recommendations as to the TICR's outcome metrics and accountability measures.

# FY 2010 State Budget

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The General Assembly adopted FY 2010 budget amendments (Conference Committee Report) to Gov. Timothy M. Kaine's proposed FY 2010 budget bill (HB 29), also referred to as the "Caboose Bill."

In December 2009, Kaine released his proposed FY 2010 budget amendments along with the FY 2010-2012 budget. He also announced an FY 2010 general fund revenue shortfall of \$1.8 billion. Kaine instituted a series of budget reductions in September prior to releasing his proposed FY 2010 budget amendments. The September reductions were framed as "one-time" actions intended to help the state balance FY 2010 (for example: Compensation Board reductions).

The General Assembly reconvened on Wednesday, April 21, to act on recommendations by Governor McDonnell. The summary below outlines key enactments in HB 29.

## Central Appropriations

• **Furloughs:** As part of the one-day state furlough in the spring of FY 2010 (fourth quarter), HB 29 withholds reimbursements to local governments and political subdivisions for state supported positions. The withholding is equivalent to 1/249 of the annual state supported salary base for state and state-local employees.

o Locally elected constitutional officers (also see Compensation Board summary below);

o General Registrars and members of local electoral boards;

o Full-time employees of locally elected constitutional officers; and

o Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services departments, local pretrial services act and comprehensive community corrections act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

• **Transitional Severance Benefits for Local Governments (local option):** HB 29 provides a transitional severance benefit, under the conditions specified, to eligible city, county, school division or

other political subdivision employees who are involuntarily separated from employment with their employer.

o On the date of involuntary separation, an eligible employee with (i) two years service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) 10 years through and including 14 years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to 12 weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) 15 years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed 36 weeks of salary.

o Transitional severance benefits shall be computed by the terminating employer's payroll department. Partial years of service shall be rounded up to the next highest year of service.

o Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with the Code of Virginia, transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to the Code shall not be denied, abridged, or modified due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one lump sum at the time the last transitional severance benefit payment is made.

o For 12 months after the employee's date of involuntary separation, the employee continues to

be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to the Code or such other group life insurance plan as may be administered by the employer. During such 12 months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such 12-month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA.

- o Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is receiving such payments.

- o All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations.

### **Compensation Board**

The reductions outlined below include Governor Kaine's FY 2010 reductions of September 2009 totaling more than \$30 million.

- Eliminates fourth quarter reimbursements to localities for VRS retirement and group life insurance premium amounts payable on reimbursed salaries for constitutional officers and their employees.
- Supplants General Funds for Sheriffs and Regional Jails with federal fiscal stabilization funding: \$109.4 million.
- Reduces local jail per diem funding by 5 percent, and does not include additional funding for anticipated year-end shortfalls. Effective March 1, 2010, the payment for local and state responsible inmates shall be as follows:
  - o Local responsible inmates: \$4 per inmate day, or, if the inmate is housed and maintained in a jail farm not under the control of the sheriff, the rate shall be \$18 per inmate day.
  - o State responsible inmates: \$12 per inmate day.
  - o Effective March 1, 2010, the payment for jail contract beds shall not exceed \$8 per state felon day, which shall be in addition to any such amounts otherwise authorized by the budget;
- Reverts \$2 million in non-general fund

Technology Trust Fund balances to the General Fund. This is in addition to the \$7 million transfer assumed in the September reductions.

### **Finance/Revenue Stabilization Fund**

One half of the balance of the Revenue Stabilization Fund is appropriated in FY 2010. The appropriations total \$293 million including accumulated interest earnings.

### **Health and Human Resources**

- **Area on Aging:** Requires the Department of Health and Human Resources to work with 18 Area Agencies on Aging (AAAs) that receive funding for care coordination to determine the best models to use in the Commonwealth for care coordination. The 2010 budget allows AAAs to submit a plan describing the model of care coordination to be used and requires them to work with the Department to ensure that the plan embraces best practices, works with other service delivery systems and includes evaluation measures. The Department and designated AAAs are required to determine which models of service delivery are appropriate and demonstrate beneficial use of these funds.
- **Board of Health:** The General Assembly added clarifying language to the introduced budget that restricts the Board of Health from redistricting the regional emergency medical services councils; and restricts the Board of Health from using redistricting as a condition of designation as a council, or renewal of such designation, or as a condition of receiving state funding
- **CSA:** Reduction in spending by \$36.6 million to reflect lower utilization of services. Unexpended funds will revert to the General Fund.
- **Emergency Medical Services:** An additional \$1 million from the Rescue Squad Assistance is provided to the Department of State Police for Med-Flight operations. This additional funding is derived from undistributed June 30, 2009, cash balances from the Special Emergency Medical Services Fund and Virginia Rescue Squad Assistance Fund. The total appropriation in FY 2010 will be \$2.6 million.
- **Medicaid and FAMIS:** The Department of Medical Assistance Services shall have authority to

amend the Virginia State Plan for Title XXI of the Social Security Act and the Virginia Health Insurance Flexibility and Accountability (HIFA) Waiver to require that Family Access to Medical Insurance Security (FAMIS) and FAMIS MOMS applicants and enrollees furnish their Social Security numbers as a condition of eligibility in order to have citizenship and identity verified by the Social Security Administration, unless the applicant is otherwise exempt from this requirement. The Department shall have the authority to implement this change effective upon the signing of the budget bill, and prior to the completion of any regulatory process undertaken in order to effect such change.

• **Behavioral Health:** Effective July 1, 2009, the Department of Mental Health, Mental Retardation and Substance Abuse Services shall be known as the Department of Behavioral Health and Developmental Services. All references to mental retardation shall be assumed to mean intellectual disability.

**Public Education (K-12)**

The Virginia Department of Education (DOE) released locality specific funding spreadsheets on March 18. The link above directs the reader to

details for FY 2010 and FY 2010-2012.

• **FY 2010 VRS Rates (Source: DOE):** See chart below.

The amended FY 2010 budget provides that fourth quarter VRS payments shall be suspended April 1, 2010, for public employee group life insurance, the Virginia Sickness and Disability Program, state employee retiree health insurance credit, and the public school teacher retiree health insurance credit shall for constitutional officers and public school teachers. The suspension excludes the five percent employee portion. (See VRS local rates.) (Also see the FY 2010 VRS summary below.)

• **Support for School Construction, Operating Costs and Textbooks:** HB 29 changes the name of the Additional Support for School Construction and Operating Costs account to Support for School Construction, Operating Costs and Textbooks. HB 29 also includes language in the FY 2010 Support for School Construction, Operating Costs and Textbooks account encouraging localities and school divisions to use a portion or all of the estimated \$140 million in local savings generated from the three-month fringe benefit premium holiday described above to purchase textbooks and Standards of Learning instructional materials, as needed.

<b>FY10 FRINGE BENEFIT RATES (PAID BY SCHOOL DIVISIONS TO VRS):</b>	<b>FY 2010 EMPLOYER RATE</b> Rates for Division Payments to VRS July 2009 to March 2010	<b>FY 2010 EMPLOYEE RATE</b> Rates for Division Payments to VRS July 2009 to June 2010
Instructional VRS (Does not include RHCC - see below)	8.81%	5.00%
Nonprofessional Support VRS	7.62%	5.00%
Group Life	0.27%	0.52% (July through March Only)
Retiree Health Care Credit	1.04%	

<b>FY10 FRINGE BENEFIT RATES (STATE FUNDS PAID TO SCHOOL DIVISIONS):</b>	<b>FY 2010 EMPLOYER RATE</b> Rate for State Payments July 2009 to June 2010
Instructional VRS (Does not include RHCC - see below)	6.61%
Nonprofessional Support VRS	5.72%
Group Life	0.20%
Retiree Health Care Credit ( <i>state funds paid as part of the VRS per pupil amount</i> )	0.78%

• **Defer FY 2010 Fourth Quarter State Operated Programs Payment to the First Quarter of FY 2011:** Final FY 2010 state payments to the school divisions will be based on certified expenditures from the first three quarters (July -March) of the year. State payments for certified actual expenditures from the fourth quarter of FY 2010 will be made in fiscal year 2011. Future State Operated Program payments will continue the fourth quarter deferment in each subsequent fiscal year.

• **Textbook Funding:** HB 29 eliminates textbook funding for FY 2010 by \$79.6 million. The payments that school divisions received through the Dec. 16, 2009 payment will be charged by DOE against their Dec. 21, 2009 Basic Aid payments.

• **Reductions to Incentive, Categorical and Supplemental Education Programs:** Dating to Kaine's September actions, HB 29 includes a 10 percent reduction to the following incentive, categorical and supplemental education programs: Clinical Faculty; Career Switcher Mentoring Grants; and the Virginia Educational Technology Alliance under categorical programs. In supplemental education, the Career and Technical Education Resource Center; Jobs for Virginia Graduates; Project Discovery; the Southside Virginia Regional Technology Consortium; the Southwest Virginia Public Education Consortium; the Virginia Career Education Foundation; the Van Gogh Outreach Program; and the Greater Richmond Area Scholarship Program (GRASP).

• **Eliminate Non-Personal Inflation Factors:** HB 29 eliminates funded inflation factors from the non-personal component of Basic Aid. For FY 2010, state funding is reduced by \$61.3 million. This action reduces the Basic Aid per pupil amount for each division. [Non-personal factors include: Operation & Maintenance (Utilities, Communications, Insurance); Fixed Charges (Unemployment, Workers' Compensation, Disability Insurance, Other Benefits); Instructional (Classroom Instruction, Instructional Support, Principal's Office); Miscellaneous (Administration, Attendance & Health, Facilities, Pupil Transportation, Reserve Contingency, Textbooks and Health Care Premiums.)]

• **Increase Literary Funds Support for VRS Retirement:** HB 29 uses \$195 million of Literary Fund balances to pay a portion of the state share of

the cost for teacher retirement and Social Security.

• **Carry over FY 2010 Funds to FY 2011:** The budget allows any locality that has met its required local effort for the Standards of Quality for FY 2010, or that has met its required local match for incentive or Lottery funded programs in which the locality elected to participate in FY 2010, to carry over into FY 2011 remaining state fund balances.

### State Aid to Local Libraries

As part of his September budget reductions, Gov. Kaine cut FY 2010 state support for local libraries by 5 percent.

### State Board of Elections

The State Board of Elections is required to adopt regulations to provide for an administrative fee up to \$25 for each non-electronic report filed with the Board.

### Virginia Retirement System and Compensation

HB 29 provides that the fourth quarter VRS payments is suspended April 1, 2010, including for public employee group life insurance, the Virginia Sickness and Disability Program, state employee retiree health insurance credit, and the public school teacher retiree health insurance credit shall for constitutional officers and public school teachers. The suspension excludes the 5 percent employee portion. (See VRS local rates.) (Additionally, see K-12 summary above for school impact.)

#### • **Restoration of Deferred Compensation**

**Payments:** The General Assembly's amendments to HB 29 restore the state match for the state employee deferred compensation program. Governor Kaine proposed eliminating fourth quarter funding.

• **State Employee Bonus:** Classified employees of the Commonwealth, except elected officials, who were employed on July 1, 2010, shall receive a one-time bonus payment equal to 3 percent of base pay on Dec. 16, 2010, contingent upon General Fund revenue collections for FY 2010 exceeding the official FY 2010 revenue estimate by at least \$82.2 million. If General Fund revenue collections for FY 2010 exceed the official revenue estimate by less than \$82,200,000, the one-time bonus payment shall

be prorated to a percent of base pay for the general fund payroll that equates to the amount of excess revenues collected.

• **VRS Transfer to the General Fund:** VRS shall transfer \$500,000 from the Group Insurance Program's Advance Premium Deposit Reserve to the Line of Duty Death and Health Benefits Trust Fund for subsequent transfer to the General Fund. The transfer supports death claims related to the Line of Duty Act paid from July 1, 2009, through June 30, 2010. Repayment of the transfer by the Line of Duty Death and Health Benefits Trust Fund to the Group Insurance Program's Advance Premium Deposit Reserve will be completed under such terms as prescribed by the VRS Board of Trustees.

On or before June 30, 2010, the Virginia Retirement System shall transfer an amount estimated to be \$1.2 million from the health insurance credit trust fund to the General Fund as reimbursement for health insurance credits that would have been payable to Line of Duty Act benefits recipients from their date of retirement or July 1, 2000, whichever was later, until June 30, 2010. For any surviving spouse of a "deceased person" or any "disabled person" as those terms are defined in the Code of Virginia for those receiving the benefits described in law and who would otherwise qualify for the health insurance credit described in the Code, the amount of such credit shall be calculated and reimbursed to the State Comptroller from the health insurance credit trust fund, in a manner prescribed by the Board of Trustees of the VRS.

## **Natural Resources**

### • **Conservation and Recreation:**

- o Reduce funding to Soil and Water Conservation Districts by 10 percent.
- o Reduce funding to the Virginia Outdoors Foundation by \$97,376.
- o Eliminate one position for education and outreach on vegetative buffers to coastal localities subject to Chesapeake Bay Preservation Act for a savings of \$30,000.

### • **Environmental Quality:**

- o Reduce funding for Chesapeake Bay monitoring by \$129,000.

- o Reduce litter control grants to localities by \$255,000 and divert that amount to the General Fund.

• **Water Quality Improvement Fund:** HB 29 adjusts Gov. Kaine's September reduction plan by replacing his strategy to supplant administrative costs with federal grant indirect cost recoveries with a \$1.5 million cash transfer from the Water Quality Improvement Fund reserve.

## **Wireless E-911 Funds**

Currently, the FY 2010 budget transfers \$9.7 million from the Wireless E-911 Fund to support sheriff dispatchers. HB 29 increases the annual transfer from the Fund by an additional \$2 million. Thus, annual support for sheriff dispatchers will total \$8 million and the State Police will receive \$3.7 million from the Fund.

Consequently, a total of \$11.7 million will be transferred from the Fund in FY 2010. In accordance with statute, funds for Wireless E-911 are appropriated by formula with local governments receiving 60 percent and the industry 30 percent with 10 percent and carry over funding from the industry share reserved for additional grants to local governments. The \$8 million transfer for sheriff dispatchers is taken from the 30 percent industry share while the \$3.7 million transfer for the State Police is taken "off-the-top."

## **Additional Revenue Issues**

### • **Communications Sales and Use Tax:**

Appropriates the Virginia Communications Sales and Use Tax Fund, "1. In order to carry out the provisions of § 58.1 - 645 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of non-general fund revenues estimated at \$460,000,000 in the second year equal to the revenues collected pursuant to § 58.1 - 645 et seq., Code of Virginia, from the Virginia Communications Sales and Use Tax.

For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury. 2. All revenue received by the

Commonwealth pursuant to the provisions of § 58.1 - 645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and distributions from the Fund shall be made pursuant to § 58.1-662, Code of Virginia."

Summary of the above action: The General Assembly will appropriate the fund to the Department of Taxation. The department will reimburse localities based on the current statutory formula. However, the state will treat the dollars as general funds for purposes of expanding its debt capacity.

- **Dealer Discount:** HB 29 partially eliminates retailers' Dealer Discount (vendor compensation) for collecting and remitting the sales and use tax. Kaine proposed eliminating retailers' Dealer Discount entirely which would have saved \$61 million. This amendment is included in HB 29 although it impacts FY 2010-2012.
- **Judges:** Reduces the number of judges resulting from vacancies due to resignation, death or retirement.
- **Brunswick Correctional Center:** Directs the Department of Corrections and the Virginia Economic Development Partnership to prepare a report on potential options for reusing or redeveloping the Brunswick Correctional Center.

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# Summary of Legislation Affecting Counties

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**\*Unless otherwise stated, all legislation goes into effect July 1, 2010.**

**\* Uncodified Act - A bill that may be of short duration that is not given a regular Code number; it can include the budget bill, local government charters, or bills of local application only.**

## Administration of Government

### Elections

**HB 104 Elections; increases duration of time between filing deadlines and November elections**

Amends §§ 24.2-507, 24.2-510, and 24.2-682 of the Code of Virginia to increase the following filing deadlines: i) declarations of candidacy for a special election held in November will need to be filed 81 days, rather than 74 days, before the election; and ii) a referendum election must be ordered 81 days, rather than 60 days, before the referendum election. Patron: Loupassi

**HB 450 Special elections; shall be held no later than second ensuing general election**

Amends §§ 24.2-226 and 24.2-228 of the Code of Virginia and adds § 24.2-229.1 to the Code of Virginia to provide that any person appointed to fill a vacancy on a local governing body or an elected school board holds office the same as an elected person and shall exercise all powers of the elected office. Further, all votes cast prior to July 1, 2010, by persons appointed to fill a vacancy, including votes appropriating money in excess of \$500, imposing taxes, or authorizing the borrowing of moneys, are validated. Patron: Ware, L.

**HB 1014 Special elections; vacancies in a governing body or elected school board shall be filled thereby**

Amends §§ 24.2-225, 24.2-226, 24.2-228, and 24.2-682 of the Code of Virginia to require that in the event of a vacancy in any elected office, the special

election to fill the position shall be held promptly, but no later than the next general election unless the vacancy occurs within 90 days of the next general elections then the special election shall be held no later than the second general election. Patron: Athey

**SB 137 Lists of registered voters; disclosure to commissioners of the revenue and treasurers**  
Amends §§ 24.2-405 and 24.2-407.1 of the Code of Virginia to allow the State Board of Elections to furnish, for a reasonable fee, lists of registered voters to commissioners of the revenue and city or county treasurers for local tax purposes. Patron: Obenshain

**SB 723 Campaign finance disclosure; reports of large contributions by governing body members**  
Amends §§ 24.2-947.6, 24.2-947.7, 24.2-947.8, 24.2-948.1, and 24.2-953.1 of the Code of Virginia and repeals § 24.2-948 of the Code of Virginia to repeal the provision enacted in 2004 that required governing body members during non-election years to report campaign contributions of \$500 or more within 15 business days of receipt. Patron: Ticer

### Freedom of Information and Conflicts of Interest

**HB 431 Freedom of Information Act; proceedings for enforcement**

Amends § 2.2-3713 of the Code of Virginia to clarify that a Freedom of Information Act (FOIA) action may be brought in the name of a person notwithstanding that a request for public records was made by the person's attorney. The bill also clarifies that costs and reasonable fees for expert witnesses may be recovered by the petitioner in a FOIA action. Patron: Griffith

**HB 433 Government Data Collection and Dissemination Practices Act; collection of social security numbers**

Amends § 2.2-3808 of the Code of Virginia, to clarify that it is unlawful for any agency, including local governments, to require an individual to disclose their social security number not disclosed previously, for any purpose in connection with any

activity, or to refuse any service, privilege, or right to an individual because they do not disclose or such number, unless the disclosure of such number is specifically required by state law in effect prior to January 1, 1975, or is specifically authorized or required by federal law. This bill does not prohibit the collection of a social security number for the sole purpose of debt collection by state and local agencies. Patron: Griffith

**HB 434 Freedom of Information Act; exemption for credit card and bank account data**

Amends § 2.2-3705.1 of the Code of Virginia to exempt from FOIA those portions of records that contain account numbers or routing information for any credit card, debit card, or other account with a financial institution of any person or public body. Patron: Griffith

**HB 518 Freedom of Information Act; public body shall remain responsible for retrieving public records**

Amends §§ 2.2-3704 and 2.2-3706 of the Code of Virginia to provide that in the event a public body transferred possession of public records for storage, maintenance or archiving, the public body initiating the transfer remains the custodian of the records for the purpose of responding to FOIA requests. The bill also adds a definition of "criminal investigative file" and clarifies what records are exempt from FOIA as so defined. Further, undercover operations and protective detail records, as well as records of background and internal affairs investigations held by any state or local law-enforcement agencies, are exempt from the FOIA. Patron: Rust

**HB 633 Conflict of Interests Act; prohibited conduct relating to contracts, exceptions**

Amends § 2.2-3110 of the Code of Virginia to provide that a conflict exists where there is employment by the same governmental agency of an officer or employee and spouse or any other relative residing in the same household and one such person is employed in a direct supervisory or administrative position, or both, with respect to his spouse or other relative residing in his household and the annual salary of such subordinate is \$35,000

or more. Currently, such amount is \$22,500. Patron: Scott, E.

**HB 857 Line of Duty Act; access to records of investigation**

Adds § 9.1-408 to the Code of Virginia to provide that evidence and documents obtained by or created by, and the report of investigation prepared by, the Department of State Police in carrying out the provisions of the Line of Duty Act, is (i) deemed confidential, (ii) exempt from disclosure under the FOIA, and (iii) not be released to any person except as provided in the Line of Duty Act. Patron: Carrico

**HB 1028 Freedom of Information Act; recording of public meetings**

Amends § 2.2-3707 of the Code of Virginia to prohibit any public body from conducting a meeting required to be open in any building or facility where recording devices are prohibited. The bill also clarifies that no public body may prohibit or prevent any person from photographing, filming, recording, or otherwise reproducing any portion of a meeting required to be open. Patron: Pollard

**HB 1038/SB 499 Conflict of Interests Act; certain relatives of school board member to be considered for employment**

Amends § 2.2-3119 of the Code of Virginia, to allow within Planning Districts 11, 12, and 13, certain relatives of a school board member be considered for employment in the school division subject to certain criteria. Patrons: Byron/Hurt

**HB 1252 Electronic communication service providers; obtaining records by law-enforcement officers**

Amends § 19.2-70.3 of the Code of Virginia to authorize the disclosure of the records of providers of electronic communication service or remote computing service if a court orders disclosure for an investigation of a missing child, senior adult or incapacitated person. Patron: Greason

**SB 430 State and Local Government Conflict of Interests Act; disclosure of interest in real estate**

Amends §§ 2.2-3117 and 30-111 of the Code of

Virginia to clarify that when state and local government officials disclose interest in real estate as required by the State and Local Government Conflict of Interests Act, each real estate parcel must be listed separately. Patron: Herring

**SB 432 Freedom of Information Act; record exemption for the Statewide Agencies Radio System and other local and regional public safety systems**

Amends § 2.2-3705 of the Code of Virginia to exempt from the FOIA documentation or other information that relates to the Statewide Agencies Radio System or any other similar local or regional public safety communications system. Patron: Edwards

Miscellaneous

**HB 83/SB 108 Pawnbrokers; local government may by an ordinance require daily report to be electronically filed**

Amends § 54.1-4010 of the Code of Virginia to allow localities to require a pawnbroker to maintain and file a daily report electronically. Patrons: Knight/McDougle

**HB 297/SB 246 Noise ordinance; authorizes governing body to adopt civil penalties**

Adds § 15.2-980 to the Code of Virginia to allow localities to adopt civil penalties for violations of noise ordinances. Patrons: Cosgrove/Watkins

**HB 367 Bad checks; recovery if stop-payment order placed in bad faith**

Amends § 15.2-106 of the Code of Virginia to allow localities to charge up to \$35 if payment for revenue collection was refused because the drawer placed a stop-payment order on the check in bad faith. Patron: Ware, O.

**HB 385 Suspension of state mandates; Governor may suspend any mandate, not to exceed two years**

Amends § 2.2-113 of the Code of Virginia to allow the Governor, upon application by a locality, to suspend any non-educational executive branch mandate for a period up to two years under certain circumstances. Patron: Dance

**HB 563 Decibel level of sound; authorizes a law-enforcement officer to use certain equipment to determine**

Amends § 2.2-1112 of the Code of Virginia and adds § 19.2-270.7 to the Code of Virginia to authorize law enforcement officers to use certain equipment to determine the decibel level of sound. Patron: Tata

**HB 618/SB 521 Local ordinances; permits locality to obtain determination by circuit court as to constitutionality**

Amends § 16.1-131.1 of the Code of Virginia to allow localities to obtain a determination by the circuit court as to the constitutionality of a local ordinance that has been held to be unconstitutional by a court not of record. Patrons: Pogge/Norment

**HB 651 Eminent domain cases; reinstates option of landowner to choose between commissioner & jury to hear**

Amends §§ 8.01-187, 25.1-100, 25.1-209, 25.1-213, and other sections of the Code of Virginia and adds §§ 25.1-227.1 and 25.1-227.2 to the Code of Virginia to reinstate the option of the landowner to choose between commissioners and juries to hear an eminent domain case; the provisions of this bill apply only to actions filed on or after July 1, 2010. Patron: Armstrong

**HB 706 General Assembly deadlines; computation of time**

An uncodified act to provide that when an act of the General Assembly or local governing body, order of the court, or administrative regulation or order requires an action to be completed or taken on a Saturday, Sunday, legal holiday, or any day or part of a day on which the state or local government office is closed, the act may be performed or the action may be taken on the next business day. Patron: Peace

**SB 154 Inflationary effects; increasing various costs, fees, etc., penalties**

Amends §§ 6.1-118.1, 8.01-66, 8.01-66.2, 8.01-416, and other sections of the Code of Virginia to increase the amounts of various costs, potential attorney fee awards, potential damages, jurisdictional amounts, and other dollar-based provisions in the

Virginia Code to account for the effect of inflation.  
Patron: Edwards

**SB 383 Claims against county; attorney of county shall notify claimant by certified mail of date**

Amends §§ 15.2-1245, 15.2-1246, and 15.2-1247 of the Code of Virginia to provide that when a claim is made against a county, the county attorney shall notify the claimant of the date that the claim will be considered. Further, court action on a claim is not barred if the governing body fails to act on a claim within 90 days of the date it was received, provided that such time may be extended by mutual agreement. Patron: Obenshain

**SB 676 Abandoned graveyards; when locality acquires title they may continue to maintain property**

Amends § 57-36 of the Code of Virginia to clarify that when a locality acquires title to an abandoned or neglected graveyard, the locality may continue to maintain the property as a graveyard. Patron: Wampler

Personnel

**SB 68 Firefighters and Emergency Medical Technicians Procedural Guarantee Act; conduct of interrogations**

Amends § 9.1-301 of the Code of Virginia to allow firefighters or emergency medical technicians to have a witness of their choice present during an interrogation, as long as the interview is not unduly delayed, but the witness cannot participate or represent the employee and the witness cannot be involved in the investigation. Patron: McEachin

Procurement

**HB 426 Public Procurement Act; cooperative procurement**

Amends § 2.2-4304 of the Code of Virginia to prohibit any local public body from using another local public body's contract for construction where the cost of the project exceeds \$200,000 and the other local public body is more than a straight line distance of 75 miles from the territorial limits of the local public body procuring the construction.

The bill does not restrict a local public body's use of the sole source or emergency procurement provisions of the Virginia Public Procurement Act. Patron: Griffith

**HB 567 Public Procurement Act; state-aid construction projects**

Amends § 2.2-4305 of the Code of Virginia to raise from \$30,000 to \$50,000 the competitive bidding/competitive negotiation dollar threshold for state-aid construction projects. Patron: Iaquinto

**HB 789 Public Procurement Act; increases cost of construction for which state or local public body may use**

Amends § 2.2-4303 of the Code of Virginia, to increase from \$1 million to \$1.5 million the cost of a construction contract that a state or local public body may use competitive negotiation instead of competitive bidding to procure the construction. Patron: Villanueva

**HB 831 Public Procurement Act; foreign & domestic businesses authorized to transact business in State**

Adds § 2.2-4311.2 to the Code of Virginia to require all public bodies to include in every written contract a provision that the contractor must be authorized to transact business in Virginia as a domestic or foreign business entity as required by the State Corporation Commission. Further, such status shall be maintained during the term of a contract and that any contract entered into by a business in violation of the requirements is voidable at the public body's option. Patron: Surovell

**SB 52 Police dogs; authority to sell dogs trained therefore**

Adds § 15.2-980 to the Code of Virginia to exempt from the Virginia Public Procurement Act the sale of any dog especially trained for police work by the police department of any locality to the handler who was last in control of such dog. Further, such sale is not a violation of the State and Local Government Conflict of Interests Act. Patron: Martin

## Public Safety

### **HB 290 Fire programs; fire/EMS departments donating equipment shall be immune from civil liability**

Amends § 27-15.2 of the Code of Virginia to extend certain civil liability immunity to any local fire/EMS department or any fire/EMS company donating equipment for fighting fires or performing emergency medical services to any other fire/EMS department or fire/EMS company. Patron: Griffith

### **HB 361 Regional jails; disposition of fees for prisoners' keep**

Amends § 53.1-131.3 of the Code of Virginia to allow regional jails to retain fees collected for prisoners' keep instead of crediting those fees to the locality that incarcerated the inmate. Patron: Ware, O.

### **HB 368 Regional criminal justice academy training; local fee charged to support**

Amends § 9.1-106 of the Code of Virginia to allow localities to add a surcharge on traffic summonses and other like activities to support a independent criminal justice academy certified by the Department of Criminal Justice Services as of July 1, 2010. Patron: Ware, O.

### **HB 682 Gang-free zones; expanded to include public buildings, etc., penalty**

Amends § 18.2-46.3:3 of the Code of Virginia to expand the current "gang-free school zones" to the broader "gang-free zones" and includes any publicly owned or operated community center or recreational center. Patron: Miller, J.

### **HB 757 Prisoners; allowed on private property to remove graffiti in certain localities**

Amends § 53.1-129 of the Code of Virginia to allow prisoners confined to jail to work on private property to remove graffiti in those localities that have adopted an ordinance authorizing such projects. Patron: Stolle

### **HB 866 Mutual aid agreements; includes private police forces of higher educational institutions**

Amends § 15.2-1736 of the Code of Virginia to permit private police forces of institutions of higher

learning to enter into mutual aid agreements with local law enforcement agencies. Patron: Cline

### **HB 1216 Public defenders; supplemental compensation**

Amends §§ 19.2-163.01 and 19.2-163.01:1 of the Code of Virginia to provide that supplemental compensation for public defenders provided by a locality go directly to the employees rather than to the Indigent Defense Commission. Patron: McClellan

### **HB 1382 Law-enforcement officers; prohibits public disclosure of personal information on Internet**

Amends § 18.2-186.4 of the Code of Virginia and adds § 18.2-186.4:1 to the Code of Virginia to prohibit a state or local agency from publicly posting or displaying on the Internet the home address or personal telephone numbers of a law-enforcement officer if the officer has made a written demand that such information not be disclosed. Patron: Bell, Robert B.

### **SB 493 Electronic communication service; foreign corporation to disclose record of subscriber to officer**

Amends § 19.2-70.3 of the Code of Virginia to clarify that any provider of electronic communication service or remote computing service is required to disclose a record or other information pertaining to a subscriber to or customer of such service to an investigative or law-enforcement officer pursuant to (i) a search warrant issued by a magistrate, general district court or a circuit court; (ii) a court order for such disclosure issued as provided in this section; or (iii) the consent of the subscriber or customer to such disclosure. Patron: Hurt

## Weapons

### **HB 109 Firearms; repealing requirement for sellers of pistols to send report to clerk of circuit court**

Amends § 15.2-1207 of the Code of Virginia to repeal the authority of localities to impose a license tax on persons engaged in the business of selling pistols and revolvers. Patron: Cole

**HB 488 Model bow hunting; ordinances are to include times of day in which hunting can occur and limits**

Adds § 29.1-528.1 to the Code of Virginia to require the Board of Game and Inland Fisheries to develop model bow hunting ordinances for those localities where the deer population is overabundant. Patron: Lingamfelter

**HB 1379 Child-care facilities; local regulation of possession and storage of firearms, etc., at facilities**

Amends § 15.2-914 of the Code of Virginia to allow certain Northern Virginia localities to adopt ordinances that regulate the possession and storage of firearms and ammunition at child-care facilities that are comparable to state regulations for family day-care homes. Patron: Sickles

## Community Development and Planning

### Authorities and Special Districts

#### **HB 200 Service districts annual tax; shall only be levied upon specific classification of real estate**

Amends § 15.2-2403 of the Code of Virginia to require localities to levy the tax within a special service district only upon the classification of real estate that benefit from the additional governmental services. Patron: Alexander

#### **HB 1206 Regional Industrial Facilities Act; method by which member locality of authority may withdraw**

Amends § 15.2-6415 of the Code of Virginia to provide a method by which a member locality of a Regional Industrial Facilities Authority may withdraw from the authority with approval of the majority of other members. Patron: Crockett-Stark

#### **SB 379 Southwest Regional Recreation Authority; localities may allocate portion of civil penalties**

Amends § 15.2-6023 of the Code of Virginia and adds §§ 15.2-6023.1 and 15.2-6023.2 to the Code of Virginia to permit localities within the Southwest Regional Recreation Area the authority to allocate civil penalties to the Southwest Regional Recreation Authority. Patron: Puckett

### Economic Development

#### **HB 199/SB 184 MEI Project Approval Commission; expands scope of incentive packages to be reviewed**

Amends §§ 30-309, 30-310, and 30-312 of the Code of Virginia to expand the scope of incentive packages to be reviewed by the Major Employment and Investment Project Approval Commission. Patrons: Cox, K./Colgan

#### **HB 318/SB 252 Manufacturing facility; expands definition to include those used in creation of intangible property**

Amends § 15.2-5000 of the Code of Virginia to expand the definition of manufacturing facility to include (i) any facility which is used in the creation

or production of intangible property as described in § 197(d)(1)(C)(iii) of the Internal Revenue Code of 1986 to be any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item, or (ii) a facility which is functionally related and subordinate to a manufacturing facility if such facility is located on the same site as the manufacturing facility. Patrons: Alexander/Reynolds

#### **HB 380/SB 475 Governor's Development Opportunity Fund; criteria for awarding grants and loans**

Amends § 2.2-115 of the Code of Virginia to provide that the criteria to be used in awarding grants and loans from the Governor's Development Opportunity Fund shall include (i) job creation, (ii) private capital investment, and (iii) anticipated additional state tax revenue expected to accrue to the state and affected localities as a result of the capital investment and jobs created.

Patrons: Edmunds/Watkins

#### **HB 555 Enterprise Zone Grant Program; preference for allocating grant funds**

Amends §§ 59.1-547 and 59.1-549 of the Code of Virginia to change the eligibility for enterprise zone job grants in areas with an unemployment rate that is one and one-half times or more than the state average to positions paying at least 150 percent of the federal minimum wage including health benefits. Patron: Marshall, D.

#### **HB 624/SB 472 Major business facility job tax credit; business that creates at least 50 qualified full-time jobs**

Amends § 58.1-439 of the Code of Virginia to reduce from 100 to 50 the number of qualified full-time jobs required to be created to qualify for the Major Business Facility Job Tax Credit; however within an enterprise zones or economically distressed areas, the base or threshold is lowered from 50 newly created jobs to 25.

Patrons: Kilgore/Watkins

#### **HB 672 Infrastructure Project Loan Fund; created**

Amends §§ 62.1-198 and 62.1-199 of the Code of Virginia and adds §§ 15.2-2430 through 15.2-2440 to the Code of Virginia to create the Virginia

Infrastructure Project Loan Fund, administered by the Virginia Resources Authority, to finance local energy projects using gas captured from landfills or wastewater treatment facilities. Patron: May

**HB 943 Small Business Jobs Grant Fund; created**

Amends § 2.2-902 of the Code of Virginia and adds § 2.2-904.2 to the Code of Virginia to establish the Small Business Jobs Grant Program and Fund for grants to small businesses that create at least five new full-time positions within a 12-month period paying at least the prevailing average annual wage in the locality in which the business is located. Further, in awarding grants, priority must be given to small businesses creating new full-time positions in areas with an annual average unemployment rate of more than 125% of the statewide average unemployment rate. Patron: Landes

**HB 1244 Governor's Development Opportunity Fund; authority of Governor to award grants**

Amends § 2.2-115 of the Code of Virginia to allow the Governor to exceed the limits for any individual qualifying projects of regional or statewide interest. Further, the Virginia Economic Development Partnership is authorized to include in its guidelines a requirement for matching local funds. Patron: Marshall, D.

**HB 1381/SB 730 Major Employment and Investment Project Site Planning Grant Fund; established**

Adds § 2.2-2240.2 to the Code of Virginia to establish the Major Employment and Investment Project Site Planning Grant Fund to award grants to political subdivisions to assist in site development work for certain projects. Patrons: Armstrong/Reynolds

Housing

**HB 46 Virginia Defective Drywall Correction and Restoration Assistance Fund; created**

Adds §§ 36-156.1 and 36-156.2 to the Code of Virginia to establish the Virginia Defective Drywall Correction and Restoration Assistance Fund, administered by the Virginia Resource Authority, to correct and restore residential property affected by environmental problems due to defective drywall or

to remediate such affected properties. Patron: Oder

**HB 213 Residential Landlord and Tenant Act and Landlord and Tenant law; definition of landlord**

Amends § 55-248.4 of the Code of Virginia and adds § 55-221.1 to the Code of Virginia to provide that the definition of landlord in the Virginia Residential Landlord and Tenant Act and the Landlord and Tenant law does not include community land trust. The bill also defines a community land trust. Patron: Toscano

**HB 312 Building Code; appeals to local board and State Technical Review Board**

Amends §§ 36-105 and 36-114 of the Code of Virginia to clarify that any person aggrieved by a local building official's application of the Uniform Statewide Building Code (USBC) may appeal to the local board of Building Code appeals. Further, the State Technical Review Board may hear appeals from decisions under application of the Virginia Manufactured Housing Construction and Safety Standards Law and the Virginia Certification Standards. Patron: McClellan

**HB 313 Industrialized Building Safety Law; appeals to State Building Code Technical Review Board**

Amends §§ 36-73 and 36-82.1 of the Code of Virginia to add any person aggrieved by DHCD's application of the Industrialized Building Safety Law to the list of those who may appeal such decision to the State Building Code Technical Review Board. Patron: McClellan

**HB 517 Uniform Statewide Building Code; court may order violations on nonresidential buildings be abated**

Amends § 36-106 of the Code of Virginia to allow a court to order violations of the USBC on nonresidential buildings or structures be abated or otherwise remedied if the violations remain when the court is authorized to assess civil penalties. Patron: Rust

**HB 605 Housing and Community Development, Board for; powers**

Amends § 36-137 of the Code of Virginia to

provide that the levy of two percent of local building permit fees for the support of the Virginia Building Code Academy also applies to permits issued in connection with the enforcement of amusement device regulations. Patron: Merricks

**HB 667 Residential Property Disclosure Act; seller required to disclose presence of wastewater system**

Amends 55-519 of the Code of Virginia to add to the real estate disclosure document that the seller makes no representation with respect to the presence of any wastewater system located on the property. Patron: May

**HB 687 Uniform Statewide Building Code; increases civil penalty**

Amends § 36-106 of the Code of Virginia to increase from \$150 to \$350 the civil penalty for a second or subsequent violation of the USBC and to increase from \$3,000 to \$4,000 the total for violations arising from the same operative set of facts. Patron: Miller, J.

**HB 758 Workforces; allowed on private property owned by elderly or indigent persons if needing repair**

Amends § 53.1-128 of the Code of Virginia to allow a workforce created by a locality to perform work on private property owned or occupied by elderly or indigent persons if the property is identified by a citizens housing advisory committee as needing rehabilitation or repair and the property owner consents to the work. Patron: Stolle

**HB 1101 Statewide Fire Prevention Code; appeals from local fire codes**

Amends § 27-98 of the Code of Virginia to provide that any local fire code may provide for an appeal to the local board of appeals for fire code violations, and if no such local board exists, to the State Building Code Technical Review Board. Patron: Sickles

**HB 1174 Housing authorities; compensation of commissioners**

Amends § 36-11 of the Code of Virginia to remove the \$75 cap on the compensation for member of local housing authorities and allows the local

housing authorities to determine the compensation for its members. Patron: Phillips

Local Planning and Zoning

**HB 51 Comprehensive plan amendment; grants authority to local gov't to prepare & submit to public hearing**

Amends § 15.2-2229 of the Code of Virginia to allow a governing body to prepare an amendment to the comprehensive plan rather than directing the planning commission to do so; if the planning commission fails to make a recommendation on a proposed amendment within the designated time frame, the local governing body may submit the proposal to a public hearing. Patron: Cole

**HB 374/SB 632 Cash proffers; collected or accepted by locality after completion of final inspection**

Uncodified acts to delay until July 1, 2010 until July 1, 2014, the acceptance of a cash proffer by a locality for residential property until after completion of the final inspection and prior to the time of the issuance of any certificate of occupancy. Patrons: Cosgrove/Obenshain

**HB 552 Vested rights; includes right to replace existing on-site sewage system**

Amends § 15.2-2307 of the Code of Virginia to provide that any local permit, other than a building permit, authorizing construction of improvements to real property and the improvements were constructed in accordance with the permit, the zoning ordinance may provide that the improvements are nonconforming, but not illegal. Further, property owners are allowed to replace a failed septic tank i) only in the same general location for an existing building, ii) in compliance with Virginia Department of Health regulations, and iii) if no public sewerage is available. Patron: Marshall, D.W.

**HB 635 Subdivision of land; dividing lot for sale or gift may include family member's spouse**

Amends § 15.2-2244 of the Code of Virginia to expand the family subdivision exemption to include the family member's spouse. Patron: Scott, E.T.

**HB 882 Development rights; permitted to be attached in receiving areas to be equal or greater than rights**

Amends § 15.2-2316.2 of the Code of Virginia to allow localities to adopt a transfer of development rights program where the number of development rights permitted to be attached in a receiving area must be equal to or greater than the number of development rights to be severed from a sending area. Patron: Athey

**HB 967/SB 338 Assisted living; disabled persons shall not include those engaged in illegal use of drugs, etc.**

Amends § 15.2-2291 of the Code of Virginia to require localities to treat a residential facility occupied by up to no more than eight aged, infirm or disabled persons, with one or more resident counselors or other staff, as a single family residence for zoning purposes. Patrons: Peace/Hanger

**HB 1063 Zoning appeals, board of; fee for filing appeal by person aggrieved by decision, etc.**

Amends §§ 15.2-2311 and 15.2-2314 of the Code of Virginia to provide that a notice of a zoning violation must include information on the appeal fee and the appeal process. Further, the appeal fee is limited to the costs of advertising for public hearing and reasonable costs to process the appeal. Additionally, in an appeal of a decision of the board of zoning appeals (BZA), the locality and not the BZA is to be named as a party to the proceedings. Patron: Athey

**HB 1071/SB 420 Urban development; sets certain densities in areas according to population of locality**

Amends § 15.2-2223.1 of the Code of Virginia to set certain residential and commercial densities in urban development areas (UDA) according to the population of a locality that is required to designate an UDA. Patrons: Athey/Vogel

**HB 1211 Aboveground liquid fertilizer storage tanks; may require permit from local fire official**

Adds § 15.2-906.1 to the Code of Virginia to allow localities to require a permit from the local fire official for any aboveground liquid fertilizer storage

tank with a capacity of 100,000 gallons or more. Patron: Spruill

**HB 1250 Vested rights; issuance of written order, etc., by zoning administrator regarding use of property**

Amends § 15.2-2307 of the Code of Virginia to provide that any written determination by a zoning administrator concerning the specific use or density of the landowner's property that is no longer subject to change, modification, or reversal shall be considered a significant affirmative governmental act for purposes of determining vested rights. Patron: Knight

**HB 1307 Family healthcare; zoning provisions for temporary structures**

Adds § 15.2-2292.1 to the Code of Virginia to provide that under certain circumstances a "temporary family healthcare structures" of no more than 300 gross square feet are permitted accessory uses in any single family detached zoning district and are not required to obtain a special use permit. Patron: Griffith

**HB 1348 Subdivision ordinance; designated administrative agency means planning commission of locality, etc.**

Amends § 15.2-2241 of the Code of Virginia to permit a locality to designate the planning commission or other agent to approve surety provided by a developer. Patron: Lingamfelter

**HB 1383 Zoning appeals, Board of; no action of board shall be valid unless authorized by majority**

Amends § 15.2-2308 of the Code of Virginia to clarify that except in matter related to an appeal of a building permit, no action of the board is valid unless authorized by a majority vote of those present and voting. Patron: Villanueva

**SB 318 Subdivision ordinance; dedication of public improvements**

Amends § 15.2-2241 of the Code of Virginia to expand the options for developers to provide financial assurances prior to a locality accepting the dedication of public improvements. Patron: Ruff

Miscellaneous

**HB 707 Water and sewer charges; adds  
Counties of Caroline and New Kent to those  
localities that may impose**

Amends § 15.2-2118 of the Code of Virginia to add  
Caroline and New Kent Counties to the list of  
localities that may impose a lean on real estate for  
unpaid water and sewer charges. Patron: Peace

## Education

### **HB 107 Adult students; notifying schools when charged with certain crimes, etc.**

Amends §§ 16.1-260 and 16.1-293 of the Code of Virginia to clarify that notification is to be given to the superintendents of school divisions when students who are 18 years of age or older are charged with certain crimes and are subject to the jurisdiction of the juvenile and domestic relations district court. Patron: Cole

### **HB 111/SB 352 Schools; delayed implementation of statutes and regulations upon which full accreditation is based**

Amends § 1 of Chapter 463 of the Acts of Assembly of 2009 to delay until July 1, 2011, the implementation of statutes and regulations upon which the accreditation of schools is based that were not already in effect on June 30, 2008, unless such statutes or regulations are also specifically required by federal code, federal regulation, or court action. Patrons: Lohr/Obenshain

### **HB 196 Graduation requirements; delayed implementation**

Amends § 1 of Chapter 463 of the Acts of Assembly of 2009 to delay until July 1, 2011 the implementation of any additional graduation requirements, including the economics education and financial literacy requirement. Patron: Ware, L.

### **HB 208 School divisions, local; policy on Internet shall be posted on its Web site**

Amends §§ 22.1-70.2, 22.1-199.2, 22.1-209.1:2, and 22.1-212.15 of the Code of Virginia and repeals §§ 22.1-139 and 22.1-226 of the Code of Virginia to reduce certain mandated reporting requirements of local school divisions. Patron: Bulova,

### **HB 304 Va. Grade Level Alternative; justification shall be provided for each student considered therefore**

Amends § 22.1-253.13:3 of the Code of Virginia to require annual justification, as part of the Individual Education Program, for every student who takes the Va. Grade Level Alternative assessment instrument in grades three through eight. Patron: O'Bannon

### **HB 394/SB 629 Standards of Quality; requirements for standard, modified, or advanced studies diploma**

Amends § 22.1-253.13:4 of the Code of Virginia to ensure that the sequential elective requirement for the standard diploma be identified in the Academic and Career Plan as described in Board of Education (BOE) regulations. Patrons: Lohr/Wagner

### **HB 491 Consumable materials; authorizes a school board to charge fees**

Amends § 22.1-243 of the Code of Virginia to ensure that fees paid by students for consumable materials do not authorize a school board to charge fees for instructional materials, textbooks, or other materials used by a school board employee that are not directly used by a public school student. Patron: Lingamfelter

### **HB 566/SB 630 Standards of Quality; local school board to include in its annual report**

Amends § 22.1-253.13:4 of the Code of Virginia to require a local school board to include the number of Virginia workplace readiness skills assessments passed and the number of national occupational competency assessments passed in its annual report to the BOE. Patrons: Tata/Wagner

### **HB 557/SB 253 School calendar; requirement that school begin after Labor Day may be waived by Board of Education**

Amends § 22.1-79.1 of the Code of Virginia to allow the BOE to waive the requirement that the school calendar begin after Labor Day if a local school board certifies that it meets one of the good cause requirements in current law. Patrons: Tata/Reynolds

### **HB 623 Substitute teachers; may be employed longer than 90 teaching days in a school year**

Amends § 22.1-302 of the Code of Virginia to allow local school boards to employ substitute teachers for periods longer than 90 teaching days in a school year, with the approval of the Superintendent of Public Instruction. Patron: Orrock

**HB 669/SB 413 Triennial census; eliminates three-year requirement, distribution of sales & use tax**

Amends §§ 15.2-3207, 15.2-3525, 15.2-3806, 15.2-3906, 15.2-4105, 22.1-261, and other sections of the Code of Virginia to replace the existing three-year census of all school-age persons residing within each school division with an annual estimate of the school-age population performed by the Weldon Cooper Center for Public Service (WCCPS). The bill also provides that the new annual estimate will be used for distributing sales and use taxes to towns. Patrons: May/Vogel

**HB 907 Reports of certain acts to school authorities; local law-enforcement authorities to report**

Amends § 22.1-279.3:1 of the Code of Virginia to provide that for any report from local law-enforcement authorities to school officials on adult misdemeanor offenses committed by a juvenile student, local law-enforcement authorities are authorized to disclose certain additional information to the superintendent of such student's school division. Patron: Bell, Robert B.

**HB 1172/SB 145 Virginia Index of Performance incentive program; to recognize and reward fully accredited schools**

Adds § 22.1-253.13:9 to the Code of Virginia to codify the current recognition program for schools and local school divisions that recognizes and rewards fully accredited schools and school divisions that make significant progress toward achieving indicators of school and student performance. Patrons: Phillips/Miller, J.C.

**HB 1217 Firearm safety education program; school boards to offer in elementary grades**

Adds § 22.1-204.1 to the Code of Virginia to allow local school boards to offer firearm safety education programs in the elementary grades. Patron: Lewis

**HB 1245 Surplus property; school boards may donate obsolete technology hardware to non-profit organizations**

Amends § 22.1-129 of the Code of Virginia to authorize elected local school boards to donate

obsolete personal property to a Virginia nonprofit charitable organization. Patron: Kory

**HB 1388/SB 738 Virtual school programs; established**

Amends § 22.1-253.13:2 of the Code of Virginia and adds §§ 22.1-212.23 through 22.1-212.27 to the Code of Virginia to require the BOE to adopt criteria for approving and monitoring multi-division providers of online courses and virtual school programs. Further, local school boards may enter into contracts with approved private or nonprofit organizations to provide such courses and programs; such contracts are exempt from the Virginia Public Procurement Act. Patrons: Bell, Richard P./Newman

**HB 1389/SB 736 College Partnership Laboratory Schools; established**

Adds §§ 23-299 through 23-299.10 to the Code of Virginia to allow public institutions of higher education operating teacher education programs to establish college partnership laboratory schools by contract between the governing board of the school and the BOE. Patrons: Peace/Newman

**HB 1390/SB 737 Charter schools, public; pre-certification and appeals**

Amends §§ 22.1-212.9 and 22.1-212.10 of the Code of Virginia to establish procedures for local school boards to rule on applications for public school charters. Further, if a local school board denies an application, it must provide the reasons for such decision, and to allow for reconsideration. Patrons: Lingamfelter/Newman

**SB 46 Special education program for children with disabilities; recovery of attorney fees**

Amends § 22.1-214 of the Code of Virginia to provide that if a decision of a local school board regarding program placements, individualized education programs, tuition eligibility of a disabled child and other matters as defined in state or federal statutes or regulations is appealed, a court may award reasonable attorney fees and costs to a prevailing party. Patron: Stuart

**SB 196 School nonattendance; attendance officer, volunteers, school personnel, & principal notifies parent**

Amends §§ 22.1-258 and 22.1-261 of the Code of Virginia to clarify that the school principal is responsible for notifying parents concerning students' nonattendance at school. Patron: Blevins

require local school divisions to develop policies and procedures regarding the identification and handling of suspected concussions in student-athletes. Patron: Northam

**SB 197 Public schools; maintaining records of pesticide application on school grounds**

Amends § 22.1-132.2 of the Code of Virginia to clarify that each local school division, rather than each individual school, shall maintain records of any pesticide application on school grounds. Patron: Blevins

**SB 354 No Child Left Behind Act; school divisions shall administer limited English proficiency assessment**

An uncodified act to allow local school divisions to administer a locally developed or selected limited English proficiency assessment mandated for students pursuant to the federal No Child Left Behind Act; such assessment has been approved by the BOE. Patron: Obenshain

**SB 361 Religious holidays; student's absence because of observance thereof must be recorded as excused**

Amends §§ 22.1-254, 22.1-254.2, and 22.1-271.4 of the Code of Virginia to require local school boards to develop policies ensuring that any student is not penalized because of an absence due to observance of a religious holiday. Patron: Barker

**SB 414 Nutritional guideline; Board and VDH to develop for all competitive foods in public schools, report**

Adds § 22.1-207.4 to the Code of Virginia to require the BOE, in cooperation with the Department of Health, to promulgate regulations for nutritional guidelines for all competitive foods sold to students during regular school hours. Patron: Vogel

**SB 652 Concussions; Board of Education to develop guidelines dealing with in student-athletes**

Adds § 22.1-271.5 to the Code of Virginia to

## Environment and Agriculture

### Agriculture, Aquaculture and Forestry

#### **HB 138 Aquaculture opportunity zones; Marine Resources Commission establish for propagation of shellfish**

Amends § 28.2-603 of the Code of Virginia to require the Marine Resources Commission to adopt regulations for aquaculture opportunity zones for the placement of temporary protective shellfish enclosures off of the Northern Neck, Middle Peninsula, and Tangier Island. Patron: Pollard

#### **HB 582/SB 347 Center for Rural Virginia; expansion and promotion of agricultural opportunities**

Amends § 2.2-2723 of the Code of Virginia to direct the Center for Rural Virginia to convene a task force of local government and agricultural interests on the expansion and promotion of farm businesses or rural enterprises. Patrons: Landes/Hanger

#### **SB 341 Land preservation tax credit; DCR to provide estimate of land used for production agriculture, etc.**

Amends § 58.1-512 of the Code of Virginia to require the Department of Conservation and Recreation (DCR), when preparing its annual report, to consult with the Department of Taxation and the Departments of Forestry and Agriculture and Consumer Services to provide an estimate of the number of acres of land currently being used for "production agriculture and silviculture" that have been protected by qualified donations of less-than fee interests. Patron: Hanger

#### **SB 345 Oyster restoration projects; authorizes Resources Authority to finance**

Amends §§ 62.1-198 and 62.1-199 of the Code of Virginia to allow the Virginia Resources Authority to finance oyster restoration efforts undertaken by localities. Patron: Hanger

#### **SB 473 Center for Rural Virginia Board of Trustees; membership**

Amends § 2.2-2721 of the Code of Virginia to add the Lieutenant Governor and the Secretary of

Commerce and Trade to the Board of Trustees of the Center for Rural Virginia. Patron: Watkins

### Animal Control

#### **HB 621 Rabies; clarifies procedures and responsibilities to prevent and control**

Amends §§ 3.2-6521, 3.2-6522, 3.2-6525, 18.2-313.1, and 54.1-3812 of the Code of Virginia and adds § 3.2-6562.1 to the Code of Virginia to clarify the procedures and responsibilities among the Department of Health, localities, and other entities to prevent and control rabies. Further, local health directors and localities are required to adopt a plan to control and respond to the risk of rabies. Patron: Orrock

#### **HB 904 Animal control officers; magistrate to issue arrest warrant for complaint for felony offense**

Amends §§ 3.2-6566, 19.2-71, and 19.2-72 of the Code of Virginia to allow local animal control officers to obtain a felony warrant from a magistrate. Patron: Bell, Robert B.

### Dam Safety

#### **HB 438 Dam safety; Soil and Water Conservation Board to establish incremental damage analysis procedure**

Amends §§ 10.1-605, 10.1-607.1, and 10.1-609 of the Code of Virginia to require the Soil and Water Conservation Board (S&WCB) to establish a procedure that allows a spillway flood requirement to be reduced to a level where dam failure will not significantly increase downstream hazards to life and property. Patron: Toscano

#### **HB 1320 Dam safety; DCR to award grants to local government and private entity for dam break analysis, etc.**

Amends §§ 10.1-603.18, 10.1-603.19, and 10.1-613.5 of the Code of Virginia to change the name of the Flood Prevention and Protection Assistance Fund to the Dam Safety Administration Fund that would be capitalized through permit application fees paid by dam operators. Further, the S&WCB may award grants or make loans from the Fund to localities and private entities for flood prevention and protection projects. Patron: Sherwood

**SB 244 Dam Safety Act; Soil & Water Conservation Board to adopt regulations concerning low traffic roadway**

An uncodified act to require the S&WCB to adopt regulations that consider the impact of roadways with low traffic volume on the determination of the hazard potential classification of an impounding structure. Patron: Watkins

**SB 276 Dam safety; allows those that do not comply with regulations to continue to operate**

Amends § 10.1-605 of the Code of Virginia to exempt any dam classified as "high hazard" that was operating or under construction before July 1, 2010 from S&WCB regulations requiring the structure's spillway to be upgraded to pass a rainfall event that is greater than the maximum rainfall event recorded in Virginia. Patron: Houck

Energy

**HB 436/SB 291 Donations by localities; may donate to nonprofit organizations providing energy efficiency services**

Amends § 15.2-953 of the Code of Virginia to allow localities to make gifts and donations to any nonprofit organization that is engaged in providing energy efficiency services or promoting energy efficiency within or without the boundaries of the locality. Patrons: Toscano/Deeds

**SB 110 Clean energy financing; localities authorized to place liens against any property**

Amends § 15.2-958.3 of the Code of Virginia to allow localities to place a lien on property where clean energy systems have been installed in order to secure loans for the initial acquisition and installation of such improvements. Patron: Petersen

Natural and Historic Resource Protection

**HB 717/SB 614 Civil War Site Preservation Fund; established**

Adds § 10.1-2202.4 to the Code of Virginia to establish the Civil War Site Preservation Fund to award matching grants to private nonprofit organizations to preserve endangered Civil War sites. Patrons: Peace/Houck

**HB 627 Cultural heritage sites; Director of DCR to establish directory of historical facilities and sites**

Adds § 10.1-114.1 to the Code of Virginia to authorize the Director of the Department of Conservation and Recreation to establish a state directory of cultural heritage facilities and sites. Patron: Kilgore

**HB 1213 Historic preservation grants; technical and procedural changes to authority of DHR**

Amends §§ 10.1-2208 and 10.1-2213 of the Code of Virginia to clarify and make technical and procedural changes to the authority of the Department of Historic Resources for historic preservation grants to localities and private entities. Patron: Kory

**SB 686 Uniform Environmental Covenants Act; established**

Adds §§ 10.1-1238 through 10.1-1250 to the Code of Virginia to authorize the Department of Environmental Quality (DEQ) to enter into environmental covenants with property owners that restrict the use of the real property. Patron: Reynolds

Waste Management

**HB 326 Mercury thermostats; Waste Management Board to adopt regulations to encourage recycling**

Amends § 10.1-1425.26 of the Code of Virginia to require the Virginia Waste Management Board to adopt regulations to encourage the recycling of thermostats containing mercury; and to authorize localities to prohibit the disposal of mercury thermostats in any landfill or waste-to-energy facility within its jurisdiction provided that the locality has implemented a recycling program for mercury thermostats. Patron: Plum

**HB 1322 Waste kitchen grease; any person who transports must register with VDACS**

Adds §§ 3.2-5508 through 3.2-5515 to the Code of Virginia to direct the Department of Agriculture and Consumer Services to regulate the commercial transportation of waste kitchen grease from food

establishments for reuse as a biofuel or other product. Patron: Sherwood

### Water Quality and Supply

#### **HB 4/SB 317 Roanoke River Basin Advisory Committee; removes cap on reappointments for nonlegislative citizens**

Amends § 62.1-69.34 of the Code of Virginia to remove the cap on reappointments for nonlegislative citizen members of the Roanoke River Basin Advisory Committee. Patrons: Wright/Ruff

#### **HB 82 Public sewer system; locality may adopt ordinance establishing standard for use & services; penalty**

Amends § 15.2-2122 of the Code of Virginia to allow localities to establish limits on pollutants entering into a locality's sanitary, combined, or stormwater sewer systems, and to impose civil penalties for violations. Patron: Knight

#### **HB 515 Wetlands and stream mitigation; prohibits localities from regulating location of projects**

Amends § 62.1-44.15:20 of the Code of Virginia to prohibit localities from regulating the location where wetland and stream mitigation projects will occur as part of the process for satisfying requirements under the Virginia Water Protection Permit or a Corps of Engineer § 404 permit. The bill does not affect local zoning authority to determine where wetland or stream mitigation banks may be constructed. Patron: Rust

#### **HB 619 Erosion and sediment control; may assess civil penalty**

Amends § 10.1-562 of the Code of Virginia to allow localities to impose civil penalties between \$100-\$1,000 against anyone who engages in land disturbance without an approved plan. Currently, localities are required to impose a \$1,000 civil penalty for this type of violation. Patron: Orrock

#### **HB 1100 Stormwater management; certain landowners shall be immune from civil liability**

Amends § 10.1-603.12:3 of the Code of Virginia to allow limited liability for a common interest community relating to a stormwater management facility located its property when responsibilities for

the facility are accepted by the Commonwealth or a locality. Patron: Sickles

#### **HB 1135 Pollutant Discharge Elimination System permit; certain conditions for owner of sewage facility**

Amends §§ 62.1-44.19:14 and 62.1-44.19:15 of the Code of Virginia to require a wastewater treatment facility with a discharge between 1,001 gallons per day and 39,999 gallons per day that has not begun the discharge of pollutants prior to January 1, 2011, to acquire waste load allocations sufficient to offset his nitrogen and phosphorus discharges. Patron: Morgan

#### **HB 1220/SB 395 Stormwater management regulations; changes effective date that establishes local program criteria**

Amends Chapter 18 of the Acts of Assembly of 2009 to delay the effective date of the proposed Virginia Stormwater Management Permit program regulations until no later than 280 days after the establishment of the U.S. Environmental Protection Agency's Chesapeake Bay-wide Total Maximum Daily Load, but not later than December 1, 2011. Further, the S&WCB is required to establish an advisory panel to review the regulation and make recommendations on revisions to the regulation. Patrons: Hugo/Wagner

#### **HB 1221 Water Facilities Revolving Fund; loans for stormwater runoff control best management practices**

Amends § 62.1-229.3 of the Code of Virginia and adds § 62.1-229.4 to the Code of Virginia to permit loans from the Virginia Water Facilities Revolving Fund to localities to construct facilities or structures or to implement best management practices that reduce or prevent stormwater runoff from impervious surfaces. Patron: Bulova

#### **HB 1290 Nutrient trading; Eastern Shore facility to acquire credits in Potomac & Rappahannock tributaries**

Amends § 62.1-44.19:18 of the Code of Virginia to allow wastewater treatment facilities on the Eastern Shore to acquire nitrogen and phosphorus credits from facilities in the Potomac and Rappahannock tributaries. Patron: Lewis

**SB 346 Land conservation practices;  
information management**

Adds § 2.2-220.3 to the Code of Virginia to require the Secretary of Natural Resources, with assistance from the Secretary of Agriculture and Forestry, to establish a database of voluntary onsite best management practices taken by agricultural and silvicultural sectors that limit the amount of nutrients and sediment entering state waters.

Patron: Hanger

**SB 569 State Water Supply Plan Advisory  
Committee; established**

Adds § 62.1-44.38:2 to the Code of Virginia to establish the State Water Resources Plan Advisory Committee composed of several stakeholder groups to assist DEQ in the development and implementation of the state water resources plan.

Patron: Ticer

**SB 627 Nutrient reduction credits; nonpoint  
nutrient offsets to be credited against a nutrient  
allocation**

Amends § 10.1-603.8:1 of the Code of Virginia to clarify who receives credit for the nutrient reductions associated with a stormwater nonpoint nutrient offset. Further, if the land disturbing activity using a nonpoint nutrient offset discharges to a municipal separate storm sewer system (MS4), the locality receives credit toward its nutrient allocation. Patron: Wagner

## Finance

### Constitutional Amendments

#### **HB 16/SB 547 and HJ 11/SJ 97 Constitutional amendment; localities to establish either income or financial worth limitations**

An uncodified act to provide for a voter referendum on a constitutional amendment to allow localities to establish their own income or financial net worth limitations for purposes of granting property tax relief for homeowners not less than 65 years of age or permanently and totally disabled.

Patrons: Cole/Barker

#### **HB 147/SB 362 and HJ 34/SJ 81 Constitutional amendment; limit on taxes or revenues and Revenue Stabilization Fund**

An uncodified act to provide for a voter referendum on a constitutional amendment to increase the size of the Revenue Stabilization Fund from 10 percent to 15 percent of the Commonwealth's average annual tax revenues derived from income and sales taxes for the preceding three fiscal years.

Patrons: O'Bannon/Barker

#### **HB 149/SB 31 and HJ 33/SJ 13 Constitutional amendment; property tax exemption for certain veterans**

An uncodified act to provide for a voter referendum on a constitutional amendment to direct the General Assembly to exempt from taxation of real property the principal residence of a veteran, or his or her surviving spouse, if the veteran has been determined by the United State Department of Veterans Affairs to have a 100 percent service-connected, permanent, and total disability.

Patrons: O'Bannon/Puller

### Local Government

#### **HB 233/SB 273 Affordable housing units; assessments**

Amends § 58.1-3295 of the Code of Virginia to require that beginning January 1, 2011, affordable housing be assessed using the income approach based on the property's current use and restrictions.

Patrons: Dance/Whipple

#### **HB 228 Personal property tax relief; deletes requirement that vehicle held in trust can qualify**

Amends § 58.1-3523 of the Code of Virginia to delete the requirement that a vehicle held in trust can qualify for personal property tax relief only if there is no more than one beneficiary. Patron: Watts

#### **HB 409/HB 713 Contractors, Board for; prerequisite for obtaining business license**

Amends § 54.1-1111 of the Code of Virginia to prohibit localities from issuing or renewing a local business license unless the contractor or applicant has a state license or provides evidence that his business is not required to have such license.

Patrons: Oder/Peace

#### **HB 430 Real property tax assessment; Department of Taxation to establish qualifications for certification**

Amends §§ 58.1-3258.1, 58.1-3259, 58.1-3295, 58.1-3331, 58.1-3374, and 58.1-3379 of the Code of Virginia to provide (i) that the fair market value of affordable housing be determined using the income approach, based on the property's current use and restrictions; (ii) additional minimum requirements for real property appraisers; (iii) that a locality's sales assessment ratio higher than 130 percent is proof that the locality failed to assess at 100 percent of fair market value; (iii) taxpayers access to certain information related to assessments; and (iv) for government provided appraisals in limited circumstances. Patron: Griffith

#### **HB 457 Tax information; disclosure of to Executive Director of Northern Virginia Transportation Commission**

Amends § 58.1-3 of the Code of Virginia, to allow the Tax Commissioner to disclose confidential tax information to the Executive Director of the Northern Virginia Transportation Commission for the collection of the motor vehicle fuel sales tax.

Patron: Herring

#### **HB 507 Transportation services; those that operate as nonprofit organization & serve senior citizens, etc.**

Adds § 15.2-967.1 to the Code of Virginia exempt from local license tax imposed on taxi cab services

any local transportation service that operates as a nonprofit organization and primarily serves seniors and disabled citizens. Patron: Gilbert

**HB 580 Vehicle license fees; allows localities to exempt members of certain sheriff's volunteer units**

Amends § 46.2-752 of the Code of Virginia to allow localities to exempt members of certain authorized sheriff's volunteer citizen support units from local vehicle license fees. Patron: Cole

**HB 714 Foreclosure sales; trustee to pay taxes**

Amends §§ 55-59.4 and 58.1-3340 of the Code of Virginia to clarify that in a foreclosure sale, the trustee is to use the proceeds of the sale to pay taxes on the property. Patron: Peace

**HB 985/SB 90 BPOL tax; gross receipts of security brokers and dealers**

Amends § 58.1-3700.1 of the Code of Virginia and adds § 58.1-3732.5 to the Code of Virginia to define gross receipts of security brokers and security dealers to be exclusive of receipts that are paid to an independent contractor as a commission on the sale or purchase of a security.  
Patrons: Jones/Quayle

**HB 1090/SB 381 Communications sales & use tax; net revenue distributed according to each locality's pro rata**

Amends § 58.1-662 of the Code of Virginia to permit the Tax Commissioner to make administrative adjustments up to a maximum of \$100,000 to any locality's allocation of such revenues in certain circumstances.  
Patrons: Crockett-Stark/Puckett

**HB 1301/SB 355 Short-term rental property; local government may tax or may impose tax**

Amends §§ 58.1-3500, 58.1-3510.4, 58.1-3510.6, 58.1-3704, and 58.1-3706 of the Code of Virginia to allow localities for tax year as of January 1, 2010 to tax short-term rental property under the merchants' capital tax or under the short-term rental property tax, but not both. The bill also declares that short-term rental property is not tangible personal property for local taxation purposes.  
Patrons: Lohr/Obenshain

**HB 1356 License fees and taxes, local; exempts campgrounds and bed and breakfast establishments**

Amends § 58.1-3703 of the Code of Virginia to add campgrounds and bed and breakfast establishments to those real property rental businesses that are subject to local license fees and taxes. Patron: Lewis

**HB 999/SB 656 Certified renewable energy manufacturing equipment, etc.; separate classification for property tax**

Amends § 58.1-3506 of the Code of Virginia and adds § 58.1-3221.4 to the Code of Virginia to add tangible personal property and improvements to real property designed and used primarily for manufacturing a product from renewable energy as separate and allowable classifications of property for local property tax purposes.  
Patrons: Nutter/Ruff

**SB 81 Agricultural, forestal, or agricultural and forestal districts; use value assessment**

Amends §§ 15.2-4405 and 58.1-3233 of the Code of Virginia to allow certain noncontiguous real property may be included as part of an agricultural, forestal, or agricultural and forestal district.  
Patron: Howell

Retirement

**HB 273 Retirement System; benefits for deputy sheriffs**

Amends § 51.1-138 of the Code of Virginia to permit localities that are exempt from providing all of the statutory special retirement benefits for deputy sheriffs to provide all of the other statutory benefits except the statutory annual retirement allowance to all employees eligible for such benefits.  
Patron: Englin

**HB 560 Retirement System; changes to sickness and disability plan**

Amends §§ 51.1-1103, 51.1-1110, 51.1-1111, 51.1-1112, and other sections of the Code of Virginia to codify provisions of the Appropriation Act making changes to the sickness and disability program that, among other things, create a one-year waiting period and a different benefit structure for new employees.  
Patron: Tata

**HB 561 Retirement System; optional life insurance**

Amends §§ 51.1-505 and 51.1-512 of the Code of Virginia to modify the optional life insurance plan by (i) deleting the specific maximum amount of coverage, and replacing it with language clarifying that the maximum amount is set by the Board of Trustees of the Virginia Retirement System, and (ii) clarifying the difference in benefits for an employee who has been on leave without pay while serving in the military. Patron: Tata

**HB 562 Retirement System; retirement supplement**

Amends § 51.1-166 of the Code of Virginia to clarify (i) that the allowance supplement that is indexed to inflation will not reduce the allowance when there is deflation, and (ii) corrects how cost of living adjustments should be calculated following a period of deflation. Patron: Tata

**HB 1189/SB 232 Retirement System; modifies for new employees all defined benefit retirement plans**

Amends §§ 51.1-124.3, 51.1-126, 51.1-142.2, 51.1-144, and other sections of the Code of Virginia to modify for new state and local employees, employed after July 1, 2010, all defined benefit retirement plans administered by the Virginia Retirement System including, among other things, the reinstatement of the 5 percent mandatory employee contribution, or a portion thereof.

Patrons: Putney/Watkins

State Government

**HB 141 Land preservation tax credit; nonprofit organizations holding a easement are ineligible to receive**

Amends § 58.1-512 of the Code of Virginia to prohibit nonprofit organizations that hold a conservation easement acquired pursuant to the Virginia Conservation Easement Act from receiving land preservation tax credits for donations of qualifying real property. Patron: Pollard

**HB 284 Investment of public funds; removes requirement that public funds must be invested in certificates**

Amends § 2.2-4518 of the Code of Virginia to

remove the requirement that public funds must be invested in certificates of deposit, but the funds must still be deposited with institutions qualified by the Virginia Treasury Board. Patron: Merricks

**HB 302/SB 130 Retail Sales and Use Tax; exemption for certain computer equipment and enabling software**

Amends §§ 58.1-609.3 and 58.1-609.10 of the Code of Virginia to expand the sales and use tax exemption for the purchase by certain entities of particular computer equipment by including enabling software. Patrons: O'Bannon/Stosch

**HB 447/SB 264 Income tax, state; remainder of revenues transferred to Land Conservation Fund for distribution**

Amends § 58.1-513 of the Code of Virginia to remove the \$10,000 cap on the 2 percent fee imposed on the transfer arising from the sale of land conservation tax credits and directs up to 50 percent of revenues be paid to the Department of Taxation and the Department of Conservation and Recreation first and then to the Virginia Land Conservation Fund for distribution to the public or private conservation agencies responsible for enforcing the conservation purposes of the donated interest. Patrons: Ware, L./Whipple

**HB 764/SB 458 Income tax credits; landlords participating in housing choice voucher programs**

Amends §§ 36-55.63 and 58.1-435 of the Code of Virginia and adds § 58.1-439.12:03 to the Code of Virginia to provide a tax credit for landlords who participate in a housing choice voucher program to be administered by the Department of Housing and Community Development. Patrons: McClellan/McEachin

**HB 803/SB 623 Income tax, state; green jobs tax credit**

Adds § 58.1-439.12:03 to the Code of Virginia to allow a \$500 tax credit for the creation of up to 350 new "green" jobs. Patrons: Poindexter/Hanger

**HB 1036/SB 456 Security for Public Deposits Act; makes several amendments to Act, administered by Treasury Board**

Amends §§ 2.2-4400 through 2.2-4411 of the Code of Virginia to establish requirements for banks and savings institutions authorized by the Treasury Board to hold public deposits under the Virginia Security for Public Deposits Act. Patrons: Byron/McEachin

**HB 1298 Retail Sales and Use Tax; lowers job threshold to receive exemption for certain computer equipment**

Amends § 58.1-609.10 of the Code of Virginia to lower from 50 new employees to 25 the new job threshold required to receive the sales tax exemption for a data center located in either a locality with an unemployment rate at least 0.5 percent higher than the state average or located in an enterprise zone. Patron: Crockett-Stark

**SB 233 Income tax, corporate and individual; credit for land conservation**

Amends § 58.1-512 of the Code of Virginia to reduce from \$100,000 to \$50,000 the amount of the land preservation tax credit that may be claimed for taxable year 2011. Patron: Watkins

**SB 633 Neighborhood assistance tax credits; changes definition of impoverished people**

Amends § 58.1-439.18 of the Code of Virginia to change the definition of "impoverished people" for education proposals under the Neighborhood Assistance Act Tax Credit program from 180 percent to 200 percent of the current federal poverty guidelines. Patron: Stosch

**SB 661 Land preservation tax credit; verification of conservation value of certain donations**

Amends § 58.1-512 of the Code of Virginia to require the Department of Conservation and Recreation to verify the conservation value of certain donations described under the Virginia Land Conservation Incentives Act of 1999 that are from the same parcel of land if the land preservation tax credit from the donation would be at least \$250,000. Patron: Hanger

## Health and Human Resources

### **HB 150 Prescription drugs; stored, etc., by community services board, behavioral health authorities, etc.**

Amends §§ 37.2-500, 37.2-601, 54.1-3420.2, and 54.1-3423 of the Code of Virginia to authorize community services boards, behavioral health authorities, and clinics established by the Virginia Department of Health or local health departments to receive, store, retain, and repackage prescription drug orders dispensed to assist clients with self-administration of the drug. This bill also authorizes community services boards and behavioral health authorities to establish crisis stabilization units to provide residential crisis stabilization services. Patron: O'Bannon

### **HB 173/SB 328 Influenza vaccine; certified emergency medical services personnel may administer and dispense**

Amends §§ 32.1-46.02 and 54.1-3408 of the Code of Virginia to allow emergency medical services providers to administer influenza vaccines to adults and minors. Patrons: Pogge/Stuart

### **HB 195 Community services boards; reduces period of time a person must wait before being reappointed**

Amends § 37.2-502 of the Code of Virginia to reduce from three years to one year the period of time a person must wait before being reappointed to a community services board. Patron: Cosgrove

### **HB 270 Vaccination of school children; Department of Health to develop plan for all students in State**

Adds § 32.1-47.1 to the Code of Virginia to require the Department of Health to include in its vaccination plans procedures to ensure the prompt vaccination of all persons of school age in the Commonwealth under certain circumstances. Patron: Englin

### **HB 311/SB 87 Inmates; hospitalization in local correctional facilities**

Amends §§ 19.2-169.6, 19.2-174.1, 19.2-175, 19.2-178, and other sections of the Code of Virginia and repeals §§ 19.2-176 and 19.2-177.1 of the Code of

Virginia to repeal a provision determining whether an inmate who is in the custody of a local correctional facility needs to be involuntarily hospitalized for treatment of mental illness, and substantially incorporates these provisions into statutes dealing generally with determinations of a defendant's competency and the hospitalization of inmates in the custody of local correctional facilities. Patrons: O'Bannon/Howell

### **HB 718 Children; Governor and DSS to develop and implement plan to reduce number in foster care**

An uncodified act to require the Governor and the Department of Social Services to develop a plan to increase permanent placements of children with families to reduce the number of children in foster care by 25 percent by 2020. Patron: Peace

### **HB 921 Retention of records; all records of Board of Social Services shall be retained for at least 25 years**

Amends § 63.2-1514 of the Code of Virginia to require local social services departments to keep all records from cases involving child sexual abuse involving injuries or conditions that result in or were likely to have resulted in serious harm to a child for a period of 25 years from the date of the complaint. Patron: Bell, Robert B.

### **HB 1133 Entrustment agreements; prior to placement, agency must provide explanation of adoption process**

Amends § 63.2-1224 of the Code of Virginia to clarify the requirement that a local social services board or child-placing agency provide information about the adoption process, its legal effects, and the alternatives to adoption to the birth mother and, if reasonably available, the father of a child to be placed for adoption. Patron: Keam

### **HB 1187 Southwest Virginia Health Authority; adds four additional appointments to board of directors**

Amends §§ 15.2-5370 and 15.2-5371 of the Code of Virginia to add four additional appointments to the board of the Southwest Virginia Health Authority and deletes the requirement that a quorum must be a majority of local representatives. Patron: Phillips

**HB 1188/SB 370 Social services, local board of; counties that have county board form of government to appoint**

Amends § 15.2-412 of the Code of Virginia to increase from three to five the members appointed to the local social services board by any county operating under the county board form of government (Carroll, Grayson, Russell and Scott Counties). Patrons: Phillips/Puckett

**HB 1305 Community action boards; membership and duties**

Amends § 2.2-5403 of the Code of Virginia to remove the authority of the appointing authority to limit the number of terms or the number of years that certain members of a community action board may serve. Patron: Ware, O.

**SB 286 State Executive Council for Comprehensive Services for At-Risk Youth and Families; membership**

Amends § 2.2-2648 of the Code of Virginia to add a second parent representative to the State Executive Council for Comprehensive Services for At-Risk Youth and Families. Patron: Deeds

**SB 415 Foster care; local departments to provide independent living services to person between age 18 & 21**

Amends § 63.2-905.1 of the Code of Virginia to require local departments that provide independent living services to persons between 18 and 21 years of age to provide any person who chooses to leave foster care or terminate independent living services before his 21st birthday written notice of his right to request restoration of independent living services. Patron: Vogel

## Telecommunications and Utilities

### **HB 387 Telephone utilities; SCC to treat all providers of local exchange telephone service equitably**

Amends § 56-235.5:1 of the Code of Virginia to require the State Corporation Commission to establish a schedule for the elimination of the carrier common line element of intrastate carrier switched access charges. Patron: Janis

### **HB 754/SB 441 Wireless E-911 charges; establishes rate & procedures for collection & remittance of by sellers**

Amends §§ 56-484.12 and 56-484.17 of the Code of Virginia and adds § 56-484.17:1 to the Code of Virginia to establish the rate and procedures for the collection and remittance of prepaid wireless E-911 charges by dealers of such services.

Patrons: Janis/Saslaw

### **HB 1002/SB 433 New River Valley Emergency Communications Regional Authority; created**

An uncodified act to authorize the Towns of Blacksburg and Christiansburg, the County of Montgomery, and Virginia Tech to create the New River Valley Emergency Communications Regional Authority. Patrons: Nutter/Edwards

### **HB 1230 Underground Utility Damage Prevention Act; sewer laterals**

Amends §§ 56-265.15 and 56-265.32 of the Code of Virginia and adds § 56-265.19:1 to the Code of Virginia to establish effective January 1, 2011, a set of requirements for the marking of public and private sewer system laterals that are unique from the general requirements of the Underground Utility Damage Prevention Act. The bill also establishes procedures to address recurring noncompliance with the provisions of the Act by localities and other political subdivisions.

Patron: Ware, L.

### **SB 645 Electric transmission lines; prohibits SCC approving agreements for underground installation**

Amends § 15.2-2404 of the Code of Virginia to prohibit the State Corporation Commission from approving an agreement between a locality and an

electric utility for the underground installation of an electric transmission line of at least 150 kilovolts if a feasible overhead alternative exists, unless all localities in which the line passes request that the line be installed underground. Patron: Watkins

## Transportation

### Administration and Governance

#### **HB 402 Hampton Roads Bridge-Tunnel; VDOT to accept for review unsolicited proposals to add capacity**

An uncodified act to require the Virginia Department of Transportation (VDOT) to accept unsolicited proposals to add physical capacity to the Hampton Roads Bridge-Tunnel. Patron: Oder

#### **HB 418/SB 255 Transportation Board; rules and regulations**

Amends § 33.1-19 of the Code of Virginia to require any rules and regulations promulgated by the Commonwealth Transportation Board be developed in accordance with the Administrative Process Act except when specifically exempted under law. Patrons: Oder/Miller, Y.

#### **HB 516/SB 405 Condemnations; highway construction**

Amends § 33.1-128 of the Code of Virginia to transfer from the Department of the Treasury to VDOT the responsibility for compiling interest accrued when the amount of an award in a highway construction-related condemnation proceeding is greater than that deposited with the court or through a certificate of deposit. Patrons: Rust/Petersen

#### **HB 688/SB 25 Transportation district trains; unlawful to board or ride without a valid ticket**

Amends § 18.2-160.1 of the Code of Virginia to revise the statute that punishes unlawfully riding on a transportation district train. Patrons: Miller, J./Puller

#### **HB 690/SB 28 Criminal background checks; fingerprinting of applicants and employees of public transit services**

Amends §§ 15.2-1503.1 and 19.2-389 of the Code of Virginia and adds § 15.2-4517.1 to the Code of Virginia to authorize certain transportation district commissions and public service corporations that provide public transit services to a locality to require criminal background checks of applicants and employees. Patrons: Miller, J./Puller

#### **HB 1241 Metropolitan planning organizations; membership**

Adds § 33.1-223.2:23 to the Code of Virginia to allow any metropolitan planning organization to expand its membership to include members of the House of Delegates and members of the Senate. Patron: Oder

### Funding and Tolls

#### **HB 421 Transportation Board; may allocate funds in Mass Transit Fund designated for capital purposes**

Amends § 58.1-638 of the Code of Virginia to allow the Commonwealth Transportation Board, before adopting the Six Year Transportation Improvement Program, to allocate up to 20 percent of Commonwealth Mass Transit Fund designated for capital purposes to transit operating assistance under certain circumstances. Patron: Hope

#### **HB 631/SB 254 Commonwealth Transportation Commissioner; advertising for bids**

Amends §§ 33.1-185 and 33.1-190 of the Code of Virginia to allow, among other things, the Commonwealth Transportation Commissioner to build or maintain any road by state or local employees in cases of emergency or on projects costing not more than \$600,000. Patrons: Scott, E./Miller, Y.

#### **HB 746 Tolls; installation of video-monitoring/automatic vehicle identification systems for toll facility**

Amends § 46.2-819.1 of the Code of Virginia and adds § 46.2-819.3:1 to the Code of Virginia to allow the operator of any toll facility or the locality within which such toll facility is located to operate a video-monitoring system for enforcement of toll collection. Patron: Rust

#### **HB 756 Offshore drilling; royalties to be deposited in Transportation Trust Fund, etc.**

Adds § 67-301 to the Code of Virginia to require all revenues and royalties paid to the Commonwealth as a result of offshore natural gas and oil drilling be distributed as follows: (i) 70 percent to the Transportation Trust Fund, (ii) 20 percent to the Virginia Coastal Energy Research Consortium, and (iii) 10 percent to localities for improvements to

infrastructure and transportation. Patron: Stolle

### Highways and Bridges

#### **HB 197 Secondary highway system; requirements for taking new streets into system**

Amends § 33.1-70.3 of the Code of Virginia to allow any street or street segment to be accepted for state maintenance if it meets one or more of the public service requirements. Further, in cases where a majority of the lots along such roads remain undeveloped and construction traffic is expected to utilize that street or street segment after acceptance, VDOT may extend the street bonding requirement for up to one year. Patron: Ware, L.

#### **HB 350/SB 35 Distribution of handbills, etc.; adds median & public roadway to places locality can regulate, etc.**

Amends § 46.2-931 of the Code of Virginia to allow all localities to regulate and prohibit distribution of handbills, and solicitation of contributions, and sale of merchandise or services on the jurisdiction's highways or public roadways and medians. Patrons: Rust/Lucas

#### **HB 543 Prisoners; use to maintain medians or other nontraveled portions of state highways**

Amends § 53.1-56 of the Code of Virginia to allow the use of prisoner labor to maintain the medians or other nontraveled portions of state highways. Patron: Marshall, D.

#### **HB 553/SB 64 Signs; provides local government authority to regulate**

Amends §§ 33.1-375.1, 56-265.15, and 56-265.15:1 of the Code of Virginia to allow county employees and volunteers who are acting as agents of the Commonwealth Transportation Commissioner to remove and confiscate signs from the public right-of-way; and any lawful signs inadvertently removed may be reclaimed by the owner within five days of the date of confiscation. Patrons: Marshall, D./Lucas

#### **SB 222 Land use proposals; exempts localities and citizens' organization from payment of certain VDOT fees**

Amends § 15.2-2222.1 of the Code of Virginia to exempt localities or other public agencies from fees

charged by VDOT for traffic impact analysis review. Further, citizens' organizations or neighborhood associations are exempt from the review fee when submitting a comprehensive plan amendment through the locality. Patron: Puller

### Motor Vehicles

#### **HB 214 HOV lanes; extends date for use by vehicle with clean special fuel license plates**

Amends § 33.1-46.2 of the Code of Virginia to extend until July 1, 2011, the sunset on use of High Occupancy Vehicle (HOV) lanes by clean special fuel vehicles, regardless of the number of occupants. Patron: Greason

#### **HB 365 Local vehicle licenses; agreements with DMV**

Amends § 46.2-752 of the Code of Virginia to allow the Virginia Department of Motor Vehicles to refuse registration of a vehicle if any parking citation fees are owed to any locality. Patron: Ware, O.

#### **HB 473 Weight limits; extends sunset provision for trucks hauling gravel, etc., in coal-producing counties**

Amends § 46.2-1143 of the Code of Virginia to extend until July 1, 2011, the sunset on increased weight limits for trucks hauling gravel and certain other cargoes in coal-producing counties. Patron: Carrico

#### **HB 759/SB 696 HOV lanes; allows certain military personnel to use in Hampton Roads regardless of passengers**

Amends § 33.1-46.2 of the Code of Virginia to allow any active duty military member in uniform to use HOV lanes, regardless of the number of passengers, on Interstate 264 and Interstate 64 for the purposes of traveling to or from a military facility within the Hampton Roads Planning District. Patrons: Stolle/McWaters

#### **HB 849/SB 373 Off-road recreational vehicles; localities to allow on certain highways within their boundaries**

Adds § 46.2-800.2 to the Code of Virginia to allow localities embraced by the Southwest Regional Recreation Authority to permit over-the-road

operation of "off-road recreational vehicles" within their boundaries. Patrons: Morefield/Puckett

**HB 1292 Photo-monitoring system; may enter into agreement with DMV to obtain vehicle owner information**

Amends §§ 15.2-968.1 and 46.2-208 of the Code of Virginia to allow localities to have access and use information from a photo-monitoring system if the vehicle involved is owned, leased or rented by the locality, for employee disciplinary purposes.

Patron: Tata

**HB 1295/SB 667 Dulles Access Highway; enforcement through use of photo-monitoring system in conjunction with usage**

Amends § 46.2-208 of the Code of Virginia and adds § 46.2-819.5 to the Code of Virginia to allow the use of a photo-monitoring system or automatic identification system on the Dulles Access Highway.

Patrons: Rust/Herring

**SB 406 Salvage vehicles; allows locality to require records to be reported to police**

Amends § 46.2-1608 of the Code of Virginia and adds § 46.2-1608.1 to specify items that licensed salvage dealers must include on the receipt of any vehicles purchased for recycling. Further, localities may require such dealers to file copies of the receipt with local law enforcement on a periodic basis.

Patron: Stuart

## Studies and other Resolutions

**HB42/SB 201** directs the Joint Legislative Audit and Review Commission to conduct a performance audit of the Commonwealth's transportation planning and programming activities.

**HB 485** requires the Governor to conduct an operational and programmatic performance review of (i) the agencies under the Secretary of Health and Human Resources and the Secretary of Public Safety, (ii) the Department of Transportation, (iii) the Department of Education, and (iv) any other department, agency, or program of the Commonwealth in the executive branch of state government that the Governor deems necessary.

**SB 553** requires the Secretary of Transportation to make an annual report to the General Assembly on actions taken on actions taken by the Commonwealth, local governments, and regional transportation authorities to increase transit use and reduce highway congestion.

**HJ 27** requires the Joint Commission on Health Care to study health care for the indigent.

**HJ 60** directs Joint Legislative Audit and Review Commission to study requiring local school divisions to contract collectively in certain areas of procurement.

**HJ 130** requests the Secretary of Technology to study the feasibility of developing a standard software package for local governments.

**HJ 134** extends for another year the Joint Subcommittee to Study the Transportation Network of Hampton Roads.

**HJ 135/SJ 89** extends for another year the Joint Subcommittee to Study Development and Land Use Tools in Virginia's Localities.

**SJ 32** directs the Joint Legislative Audit and Review Commission to study the role of the Secretary of Education in improving coordination between K-12, community colleges, and four-year institutions of higher education.

**SJ 21** directs the Joint Legislative Audit and Review Commission to study the effectiveness of tax preferences.

**SJ 35** requests the Virginia Institute of Marine Science to review tidal shoreline management in the Commonwealth.

**SJ 63** creates a joint subcommittee to study funding of high speed and intercity passenger rail operations in Virginia.

**SJ 98** extends for another year the Joint Subcommittee to Study the Feasibility of Creating a Regional Rapid Transit Network for Connecting Existing and Emerging Population Centers in Major Transportation Corridors.

**SJ 99** directs JLARC to study the privatization of Virginia's rest areas.

## Failed Legislation

### Administration of Government

#### **HB 156 Workers' compensation; occupational disease presumption**

Expands workers' compensation occupational presumption to include specific types of cancers in firefighters and certain other public safety employees.

#### **HB 236 Firearms; Class 1 misdemeanor to discharge in certain areas**

Bars a locality from prohibiting hunting within a half-mile radius of a subdivision.

#### **HB 478 Citizen reported issues and requests; locality to establish database for information**

Requires every locality to establish and post on the Internet a database of citizen-reported issues and requests for information, and the governmental responses to such citizen inquiries.

#### **HB 641 Freedom of Information Act; requests for records may be made by any citizen of United States**

Allows any citizen of the United States or any newspaper or magazine to make a request under the Freedom of Information Act.

#### **HB 652 Eminent domain; restricting access to or from property taken to be considered in assessing damages**

Provides that any restriction, change, or loss of access to or from property taken under the power of eminent domain shall be considered as an element in assessing the damages to the residue for the purposes of determining just compensation.

#### **HB 712 Law-enforcement employees; overtime compensation**

Removes exemption for county law enforcement departments with less than 100 employees of having to pay deputies for overtime whether or not they worked a full pay period.

#### **HB 728 Conditions of release; person arrested for felony released to pretrial services agency if indigent**

Provides that no person arrested for a felony who

has previously been convicted of a felony, or who is presently on bond for an unrelated arrest in any jurisdiction, or who is on probation or parole, may be released to a pretrial services agency unless he is determined by a court to be indigent.

#### **HB 766 Legal notices; failure by publisher of newspaper to properly publish shall not invalidate action**

Provides that when a locality is required to publish a notice in a newspaper having a general circulation in the locality, and the locality attempts to have the notice published, a failure by the newspaper to publish such notice shall not invalidate any action of the locality.

#### **HB 839 Literary Fund; fines under local ordinances to be transmitted to state treasury & deposited in Fund**

Provides that fines imposed under local ordinances for traffic infractions are to be deposited in the Literary Fund and not retained by the locality.

#### **HB 955 Workers' compensation; adds salaried & volunteer lifesaving & rescue squad members to list entitled**

Adds salaried and volunteer lifesaving and rescue squad members to the list of personnel who are entitled to a presumption that hypertension and heart disease are occupational diseases suffered in the line of duty that are covered under the Workers' Compensation Act.

#### **SB 56 Prayer at public events; governmental agency to have no authority to regulate**

Provides that whenever an individual is requested to provide prayer at a public event that is sanctioned by a governmental agency, such governmental agency shall have no authority to regulate how that individual refers to God in prayer or to prohibit the religious content of the individual's prayer.

#### **SJ 27 Constitutional amendment; taking of private property for public use (first reference)**

Limits the exercise of eminent domain for the purpose of public use and specifies that, with the exception of property taken for public service corporations, public service companies, or railroads, property may not be taken if the primary purpose

of the taking is private financial gain, private benefit, an increase in tax base or tax revenues, or an increase in employment.

### Community Development and Planning

#### **HB 336 Cash proffers; broadens locality's ability to use for capital projects**

Gives localities greater flexibility to use cash proffers for capital projects other than those for which the cash was originally proffered.

#### **HB 396 Water and wastewater utilities; delinquent payment of rates and charges**

Prohibits localities and public service authorities from requiring a landlord to pay delinquent water and sewer charges left unpaid by a tenant.

#### **HB 583/SB 348 Farm businesses; local restrictions**

Restricts local authority to regulate farm businesses and related activities.

#### **HB 1280 Fair Housing Law; unlawful discriminatory housing practices**

Prohibits localities from discriminating against low and moderate income housing in the application of the land use ordinances and policies.

#### **SB 640 Cash proffer guidelines; rate policy or guideline established by ordinance**

Requires localities to adopt cash proffer guidelines by ordinance.

### Education

#### **HB 76 Instructional spending; local school board to report expenditures annually**

Requires local school boards to allocate 65 percent of its operating budget to instructional spending.

#### **SB 722 Health insurance; credits for retired school division employees**

Expands the recipients of the health insurance credits currently going to retired teachers to all retired employees of local school divisions at the option of the local school division with the cost borne by the local government to which the local school division is affiliated.

### Environment and Agriculture

#### **HB 332 Alternative onsite sewage systems; routine testing**

Allows homeowners, instead of state-licensed operators, to do their own testing of alternative onsite sewage systems.

#### **HB 429 Animal welfare; prohibits city or county from euthanizing or adoption of any dog solely on breed**

Prohibits local government policies that bar certain canine breeds from being adopted out of their animal pounds.

#### **HB 1056 Animal control officers; clarifies duties and responsibilities**

Designates animal control officers as sworn law enforcement officers.

#### **SB 448 Onsite sewage systems, alternative; locality to enact an ordinance prohibiting use thereof**

Allows localities to regulate the installation of Alternative Onsite Sewage Systems.

#### **SB 525 Cooperative Marketing Fund; dedicates revenues from soft drink excise tax and litter tax thereto**

Transfers all litter tax revenues from the Litter Control and Recycling Fund to the Cooperative Marketing Fund administered by the Virginia Tourism Authority.

### Finance

#### **HB 57 Business, professional and occupational license (BPOL) tax; limits on rates and imposition**

Prohibits any locality from (i) imposing a business, professional and occupational license (BPOL) tax if the locality did not impose it as of January 1, 2010, and (ii) increasing the BPOL tax rates after Jan. 1, 2010.

#### **HB 570 Real property tax assessments; appeals**

Changes the burden of proof from the taxpayer to the assessor when a taxpayer appeals the assessment of real property to a board of equalization or to a circuit court.

**HB 613 Machinery and tools; classification as intangible personal property, exemption from local tax**

Exempts from local property taxes new investments in machinery and tools for manufacturing, processing and reprocessing, mining, and radio or television broadcasting made after July 1, 2010.

**HB 1347 Sales and use and BPOL taxes; exemptions for certain aviation companies**

Exempts from sales and use tax and the local BPOL tax aviation companies that facilitate and support the U. S. Department of Defense.

**SB 280 Food and beverage tax; locality to set amount**

Removes the current cap of four percent for the county meals tax and allows counties to impose an uncapped rate. The bill would also allow counties to adopt or increase a meals tax by a majority vote of members of the governing body.

**SB 452 Retail Sales and Use Tax; taxes on room rentals**

Requires out-of-state vendors, including online hotel reservation companies to collect and remit the full amount of retail sales and hotel taxes.

**SB 342 Transient occupancy tax; any county may levy tax on single-family residences**

Permits any county to levy the transient occupancy tax on single-family residences and time-shares rented out fewer than 30 consecutive days.

Health and Human Resources

**HB 925 VIEW; screening and assessment for use of illegal substances**

Requires local social services departments to screen each VIEW program participant for illegal drugs.

**HB 1086 Comprehensive services; local match rates for purchase of services shall be consistent**

Establishes the local match rates for all services under the Comprehensive Services Act at the same level, regardless of the location or nature of the services purchased.

**HB 1097 Health directors, local; Commissioner of Health may appoint non-physician qualified by experience**

Allows the Commissioner of Health to appoint a non-physician qualified by experience in the fields of public health and management to serve as local health director under certain circumstances.

**SB 702 Child welfare; placement of children**

Requires local social services departments placing children in residential placements when reunification and placement in a kinship care is not in the best interest of the child.

Telecommunications and Utilities

**HB 671 Electrical Utility facility; requires SCC to conduct public hearing for approval of construction**

Requires the State Corporation Commission to conduct a public hearing in any proceeding involving approval of the construction or operation of an electrical utility facility.

Transportation

**HB 95 Secondary highway system; requirements for taking new streets into system**

Provides that if a subdivision was subject to a zoning requirement that prohibited a state-maintained stub road connection, the road can still be accepted into the state system

**HB 1158 Primary & secondary road projects; establishment & use of regional accounts by Transportation Board**

Establishes regional accounts for each highway construction district whereby new transportation revenues not in existence on and after July 1, 2010 shall be deposited, and used by the Commonwealth Transportation Board to fund specific transportation projects within the region where the revenue is generated.

**HB 1369 Secondary Street Acceptance Requirements; VDOT to reconsider**

Requires the Virginia Department of Transportation to reconsider its Secondary Street Acceptance Requirements, with specific focus on the connectivity index and its application in rural areas.

## Studies

### **SJ 30 Tort claims; JLARC to study costs incurred by State or its localities**

Directs the Joint Legislative Audit and Review Commission to study the costs incurred by the Commonwealth and its localities resulting from tort claims brought against such entities.

### **SJ 88 Local government reorganization; joint subcommittee to study**

Establishes a joint subcommittee to study methods for modernizing local government structure and organization.

## **Contact Us**

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The Virginia Association of Counties exists to support county officials and to effectively represent, promote and protect the interests of counties to better serve the people of Virginia.