

Capitol Contact

Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219
www.vaco.org • 804.788.6652

Friday, April 12, 2024

Governor Vetoes School Construction Financing Bills

Contact Your Delegates and Senators Now to Support Override Vote!

On Monday night, April 8, Governor Youngkin vetoed [HB 805 \(Rasoul\)](#) and [SB 14 \(McPike\)](#), which passed the House and Senate with broad bipartisan support and at least two-thirds of each chamber voting in favor of the bills ([71-26](#) and [27-13](#), respectively). This was in large part due to the support of VACo members and numerous other local government and K-12 advocates who testified in favor of the legislation. VACo [encouraged](#) the Governor to support this legislation.

ACTION REQUIRED – Call your [Delegates](#) (2-Part Email List – [Delegates 1](#) | [Delegates 2](#)) and [Senators](#) NOW to urge them to continue to support HB 805 and SB 14.

VACo **REQUESTS** that members contact their Delegates and Senators and stress the importance of their continued support of this legislation as it returns to the General Assembly for the Reconvened Session on Wednesday, April 17. VACo Members – please urge your legislators to vote in favor of passing this legislation that will have a positive impact on many communities and families.

As previously [reported](#), these bills would permit any county or city to impose an additional local sales and use tax of up to 1 percent, if initiated by a resolution of the

local governing body and approved by voters at a local referendum. The revenues of such a local tax would be used solely for capital projects for the construction or renovation of schools. Localities that choose to exercise this authority, if approved by voter referendum, may use the revenues from such authority for school capital debt payments.

KEY POINTS

- Currently, this authority is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville. Eight of these localities have opted to, and successfully passed, voter referendums to use this authority for capital projects.
- It has been an absolute game changer for these localities. Some examples include, but are not limited to:
 - Halifax County is constructing a brand-new High School to replace their 50-plus-year-old, crumbling facility.
 - The City of Danville has been able to schedule a major renovation of Forest Hills Elementary school, which was built during the Great Depression.
 - Gloucester High School expects completion of a major multiyear, multi-phase renovation in 2025.
 - Henry County will begin work on multiple schools, including renovating a school built in 1927.
- These bills do not require any locality to raise additional revenues unless the locality's elected leaders and its citizens vote to do so through voter referendum. This gives parents and citizens a voice in how their children's schools are funded.
- No child in Virginia should have to go to a school with a leaky roof, an insufficient HVAC system, or one that was built prior to World War I. Every child deserves to go to a safe and modern school.

VACo Members – Please contact your [Delegates](#) (2-Part Email List – [Delegates 1](#) | [Delegates 2](#)) and [Senators](#) today. Their support is critical to ensuring that the Commonwealth empowers local governments, parents, and citizens to provide that every child goes to a safe and modern school.

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

U.S. EPA Finalizes First-Ever Enforceable Limits of PFAS in Drinking Water

On April 10, 2024, the U.S. Environmental Protection Agency (EPA) announced the final National Primary Drinking Water Regulation (NPDWR) for six PFAS. This is the first-ever national, legally enforceable drinking water standard designed to protect communities from exposure to harmful per- and polyfluoroalkyl substances (PFAS), also known as “forever chemicals.” According to the EPA, the final rule will reduce PFAS exposure for approximately 100 million people, prevent thousands of deaths, and reduce tens of thousands of serious illnesses.

This new regulation establishes legally enforceable levels, called Maximum Contaminant Levels (MCLs), for six PFAS in drinking water. The six PFAS are: PFOA, PFOS, PFHxS, PFNA, and HFPO-DA as contaminants with individual MCLs, and PFAS mixtures containing at least two or more of PFHxS, PFNA, HFPO-DA, and PFBS using a Hazard Index MCL to account for the combined and co-occurring levels of these PFAS in drinking water. The EPA also finalized health-based, non-enforceable Maximum Contaminant Level Goals (MCLGs) for these PFAS.

Compound	Final MCLG	Final MCL (enforceable levels)
PFOA	Zero	4.0 parts per trillion (ppt) (also expressed as ng/L)
PFOS	Zero	4.0 ppt
PFHxS	10 ppt	10 ppt
PFNA	10 ppt	10 ppt
HFPO-DA (commonly known as GenX Chemicals)	10 ppt	10 ppt
Mixtures containing two or more of PFHxS, PFNA, HFPO-DA, and PFBS	1 (unitless) Hazard Index	1 (unitless) Hazard Index

The final rule requires:

- Public water systems must monitor for these PFAS and have three years to complete initial monitoring (by 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of these PFAS in their drinking water beginning in 2027.
- Public water systems have five years (by 2029) to implement solutions that reduce these PFAS if monitoring shows that drinking water levels exceed these MCLs.

- Beginning in five years (2029), public water systems that have PFAS in drinking water which violates one or more of these MCLs must take action to reduce levels of these PFAS in their drinking water and must provide notification to the public of the violation.

The EPA estimates that between 6% and 10% of the 66,000 public drinking water systems subject to this rule may have to take action to reduce PFAS to meet these new standards. The agency has also published a [toolkit of communications resources](#) to help drinking water systems and community leaders educate the public about PFAS, where they come from, their health risks, how to reduce exposure, and about this rule.

The EPA is holding three informational webinars for communities, water systems, and other drinking water professionals about the final PFAS rule.

- **April 16, 2024 (2-3pm) [Webinar Registration: General Overview of PFAS NDPWR for Communities](#)**
- **April 23, 2024 (2-3pm) [Webinar Registration: Drinking Water Utilities and Professionals Technical Overview of PFAS NDPWR](#)**
- **April 30, 2024 (2-3:30pm) [Webinar Registration: Small Drinking Water Systems Webinar Series on Final PFAS NDPWR and PFAS Drinking Water Treatment](#)**

For more information on the final rule and to access other supporting materials, click [here](#).

VACo Contact: [James Hutzler](#)

Governor Vetoes Bill to Expand Optional Affordable Dwelling Unit Program to All Localities

[SB 597 \(McPike\)](#) expands to all localities the ability to provide optional increases in density to meet affordable housing needs in the Commonwealth. Currently this authority is only provided to seven jurisdictions and has proven successful in developing affordable housing units where developers have chosen this option. The legislation also lays out additional implementation measures and tools for localities to consider when developing a successful program. These include lot size reductions, accessory housing unit allowances, conversion of vacant office and commercial space to multi-family apartments, and allowance for lower-cost home construction alternatives such as manufactured homes and duplex manufactured homes.

VACo supports SB 597 and notes that it also requires a locality, before adopting a program, to create an advisory committee of stakeholders that includes residents, developers, real estate professionals, affordable housing advocates, and finance professionals. This provision will help to craft successful programs at the local level.

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

Governor Proposes Amendments to 2024 Legislation

In addition to proposing a significant rewrite of the General Assembly's budget and issuing 153 vetoes, Governor Youngkin recommended amendments to 116 bills. The legislature will consider these amendments at the reconvened session alongside the Governor's budget amendments and vetoes; if the General Assembly rejects amendments to a bill, the measure is returned to the Governor, who has 30 days to take final action and may sign or veto the bill, or allow it to become law without his signature.

The Governor offered amendments to several bills of interest to local governments.

Teacher salaries: [HB 187 \(Clark\)](#)/[SB 104 \(Lucas\)](#), as passed by the General Assembly, require the state to provide its share of salary increases over the next three legislative sessions sufficient to raise the average teacher salary in Virginia to at least the national average teacher salary by the end of the next biennium, with the increases phased in at increments specified in the bill.

The Governor's amendments instead would require an annual review of teacher compensation (rather than the current biennial review), and require the budget bills introduced in the next two sessions to propose funding for compensation incentives for Standards of Quality-funded instructional and support position salaries to remain competitive (at or above the national average).

K-12 funding for At-Risk Program and English language learners: [HB 624 \(Rasoul\)](#)/[SB 105 \(Lucas\)](#) revise the At-Risk Add-On program to create a new At-Risk program and funding formula and require staffing for English language learners to be based on student proficiency levels, as well as revising the National Teacher Certification Incentive Program. The bills also direct the Department of Education to collect data on English language learner expenditures and student proficiency levels, and to develop a plan for revised special education staffing requirements that would address needs in each school division.

The Governor's amendments propose to add a reenactment clause and direct the Department of Education to collaborate with the Joint Subcommittee on Elementary and Secondary Education Funding to determine the impact of

modifying the proxy used to estimate the number of at-risk students, as well as the impact of eliminating the Standards of Quality Prevention, Intervention, and Remediation program.

Community schools: [HB 625 \(Rasoul\)](#)/[SB 608 \(Aird\)](#) establish the Office of Community Schools within the Department of Education and direct the new Office to administer the Community School Development and Implementation Planning Grant in accordance with funding priorities set out in the bill.

The Governor's amendments propose to remove the provisions related to the grant program.

Building code enforcement for bus shelters: [HB 285 \(McQuinn\)](#) allows the local building official to enforce the Uniform Statewide Building Code for certain bus shelters and absolves the state from liability for any bus shelters built on state property in this situation. As passed by the General Assembly, the bill has a July 1, 2025, sunset date.

The Governor's amendment proposes to extend this sunset until July 1, 2027.

Local authority to reduce speed limits: [HB 1071 \(Carr\)](#) allows any locality to reduce the speed limit to less than 25 miles per hour (but not less than 15 miles per hour) on highways within its boundary that are located within a business or residence district, provided that signage and notice requirements are met.

The Governor's amendments propose to add a reenactment clause to the bill and require the Department of Transportation to study the issue.

Skill games: [SB 212 \(Rouse\)](#) establishes a regulatory and tax framework for skill games, as defined in the bill.

The Governor's amendments make significant changes to the legislation, including the following revisions:

- Under the bill as passed by the General Assembly (the enrolled bill), up to four skill games machines would be allowed at any ABC retail licensee and up to ten would be allowed at a truck stop. The Governor's amendments would allow up to three "electronic gaming devices," as defined in the bill, at host locations that are licensed to sell lottery tickets (but are not truck stops) and up to seven of the machines at truck stops that are licensed to sell lottery tickets. The Governor also proposes a statewide cap of 20,000 electronic gaming devices statewide.

- SB 212 as enrolled would impose a monthly tax of 25 percent of gross receipts for each skill game machine. The Governor appears to propose a 35 percent tax on gross profits generated from the play of electronic gaming devices, with frequency of remittance to be determined by Lottery Board regulations.
- SB 212 as enrolled would distribute skill game tax revenue as follows: 2 percent to the Problem Gambling Treatment and Support Fund; 6 percent to the Department of Taxation or Virginia Lottery Board for administrative costs; 15 percent to the host localities; 1 percent to the local law enforcement agency in the host locality; 1 percent to the Department of State Police, and 75 percent to the PreK-12 Priority Fund to be used for public education purposes. The Governor's amendments would distribute revenue as follows: 5 percent of gross profits to the Gaming Regulatory Fund and 5 percent to the College Partnership Laboratory School Fund; from the remaining funding, 15 percent to the host locality; 2.5 percent to the Problem Gambling Treatment and Support Fund; 75 percent to the Elementary and Secondary Education Fund (which would be appropriated to local governments and school divisions for public education purposes); 2.5 percent to the Department of State Police, and 5 percent to the Interstate 81 Corridor Improvement Fund.
- The Governor's amendments would authorize the governing body of a county or city to hold a referendum or adopt a local ordinance on the question of whether electronic gaming devices should be prohibited in the locality.
- The Governor's amendments would bar electronic gaming devices within 35 miles of any casino gaming establishment or horse racetrack or satellite facility.

Recordation and property tax exemptions: [HB 568 \(Askew\)](#)/[SB 517 \(Williams Graves\)](#) eliminate the recordation tax exemption for the Virginia Division of the United Daughters of the Confederacy and eliminate the real and personal property tax exemption for this group and several other entities.

The Governor's amendments propose to add reenactment clauses to the bills and direct the Department of Taxation to study the effect of recordation tax exemptions and property tax exemptions granted prior to 1971 on state and local government revenues.

Pole attachments and telecommunications services: Among other provisions, [HB 800 \(Herring\)](#)/[SB 713 \(Marsden\)](#) direct the State Corporation Commission to resolve disputes involving pole access within 90 days, and all other related matters within 120 days.

The Governor's amendments propose to allow either period to be extended by up to 60 days by Commission order.

Local government billing on behalf of volunteer fire departments: [HB 852 \(Williams\)](#) allows a local governing body to enact an ordinance regarding billing on behalf of volunteer fire departments for the provision of emergency medical services.

The Governor's amendments propose to revise the bill to allow billing on behalf of volunteer fire departments for the support of a licensed emergency medical services agency.

Utility disconnections: [HB 906 \(Shin\)/SB 480 \(Aird\)](#) limit utility disconnections for nonpayment under certain circumstances and require certain notices prior to disconnection.

The Governor's amendments propose to require notice to be provided via at least one method listed in the bill (as passed by the General Assembly, notice must be provided through at least two methods), and bar disconnection for residential customers until an account is 45 days in arrears (rather than 60 days, as in the enrolled bills).

Regulation of liquid nicotine and nicotine vapor products: [HB 1069 \(Willett\)/SB 550 \(Deeds\)](#) ban the sale of liquid nicotine and nicotine vapor products that are not certified to the Attorney General as authorized for marketing by the Food and Drug Administration (or meeting certain other requirements as spelled out in the bill). Under the bills, the Attorney General may bring a court action to enjoin a violation and a Commonwealth's Attorney, or a county, city, or town attorney would have the same authority with the concurrence of the Attorney General.

The Governor's amendments propose to remove the Attorney General's authority to bring the court action or to concur with such an action by a Commonwealth's Attorney or local government attorney. The amendments also propose to allow the Commonwealth's Attorney or local government attorney to recoup costs of investigation and attorney fees and would provide that civil penalties in an action brought in the name of a locality would be paid into the local general fund.

Penalty for demolition of historic structures: [HB 1415 \(McQuinn\)](#) authorizes any locality to establish a civil penalty for the razing, demolition, or moving of a building or structure located in a historic district or designated as a historic structure or landmark in violation of local ordinance; the civil penalty would be limited to the market value of the property (to include the value of the building or structure and the value of the underlying real property).

The Governor's amendments would revise the limitation on the civil penalty to provide that the penalty would be limited to twice the market value of the razed, demolished, or moved building or structure.

Procurement: [SB 260 \(DeSteph\)](#) provides that in case of a tie bid, preference would first be given to goods produced in Virginia, and then to goods produced in the United States.

The Governor's amendments propose to add a process for a preference for Virginia-produced goods in the procurement of goods by manufacturers, and add language exempting a project or procurement from the bill's requirements in the case of a conflict with federal law or regulation. The Governor also proposes to add a July 1, 2027, sunset date, and to require a report from the Department of General Services.

Resilient Virginia Revolving Fund: [HB 673 \(Feggans\)](#) directs the Department of Conservation and Recreation to weight projects in low-income geographic areas and projects incorporating nature-based solutions when making loans and grants to local governments from the Fund.

The Governor's amendments would revise the bill to weight projects in low-income geographic areas and projects in a locality designated as having a very low community resilience rating, as determined by the Department.

Crisis receiving center/crisis stabilization unit regulations: [SB 569 \(Deeds\)](#) directs the State Board of Behavioral Health and Developmental Services to revise its regulations to authorize the appropriate and safe use of seclusion in crisis receiving centers and crisis stabilization units, and directs a workgroup to propose additional regulations allowing for evidence-based and recovery-oriented seclusion and restraint practices and alternative behavior management practices to limit the use of seclusion and restraint.

The Governor's amendment would add an emergency clause to the bill.

VACo Contact: [VACo Legislative Team](#)

Vetoed Bills of Interest to County Governments

In addition to vetoing [HB 805 \(Rasoul\)/SB 14 \(McPike\)](#) and [SB 597 \(McPike\)](#), as discussed above in Capitol Contact, Governor Youngkin issued vetoes for 150 bills, for a total of 153 vetoes. The legislature will have the opportunity to override these vetoes at the April 17 reconvened session; a supermajority vote of

two-thirds of members present in each chamber is required, a high hurdle in many instances, given the narrow margins in both the House and Senate.

Several bills of interest to local governments were vetoed:

- [**HB 1 \(Ward\)/SB 1 \(Lucas\)**](#), which would increase the minimum wage from \$12 per hour to \$13.50 per hour, effective January 1, 2025, and to \$15 per hour, effective January 1, 2026
- [**HB 4 \(Martinez\)**](#), which would require counties imposing a tax on disposable plastic bags to distribute a portion of the revenue to towns located within the county
- [**HB 265 \(Simon\)**](#), which would make certain revisions to the process of removing public officers
- [**HB 354 \(Hope\)**](#), which would direct the Board of Health to promulgate regulations governing swimming pools, to include requirements for water treatment and disinfection, safety equipment and features, and facility staffing, among other elements
- [**HB 529 \(Hope\)**](#), which would expand certain local authority for tree conservation or replacement during the development process
- [**HB 570 \(Delaney\)/SB 274 \(Deeds\)**](#), which would establish the Prescription Drug Affordability Board and empower the Board to conduct affordability reviews of certain high-cost drugs and impose upper payment limits on a limited number of drugs annually
- [**HB 623 \(Price\)**](#), which would revise the state-level Virginia Voting Rights Act preclearance process established in 2021
- [**HB 698 \(Krizek\)/SB 448 \(Rouse\)**](#), which would establish a framework for the retail sale of cannabis
- [**HB 990 \(Maldonado\)/SB 370 \(Boysko\)**](#), which would bar prospective employers from seeking wage or salary history from a prospective employee or from failing to disclose wage or salary ranges in job postings, among other provisions
- [**HB 1100 \(Carr\)**](#), which would expand to all localities current authority granted to localities within Planning District 8 to adopt an ordinance providing for the conservation of trees during the land development process
- [**HB 1177 \(Sickles\)/SB 606 \(VanValkenburg\)**](#), which would require Virginia to rejoin the Electronic Registration Information Center (ERIC)

- [**HB 1398 \(Bennett-Parker\)**](#), which would allow a locality to adopt an ordinance to preserve affordable housing by providing for a right of first refusal to purchase certain properties
- [**HB 1408 \(Srinivasan\)**](#), which would direct the Department of Elections to establish standards and guidelines for the number and locations of voter satellite offices
- [**SB 373 \(Boysko\)**](#), which would establish a paid family and medical leave program for covered employees (defined to exclude state employees, constitutional officers and their employees, and employees of local school divisions)
- [**SB 428 \(VanValkenburg\)**](#), which would clarify certain logistical aspects of conducting local elections via ranked-choice voting
- [**SB 570 \(Ebbin\)**](#), which would expand the definition of “employer” under the Virginia Human Rights Act to include political subdivisions in requirements to provide reasonable accommodations for persons with disabilities and waive sovereign immunity to civil actions under the Act

VACo Contact: [**VACo Legislative Team**](#)