

Capitol Contact

Virginia General Assembly

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Thursday, January 21, 2021

Budget Amendments Introduced to Support County Priorities



VACo worked with legislators to introduce a package of budget amendments that address key issues of importance to local governments. House members were required to submit their amendments earlier than usual this year due to the compressed short session; the deadline for House amendments was January 8, and the House Appropriations Committee heard budget amendment presentations from House members who do not serve on the committee on January 18. Senators were required to submit their budget amendments by January 15, and the Senate Finance and Appropriations Committee is scheduled to hold its budget amendment hearing on the afternoon of Thursday, January 21. The “money committees” are scheduled to report

their respective budgets on Sunday, February 7, in advance of the expected adjournment of the 30-day regular session on February 11. Completion of the legislature’s revisions to the Governor’s budget is likely to be one of the tasks awaiting the General Assembly in the special session that is expected to be called in mid-February.

VACo is grateful to the patrons of its budget requests for their efforts to ensure that county priorities are under consideration as the budget process moves forward. A list of VACo’s requested amendments, many of which are joint efforts with the Virginia Municipal League, is provided below.

Scores of amendments were filed in each chamber, including amendments that VACo supports that were introduced at the request of partner organizations. VACo will be highlighting several of these amendments in a future edition of Capitol Contact.

VACo BUDGET REQUESTS

Eligibility for Virginia Telecommunication Initiative Funding

[Item 114 #10 \(Hurst\)](#), introduced at VACo’s request, would broaden eligibility such that a local government or other public entity could qualify for funding from the Virginia Telecommunication Initiative without a private sector partner. An additional amendment, [Item 114 #3s \(Edwards\)](#), would provide similar flexibility for proposals addressing telehealth or telelearning. Several related amendments, [Item 114 #6h \(Tyler\)](#), [Item 114 #2s \(Edwards\)](#), and [Item 114 #9s \(Lewis\)](#), would direct the Department of Housing and Community Development to establish a one-year pilot program in FY 2022 in which public broadband authorities could apply directly for VATI funding, with a cap of 10 percent of total funding available under the pilot program.

Recordation Tax Distribution to Localities

[Item 273 #1h \(McQuinn\)](#), [Item 273 #1s \(Hanger\)](#), [Item 273 #2s \(Deeds\)](#), and [Item 273 #4s \(Vogel\)](#) would make localities whole that would otherwise be affected by the 2020 General Assembly’s action to dedicate \$20 million in state recordation tax revenues to Hampton Roads Transit. The amendment would direct \$20 million in additional recordation tax revenues to hold harmless those localities not served by Hampton Roads Transit that previously received distributions of these funds, which could be used for transportation or education needs.

Study of Local Fiscal Impacts of Mandatory Property Tax Exemptions

[Item 114 #7h \(Mugler\)](#) and [Item 114 #4s \(Stuart\)](#) would direct the Commission on Local Government to review the effects of mandatory property tax exemptions on local governments’ finances and recommend methods to mitigate these potential impacts. The Commission would report to the Governor, the Joint Subcommittee on Local Government Fiscal Stress, and the “money committee” Chairs by November 1, 2021.

Hold-Harmless for Local Health Department Funding Formula Change

The Governor’s budget would update the revenue capacity data in the Cooperative Health Budget funding formula, which would result in increased local match rates for some localities and decreased local matches for others. The Governor’s budget includes

hold-harmless funding in FY 2022 for localities that would be required to increase their local contributions. [Item 302 #2h \(Hudson\)](#) and [Item 302 #1s \(Deeds\)](#) would phase in the increased local match such that affected localities would contribute half of their required increase in FY 2023 and the full required increase in FY 2024, thus providing some additional time to adjust to the updated contribution requirements. The amendments also require reporting to appropriate legislative committee chairs on future updates to the funding formula (in addition to the introduced budget's requirement to report to the Governor).

Hold-harmless for localities for certain children's psychiatric residential costs

The Governor's budget reflects a change announced by the Department of Medical Assistance Services last fall that costs previously covered by Title IV-E for children in psychiatric residential treatment facilities may no longer be covered by Title-IV-E (which is a state-federal cost-share), and will instead be covered by Medicaid (which requires a local match in these settings). [Item 292 #1h \(Sickles\)](#) would exempt localities from the local match for the costs that would previously have been covered by Title IV-E.

Jail per diems

[Item 69 #3h \(Hope\)](#) would provide an increase for jail per diem payments to reflect the parallel increase in the Consumer Price Index since the current rates were set by the 2010 General Assembly. Jails are expected to incur significant costs to comply with new standards for behavioral health and medical care that are in the process of being adopted the Board of Local and Regional Jails at the direction of the 2019 Session of the General Assembly.

Reimbursement for general registrar and electoral board member compensation

[Item 87 #3h \(Tyler\)](#) and [Item 87 #2s \(Deeds\)](#) would restore full reimbursement for compensation for general registrars and electoral board members, which was included in the budget as passed in March 2020, but unallotted in April and not able to be restored during the 2020 Special Session. In fall 2019, the Department of Elections estimated that the state would reimburse 69 percent of registrar compensation and 81 percent of electoral board member compensation in FY 2020. Several similar amendments would restore full reimbursement for registrars' salaries and also provide a salary increase.

Stormwater Local Assistance Fund (SLAF) and Water Quality Improvement Fund (WQIF)

[Item C-70 #1s \(Hanger\)](#) and [Item C-70 #2h \(Bulova\)](#) provide an additional \$39,792,860 in bond authority for wastewater treatment plant upgrades driven by regulatory requirements from the Department of Environment Quality (DEQ) in order to meet the Chesapeake Bay Phase III Watershed Implementation Plan (WIP). This figure fills the gap between what is currently in the budget and what the DEQ's 2020 WQIF needs assessment calls for. [Item C-70 #2s \(Hanger\)](#) and [Item C-70 #1h \(Bulova\)](#) provide an additional \$50,910,884 in bond authority for the Stormwater Local Assistance Fund

(SLAF) in order to meet Virginia's Phase III WIP. This figure fills the gap between what is currently in the budget and what the DEQ's 2020 SLAF needs assessment calls for.

VACo Contact: [VACo Legislative Team](#)

Helpful public notice bill finds success in subcommittee

Delegate Margaret Ransone's helpful legislation that streamlines public notice procedures for localities has found early success, favorably reporting out of the House Counties, Cities and Towns Committee's Land Use Subcommittee early today (January 21).

[HB 2114 \(Ransone\)](#) provides that in an instance in which a locality has submitted a timely notice of public hearing to a newspaper published or having general circulation in the locality, and the newspaper fails to publish the notice, such locality shall be deemed to have met certain notice requirements so long as the notice was published in the next available edition.

Current law allows this only for localities located in Planning District 23 (Hampton Roads). Delegate Ransone's bill expands this to all localities in the Commonwealth.

VACo is grateful to have worked with Delegate Ransone on this legislation and was pleased to speak on behalf of the bill in subcommittee. HB 2114 will now be heard by the full Counties, Cities and Towns Committee.

VACo Contact: [Chris McDonald, Esq.](#)

Compromise wetland and stream mitigation bank credits bill passes committee

A compromise bill dealing with wetland and stream mitigation bank credits reported out of committee on January 20 and will now head to the House floor.

[HB 1983 \(Bulova\)](#) was born out of a series of virtual workgroup meetings that featured developers, environmental organizations, and local governments. The bill proposes that when a water protection permit applicant is required to purchase wetland or stream mitigation bank credits, but no credits are available either (1) in any mitigation provider's primary service area or (2) at a cost of less than 200% of the price of credits available from a fund dedicated to achieving no net loss of wetland acreage and functions, the applicant may purchase or use credits from a mitigation provider's secondary service area. The bill provides certain requirements that the

permit applicant must comply with in order to purchase or to use such credits from a secondary service area, including minimum tree canopy requirements. The bill was designed in a limited fashion as it seeks to strike a balance between water quality and conservation interests and land development interests.

HB 1983 was heard in the House Agriculture, Chesapeake and Natural Resources Committee, where it was favorably reported to the full House by a 16-6 vote. The House may begin its review of the bill by the end of this week.

VACo Contact: [Chris McDonald, Esq.](#)

Legislation providing repayment flexibility for economic development access projects advances

On January 21, the House Transportation Committee's Transportation Systems Subcommittee heard testimony on [HB 2253 \(Wampler\)](#). This bill imposes a 48-month moratorium on the repayment of funds allocated to a locality for a bonded project pursuant to the Economic Development Access ([EDA](#)) program, provided that the conditions of the Commonwealth Transportation Board's economic development access policy are met. The EDA program is a state-funded incentive to assist localities in providing adequate road access to new and expanding manufacturing and processing companies, research and development facilities, distribution centers, regional service centers, corporate headquarters, government installations, and other basic employers with at least 51% of the company's revenue generated from outside the Commonwealth. EDA is administered by the Virginia Department of Transportation.

According to the bill's patron, the goal of the legislation is to grant more time to local governments and regional industrial facility authorities (RIFAs) to repay initial costs, which may have encountered delays due to the pandemic. This bill is similar to [legislation](#) from 2017 that was enacted unanimously by the General Assembly. The bill has an emergency clause, which allows the bill to become effective immediately if signed by the Governor, but requires the support of 80 percent of the members of both the House and Senate. The subcommittee voted unanimously 9-0 to recommend reporting and referring the bill to the House Appropriations Committee.

VACo supports HB 2253.

VACo Contact: [Jeremy R. Bennett](#)

Food banks, farmers, and food access bill sent to Appropriations

Legislation that seeks to improve food access/distribution infrastructure while assisting Virginia farmers and local and regional food banks cleared its first hurdles in the House, reported out of the House Agriculture, Chesapeake and Natural Resources Committee by a 21-1 vote and was rereferred to the House Appropriations Committee.

[HB 2203 \(Madame Speaker\)](#) establishes the Virginia Agriculture Food Assistance Program and Fund (VFAP). The VFAP will provide funding for Virginia farmers and food producers to donate, sell, or otherwise provide agriculture products to charitable food assistance organizations. The Program will also provide funding to local and regional food banks to reimburse farmers or food producers for any costs associated with harvesting, processing, packaging, or transporting agriculture products donated to such charitable food assistance organizations. The bill aims to help the over one million Virginians who are at risk of hunger while also directly assisting local farmers and local and regional foodbanks.

The Senate counterpart to this bill, [SB 1188 \(Hashmi\)](#), which was [previously reported](#) in the [January 19 Capitol Contact](#), was heard by the Senate Agriculture, Conservation and Natural Resources Committee on January 19, where it was reported and rereferred to the Senate Finance and Appropriations Committee by a 15-0 vote.

VACo supports HB 2203 and SB 1188 and has provided testimony in favor of this legislation.

VACo Contact: [Chris McDonald, Esq.](#)

G3: Get Skilled, Get a Job, and Give Back legislation advances

Legislation, introduced by House Speaker Eileen Filler-Corn and Senate Majority Leader Richard Saslaw that establishes a program to provide financial support to cover tuition, fees, and books for eligible students at the Commonwealth's two-year public institutions, is making its way through the House and Senate. [HB 2204](#) /[SB 1405](#) create the G3 Program, which makes tuition-free community college available to low- and middle-income Virginians who enroll in pathways that lead to jobs in high-demand fields.

On January 20, the House Education Committee's Post-Secondary and Higher Education Subcommittee recommended reporting HB 2204 on a unanimous vote of 8-0. In the Senate, SB 1405 was reported unanimously from the Senate Education

and Health Committee on January 21 on a 14-0 vote. This bill is supported by Governor Ralph Northam, and his proposed budget includes \$36 million in FY 2022 to fund the program.

VACo supports this workforce development and education initiative as it will provide a funding increase to a number of students leaving the K-14 system with workforce-ready credentials and will strengthen the school-to-workforce pipeline.

VACo Contact: [Jeremy R. Bennett](#)

New erosion and sediment control practices for solar projects proposed in the Senate

New erosion and sediment control practices for solar projects have found early success in the Senate, reporting out of the Senate Agriculture, Conservation and Natural Resources Committee, 15-0.

[SB 1258 \(Marsden\)](#) makes changes to § [62.1-44.15:55.1](#) of the Code of Virginia, which deals with localities and solar projects. Specifically, SB 1258 requires that the State Water Control Board administer a Virginia Erosion and Sediment Control Program (VESCP) on behalf of any locality that notifies the Department of Environmental Quality that it has chosen not to administer a VESCP for a solar project larger than 5 megawatts.

In such cases, the State Water Control Board shall implement a VESCP to manage the erosion and sediment from stormwater runoff resulting from any land-disturbing activity that disturbs one acre or more of land or disturbs less than one acre of land and is part of a larger common plan of development or sale that results in one acre or greater of land disturbance, as required by this article. No person shall conduct a land-disturbing activity unless he has obtained land-disturbance approval from the VESCP authority and, if required, submitted to the Department an application that includes a permit registration statement and stormwater management plan, and the Department has issued permit coverage. Finally, the Board-administered VESCP shall include permit requirements and requirements for plan review, inspection, and enforcement that reflect analogous stormwater management requirements for a VESCP set forth in the Code.

SB 1258 was heard and reported out on January 19 by the Senate Agriculture, Conservation and Natural Resources Committee. The bill has been rereferred to the Senate Finance and Appropriations Committee.

VACo has no position on SB 1258 provided it remains a local option.

VACo Contact: [Chris McDonald, Esq.](#)

State parks funding bill reports to full House

Delegate Bobby Orrock's legislation that seeks to address funding issues for Virginia's state parks has reported favorably from Committee and will now head to the House floor for consideration.

[HB 1804 \(Orrock\)](#) requires the Virginia Department of Conservation and Recreation (DCR) to develop recommendations for one or more dedicated, stable sources of funding for the state parks system. DCR shall convene stakeholders to study the issue and develop recommendations and shall submit its recommendations to the Chairpersons of the House Agriculture, Chesapeake and Natural Resources Committee, the House Appropriations Committee, the Senate Agriculture, Conservation and Natural Resources Committee, and the Senate Finance and Appropriations Committee no later than November 1, 2021.

[A 2019 study by the Virginia Tech Pamplin School of Business](#) reported that in 2019, visitors to Virginia's state parks spent approximately \$286.2 million in the Commonwealth, nearly 45% (\$130.2 million) of which was spent by out-of-state visitors. The report further noted that the total economic activity stimulated by Virginia State Parks during 2019 was approximately \$437.7 million, an estimated \$343 million of which is considered "fresh money," funds that likely would have not been generated at all in the absence of the park system. In terms of the park system's impact directly on counties, the report details millions of dollars of economic activity in counties that are above state averages.

VACo supports HB 1804.

VACo Contact: [Chris McDonald, Esq.](#)

Legislation permitting gun-free zones on school board property moves on with exceptions

Delegate Suhas Subramanyam's legislation permitting the establishment of gun-free zones on school board property has passed out of subcommittee with amendments.

[HB 1909 \(Subramanyam\)](#) would allow any school board to deem any property that it owns or leases outside of school zones as a gun-free zone and may prohibit any individual from knowingly possessing any firearm while such individual is upon such property. Current law permits the establishment of gun-free zones on school property, and this legislation extends this authority to property owned or leased by a school board but not actually in a school zone, such as school board offices.

HB 1909 was heard in the Firearms Subcommittee of the House Public Safety Committee on January 19, where a substitute was introduced. The substitute clarifies

exceptions to the proposed prohibition. The new language stipulates that the proposed prohibition “shall not apply to (i) any law-enforcement officer; (ii) any retired law-enforcement officer qualified to carry firearms pursuant to subsection C of § 18.2-308.016; (iii) any individual who possesses an unloaded firearm that is in a closed container in or upon a motor vehicle or an unloaded shotgun or rifle in a firearms rack in or upon a motor vehicle; or (iv) any individual who has a valid concealed handgun permit and possesses a concealed handgun while in a motor vehicle in a parking lot, traffic circle, or other means of vehicular ingress to or egress from the school board property.”

With this amended language, HB 1909 made it out of subcommittee by a vote of 6-2. The bill will now be heard by the full Public Safety Committee.

VACo Contact: [Chris McDonald, Esq.](#)

Increased fine for littering introduced

A bill that substantially increases fines for dumping or littering was introduced in the House, where it was sent to the House Courts of Justice Committee for review.

[HB 1801 \(Edmunds\)](#) doubles the current fines for dumping or disposing of litter, trash, refuse or other specified items on public property or on private property without permission, raising the minimum fine from \$250 to \$500 and the maximum fine from \$2,500 to \$5,000. The bill further increases the mandatory minimum period of community service from 10 hours to 40 hours.

HB 1801 was initially referred to the House Transportation Committee, where the Transportation Innovations and General Topics Subcommittee heard the bill and recommended it be reported and rereferred to the House Courts of Justice Committee.

VACo Contact: [Chris McDonald, Esq.](#)

New elements for local and interjurisdictional emergency operations plans passes the House

A bill codifying certain elements of local and interjurisdictional emergency operations plans has been approved by the House of Delegates and will now head to the Senate.

[HB 2085 \(Askew\)](#) adds a requirement to [§ 44-146.19\(E\)](#) of the Code of Virginia, stipulating that a local or interjurisdictional emergency operations plan shall “contain provisions to ensure that the plan is applied equitably and that the needs of minority

and vulnerable communities are met during emergencies.” Such measures could include messaging in additional languages, targeted outreach, and more.

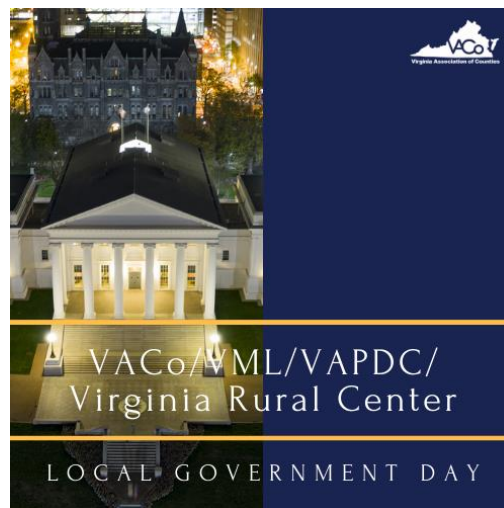
In speaking to the bill, Delegate Alex Askew noted that most localities already include such provisions in their emergency planning, and this bill seeks to codify what is already standard practice. Moreover, recognizing the differing realities and needs of localities across the Commonwealth, Delegate Askew noted that the language of his bill was intentionally designed to be simple and generic so as to not overly constrain a locality or impede the planning they have already done.

HB 2085 was reported favorably out of the House Public Safety Committee and ultimately passed the full House by a vote of 87-11. The bill now awaits committee referral in the Senate.

VACo Contact: [Chris McDonald, Esq.](#)

Advocate for your locality at the VACo Local Government Day

In Partnership with VML, VAPDC and the Virginia Rural Center



Thursday, January 28, 2021 | Webex
[Registration Form](#) | [Register Online](#)

Join us at the VACo/VML/VAPDC/Virginia Rural Center Local Government Day on Thursday, January 28! This is our day to advocate for localities at the 2021 General Assembly Session.

The event kicks off at 9am. Governor Ralph Northam is confirmed to speak. In addition, state legislators have been invited to participate and share their thoughts on the 2021

General Assembly Session. Also, VACo and VML staff will provide legislative reports on the major issues facing localities.

- Welcome and Introductions
- Governor Ralph Northam
- State Legislators Roundtable
- Team Legislative Reports

For information on how to reach your representatives, see the [Virginia House of Delegates](#) and the [Senate of Virginia](#) member websites. Find information about VACo's positions in the [2021 Legislative Program](#). We will distribute the Local Government Day Bulletin before the event.

Be a part of the legislative process at the 2021 General Assembly Session.

Register for the event at [VACo Local Government Day Online](#) (you must already have a VACo online registration account to use our online registration system). Or fax the [Registration Form](#) to 804.788.0083 or email the form to Valerie Russell at vrussell@vaco.org. The cost is \$30.

VACo Contact: [Valerie Russell](#)