

Capitol Contact

Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219
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Tuesday, January 18, 2022

Legislation Would Restrict County Taxing Authority

[HB 75 \(Ware\)](#) would place restrictions on the additional taxing authority granted to counties in 2020. VACo opposes this legislation.

The bill would generally place a cap of 5 percent on transient occupancy taxes imposed by counties and require revenues from rates between 2 and 5 percent to be dedicated to tourism. Under the 2020 legislation, unless previously authorized for some other purpose, county transient occupancy tax revenues from rates between 2 and 5 percent are to be dedicated for tourism, but revenues from rates above 5 percent may be used for general purposes. The bill also caps meals taxes imposed by counties at 2 percent, with rates up to 4 percent allowed if approved in a referendum. Under the 2020 legislation, meals taxes are allowed at up to 6 percent, with no referendum requirement. (HB 75 also reinstates earlier Code language that restricts a meals tax referendum that fails from being placed on the ballot by resolution of the board of supervisors within three years of the referendum's failure.)

HB 75 has been referred to the [House Finance Committee](#). Please contact your legislators to oppose this legislation.

KEY POINTS

- The 2020 legislation recognized that counties bear similar responsibilities to those of cities, and that counties need similar options for revenue diversification to generate the necessary funds to provide these services. This legislation retreats from the progress that was made in 2020.
- Counties have recognized the stresses placed on the hospitality industry during the pandemic and have developed a variety of creative approaches to assist local

hotels and restaurants, including the use of federal relief funds to provide grants, regulatory flexibility and grant funding to assist with outdoor dining, and restaurant gift card promotion programs, among other efforts.

VACo Contact: [Katie Boyle](#)

Local Financing Authority for School Capital Construction to be Heard Tomorrow – Call Senate Finance and Appropriations Committee Members to Support

[SB 472 \(McClellan\)](#) would permit any county or city to impose an additional local sales and use tax of up to 1 percent, if initiated by a resolution of the local governing body and approved by voters at a local referendum. The revenues of such local tax would be used solely for capital projects for the construction or renovation of schools. Any tax imposed shall expire when the costs for capital projects are to be repaid and shall not be more than 20 years after the date of the resolution passed. Currently, this authority is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville. [SB 37 \(Norment\)](#) and [SB 298 \(Deeds\)](#) would expand this authority to Isle of Wight County and the City of Charlottesville respectively and are also supported by VACo.

These bills allow counties to exercise a local voter approved option to meet their community needs.

ACTION REQUESTED – Call your legislators on the [Senate Finance and Appropriations Committee](#) now to encourage their support of these measures. Please let VACo know how your legislators respond to your request.

These bills will be heard Wednesday (tomorrow) morning at 9 a.m. in the Senate Finance and Appropriations Committee. Please contact members **TODAY** to urge them to support SB 472, SB 37, and SB 298.

KEY POINTS

- Funding for school construction and renovation is one of the biggest concerns and responsibilities of local governments in the Commonwealth and has been almost solely a local responsibility for decades. The condition of the facilities in which children are educated has a direct impact on their ability to learn.
- Many localities face significant challenges in raising sufficient funds to undertake these projects. These challenges include over-reliance on real property taxes to

generate revenue, which can have vastly different yields depending on the locality and disproportionately burden a subset of taxpayers within a jurisdiction. This raises concerns over equity and diversity of revenues.

- According to the [Commission on School Construction and Modernization](#), more than half of K-12 school buildings in Virginia are more than 50 years old. The amount of funding needed to replace these buildings is estimated at \$24.8 billion. The Commission reported \$3 billion in needed renovations beyond existing Capital Improvement Plans, which indicates that fully addressing this problem will take a multi-billion-dollar effort.
- This legislation is a unanimous recommendation by the Commission on School Construction and Modernization.
- This bill is not an automatic tax increase. It would merely create a local option and another tool in the toolbox of local government, which would only be enacted by local referendum.

KEY CONTACTS

Senate Finance and Appropriations: [Howell \(Chair\)](#), [Saslaw](#), [Norment](#), [Hanger](#), [Lucas](#), [Newman](#), [Ruff](#), [Vogel](#), [Barker](#), [Edwards](#), [Deeds](#), [Locke](#), [Petersen](#), [Marsden](#), [Ebbin](#), [McClellan](#)

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

Helpful Bills Would Assist With Costs Of Housing State-Responsible Inmates In Local And Regional Jails; Please Contact Legislators To Support

[HB 989 \(Runion\)](#) and [SB 165 \(Peake\)](#) would improve state support for state-responsible inmates being housed in local and regional jails. Currently, in addition to state support for jail staffing provided through the Compensation Board, the state provides a per-diem payment to assist with the costs of housing incarcerated individuals. These rates - \$4 for local-responsible inmates and \$12 for state-responsible inmates – have not been increased since FY 2011.

A state-responsible inmate is an individual who has been convicted of one or more felony offenses and sentenced to one year or more. A local-responsible inmate is an individual arrested on a state warrant and incarcerated in a local correctional facility prior to trial, convicted of a misdemeanor offense and

sentenced to a term in a local correctional facility, or convicted of a felony offense and given an effective sentence of one year or less.

Language in Virginia Code § 53.1-20 requires state-responsible offenders to be placed in the custody of the Department of Corrections and received into the state corrections system within 60 days of the date on which the final sentencing order is sent to the Director of the Department of Corrections. However, language in the Appropriation Act overrides this Code section and provides that the Director of the Department of Corrections “shall receive offenders into the state correctional system from local and regional jails at such time as he determines that sufficient, secure and appropriate housing is available, placing a priority on receiving inmates diagnosed and being treated for HIV, mental illnesses requiring medication, or Hepatitis C.” While some jails house relatively few state-responsible offenders, some localities have reported problems with overcrowding that have been exacerbated by state-responsible inmates being housed in local or regional jails.

HB 989 would provide for a tiered reimbursement rate to localities that increases payments for state-responsible inmates who remain in local and regional jails for longer periods of time by providing for a payment of \$12 per day for the first 60 days of incarceration following the transmission of the final sentencing order by the court to the Director of the Department of Corrections, \$40 per day for more than 60 but not more than 90 days of incarceration following the transmission of the order, and the actual cost of incarceration as calculated by the Compensation Board in its annual jail cost report for each day beyond the 90-day period.

SB 165 (Peake) would provide for local jails to be compensated for the actual costs of incarceration as calculated by the Compensation Board in its annual jail cost report beginning on the sixty-first day after transmission of the sentencing order.

SB 165 has been referred to the [Senate Rehabilitation and Social Services Committee](#). HB 989 has not yet been referred to a committee. VACo supports these bills and encourages members to register their support with their legislators. VACo is also working with the Virginia Municipal League, the Virginia Association of Regional Jails, and the Virginia Sheriffs’ Association on budget amendments to restore per diem payments for local-responsible inmates to their pre-FY 2011 levels of \$8/day.

KEY POINTS

- Per diem rates have not been adjusted since FY 2011, while the costs of caring for incarcerated individuals have increased. According to the most recent state data, the average daily cost to house a jail inmate is now \$100.32 (of which localities contribute \$55.30).

- Virginia localities make a substantial contribution to the housing and care of inmates in local and regional jails. According to the Compensation Board, in FY 2020, localities contributed \$605.1 million to local and regional jails and jail farms (including debt service obligations), and an additional \$15.6 million to house inmates at other jurisdictions. The Compensation Board provided funding of \$362.1 million, with other state agencies providing an additional \$2.6 million, primarily in grant funding.
- The Department of Corrections is better equipped than local and regional jails to provide intensive re-entry programming, offering more than 125 academic, job training, and therapeutic programs to offenders who are in prison and individuals under community supervision. The Department of Corrections reports that state-responsible inmates who spend their entire sentences in local or regional jails recidivate at a higher rate than offenders who spend at least part of their incarceration in a Department of Corrections facility (26.9 percent and 21 percent, respectively).

VACo Contact: [Katie Boyle](#)

School Board Reversion of Unexpended Funds Bill Recommended to be Amended to Address Local Government Concerns

[SB 276 \(Stanley\)](#), as originally written, would permit any school board to finance school capital projects with any funds appropriated to it by the local governing body that are unexpended by the school board in any year. Currently, local governing bodies have discretion as to whether to permit local school boards to retain these funds. This bill would wrest that decision from local governments and give it to local school boards. VACo has strong concerns and a long-held legislative position opposed to this preemption of local authority.

Retaining the discretion currently held by local governments to maintain reversion of unexpended funds allows local governments to respond to any unanticipated crises such as the impacts of a natural disaster or economic downturn. Given the myriad functions for which local governments are responsible for in addition to the major funding of K-12 education, it is important for local governments to be able to retain the option to use unexpected funds appropriated to the school board elsewhere. Additionally, many local governments already have voluntary agreements in place with their local school board that allow local school boards to retain end-of-year unexpended funds for school capital needs. Though the intent of this legislation was recommended by the Commission on School Construction and Modernization, it was the only recommendation to face contentious discussion by Commission members and to

pass with a non-unanimous [vote](#). VACo supports the other recommendations of the Commission.

Thankfully, VACo and VML were able to work the bill's patron and propose language to amend the bill and address our concerns. Specifically, the language would state that "Any local governing body may by resolution allow the local corresponding school board to retain unexpended end of year funds appropriated to the local corresponding school board by the local governing body for us to finance school capital projects."

The bill was heard in the Senate Education and Health Committee's Public Education Subcommittee, which voted unanimously 4-0 to recommend the bill as amended to the full committee. VACo is appreciative to Senator Stanley for his willingness to work with local governments and to the Subcommittee to identify solutions on an issue of mutual concern. The bill will next be heard by the Senate Education and Health Committee.

However, additional legislation has been filed on this issue. [HB 608 \(Bourne\)](#) is identical to SB 276 in its original form. [HB 251 \(Simonds\)](#) and [SB 481 \(McClellan\)](#) encourage, but do not require local governing bodies to allow school boards to retain unexpended locally appropriated funds for school capital projects. However, they prevent any school board that fails to enter into such an agreement from participation in any state grant, loan, or bond program that supports school maintenance, renovation, or construction. VACo has reached out to the patrons of these bills expressing our concerns and hopes to work with the patrons to find common ground that does not undermine the existing appropriating authority of local governments.

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

Vaco Opposes Bill Overriding Local Authority To Extend Land Use Approvals To July 1, 2023

During the 2020 Special Session I, in response to the COVID-19 pandemic, the legislature passed a measure to extend to July 1, 2022, any local land use approvals, including rezonings and special use permits, which were valid as of July 1, 2020. [HB 272 \(Marshall\)](#) and [SB 501 \(Lewis\)](#) would further extend expired local approvals to July 1, 2023. This means that all land use approvals in Virginia that expired after July 1, 2020, would arbitrarily be extended an additional year, regardless of whether applicants are actively pursuing commencement of construction. VACo supports maintaining local authority to plan and regulate land use but opposes this proposal as it weakens these key local responsibilities.

Action Requested – Contact your delegates and senators to vote “NO” on HB 272 and SB 501.

KEY POINTS

- Counties have proactively addressed the processing of land use applications and building permits during the coronavirus pandemic, and local planning commissions and Boards of Supervisors are continuing to meet and consider rezoning and special use permits.
- Any developer can apply to extend an approval directly with the locality that granted it, many of which have existing criteria and procedures to do so, either administratively or through legislative act.

VACo Contact: [Joe Lerch, AICP](#)

Mandatory Collective Bargaining Bill Struck

On January 17, by a unanimous vote of 15-0 and a request of the patron, the Senate Commerce and Labor Committee voted to strike [SB 264 \(Hashmi\)](#). This bill would have imposed mandatory collective bargaining for local governments if a minority of their employees petitioned to form a bargaining unit, among other provisions.

SB 264 was identical to HB 582 (Guzman) from the 2020 General Assembly session, which was strongly [opposed](#) by VACo. As a result of the 2020 session, compromise [legislation](#) from Senate Commerce and Labor Chair Senator Saslaw removed the ban on collective bargaining for local governments in Virginia, but ensured that the decision as to whether or not to engage in collective bargaining remained a local government option. Given that this has only been enacted law since May of 2021 and several have adopted ordinances in collaboration with labor groups allowing collective bargaining to proceed, VACo reached out to the patron to share our concerns. We are grateful to Senator Hashmi and the Senate Commerce and Labor Committee for heeding our concerns.

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

Vaco Supports Legislation That Would Assist Local Governments With Absentee Voting Costs

[HB 76 \(Ware\)](#) directs the General Assembly to reimburse each county and city annually for the cost of conducting absentee voting, as established in a

reimbursement plan that would be required to be included in the Appropriation Act. VACo supports this legislation, which has been referred to the [House Privileges and Elections Committee](#).

In recent years, the General Assembly has enacted significant expansions of absentee voting. In 2020, the state distributed approximately \$9.1 million in federal CARES Act funding to assist with additional one-time costs associated with conducting the November 2020 elections during the COVID-19 pandemic, and the state provided an appropriation of \$2 million in FY 2021 during 2020 Special Session I to assist with prepaid postage costs for absentee ballots (unspent funding from this appropriation was allowed to be used in subsequent elections via language in the 2021 Appropriation Act). VACo appreciates this funding, which responded to the extraordinary circumstances of conducting elections during a pandemic; however, these one-time infusions cannot replace ongoing state support for elections administration. Traditionally, local governments have shouldered the majority of costs for elections administration; in FY 2019, localities reported spending approximately \$49 million for election administration, of which the state provided approximately \$6 million (in partial reimbursement for general registrar and electoral board member compensation).

VACo encourages members to register support for the ongoing state commitment of funds represented by this legislation. As another avenue to strengthen the state-local partnership in providing this fundamental function of government, VACo is also working on budget amendments to provide full reimbursement for general registrar and electoral board member compensation.

VACo Contact: [Katie Boyle](#)

Bill Granting Flexibility On Extending Comprehensive Plan Review Passes In Committee

[SB 35 \(Favola\)](#) allows a local planning commission to extend the 60-day period during which it makes a recommendation to the governing body on a comprehensive plan amendment (as part of a land use application) if an applicant agrees to such extension. The measure also grants this same flexibility for the 60-day period during which the governing body shall hear and determine an appeal from a planning commission decision. The bill passed the Senate Local Government Committee and heads to the senate floor. VACo supports this measure as it allows for both a locality and applicant to mutually agree on extended reviews to further consider sometimes complex land use issues.

VACo Contact: [Joe Lerch, AICP](#)

Public School Building Entry Point Screening Bill Tabled

On January 18, by a unanimous vote of 8-0, the House Education Committee's K-12 Subcommittee voted to table [HB 12 \(Anderson\)](#). This bill would have required each local school board to limit entry points into school buildings to the lowest feasible numbers, required each individual entering said buildings to be screened with a handheld metal detector by a school security officer or another member of school staff trained to do so, and prohibit entry into the building of any individual who failed to submit to screening or was believed by the screener to be in possession of a weapon. Without remarking on the policy intent of the legislation, VACo staff shared concerns with the subcommittee about the potential fiscal impact to local governments, particularly of acquiring and maintaining the screening technology as well as hiring, reassignment, and/or training of school personnel. The subcommittee also agreed to send a letter to the Virginia Board of Education asking the Board to look into the issue of security screenings further.

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

Governor Youngkin Outlines Priorities in Address to Legislature

Governor Youngkin made his first address to a joint assembly of the legislature on the afternoon of Monday, January 17, citing his desire to work collaboratively on “kitchen table concerns” such as public education, public safety, and economic growth. In addition to the series of executive orders and directives the Governor signed on Saturday after his inauguration, the Governor has submitted 59 pieces of legislation and plans to propose a package of 25 budget amendments.

The Governor offered an overview of key priorities for his Administration. Of particular interest to local government, he predicted a “record investment” in K-12 funding in the biennium budget, with “a significant boost in teacher pay.” He underscored his support for charter schools and similar efforts, such as lab schools that are partnerships with institutions of higher education, as well as school safety and parental involvement. He indicated his support for investment in megasites to attract economic development prospects, as well as for full deployment of broadband in rural areas. The Governor signaled support for the compensation increases included in the introduced budget for state troopers, sheriffs’ deputies, and correctional officers, and requested the dedication of \$100 million in American Rescue Plan Act funding for training and equipment for law enforcement, as well as \$26 million in state funding to support local police departments. He indicated that these funds will be limited to localities that

increase funding for their local departments, but provided no further details on what increases might be required or how this proposal would comport with the HB 599 program, which provides aid to localities with police departments.

The Governor also indicated his support for addressing water quality needs, including full funding of agricultural best management practices, seeing Chesapeake Bay cleanup through “to the finish line,” and establishing a Coastal Virginia Resiliency Authority.

The Governor reminded legislators of his slate of tax reform proposals, including suspension of the most recently-enacted gas tax increase for one year, full elimination of the sales tax on groceries, doubling the standard deduction for Virginia income taxes, and exemption of the first \$40,000 in military retirement pay from state income taxes.

VACo looks forward to working with Governor Youngkin and his Administration on county priorities.

VACo Contact: [Katie Boyle](#)

Broadband Advisory Council Meeting - VATI Grant Administration Process

On Friday, January 21, the Broadband Advisory Council will meet to review the recent Virginia Telecommunication Initiative grant cycle, receive updates on the new statewide broadband availability map, and learn more about the Virginia Telecommunication Initiative (VATI) grant administration process between DHCD and local governments.

The Department of Housing and Community Development’s Office of Broadband has received questions and comments from local government elected officials and staff around Virginia about how funds awarded through the VATI process are managed. This upcoming meeting will be a great opportunity to share how the funds are actually distributed.

For meeting information and agenda – click on the following link at:
<https://commonwealthcalendar.virginia.gov/Event/Details/54275>

VACo Contacts: [Jeremy Bennett](#) and [Joe Lerch, AICP](#)

Key Dates for the 2022 General Assembly

As part of its organizational work on the first day of the 2022 session, the General Assembly adopted a procedural resolution on January 12 that sets out important dates and deadlines for the 2022 legislative session.

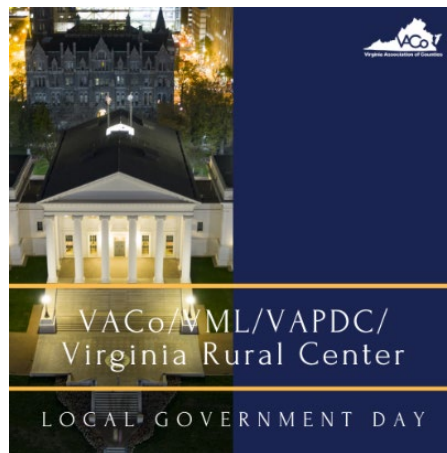
Key dates for the 2022 Session

- **January 12:** General Assembly convened at noon. Bills that were “prefiled” were due to be submitted by 10 a.m. All bills and regulations affecting the Virginia Retirement System or creating or continuing a study were required to be filed before adjournment. Governor Northam delivered the State of the Commonwealth address at 7 p.m.
- **January 14:** Deadline for submission of budget amendments
- **January 15:** Joint Assembly for inaugural ceremonies
- **January 17:** Joint Assembly for address by Governor Youngkin
- **January 21:** Deadline for all bills or joint resolutions to be filed by 3 p.m. (with some exceptions, such as legislation introduced at the request of the Governor or legislation allowed to be introduced after deadlines by unanimous consent)
- **February 15:** “Crossover” deadline for each chamber to complete work on legislation originating in that chamber (except for the budget bill)
- **February 20:** Money committees report budgets by midnight
- **February 22:** Money committee budget proposals available by noon
- **February 24:** Houses of introduction must complete work on budget
- **March 2:** Deadline for each chamber to complete work on other chamber’s budget proposal and revenue bills and appoint conferees
- **March 7:** Deadline for committee action on legislation by midnight

- **March 12:** Scheduled adjournment *sine die*
- **April 27:** Reconvened session for consideration of Governor’s amendments and vetoes

VACo Contact: [Katie Boyle](#)

Advocate for your locality at the VACo Local Government Day In Partnership with VML, VAPDC and the Virginia Rural Center



Thursday, February 3, 2022 | [Omni Richmond Hotel](#) | [REGISTRATION FORM](#) | [REGISTER ONLINE](#)

Local Government Day

It’s a day for all of us. Counties. Cities. Towns. Planning Districts. It’s a day for us to learn how the decisions being made by the General Assembly might affect us. And it’s a day to make our voices heard. Attend Local Government Day. Then visit the Capitol to meet with your legislators and observe committee meetings. Later join us for a reception.

Registration Fee

\$100 Day Briefing only (Noon – 2pm)

\$100 Reception only (530pm)
\$150 for both | \$175 late registration

Agenda

- Welcome, Introductions, and Lunch
- Governor-Elect Glenn Youngkin (Invited)
- Team Legislative Reports
- Visit Capitol to speak with Legislators
- Legislative Reception

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 [2022 Legislative Program](#). We will distribute the Local Government Day Bulletin before the event.

Be a part of the legislative process at the 2022 General Assembly Session.

Register for the event at [VACo Local Government Day Online](#) or fax the [Registration Form](#) to 804.788.0083.

Hotel Reservation Details

Lodging costs are not covered in the registration fee. Local Government Day is held at the Omni Richmond Hotel, 100 South 12th Street, Richmond, VA 23219. Room rates start at \$162 (single room occupancy). To reserve a hotel room, call 804.344.7000 by January 24, 2022, with this code: **Government Legislative Day 2022 Group** or reserve a room at this [Omni Richmond Hotel link](#).

VACo Contact: [Valerie Russell](#)