

Capitol Contact

Virginia General Assembly

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VACo Local Government Day Bulletin

Thursday, February 3, 2022

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.

AGENDA

- **9am** – VACo Board of Directors Meeting
- **11am** – Registration/Check In
- **1130am** – Lunch
- **Noon** – Local Government Day
- **Afternoon** – Visit the Capitol to speak with legislators
- **530pm** – Reception

Budget Amendments

VACo worked with legislators and partner organizations to introduce a package of budget amendments that advance important local government priorities. VACo is also supporting several amendments that were requested by partner organizations or otherwise support county needs. Budget proposals are being considered by the House Appropriations and Senate Finance and Appropriations Committees; both Committees are scheduled to report their respective budgets on Sunday, February 20.

Please thank the patrons of these amendments and encourage your legislators to support these proposals, particularly if your General Assembly members serve on the House Appropriations Committee or the Senate Finance and Appropriations Committee.

Instructional aides: [Item 137 #17h \(Plum\)](#)/[Item 137 #12s \(McClellan\)](#) provide \$160.2 million General Funds (GF) in FY 2023 and \$167.4 million GF in FY 2024 for the state's share of funding for instructional aides based on the ratio of total kindergarten through grade seven instructional aides to total kindergarten through grade seven teachers. Currently, instructional aides are only funded for kindergarten and special education. [Item 137 #18h \(Keam\)](#) is intended to be the same.

KEY POINTS

- Teacher aides play important roles in supporting teachers in the classroom by providing extra help to students one-on-one or in small groups, assisting teachers with tracking assignments and attendance, or providing additional assistance in specific areas of a school, such as a computer lab.
- Currently, only a small number (2,800) of kindergarten and special education teacher aides are covered under the Standards of Quality (SOQs). Meanwhile, school divisions employ more than 21,000 teacher aides. This amendment is intended to provide additional state support for positions that are currently funded only with local dollars.

Flexibility in teacher compensation increase: [Item 137 #10h \(Watts\)](#), [Item 137 #2s \(Marsden\)](#), and [Item 137 #8s \(Ebbin\)](#) remove the requirement in the introduced budget for school divisions to provide at least an average 2.5 percent salary increase in each year of the biennium in order to access the state share of the 5 percent compensation supplement that is proposed for each year of the biennium.

KEY POINTS

- Due to the large number of locally-funded positions in school divisions that are not recognized by the Standards of Quality, localities fund an estimated 56 percent of salary increases.
- This amendment would allow school divisions to provide the local share of up to a 5 percent salary increase in each year of the biennium without having to meet a minimum threshold to access the state share.

Recordation tax distribution to localities: [Item 266 #1h \(Durant\)](#) eliminates budget language that directs \$20 million each year in recordation tax revenue to the Hampton Roads Regional Transit Fund and instead provides \$20 million in general fund appropriations each year for deposit to the Hampton Roads Regional Transit Fund. This amendment is meant to coincide with HB 978 and SB 363/SB 512.

KEY POINTS

- This amendment would reverse the 2020 General Assembly's action to dedicate \$20 million in state recordation tax revenue (which would otherwise have been distributed to localities outside of Northern Virginia) to Hampton Roads Transit. It would hold harmless funding to Hampton Roads Transit with an appropriation of General Fund dollars.
- Prior to the 2020 General Assembly session, a portion of recordation tax revenues had been distributed to counties and cities since 1993. Funding was distributed quarterly and could be used for transportation or public education purposes.
- Restoration of these funds will help localities 1) more effectively respond to the transportation and education needs of their communities, which as a result of COVID-19 are greater than ever, and 2) readdress long-term needs disrupted by the redirection of these revenues and the holes created in their budgets as a result.

Support for local Children's Services Act programs: [Item 284 #1h \(Plum\)](#), [Item 284 #2h \(Plum\)](#)/[Item 284 #1s \(Hanger\)](#) and [Item 285 #2s \(Hanger\)](#) provide funding for two proposals from a 2021 report on the implementation of legislation directing the Office of Children's Services to provide additional oversight of local Children's Services Act (CSA) programs. The funding would support four regional consultants at the Office of Children's Services to provide additional assistance to local CSA programs, as well as additional administrative funds to ensure that each local CSA program receives at least \$50,000 per year in administrative funding, including local matching dollars.

KEY POINTS

- Legislation in 2021 directed the Office of Children’s Services (OCS) to provide additional oversight of local CSA programs. A workgroup convened to consult on OCS’s plan to implement this new authority recommended the addition of the four regional consultants as well as the additional local administrative funding.
- The regional consultants are intended to provide additional support to local programs, such as training for local coordinators, helping to address regional service delivery gaps, and assisting with the implementation of quality improvement plans.
- The workgroup also recommended additional administrative funding, noting the program’s complexity and the relatively limited support provided for the program’s administrative infrastructure.
 - State administrative funds provided to local programs have not been increased since FY 2017; the current state appropriation is \$2.1 million statewide, which is subject to a local match.
 - Under the Appropriation Act, each locality currently receives the larger of \$12,500 or an amount equal to two percent of the total state pool allocation. For FY 2022, 95 localities received a total of less than \$20,000 (including the local matching funds), and 114 of 130 local programs received a state and local total of less than \$50,000. The workgroup report notes that in a recent survey, localities reported providing a total of \$8.8 million in personnel costs and an additional \$1.1 million in non-personnel costs to support their local programs.
 - The amendment would provide state funding sufficient such that all localities would receive at least \$50,000 per year in administrative funds (inclusive of the local match).

Deputy sheriffs’ staffing: [Item 72 #2h \(Wyatt\)](#), [Item 72 #4h \(LaRock\)](#), and [Item 72 #1s \(Boysko\)](#) would provide \$11.5 million GF in FY 2023 and \$14.4 million GF in FY 2024 to allocate 259 additional deputy positions in FY 2023 and 16 more positions in FY 2024, for a total of 275 positions over the biennium.

KEY POINTS

- State Code requires the Compensation Board to fund one law-enforcement deputy for each 1,500 people in a jurisdiction in which the sheriff bears primary law enforcement responsibilities. This staffing ratio has not been fully funded since FY 2008, leaving localities to step in to fund positions necessary to support the operations of sheriffs’ offices.

- Law enforcement entities, including sheriffs’ offices, have been stressed in recent years by the additional staff time associated with mental health transports for individuals subject to emergency custody orders or temporary detention orders, particularly when individuals must be transported for long distances to find an available bed, or when law enforcement personnel must wait with an individual in a hospital for a bed to become available. This additional strain on law enforcement makes full staffing especially important.

Jail per diems: [Item 73 #1h \(Brewer\)](#), [Item 73 #4s \(Deeds\)](#) and [Item 73 #3s \(Petersen\)](#) would restore the local-responsible per diem rate from \$4 to its pre-FY 2011 level of \$8.

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.

Aid to localities with police departments (“HB 599”): [Item 408 #2h \(Brewer\)](#), [Item 408 #1s \(Edwards\)](#), and [Item 408 #2s \(Lucas\)](#) provide \$38.4 million in FY 2022 in HB 599 funding to reflect the general fund revenue growth rate of 14.4 percent in FY 2021 and 4.9 percent in FY 2022, in accordance with statute. [Item 408 #3s \(Reeves\)](#) would provide \$50.5 million GF in FY 2022, \$12 million of which is to be allocated to local police departments to assist with pay compression, recruitment, and retention of officers. [Item 410 #2h \(Brewer\)](#), [Item 410 #1s \(Reeves\)](#), [Item 410 #2s \(Edwards\)](#), [Item 410 #3s \(Lucas\)](#), and [Item 420 #4s \(Newman\)](#) all provide \$108.8 million over the biennium to reflect GF revenue growth in the previous biennium, as well as the projected GF growth of 4.8 percent in FY 2023 and 4.2 percent in FY 2024.

KEY POINTS

- The introduced budget level-funds HB 599 appropriations at FY 2020 levels of \$191.7 million per year, despite General Fund growth in FY 2021 and FY 2022

and expected growth in the upcoming biennium. If HB 599 appropriations had kept pace with General Fund growth over time, FY 2022 funding would total \$359.1 million.

- Counties that receive HB 599 funding contribute significant local funds to their local police departments. In FY 2022, counties that receive HB 599 funds received \$67.9 million from this funding source and contributed \$898.1 million in local funds.

Reimbursement for general registrar and electoral board member

compensation: [Item 90 #1h \(Sickles\)](#) and [Item 90 #1s \(Deeds\)](#) provide \$2.7 million GF each year in additional funding to fully reimburse localities for general registrars' and electoral board members' salaries.

KEY POINTS

- The growing complexity of election administration has required significant investments of local funds. In FY 2020, counties and cities reported spending approximately \$57 million on elections administration, of which \$10.5 million was provided by the state.
- Full reimbursement for general registrar and electoral board member compensation was included in the budget approved in March 2020, but this funding was unallotted as a result of the pandemic and not restored in subsequent budgets.

Clarification of public agencies' ability to offer compensatory time in lieu of paid overtime: [Item 4-14 #1h \(Byron\)](#) and [Item 4-14 #1s \(Stuart\)](#) incorporate language from the caboose into the biennium budget that clarifies that public agencies can continue to offer compensatory time in lieu of wages for overtime pay; this language would expire when a permanent statutory clarification took effect.

KEY POINTS

- This language addresses an issue that arose last year after the Virginia Department of Labor and Industry interpreted the 2021 Virginia Overtime Wage Act to eliminate public employers' long-standing ability to offer compensatory time in lieu of overtime pay to employees under the Fair Labor Standards Act.
- To address the major financial and logistical implications of such a significant departure from long-standing practice, language was incorporated into the budget during 2021 Special Session II to clarify that public employers may

continue to provide compensatory time. This clarifying language was included in the “caboose” budget for the current biennium.

- The budget amendment would include the language in the biennium budget (so that the clarification would extend beyond the expiration of the caboose budget on June 30, 2022), with a provision that it would expire upon the effective date of a statutory fix to this issue.

Other Priority Budget Amendments VA Co Supports

Constitutional officers

[Item 75 #1h \(Bulova\)](#)/[Item 75 #1s \(Norment\)](#)/[Item 75 #2s \(Petersen\)](#) provide \$1.4 million GF in FY 2023 and \$2.5 million GF in FY 2024 to restore state support for 154 Compensation Board allocated positions in offices of Commissioners of the Revenue that were previously de-funded due to previous budget reductions. This funding will support the restoration of 65 percent of unfunded positions in FY 2023 and 100 percent of unfunded positions in FY 2024.

[Item 78 #1h \(Brewer\)](#)/[Item 78 #1s \(Lucas\)](#) provide \$165,667 GF in FY 2023 and \$180,728 GF in FY 2024 to fully restore underfunded Treasurer positions.

[Item 78 #2s \(Lucas\)](#) provides \$744,176 GF in FY 2023 and \$1.6 million GF in FY 2024 to restore 226 unfunded deputy treasurer positions in treasurers' offices, the state share of which has not been fully funded since 2002.

Elections

[Item 89 #5h \(Webert\)](#) provides \$500,000 GF per year to reimburse localities for the costs of providing prepaid postage for the return of absentee ballots.

[Item 89 #10h \(Kilgore\)](#) provides \$2.2 million GF in FY 2023 for the state to provide notice to all registered voters regarding changes to elections districts as a result of redistricting. Due to the renumbering of House and Senate districts, all voters will need to receive this notice, and if the state does not assume this responsibility, localities will be responsible for these mailing costs.

Agriculture and Forestry

[Item 98 #9h \(McQuinn\)](#)/[Item 98 #2s \(McClellan\)](#) provide \$1 million GF per year for the Virginia Food Access Investment Program, which provides loans or grants to assist grocers, farmers markets, and other retailers in high-need areas to expand or commence the operations of their facilities.

[Item 108 #2h \(Bloxom\)](#)/[Item 108 #1s \(Ruff\)](#) provide \$1 million GF in FY 2023 to support a special, nonreverting fund that would support multiple-use forestry management in Virginia jurisdictions that adopt an ordinance for use value assessment and taxation of real estate devoted to forest use (subject to passage of HB 180/SB 184, legislation that VACo supports).

Commerce and Trade

[Item 115 #5s \(Edwards\)](#) is a language amendment directing the Department of Housing and Community Development to give priority to Virginia Telecommunication Initiative proposals from public broadband authorities for department awards in connection with the American Rescue Plan Act (ARPA, to use criteria consistent with ARPA and associated U.S. Treasury guidance, and not to require private sector participation in these proposals.

Education

[Item 137 #6h \(Bourne\)](#)/[Item 137 #12h \(Kory\)](#)/[Item 137 #21h \(Reid\)](#)/[Item 137 #9s \(Barker\)](#)/[Item 137 #15s \(McClellan\)](#) provide \$419.2 million GF in FY 2023 and \$430.5 million GF in FY 2024 to eliminate the cap on recognition of support positions in the Standards of Quality.

[Item 137 #2h \(Reid\)](#)/[Item 137 #10s \(Bell\)](#) provide \$50 million GF in FY 2023 and \$52.5 million GF in FY 2024 to increase the Cost of Competing Adjustment (COCA) for support positions in the school divisions in Planning District 8 (from 18 to 39 percent), and for certain adjacent divisions specified in the Appropriation Act (from 4.5 to 9.75 percent). [Item 137 #4h \(Delaney\)](#)/[Item 137 #11s \(Marsden\)](#) provide \$15.6 million GF in FY 2023 and \$16.6 million GF in FY 2024 to restore the historic Cost of Competing Adjustment (COCA) rate for support positions in the school divisions in Planning District 8 (from 18 to 24.61 percent) for the adjacent school divisions (from 4.5 to 6.16 percent).

[Item 240 #2h \(Carr\)](#) provides \$2.5 million GF per year in aid to local public libraries. [Item 240 #1s \(Locke\)](#) and [Item 240 #2s \(Norment\)](#) provide the \$2.5 million GF per year and also state that it is the objective of the Commonwealth to fully fund the state formula for state aid to local public libraries, with the FY 2023 and FY 2024 funding representing the first two years of a four-year phase-in of full funding, with the goal of completing the phase-in in FY 2026.

Finance

[Item 277 #1s \(Stuart\)](#) provides \$1 million GF per year in state funding to subsidize local real estate tax relief for disabled veterans and surviving spouses of servicemembers killed in action when more than 1 percent of a locality's tax base is exempt pursuant to these mandatory exemptions.

Health and Human Resources

[Item 313 #1h \(Sickles\)](#)/[Item 313 #1s \(Hanger\)](#)/[Item 313 #4s \(Deeds\)](#) provide \$167.5 million GF per year for workforce development initiatives for Community Services Boards.

[Item 313 #2h \(Sickles\)](#)/[Item 313 #2s \(Barker\)](#) provide \$2.9 million GF each year in additional funding for Part C Early Intervention services.

[Item 313 #3h \(Coyner\)](#) expands the eligibility of the existing \$3.7 million annual appropriation for discharge planning at jails for individuals with serious mental illness to also include emergency client assistance resources, and expands the number of jails eligible to receive the funds. Current budget language limits receipt of the funds to five jails. [Item 313 #3s \(Deeds\)](#) similarly expands the number of jails eligible to receive the funds.

[Item 313 #5s \(Favola\)](#) provides \$9.3 million GF each year to implement the mental health awareness response and community understanding services (MARCUS) alert system programs and community care teams for CSBs located in Region 2.

[Item 313 #7s \(Ebbin\)](#) provides \$11 million GF in FY 2024 to expand Crisis Intervention Team Assessment Centers or Crisis Stabilization Units into crisis receiving centers. [Item 486 #23s \(Ebbin\)](#) is intended to provide an additional \$11 million in ARPA funding for this purpose in FY 2023.

[Item 345 #3s \(Mason\)](#) provides \$180,000 GF/\$60,000 NGF in FY 2023 and \$360,000 GF/\$120,000 NGF in FY 2024 to add slots to the Child Welfare Stipend Program, which assists local departments of social services in recruiting and retaining staff.

Public Safety

[Item 404 #10h \(Wachsmann\)](#) removes current budget language which exempts the Department of Corrections from the payment of service charges levied in lieu of taxes by local governments and would provide \$1.4 million GF each year to fund these service charges.

[Item 404 #22h \(Runion\)](#) provides \$5 million GF per year for the Department of Corrections to reimburse local and regional jails for the costs of incarcerating state-responsible inmates; this amendment is a placeholder for related legislation that would provide for compensation at a rate of \$12 per inmate per day for the first 60 days, at the rate of \$40 per inmate per day during the period of more than 60 but not more than 90 days, and for the actual cost of incarceration as calculated in the jail report prepared annually by the Compensation Board for more than 90 days.

Economic Development and Planning Steering Committee

VACo supports increasing eligibility for local use of state broadband funds

[HB 249 \(Davis\)](#) expands the eligibility criteria for counties applying for Virginia Telecommunications Initiative grant ([VATI](#)) funds. Specifically, the bill directs the Virginia Department of Housing and Community Development (DHCD) to align the eligibility criteria with the same found in the U.S. Treasury's Final Rule regarding the Coronavirus State and Local Fiscal Recovery Funds.

VACo supports this change as it will significantly increase the availability of state funds, that can be matched with federal and local dollars, to build broadband infrastructure at bandwidths and speeds capable of supporting reliable use. The bill has been referred to House Appropriations.

Contact members of the [House Appropriations Committee](#) to vote “YES” on **HB 249**.

KEY POINTS

- Eligibility for use of VATI funds is limited and not flexible enough to address situations where private providers are not available to meet demand. Specifically, local governments are limited to using VATI for the building of private-sector infrastructure. Federal recovery funds not only allow localities to use them for publicly owned facilities, but they also encourage applicants to construct and install robust infrastructure at speeds and capacities to meet the needs of their community.
- Localities can also use funds under federal eligibility criteria to provide affordable access to service. Such use is critical in terms of providing opportunities to expand access to education, telework, telemedicine and economic development.

VACo supports bill removing authority of State Air Board to overturn local land use decisions

[SB 81 \(Stanley\)](#) fixes a quirk in state law (dating back to 1966) that effectively gives the Air Pollution Control Board the power to override local land use decisions (for example, when a Board of Supervisors approves the location a project through the granting of a

Special Use Permit). The issue with existing law is that the board can deny an air pollution permit for a project if it determines the “activity” is not suitable “to the area in which it is located”, even when the proposed air pollution controls meet or exceed both federal and state standards to control air pollutants, and regardless of whether it is compliance with all applicable local land use ordinances. The legislation removes this authority of the Board to do so when making permit decisions. The bill will likely be considered in Senate Agriculture, Conservation and Natural Resources on Tuesday February 8.

Contact members of the [Senate Agriculture, Conservation and Natural Resources Committee](#) to vote “YES” on SB 81.

KEY POINTS

- An appointed citizen board at the state level should not have the authority to override the land use decisions of local elected officials.
- The bill does not remove the authority of the Air Pollution Control Board to make permit decisions based on all applicable state and federal laws and standards to protect and improve local air quality.

VACo opposes bill overriding local authority to extend land use approvals to July 1, 2023

During the 2020 Special Session, 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 and opposes this proposal as it weakens these key local responsibilities. Both bills have passed in committee and are headed to the house and senate floor for further consideration.

Contact your [delegate and senator](#) 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.

Bills to expand access to addiction recovery resources have potential land use impacts

Two bills to address the need for providing substance recovery services, if adopted, will impact how localities address the location of such services through zoning and planning ordinances.

[HB 277 \(Coyner\)](#) and [SB 622 \(Favola\)](#) amends the standards for credentialing of a “certified recovery residence” to require disclosure to “each prospective resident whether the recovery residence is a certified recovery residence” adhering to the credentialing standards of the [National Alliance for Recovery Residences](#). Additionally, the legislation also requires that such recovery facilities “include one or more resident or nonresident staff persons who is employed by the provider for compensation and who is responsible for oversight or management of the recovery residence.” In addition to these requirements, the proposal also provides that such residences shall constitute residential occupancy by a single family for zoning purposes, regardless of the number of persons residing in the certified recovery residence. VACo is working to remove this last provision as it severely limits the ability of counties to address the associated land use impacts of an unlimited number of residents in a proposed facility. HB 277 will be up for consideration Friday November 4 at 9 am in [House Counties, Cities and Towns](#) and SB 622 is expected to be on the docket on Friday November 4 also at 9 am in [Senate Rehabilitation and Social Services](#).

[HB 679 \(Hope\)](#) and [SB 300 \(Deeds\)](#) eliminates the restriction that providers of treatment for persons with opiate addiction may not be located within one-half mile of a public or private licensed day care center or a public or private K-12 school. Current law permits limited exceptions to this restriction in certain localities. It is important to note that the lifting of the restriction only applies to the application for a state operating permit. The siting of such facilities is still subject to applicable local land use and zoning ordinances. HB 679 was amended in subcommittee at VACo’s request to delay the effective date to January 1, 2023, to allow localities sufficient time to review how the lifting of the one-half mile restriction would affect the siting of such facilities. SB 300 was adopted by the senate by a vote of 27 to 11. VACo has the assurance of proponents of the legislation to amend the senate version to include the same delayed effective date of January 1, 2023.

KEY POINTS

- VACo supports evidence-based prevention initiatives that improve access to treatment in coordination with localities.

- Counties should retain local authority to address the siting of opioid treatment facilities within their jurisdiction.

Education Steering Committee

VACo supports bills to address K-12 school infrastructure

In 2021, the Commission on School Construction and Modernization examined the state of K-12 school infrastructure across the Commonwealth. They discovered that more than half of Virginia's school buildings are 50 years old or older and that the cost to replace these buildings is estimated to be \$24.8 billion. A number of legislative proposals address this issue by increasing state funding for direct grants to school divisions, reforming existing state supported financing tools, as well as empowering local governments with additional financing options. **VACo supports** additional state resources and additional funding options for localities for capital and school construction costs, including expanding dedicated local sales and use tax authority first given to select counties by the General Assembly in 2019. Several budget proposals and pieces of legislation seek to address this issue.

Governor Northam's [Proposed Budget for the 2022-2024 Biennium \(HB 30\)](#) contains two proposals that:

- Authorize the Virginia Board of Education to offer up to \$200 million in each year of the biennium from the Literary Fund in school construction loans or subsidy grants, subject to the availability of funds. Amounts designated for school construction loans that are not obligated in the first year may be obligated in the second year
- Provide \$500 million in FY 23 for grants to school divisions for nonrecurring expenditures by the relevant school division. These costs include school construction, additions, infrastructure, site acquisition, renovations, technology and other expenditures related to modernizing classroom equipment, school safety equipment or school safety renovations, and debt service payments on school projects completed during the last 10 years.

VACo supports the following school construction bills

Seeking to expand on special local taxing authority pioneered by Halifax County in 2019 and further expanded to eight other localities in 2020, [SB 472 \(McClellan\)](#) would allow any county or city to levy a local general retail sales tax and a local use tax at a rate not

to exceed 1 percent as determined by its governing body to provide revenues solely for capital projects for the construction or renovation of schools if such levy is approved in a voter referendum. Under current law, the power to levy such local sales and use taxes for the construction or renovation of schools is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville. This measure is a bipartisan unanimous recommendation of the Commission on School Construction and Modernization and passed the Senate 28-12. A similar measure, [HB 531 \(Hudson\)](#), was narrowly defeated in the House Finance Committee's Subcommittee #3 by a vote of 5-3. Additional bills expanding this authority to single localities include [SB 37 \(Norment\)](#) and [SB 298 \(Deeds\)](#), which would grant this authority to Isle of Wight County and the City of Charlottesville, respectively.

[HB 253 \(Simonds\)](#) and [SB 471 \(McClellan\)](#) would make several changes to the Literary Fund recommended by the Department of Education and the Department of Treasury. The Literary Fund provides low-interest loans for school construction, grants under the interest rate subsidy program, debt service for technology funding, and support for the state's share of teacher retirement required by the Standards of Quality. These bills that would increase to \$25 million the maximum Literary Fund loan amount, and permits the Board of Education to increase such maximum to up to \$35 million for loans on any school construction or renovation project that facilitates the consolidation of schools. The bills would also require the Board of Education to fix the interest rate on all loans made from the Literary Fund at not less than 1 percent per year, not more than 3 percent per year, and at increments of one half of 1 percent per year between such minimum and maximum rates, payable annually, and to utilize a sliding scale based on the local school division's composite index of local ability to pay to determine the interest rate on each such loan. HB 253 was reported from the House Education Committee unanimously 22-0 and referred to the House Appropriations Committee. SB 471 has been referred to the Senate Finance and Appropriations Committee.

[HB 254 \(Simonds\)](#) and [SB 473 \(McClellan\)](#) establishes the School Construction Fund as a special nonreverting fund in the state treasury for the purpose of providing grants from the Fund, subject to certain conditions, to school boards that leverage federal, state, and local programs and resources to finance the design and construction of new school buildings and facilities or the modernization and maintenance of existing school buildings and facilities. The bill provides that three percent of any fiscal year's budget surplus shall be appropriated to the School Construction Fund and Program. The bill also provides that any remaining revenues not appropriated by the Gaming Proceeds Fund shall be appropriated to the School Construction Fund and Program. HB 254 has been referred to the House Finance Committee's Subcommittee #3. SB 473 has been referred to the Senate Finance and Appropriations Committee.

[HB 1000 \(LaRock\)](#) and [SB 603 \(Stanley\)](#) would require the Board of Education (the Board) to make recommendations to the General Assembly by December 1, 2022 for amendments to the Standards of Quality to establish standards for the maintenance and operations, renovation, and new construction of public elementary and secondary school buildings. The bills require such recommendations to include standards for the

percentage of the current replacement value of a public school building that a school board should budget for the maintenance and operations of the building and such other standards as the Board deems appropriate.

[HB 559 \(O'Quinn\)](#) would provide that in any case in which a local school board enters into a comprehensive agreement with a private entity pursuant to the Public-Private Education Facilities and Infrastructure Act of 2002 whereby the private entity finances the construction of a new public school building in the local school division through the issuance of bonds; leases the building to the local school board in an arrangement such as a certificate of participation, a double net lease, or a triple net lease; and expects the local school board to make lease payments in an annual amount that approximates or is equal to the annual debt service on such bonds, the Department of Education shall not consider 50 percent of such lease payments as capital outlay and debt service and therefore shall not subtract such payments in the biennial calculation of net local expenditures for operations or required local effort for the purpose of determining such local school division's composite index of local ability-to-pay, if so requested by the local school board.

[HB 563 \(O'Quinn\)](#) would establish the School Construction Matching Grant Fund and Program for the purpose of awarding matching grants on a competitive basis to local school boards that demonstrate poor school building conditions, commitment, and need, based on certain enumerated factors, in order for such local school boards to fund the construction of new public school buildings in the local school division. The bill would permit the Board of Education to transfer sums from the Literary Fund to the School Construction Matching Grant Fund and for the Department of Education to use such sums to provide matching grants pursuant to the Program.

KEY POINTS

- Funding for school construction and renovation is one of the biggest concerns and responsibilities of local governments in the Commonwealth, but many localities face significant challenges in raising sufficient funds to undertake these projects. The condition of the facilities in which children are educated has a direct impact on their ability to learn.
- Given the scale of the problem the General Assembly must embrace policy proposals that provide additional state support, reform existing finance mechanisms, and empower local governments with additional revenue raising authority.

VACo supports continued local government authority on use of unexpended school board funds

Several bills as originally drafted 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, or 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. Currently, local governing bodies have discretion as to whether to permit local school boards to retain these funds. This bill would take that authority away from local government bodies and give it to local school boards. VACo has a long-held legislative position opposed to this preemption of local authority. [SB 276 \(Stanley\)](#) was amended to place in code what is an existing local authority. A substitute encouraging cooperative agreements between local governing authorities was offered for [HB 251 \(Simonds\)](#), and is expected for its senate companion, [SB 481 \(McClellan\)](#). VACo is hopeful that the remaining bill, [HB 603 \(Bourne\)](#), will conform to the other bills, otherwise this bill must be opposed.

KEY POINTS

- 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.

Energy Steering Committee

VACo supports study on the life cycle and decommissioning of utility-scale solar and battery storage facilities

[HB 774 \(Hodges\)](#) directs the State Corporation Commission (SCC) to create a task force, to analyze the life cycle of renewable energy facilities, including solar, wind, and battery storage components. The analysis will assess the (i) feasibility, costs, recycling and salvage opportunities, waste strategies, and liability for the decommissioning of materials; (ii) potential impacts of underground infrastructure post-decommissioning; (iii) potential impacts of the life cycle on farming, forestry, and sensitive wetlands; and (iv) potential beneficial economic impact of solar, wind, and battery storage development. The task force will include representatives from local governments, state agencies, agriculture, forestry, electric utilities, renewable energy service providers, as well as organizations with expertise in the climate and environment. The bill passed unanimously in House Commerce and Energy committee and is headed to the house floor for further consideration.

Contact your [delegate](#) to vote “YES” on HB 774.

KEY POINTS

- Rural Virginia is undergoing a transformation in renewable energy production, chiefly in the form of solar energy and energy storage technologies.
- Approximately 97 square miles of utility-scale solar is now in service or under development in Virginia. An additional 40,508 megawatts (MW) of solar energy generation have applied for connection to the grid, more than 6 times what Virginia already has, and equivalent to an additional 633 square miles.
- 4,608 MW of energy storage projects, chiefly in the form lithium-ion battery technology, have applied for connection to the grid.
- Many questions arise regarding what happens to the panels and batteries at the end of their useful life. Can they be salvaged or recycled, or will they simply be landfilled? Additionally, what are the potential long-term impacts that may make it difficult to return lands to productive farms and forests? HB 774 seeks answers to these questions and to provide localities an informational resource when considering land use applications.

VACo opposes state mandate to exempt rooftop solar from being included in real property assessments

[HB 1185 \(Bourne\)](#) and [SB 686 \(Mason\)](#) mandate that any rooftop or ground-mounted solar installations, serving just the energy needs of the property to which they are located (i.e. behind the meter), shall be a separate class of property and entirely exempt from local real estate taxes. HB 1185 was referred to [House Finance](#) for consideration while SB 686 was reported out of [Senate Finance and Appropriations](#) unanimously and headed to the senate floor for further consideration.

Contact your [delegate and senator](#) to vote “NO” on HB 1185 and SB 686.

KEY POINTS

- Local governments under current law can exempt rooftop and ground-mounted solar, as improvements to real property, wholly or partially from local real estate tax.
- Any locality that does not currently provide a full tax exemption to such improvements to real property will see a reduction in revenue.
- Local governing bodies, when making sound fiscal policy regarding available revenue to meet expenditures in service to their community, should continue to be given the flexibility to decide if such improvements should be wholly or partially exempt from local taxation.

Environment and Agriculture Steering Committee

VACo supports innovative new program to fund local outdoor recreation and forest restoration projects

[HB 180 \(Bloxom\)](#) and [SB 184 \(Ruff\)](#) create the Forest Sustainability Fund and authorize any locality that has adopted an ordinance to provide for use value assessment and taxation for real estate devoted to forest use to apply for an annual allocation from the Fund. Funds would be allocated by the State Forester on a proportional basis, based on the amount of revenues forgone, and funds would have to be used for public education or for projects related to outdoor recreation or forest conservation. SB 184 has already passed the senate unanimously while HB 180 will be considered in [House Finance](#).

Contact your [delegate](#) to vote “YES” on HB 180.

VACo supports measure to streamline process to qualify sales tax exemptions for municipal pollution control equipment

[HB 148 \(Runion\)](#) and [SB 684 \(Mason\)](#) allow a political subdivision to self-certify the pollution control equipment to be used as part of the political subdivision’s water, wastewater, stormwater, or solid waste management facilities or systems so that the equipment qualifies for a retail sales and use tax exemption without having to be certified by the State Water Control Board, the Virginia Department of Health, or the Virginia Waste Management Board. VACo supports this time-saving measure as a way to streamline the process for employing necessary pollution control.

Finance Steering Committee

Localities must be made whole if grocery tax is eliminated

Currently, food purchased for human consumption and essential hygiene products are taxed at 2.5 percent, a reduced rate relative to the general sales tax applied to other purchases. The 2.5 percent is composed of a 1.5 percent state sales tax and a 1 percent local option sales tax. From the 1.5 percent state portion, 1 percent is distributed to localities, based on school-age population, for school funding needs, and 0.5 percent is deposited to the Commonwealth Transportation Fund. Estimates developed by the state Department of Taxation indicate that the elimination of the sales tax on groceries and essential hygiene products would reduce revenues in FY 2023 by \$238.5 million for the 1 percent local option, \$236.1 million for the school-age population distribution, and \$119.3 million for the Commonwealth Transportation Fund. The loss of the school-age population distribution funding would be partially offset by an increase in state basic aid funding, although this additional aid would be distributed based on the Local Composite Index.

The introduced budget provided for the elimination of the 1.5 percent state portion of the tax on groceries, effective January 1, 2023, with a one-time hold-harmless appropriation in each year of the biennium associated with the school-age population distribution.

Five bills have been introduced to eliminate both the state and local portions of the sales and use tax on groceries and essential personal hygiene products. As introduced [HB 1008 \(Durant\)](#), [SB 571 \(Newman\)](#), and [SB 609 \(DeSteph\)](#) would eliminate the state and local sales tax on groceries and essential personal hygiene products, effective July 1, 2022. As introduced, the bills do not provide for revenue replacement.

[HB 90 \(McNamara\)](#) and [SB 380 \(McDougle\)](#) would eliminate the state and local sales tax on groceries and essential personal hygiene products, effective July 1, 2022. The bills would compensate for the lost revenue by requiring an annual supplemental school payment to be made to each county and city. In FY 2023, this payment would be the amount the county or city received in FY 2022 from the local school age population distribution, plus the amount of local-option sales tax revenue attributable to taxes on groceries and essential personal hygiene products. For FY 2024 and thereafter, the supplemental school payment would be indexed to the growth in sales tax revenues in the county or city. The supplemental school payment revenues are derived from the unrestricted general fund portion of the state sales tax.

A related bill, [SB 451 \(Boysko\)](#), as introduced, would eliminate the sales tax on essential personal hygiene products. As proposed to be amended in Senate Finance and Appropriations on February 2, the bill would eliminate the state portion of the sales tax on groceries and essential personal hygiene products. The 1 percent local option would

be left intact. Committee members indicated that the 1 percent school-age population distribution would be held harmless through the Appropriation Act. The one-half percent for transportation would not be replaced. The bill will be considered again next week to give members additional time to consider the proposed amendments.

VACo encourages members to contact your legislators about these bills.

KEY POINTS

- Sales and use taxes provide significant revenues to local governments that would be extremely difficult to replace based on other revenue sources that are available to localities. While varying by locality, exempting groceries from sales taxes would reduce the taxable sales base by an estimated statewide average of 17 percent.
- **VACo takes no position on the question of elimination of the sales tax on groceries; however, if the state pursues this policy option, localities must be made whole for the lost revenue.**
- Revenue must be replaced on an ongoing basis, via a direct distribution to localities in statute, with a mechanism that allows for growth. An appropriation in the budget each year is not an adequate replacement for these dollars, as it will be vulnerable to caps or reductions in future years.

Bill would impose restrictions on local budget process

[HB 1010 \(Durant\)](#) would impose new restrictions on the local budget process by requiring a referendum if growth in real estate assessments would generate more than 101 percent of the previous year's collections and the locality did not reduce the tax rate accordingly. VACo is opposed to this legislation.

Under current law, when any annual assessment, biennial assessment, or general reassessment of real property by a county, city, or town would result in an increase of 1 percent or more in the total real property tax levied, the locality has two options:

- Reduce the tax rate for the forthcoming tax year so as to produce no more than 101 percent of the previous year's real property tax levies, **OR**
- If deemed necessary by the governing body, a rate that produces more than 101 percent of the previous year's levies may be imposed after conducting a public hearing on the issue. Statutory provisions govern the timing and manner of public notice of the hearing, as well as stipulating the contents of the notice.

VACo opposes this bill, which has been referred to the House Finance Committee. A companion bill, [SB 620 \(Cosgrove\)](#), was passed by indefinitely in the Senate Finance and Appropriations Committee, with the understanding that the issue will be referred to a subcommittee on tax policy, should such a subcommittee be established.

KEY POINTS

- Property taxes are the mainstay of local government revenues, representing approximately 46.4 percent of revenue for cities and 55 percent of revenues for counties in FY 2020. Revenues derived from property taxes fund important shared services, such as K-12 education, public safety, election administration, social services, and behavioral health.
- Local governments are already required by § 58.1-3321 to hear public comment in circumstances when assessments are increasing and the tax rate is not proposed to be reduced accordingly. Local governments are also required to hold a separate public hearing on the proposed local budget. These two venues afford residents the opportunity to provide important feedback about their priorities for public services and how the revenue to fund those services should be raised. Decisions about the tax rate must be weighed along with decisions regarding demands for services and other spending pressures.
- Local elected officials have the ability to provide targeted tax relief to residents with disabilities or who are 65 or older, subject to locally-established income or financial worth limitations.
- Local elected officials are accountable to their constituents for all decisions they make, including the establishment of tax rates and the use of revenues derived from local taxes.

Support needed for jail funding bills

[HB 989 \(Runion\)](#) and [SB 165 \(Peake\)](#) would improve state support for state-responsible inmates being housed in local and regional jails.

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.

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.

Statutory language 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 discretion to the Director to receive offenders based on his or her determination of available housing in the Department. 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. HB 989 has been referred to the [House Public Safety Committee](#); an accompanying budget amendment would provide \$5 million per year for these costs.

SB 165 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. The bill is now before the [Senate Finance and Appropriations Committee](#).

VACo supports these bills and encourages members to register their support with their legislators, particularly members who serve on the House Appropriations or Senate Finance and Appropriations Committees.

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).

Support funding for behavioral health care staffing in jails

In 2019, the General Assembly directed the Board of Corrections (now the Board of Local and Regional Jails) to establish new standards for behavioral health care in local and regional jails. A workgroup recommended a set of standards, which are currently pending before the Board; the workgroup’s rough estimate for costs for jails to comply was \$43 million. The General Assembly also directed the Department of Criminal Justice Services and the Compensation Board to develop cost estimates for meeting the proposed standards, as well as ways these costs could be shared; this report was released in July 2021.

One of the report’s recommendations was the provision of funding through the Compensation Board for an additional 249 positions for behavioral health case managers to be allocated in jails, and an additional 253 partially funded medical/treatment positions that represent the outstanding funding need under Compensation Board staffing standards that are not currently funded or allocated. The Governor’s introduced budget contained \$18 million in FY 2023 and \$19.7 million in FY 2024 to meet the state share of the 253 medical/treatment positions, as well as the 249 behavioral health case manager positions.

VACo supports retaining this funding as an important first step towards providing the resources that will be needed for jails to meet these standards.

KEY POINTS

- State assistance will be vital in ensuring that jails are set up to succeed in meeting these standards. Although the standards are not yet final, individuals with behavioral health conditions are currently incarcerated in local and regional jails and additional staffing would help jails to better meet their needs.
- These positions are only a portion of what will be needed to fully implement the standards. In addition to the case managers and medical/treatment positions, the July 2021 report recommends baseline staffing levels for each facility of 24/7 coverage, either on-site or on-call, by a registered nurse; on-call and regularly

scheduled services from a psychiatric provider; as well as a qualified mental health professional to provide group and individual therapy services.

Helpful legislation would address impacts of mandatory property tax exemptions on local budgets

[SB 360 \(Stuart\)](#) would require the state to reimburse localities for foregone real estate tax revenue where more than one percent of real estate tax base is exempt pursuant to the mandatory property tax exemptions for disabled veterans and their surviving spouses and the surviving spouses of servicemembers killed in action. Under the bill, the state subsidy would represent the amount of real estate tax revenue foregone by the qualifying locality as a result of the mandatory property tax exemptions, excluding the amount attributable to the 1 percent of the tax base that is tax-exempt. The state estimates accompanying the bill indicate that in tax year 2020, localities reported providing \$69 million in real estate tax relief for these exemptions, and 19 localities reported that more than 1 percent of their tax base is exempt; localities reported \$12.6 million in foregone revenue in excess of the one percent threshold. VACo supports this bill, which has been referred to [Senate Finance and Appropriations](#).

Two related measures, [HB 957 \(Tran\)](#) and [HB 1168 \(Watts\)](#), deal with different aspects of these property tax exemptions. HB 1168 provides that taxpayers who are eligible for the exemption are entitled to refunds dating back to the date the exemptions were first enacted (2011 for the disabled veterans and surviving spouse exemption and 2015 for the exemption for surviving spouses of servicemembers killed in action). Refunds for most local taxes extend back only three years. HB 957 allows the real property of a surviving spouse of a servicemember who died in the line of duty with a line of duty determination from the Department of Defense to be classified as a separate class of property; the bill would permit a local governing body to impose a tax on such property at a different rate than imposed on other real property (the rate may not be zero and may not exceed the rate imposed on other real estate). This legislation is an alternative approach to a Constitutional amendment ([HJ 83 \(Tran\)](#)) that would mandate an exemption for this property. A Senate version of this Constitutional amendment was continued to 2023, as this year is traditionally not the beginning of the Constitutional amendment cycle.

Additional finance bills of interest

[HB 267 \(McNamara\)](#)/[SB 12 \(Suetterlein\)](#) allows localities to return surplus personal property tax revenues to taxpayers; currently, this authority is limited to real property tax revenues.

[HB 698 \(Keam\)](#) allows local governments to exempt any class of taxpayers from business license taxes and fees. The exemption must be uniform upon taxpayers operating in the same line of business, employment, or profession.

[HB 791 \(McNamara\)/SB 513 \(McPike\)](#) provides that if data center fixtures are taxed as part of the real property where they are located, they must be valued based on the cost approach.

[HB 911 \(Orrock\)](#) allows a local governing body to provide a credit against local taxes and fees for an individual who provides approved volunteer services in the locality. Credits could not be applied against real or personal property taxes.

[HB 996 \(Webert\)](#) allows the owner of a majority interest in an undivided parcel of real estate that is eligible for land use assessment to apply to participate in the land use assessment program on behalf of himself and for owners of any minority interest.

[HB 1239 \(Scott. P.\)/SB 771 \(Stuart\)](#) establishes a separate classification of tangible personal property for rate purposes for certain automobiles, trucks, motor vehicles for use by individuals with disabilities, motorcycles, mopeds, all-terrain vehicles, off-road motorcycles, campers, and other recreational vehicles. The bill is intended to allow this property to be subject to a different rate than the rate for general tangible personal property.

General Government Steering Committee

Conflict of interest bills

[HB 626 \(Roem\)](#) creates new and more stringent land use disclosure requirements for certain local government officials. These requirements apply to the governing body, the planning commission, and the board of zoning appeals in any proceeding before each such body involving an application for a special exception or variance or involving an application for amendment of a zoning ordinance map, which does not constitute the adoption of a comprehensive zoning plan, an ordinance applicable throughout the locality, or an application filed by the governing body that involves more than 10 parcels that are owned by different individuals, trusts, corporations, or other entities. Members of these public bodies shall, prior to any hearing on the matter or at such hearing, make a full public disclosure of any business or financial relationship that such member has, or has had within the 12-month period prior to such hearing. Business or financial relationship is defined in the bill and includes the receipt by the member, or by any person, firm, corporation, or committee in his behalf, from the applicant in the case or from the title owner, contract purchaser, or lessee of the subject land, except, in the case of a condominium, with the title owner, contract purchaser, or lessee of 10 percent or more of the units in the condominium, or from any of the other persons above specified, during the 12-month period prior to the hearing in such case, of any gift or donation having a value of more than \$100, singularly or in the aggregate.

If at the time of the hearing in any such case, such member has a business or financial interest with the applicant, that member shall, prior to any hearing on the matter or at such hearing, make a full public disclosure of such a business or financial interest or employee-employer, agent-principal, or attorney-client relationship and shall be ineligible to vote or participate in any way in such case or in any hearing thereon.

KEY POINT

- The existing provisions of the state and local government conflict of interests act in state law are adequate. This bill, which currently only applies in one or two jurisdictions, is not needed statewide.

VACo supports [HB 216 \(Simonds\)](#) and [SB 57 \(Locke\)](#), which exempt from the definition of gift, tickets and registration or admission fees to an event that are provided by an agency to its own officers or employees for the purposes of performing official duties related to the officer's or employee's public service.

KEY POINT

- There is no conflict when these items are exchanged among members of the same governmental entity and the item involves performing official duties. This is a helpful clarifying piece of legislation.

Local lobbyist registration

[SB 224 \(McPike\)](#) creates a new requirement of registration for individuals who lobby local government officials. The bill requires any individual who is compensated to influence or attempt to influence a local government action through oral or written communication with a local government officer or employee to provide written notice of his status and a \$25 fee to the clerk of the governing body of the officer's or employee's locality. The bill exempts from this requirement (i) certain executive and legislative officials and employees, (ii) local government employees or officers acting in their official capacity, (iii) contractors or employees of a contractor performing services for the local government, and (iv) an attorney clearly identified on a land use application. Failure to provide notice is a Class 1 misdemeanor.

Bills would provide for recall referendum process

[HB 972 \(Simon\)](#) and [SB 495 \(McClellan\)](#) significantly revise the current process for removal of public officers from office.

Under current law, office is forfeited for a felony conviction or offense requiring registration on the Sex Offender and Crimes Against Minors Registry, and an office is deemed vacant when an officeholder is determined to be incapacitated by a judicial proceeding. In addition, a circuit court may remove any elected officer or officer who has been appointed to fill an elective office, a process that is triggered by receipt of a petition that must be signed by a number of registered voters representing 10 percent of the total number of votes cast at the last election for the office. Grounds for removal include neglect of duty, misuse of office, incompetence in the performance of duties when that neglect, misuse of office, incompetence has a material adverse effect; conviction of a misdemeanor involving certain drug offenses; conviction of a hate crime when the conviction has a material adverse effect upon the conduct of the office; and conviction of certain sex crimes. An appointed officer may be removed upon a petition to the circuit court signed by the person or a majority of the members who appointed the officer. When the petition for removal is filed with the court, the court must issue a rule requiring the officer to show cause as to why he should not be removed. The case is tried (the officer may demand a trial by jury), with the Commonwealth's attorney representing the Commonwealth. If the officer is determined to be subject to removal,

he or she is removed from office. The court's decision is appealable to the Court of Appeals.

Under HB 972/SB 495 as introduced, appointed officers would be subject to the same process for removal as in current Code. For elected officers and officers appointed to fill an elective office, a vacancy occurs when a person is determined to be incapacitated by a judicial proceeding; an officer is also subject to recall upon a petition signed by a number of qualified voters equal to 30 percent of the total number of votes cast at the last election for the office. The grounds for recall are conviction of a crime against a locality served by the office that occurred during the official's term of office, or conviction of a felony or an offense requiring registration as a sex offender.

In order to begin the recall referendum process, a person must apply to the general registrar to circulate a recall petition. To file an application, at least 100 official sponsors, or 10 percent of the number of individuals who voted in the last election for the office, are required, and a recall petition application cannot be submitted during the first 180 days or the last 180 days of the officer's term. The registrar must notify the public officer and determine the legal sufficiency of the application and veracity of the grounds for recall. Upon certifying the application, the registrar shall issue official recall petition forms and notify the public officer. A completed recall petition is to be filed with the general registrar. Upon determination of the sufficiency of the petition, the registrar must notify the petition chairman and public officer and file certification with the circuit court. Within five days of certification of the sufficiency of the petition for recall, the court must order election officials to conduct a recall referendum. The referendum must be held not less than 90 days not more than 150 days from the date of the order. If the majority of votes are for recall and removal, the office becomes vacant. If a majority votes against recall and removal, the officer would continue in office and is not subject to another referendum for recall on the same grounds. HB 972 has been referred to [House Privileges and Elections](#); SB 495 was reported by Senate Privileges and Elections on February 1 and referred to [Senate Finance and Appropriations](#).

Other elections bills of interest

[HB 54 \(Greenhalgh\)](#)/[HB 398 \(Freitas\)](#)/[HB 927 \(Robinson\)](#) provides that absentee ballots processed at a central absentee precinct must be sorted by the precinct to which the voter who cast the absentee ballot is assigned and that the resulting vote totals from such ballots must be reported separately for each voter precinct. Related bills [HB 441 \(Sewell\)](#) and [SB 3 \(Suetterlein\)](#) (as reported by Senate Privileges and Elections) require general registrars to report to the Department of Elections the number and results of absentee ballots cast by voters assigned to each precinct. Results from absentee voting and voting at the precinct on election day are to be reported separately, except when it is necessary to preserve the secrecy of the ballot.

[HB 205 \(Wachsmann\)](#)/[SB 80 \(Stanley\)](#) bars the State Board of Elections, the Department of Elections, local electoral boards, and general registrars from soliciting or

accepting money, grants, property, or services from a private individual or nongovernmental entity for voter education and outreach programs, voter registration programs, or any other expense incurred in the conduct of elections. The bills exclude the operation of a polling place or voter satellite office from this prohibition; as amended in Senate Privileges and Elections, SB 80 would also exclude acceptance of a federal government grant funded by donations from private individuals or nongovernmental entities.

[HB 195 \(Ransone\)](#) allows a general registrar or a local governing body to request a waiver from the Department of Elections to establish a polling place that does not meet the location requirements in Code (being located within the precinct or within one mile of the precinct boundary) in the event that there is no suitable building that meets the location requirements. The Department could impose conditions on the waiver to ensure accessibility and security of the polling place.

[SB 370 \(Bell\)](#) requires risk-limiting audits to be conducted by local electoral boards and general registrars on a schedule such that each locality conducts an audit at least once every five years. The bill also requires risk-limiting audits to be conducted for randomly selected races for certain offices in specified years. The bill has a delayed effective date and requires a work group to be convened to develop a process and timeline for implementing risk-limiting audits of statewide contests.

[SB 744 \(Vogel\)](#) creates the Virginia Elections Commission as an advisory commission in the legislative branch to study, report, and make recommendations on matters related to elections administration.

[SJ 33 \(McClellan\)](#) directs the Joint Legislative Audit and Review Commission to conduct a study on the election governance structure in the Commonwealth

Freedom of Information Act

[HB 150 \(March\)](#) requires, with certain exceptions outlined in the bill, any local public body subject to the provisions of the Freedom of Information Act to post meeting minutes on its official public government website, if any, within seven working days of final approval of the minutes. The bill provides that if a local public body does not own or maintain an official public government website, it shall make copies of all meeting minutes available no later than seven working days after the approval of the minutes, at a prominent public location in which meeting notices are regularly posted, at the office of the clerk of the public body, or, in the case of a public body that has no clerk, at the office of the chief administrator.

[HB 307 \(Freitas\)](#) provides that a public body subject to the Virginia Freedom of Information Act shall make all reasonable efforts to supply records requested by a

citizen at the lowest possible cost. The bill also requires a public body to notify the requester in writing of any estimated costs for the supplying of requested records prior to conducting a search for such records.

Electronic Meetings

VACo supports [HB 444 \(Bennett-Parker\)](#) and [SB 214 \(McPike\)](#), which amend existing provisions concerning electronic meetings by keeping the provisions for electronic meetings held in response to declared states of emergency, repealing the provisions that are specific to regional and state public bodies, and allowing public bodies to conduct virtual public meetings under certain circumstances in non-emergency times.

KEY POINTS

- This bill allows electronic meetings for all public bodies during non-emergency time up to 25 percent of meetings or two times annually (whichever is greater) upon passage of local policy.
- Allows public to attend electronically and participate.

VACo supports [HB 980 \(Williams Grave\)](#), which adds email addresses as information that, when made in confidence to the local governing body, with respect to complainants in local investigations are exempt from disclosure under the Virginia Freedom of Information Act. The bill also adds local public health and safety, nuisance, and waste and recycling complaints to the list of complainants whose personal information is exempt from disclosure.

KEY POINT

- This bill exempts from disclosure personal information from citizens who notify the locality about possible local code violations.

Overtime Wage Legislation

Legislation enacted by the 2021 General Assembly created the Virginia Overtime Wage Act, which was intended to allow workers to pursue overtime claims against their employers in state court, as opposed to having to go through the time and expense of seeking restitution in federal court. However, the Virginia Department of Labor and Industry (DOLI) interpreted the legislation to eliminate the long standing FLSA provision that allows state and local public employers the flexibility to provide “comp time” in lieu of overtime pay to employees and instead require payment of cash wages pursuant to the Fair Labor Standards Act. This would have major fiscal and scheduling

implications for both state and local governments. The fallout from not being able to provide compensatory time may cause local governments and the state to adopt major overhauls of their use of overtime which will impact their ability to deliver vital services and provide flexibility to their employees.

Several bills and budget amendments have been filed that address this issue going forward:

- **At VACo's request**, [HB 1143 \(Byron\)](#) and [SB 365 \(Stuart\)](#), were introduced to specify in the Code of Virginia that public agencies, as defined under the Fair Labor Standards Act (FLSA) may provide an employee compensatory time in lieu of overtime compensation in accordance with the relevant provisions of FLSA. Delegate Byron and Senator Stuart also introduced [budget amendments](#) at VACo's request as a "belts and suspenders" approach should the legislation run into difficulty or fail to be enacted. HB 1143 has been referred to the House Commerce and Energy Committee, while SB 365 has reviewed by the Senate Commerce and Labor Committee's Labor and Employment Subcommittee where it has been considered to be incorporated into similar legislation.
- [HB 1173 \(Ware\)](#) and [SB 631 \(Barker\)](#), are similar bills that amend to the code to remove the provisions of the Virginia Overtime Wage Act that led to the DOLI interpretation eliminating the ability of public agencies to provide comp time in lieu of wages time by public agencies. **VACo supports these bills as well.** HB 1173 reported from House Commerce and Energy by a vote of 17-4. SB 631 been assigned to the [Senate Commerce and Labor Committee's Labor and Employment Subcommittee](#).

Public notice bills

VACo supports [HB 167 \(Ransone\)](#), which provides that in any instance in which a locality has submitted a correct and timely notice request to a newspaper and the newspaper fails to publish the notice, or publishes the notice incorrectly, such locality shall be deemed to have met the appropriate notice requirements so long as the notice was published in the next available edition of a newspaper having general circulation in the locality.

KEY POINT

- The bill helps localities who have met the public notice requirements but may face a delay because of errors by the newspaper in publishing the notice.

VACo supports [SB 417 \(Stanley\)](#) and [HB 1131 \(Williams\)](#), which direct the Virginia Code Commission to convene a work group to review requirements throughout the Code

of Virginia for localities to provide public notice for intended actions and events, including (i) the varying frequency for publishing notices in newspapers and other print media, (ii) the number of days required to elapse between the publications of notices, and (iii) the amount of information required to be contained in each notice, and make recommendations for uniformity and efficiency.

The bills require the Commission to submit a report to the Chairs of the House General Laws Committee and the Senate General Laws and Technology Committee summarizing the work and any recommendations of the work group by November 1, 2022.

KEY POINT

- The bill was requested by VACo, VML and the Virginia Press Association and will provide a much-needed vehicle for working towards more uniform and streamlined provisions for providing public notice.

Sovereign immunity bill

VACo opposes [HB 609 \(Bourne\)](#), which is very detrimental to localities. This bill creates a civil cause of action for the deprivation of any rights, privileges, or immunities pursuant to the constitutions and laws of the United States and the Commonwealth due to the acts or omissions of either a public employer or its employee and provides that a plaintiff may maintain an action to establish liability and recover compensatory damages, punitive damages, and equitable relief against the public employer and its employee. The bill provides that sovereign immunity is not a defense to such an action. The bill further provides that public employers owe a duty of reasonable care to third parties in the hiring, supervision, training, retention, and use of their employees and that a person who claims to have suffered injury or sustained damages caused, in whole or in part, by a breach of this duty may maintain an action to establish liability and recover compensatory damages, punitive damages, and equitable relief against such public employer.

KEY POINTS

- This bill would expose public employees to increased litigation.
- Individual employees could be personally liable for up to \$10,000.
- The bill will have a chilling effect on hiring public employees of all types.
- This bill would increase litigation against public bodies and increase insurance costs.

[HB 384 \(Davis\)](#) seeks to protect state and local government employees from being required to take actions incompatible with their deeply held beliefs, values, or conscience and protects them from being penalized for expressing opinions in opposition to or approval of official government policy.

KEY POINT

- This bill will make it difficult to assure adequate coverage of public services at every level.

Cemetery bills cause concern and add responsibility to localities

[HB 615 \(Roem\)](#), which passed a subcommittee of House General Laws, provides that no cemetery owned by a county or city shall be sold to a private owner unless the county or city has made a good faith effort to ensure, prior to sale, that the ownership of such cemetery is vested in the estate of the last owner of record or that permission for the sale has been granted by the family members or descendants of such owner. This may result in the inability of a locality to ever sell the land.

[HB 961 \(Roem\)](#) requires every locality to adopt an ordinance setting forth a register of identified cemeteries, graveyards, or other places of burial located on private property not belonging to any memorial or monumental association. The bill provides that the official local register shall include an official map and that both the register and map shall be available on the locality's website if one exists. The bill also provides that the governing body shall publish a notice in a newspaper having general circulation in the locality at least two weeks prior to the sale of any property on such registry, or as soon thereafter as possible, and shall also publish the notice on the locality's website if one exists.

Unfunded Mandate requires locality to supplement Public Defender salaries

VACo opposes [SB 282 \(Ebbin\)](#) and [HB 862 \(Lopez\)](#), which mandate that local governments supplement public defenders' salaries if they supplement the salaries of Commonwealth's Attorneys' offices. Similar to legislation that failed in 2020, VACo opposes these bills that require that the governing body of any County or City that supplements the compensation of the Attorney for the Commonwealth, or any of their deputies or employees, above the salary of any such Attorney of the Commonwealth, deputy, or employee, to proportionally supplement the compensation of the public defender, or any of his deputies or employees.

SB 282 passed Senate Judiciary on an 8-7 vote and has been sent to the [Senate Finance and Appropriations Committee](#). HB 862 will be heard in [House Counties, Cities and Towns](#).

KEY POINTS

- If a locality supplements its Commonwealth's Attorney's Office salaries, this unfunded mandate requires that they also similarly supplement Public Defenders' salaries.
- Public Defenders are not local employees but are state employees and as such should be adequately compensated by the state.

Health and Human Resources Steering Committee

Support legislation that would provide local flexibility for Marcus Alert implementation

[SB 361 \(Stuart\)](#), as reported by the Senate Education and Health Committee, would provide local flexibility for smaller jurisdictions with respect to participation in the Marcus Alert system by allowing localities with populations of less than 80,000 to participate at local option.

This system was created via legislation passed in special session in 2020, and generally seeks to ensure that the behavioral health system responds to behavioral health crises to the extent possible, and that when law enforcement must be the first responders, the response is specialized and informed by additional training. As part of the 2020 legislation, localities are required to develop a plan by July 1, 2022, that outlines protocols for transferring calls from 911 to the 988 regional call centers (these protocols must integrate a framework to triage urgency that was developed by a statewide working group in 2021), protocols for law enforcement who will serve as backup to regional mobile crisis teams, and protocols for a specialized response from law enforcement when responding to a behavioral health emergency. Localities must also outline their plans for achieving community coverage through the four-level urgency framework, with some localities expected to rely on mobile crisis teams developed through the Department of Behavioral Health and Developmental Services and deployed on a regional basis, while others may provide additional teams to ensure faster response times. The first five Community Services Boards were required to implement protocols and ensure community coverage by December 1, 2021, with the following five areas implementing community coverage by July 1, 2023, and additional areas implementing in 2024, 2025, and 2026, with statewide coverage achieved by July 1, 2026.

A companion bill in the House, [HB 1191 \(Ransone\)](#), has been referred to the [House Public Safety Committee](#). This bill mirrors the original form of SB 361, which would have made participation optional for all localities. It also includes a requirement for the Department of Behavioral Health and Developmental Services to include in its annual report an analysis of the barriers to establishment of local Marcus alert programs in localities that have opted not to participate, and a plan for addressing these barriers. SB 361 is on the Senate floor. HB 1191 is in the House Public Safety Committee.

KEY POINTS

- Providing local flexibility would allow more time for the continued build-out of community-based crisis services that are essential in achieving the intended result of the Marcus Alert initiative.

- Additional local flexibility would also allow more time to determine whether the state funding provided to support local Marcus Alert programs to date is sufficient and to adjust accordingly.

Bills seek to reduce law enforcement involvement in mental health transports

Several helpful bills have been introduced that are intended to reduce the time spent by law enforcement in transporting individuals subject to emergency custody orders (ECOs) or temporary detention orders (TDOs) or waiting with individuals for an available bed. The bills take a variety of approaches to the issue but are all intended to reduce the pressures on law enforcement associated with this responsibility.

- [HB 159 \(Byron\)](#) requires a facility to which a minor or adult who is subject to an ECO or TDO is transported to take custody of the minor or adult. The bill requires the primary law-enforcement agency to provide transportation for involuntary admissions (unless an alternative transportation provider is approved by the judge or special justice), rather than the sheriff, as specified in current Code.
- [HB 1147 \(Bell\)/SB 682 \(Deeds\)](#) provides that if a TDO specifies a state facility and no bed is immediately available for the individual subject to the order, an available employee or designee of the state facility may assume custody of the individual and transport the person to the state facility. If no employee or designee is available, the person remains in law enforcement custody until custody is transferred to the state facility; an employee or designee is considered unavailable if all state funds for alternative custody have been expended.
- [SB 202 \(Newman\)](#) directs the Secretary of Health and Human Resources and the Secretary of Public Safety and Homeland Security to study options to increase the use of alternative custody arrangements for individuals who are subject to an emergency custody or temporary detention order.
- [SB 268 \(Favola\)](#), as considered in subcommittee this week, directs magistrates or judges issuing ECOs to consider all options for alternative transportation and to designate law enforcement as the transportation provider if no alternative transportation provider is available. The bill allows an employee or contractor of the Department of Behavioral Health and Developmental Services (DBHDS) to be an alternative transportation provider. During the ECO process, if a magistrate or a court orders alternative transportation, the bill requires the alternative transportation provider to maintain custody until an evaluation is conducted and custody is transferred pursuant to a TDO or the person is released. For TDOs, the bill allows the primary law-enforcement agency to

transfer custody of the person to the alternative transportation provider immediately upon execution of the TDO, and requires the alternative transportation provider to maintain custody until the person is transferred to the facility of temporary detention. [SB 176 \(Peake\)](#), [SB 650 \(Hanger\)](#), and [HB 1037 \(Sewell\)](#) are similar.

- [SB 593 \(Newman\)](#) allows auxiliary police officers to execute ECOs and provide transportation for individuals subject to ECOs or TDOs. The bill contains similar provisions regarding transfer of custody to alternative transportation providers as in HB 1037, SB 176, SB 650, and SB 268.
- It would also be helpful for members to support the funding included in the introduced budget (\$1.9 million GF/year) to fund the remaining costs for implementing the existing contract for alternative transportation to ensure 24/7 coverage on a statewide basis. The budget also contains a proposed \$3.4 million GF in FY 2024 to fund a plan to increase alternative custody options for individuals under a TDO who are awaiting transportation to an inpatient bed (budget language directs DBHDS to develop this plan).

Other Health and Human Resources Bills of Interest

[HB 191 \(Hodges\)](#) creates the position of Special Advisor to the Governor for Health Workforce Development and tasks the Special Advisor with coordinating efforts to expand the health workforce. The bill directs the Virginia Health Workforce Development Authority to work with an institution of higher education in the Commonwealth on efforts to develop the health workforce in the Commonwealth, and establishes the Virginia Health Workforce Development Fund, which will be used to support the Authority and to make grants to regional health workforce development initiatives.

[HB 624 \(Roem\)](#) directs the Department of Behavioral Health and Developmental Services to establish a workgroup to address the behavioral health safety net workforce shortage in Virginia, with a report due by November 1, 2022.

[HB 716 \(Gooditis\)](#)/[SB 307 \(Mason\)](#) requires local boards of social services, upon receiving a request from a child's relative to become a kinship foster parent, to provide the relative with an application to become a kinship foster parent within 15 days. If a relative's application is denied, the local board must provide an explanation of the reasons for denial as well as information regarding how to file an appeal. The bill allows relatives to file an appeal regarding such decisions with the Commissioner of Social Services.

[SB 56 \(Favola\)](#) establishes a Foster Care Prevention Program that would enable the provision of payments to a relative who has custody of a child pursuant to a court order when the child's parent or guardian voluntarily placed the child with the relative, and when the placement with the relative averted the local department's likely petition to remove the child from the parent or guardian's home due to an imminent risk of child abuse or neglect. The bill directs the Board of Social Services to promulgate regulations to implement the bill, which may include provisions governing how payments are prioritized based on available funding. Payments to the relative would be made pursuant to an agreement with the local department and the Department of Social Services.

[SB 192 \(Mason\)](#) allows individuals with a master's or doctoral degree in the area of public health who have at least three years of relevant experience, or who are otherwise qualified as determined by the Commissioner of Health, to serve as local health directors. Currently, a local health director must be a physician. The bill provides that if a local health director is not a physician, the local health director must enter into a consulting agreement with a physician to perform duties that require a physician to perform, such as prescribing.

[SB 356 \(Stuart\)](#) allows students who transfer from an approved private school special education program to a public school special education program in Stafford County to qualify for Children's Services Act funding when the public school special education program can offer comparable services and the student would require a private placement but for the availability of the public school special education program.

[SB 396 \(Edwards\)](#) provides that the juvenile and domestic relations or circuit court may review a foster care placement decision made by a local department of social services. The bill also adds certain requirements to a foster care plan, including an assessment of the stability of each placement, the services provided or plans for services to be provided to address placement instability or to prevent disruption of the placement, and a description of other placements that were considered for the child, if any, and reasons why such other placements were not provided, and stipulates elements to be considered by the court in determining the best interests of the child.

Transportation Steering Committee

Transportation Budget Proposals and Revenue Bills Under Consideration

VACo supports continued study and action to address the causes for declining growth in transportation revenues and to develop recommendations to grow revenue over time to meet increasing demands for new construction and maintenance for existing transportation infrastructure. Such action must address the secondary road needs of counties throughout the Commonwealth.

Governor Northam's [Proposed Budget for the 2022-2024 Biennium \(HB 30\)](#) contains proposals that:

- Provides \$207.2 million in General Funds in FY 2023 to support the planning, development, and construction of multi-use trails in the Commonwealth to include the Fall Line Trail in central Virginia, the Shenandoah Valley Rail-Trail, and the Eastern Shore Rail Trail
- Provides \$30 million in additional funds to the Revenue Sharing Program in FY 2022.
- Provides \$197.3 million in FY 2023 and \$208.1 million in FY 2024 to the Revenue Sharing Program. This increases funding in each year by approximately \$100 million, which could be used to expedite restoration of revenue sharing funds delayed by the General Assembly and Commonwealth Transportation Board (CTB) in order to respond to the pandemic. Such action would still require CTB approval. VACo supports this funding and action.
- Directs the CTB to develop a plan for the allocation of funds made available through a bridge replacement, rehabilitation, preservation, protection, and construction program established pursuant to the Infrastructure Investment and Jobs Act.
- Specify that bus manufacturers that offer to sell, display, or permit the display of sale of transit buses in Virginia are not required to obtain a manufacturers' and dealers' license from the Virginia Department of Motor Vehicles. This allows Virginia to utilize the Federal Transit Administration's bus procurement program. VACo supports this language.

[Legislation](#) from 2020 made significant reforms to Commonwealth Transportation Fund and increased revenue streams to fund transportation needs after several years of

slowing growth in transportation revenue. Several bills seek to roll back some of the changes made by the 2020 General Assembly and would have an impact on transportation revenues going forward if they were to be enacted.

Transportation bills of interest

[HB 1144 \(Webert\)](#) and [SB 541 \(Peake\)](#), would lower the rate of tax on gasoline and diesel fuel on July 1, 2022 by five centers, from 26.2 cents per gallon to 21.2 cents per gallon on gasoline and from 27 cents per gallon to 20.2 cents per gallon on diesel fuel, the rates that were in effect before July 1, 2021. The bills provide that the rate of tax on gasoline and diesel fuel will return to 26.2 and 27 cents per gallon, respectively, on July 1, 2023, and will be indexed based on the change in the United States Average Consumer Price Index; thereafter, the rate will be indexed annually. If enacted, these bills would likely have an estimated impact of approximately \$200 million in reduced revenues to the Commonwealth Transportation fund, as each penny of gas tax roughly equates to \$40-\$50 million in revenue.

[HB 297 \(McNamara\)](#), would suspend the imposition of any regional fuels tax in the Commonwealth on and after July 1, 2022, but before July 1, 2023. This would likely have a multi-million-dollar impact on the Construction District Grant Program and would impact dedicated revenues for use by localities not located in the regional transportation districts of Northern Virginia, Hampton Roads, Central Virginia, and the I-81 corridor.

[HB 1059 \(Cordoza\)](#) would suspend the imposition and collection of state and regional taxes on gasoline and diesel fuel until July 1, 2023. This bill would likewise have a multi-million-dollar impact on transportation revenues.

VACo Supports Restoration of Recordation Tax Distributions

[HB 978 \(Durant\)](#) would reestablish the distribution of \$20 million of state recordation tax revenue to counties and cities to be used for transportation or public education purposes. Legislation enacted by the 2020 General Assembly included changes to the distribution of state recordation tax revenues to cities and counties which effectively eliminated \$20 million in existing recordation tax revenues distributed to cities and counties. These revenues were instead redirected to support Hampton Roads Regional Transit. This funding was distributed quarterly and could be used by counties and cities for either transportation or public education (K-12) purposes. Prior to the 2020 General Assembly session, a portion of recordation tax revenues had been distributed to localities since 1993 and localities had direct control over the transportation and education use of these funds. VACo supports a solution whereby these funds could be restored to localities while also holding Hampton Roads Transit harmless, as was the

case with several member budget amendments during the 2021 session. Delegate Durant has introduced an accompanying budget [amendment](#) to achieve this end. In the Senate, [SB 363 \(Stuart\)](#) and [SB 512 \(Suetterlein\)](#) were passed by indefinitely by Senate Finance on a vote of 12-4.

Abbreviated Schedule of Committee Meetings

02/03/22	7 a.m.	Legislative Sportman's Caucus; 200-B Subcommittee Room, Pocahontas Building
	7:30 a.m.	House Counties, Cities and Towns - Subcommittee #2; Shared Committee Room, Pocahontas Building (subcommittee info)
	7:30 a.m.	House Health, Welfare and Institutions - Subcommittee #2; House Committee Room, Pocahontas Building (subcommittee info)
	7:30 a.m.	House Public Safety - Subcommittee #2; House Room 1, The Capitol (subcommittee info)
	8 a.m.	Senate Education and Health; Senate Room A, Pocahontas Building (committee info)
	8 a.m.	House Transportation - Subcommittee #4; House Room 3, The Capitol - (Provide Comment) (subcommittee info)
	8 a.m.	Senate Agriculture, Conservation and Natural Resources - Companion Animals Subcommittee; Subcommittee Room 2, 5th Floor, Pocahontas Building (subcommittee info)
	9 a.m.	House Transportation; House Room 3, The Capitol (committee info)
	10 a.m.	House Health, Welfare and Institutions; House Committee Room, Pocahontas Building (committee info)
	10 a.m.	Senate Commerce and Labor - Labor and Employment Subcommittee; Subcommittee Room #1, 5th Floor, Pocahontas Building (subcommittee info)
	11 a.m.	House Republican Caucus; House Room 1, The Capitol
	11 a.m.	House Democratic Caucus; House Room 2, The Capitol
	11 a.m.	Senate Democratic Caucus; Senate Room 1, The Capitol
	11:30 a.m.	Senate Republican Caucus; Senate Room 2, The Capitol
	2 p.m.	House Commerce and Energy; House Committee Room, Pocahontas Building - 1/2 hour after adjournment of House (committee info)
	Adj C & E	House Commerce and Energy - Subcommittee #2; House Committee Room, Pocahontas Building - Immediately upon adjournment of full committee (subcommittee info)
	15 min aft	Senate Transportation; Senate Room 3, The Capitol - 15 minutes after adjournment (committee info)
	15 min aft	House General Laws; House Room 3, The Capitol - 15 minutes after adjournment of House (committee info)
	Adj GL	House General Laws - Subcommittee #2; House Room 3, The Capitol - Immediately upon adjournment of full committee (subcommittee info)

	Aft Sub #2	House General Laws - Subcommittee #1; House Room 3, The Capitol - 15 minutes after adjournment of Subcommittee #2 (subcommittee info)
	3 p.m.	Senate Finance and Appropriations - K-12 Education Subcommittee; Subcommittee Room #1, 5th Floor, Pocahontas Building (subcommittee info)
	4 p.m.	House Appropriations - Compensation and Retirement Subcommittee; 6th Floor Speaker's Conference Room, Pocahontas Building (Provide Comment) (subcommittee info)
	4 p.m.	House Public Safety - Subcommittee #1; House Room 1, The Capitol (subcommittee info)