VACo General Government Priorities: Local Authority & Unfunded Mandates

Legislative Intersections Across VACo Steering Committees

Jeremy Bennett, Director of Intergovernmental Affairs

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Why These Priorities Matter

- Local Authority: Relaxing the Dillon Rule allows counties to tailor solutions.
- Unfunded Mandates: State-required programs must be state-funded.
- These priorities protect fiscal stability and service flexibility.

Platform Language

Local Authority

- VACo supports relaxation of the Dillon Rule by enhancing local authority and autonomy in matters including land use, revenue measures, procurement, and other issues of local concern. VACo supports extending powers currently granted to some local governments to all local governments. VACo opposes legislation that erodes local authority.

Unfunded Mandates

- VACo opposes unfunded mandates and shifting fiscal responsibility for existing and new programs by the Commonwealth from the state to localities. When funding for a mandated program is altered, the mandate should be suspended until full funding is restored. When legislation with a cost to localities is passed by the General Assembly, the cost should be borne by the Commonwealth, and the legislation should contain a sunset clause providing that the mandate is not binding on localities until funding by the Commonwealth is provided.

Connection to VACo Legislative Platform

Local authority intersects with housing, zoning, broadband, stormwater, procurement, revenue generation, and many other areas.

Avoiding unfunded mandates protects the ability of local governments to sustainably provide education, public safety, and infrastructure, and other services to their citizens.

2025 Session Context

Multiple bills challenged local authority or created new fiscal burdens.

The budget included language with mandate-like effects.

Transportation: HB 2401 – Photo Speed Camera Revenue Control

State would control excess civil penalty revenues.

VACo concern: Local governments should decide how to reinvest safety funds. (Local Authority)

Environment, Energy, and Land Use: HB 2407 / SB 1408 – Waterworks Anomaly Reporting

24-hour reporting for any operational anomaly.

VACo concern: Overly broad; creates cost and administrative burdens. (Unfunded Mandate)

General Government: Collective Bargaining & Binding Arbitration (HB 2764 / SB 917)

Mandates collective bargaining if petitioned; creates Public Employee Relations Board; imposes binding arbitration.

VACo concern: One-size-fits-all approach ignores local differences and imposes costs. (Local Authority and Unfunded Mandate)

VACo opposes.

Transportation / General Government: SB 919 / HB 2619 – Public Transit Collective Bargaining Mandate

Required matching pay/benefits, retention, and collective bargaining.

VACo concern: Restricts service delivery flexibility. (Local Authority and Unfunded Mandate)

Outcome: Vetoed.

Environment, Energy, and Land Use: SB 923 – Inter-Basin Water Transfers

Prohibited >6M gallons/day transfers to different basins.

VACo concern: Harms regional water planning and growth. (Local Authority)

Environment, Energy, and Land Use: HB 2126 / SB 1190 – State-Imposed Energy Targets

Mandated state-set energy production/efficiency targets in local comp plans.

VACo concern: Removes local flexibility in land use planning. (Local Authority)

Environment, Energy, and Land Use: HB 2641 / SB 975 – Housing Approval Board

State board could overturn local zoning if housing targets unmet.

VACo concern: Erodes zoning authority, imposes state-driven growth. (Local Authority)

Finance and Elections: HB 2004 – Meals Tax Cap

Would cap county meals tax at 4% unless voter-approved.

VACo concern: Reduces revenue authority granted in 2020.

Outcome: Failed. (Local Authority and Unfunded Mandate)

Finance and Elections: HB 2478 – Absentee Ballot Drop-Off Surveillance Mandate

Required 24-hour video for all drop-off locations.

VACo concern: Significant cost expansion beyond current law. (Unfunded Mandate)

Education: Teacher Compensation Bills (HB 187 / SB 104)

HB 187: Requires budgets to fund salaries at/above national average by 2026–2028.

SB 104: Annual pay reviews; aspirational salary goal.

VACo concern: Supportive if no required local match and funding reflects local realities. (Unufunded Mandate)

Health and Human Resources: Finance and Elections: Budget-Based Unfunded Mandate Example

Private Day Special Education reimbursement cap at 5% increase.

VACo concern: Mandated service with excess cost shifted to localities. (Unfunded Mandate)

Takeaways & Legislative Strategy

Avoid erosion of local authority via targeted mandates.

Ensure state covers the costs of requirements.

Proactive advocacy, education, and coalition-building.

Jeremy R. Bennett

VACo Director of Intergovernmental Affairs

804-401-0529

jbennett@vaco.org

QUESTIONS?

VACo

Virginia Association of Counties