



VACo 2026 LEGISLATIVE PROGRAM

For the 2026 General Assembly Session



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2026 Legislative Program Virginia Association of Counties

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2026 Priority Position

Federal Spending and Economic Diversification

Virginia's economy remains closely tied to the federal government, with nearly one-quarter of the Commonwealth's economic activity dependent on federal spending, according to recent estimates from the House Appropriations Committee staff. As the federal government undertakes efforts to reduce spending – through measures such as reductions in force, program rescissions, or the elimination of grant funding – VACo urges the Commonwealth to take steps to mitigate the potential impacts of these actions.

VACo encourages the state to take prompt action to support displaced federal employees and contractors, including short-term enhancements to the social safety net and targeted investments in workforce development to assist affected individuals in securing new employment opportunities within Virginia.

VACo also supports continued and expanded efforts to diversify Virginia's economy by recruiting new industries and employers and by investing in site development and infrastructure to enhance the Commonwealth's competitiveness.

In the event of reduced federal support, VACo strongly urges the state to avoid shifting the costs of operating federally funded programs to local governments. VACo recognizes that reductions in federal funding may create additional pressures on the state budget; however, the Commonwealth must maintain its commitments to essential state-local partnerships.

VACo further encourages the state to continue implementing the recommendations of the 2023 JLARC report on K-12 education, particularly those items that align with prevailing local practices, to ensure sustainable funding for public education across Virginia.

AGRICULTURE AND RURAL AFFAIRS

Priority

Farm and Forestland Preservation

VACo supports increasing state allocations to the Office of Working Lands Preservation Purchase of Development Rights (PDR) locality matching funds program. VACo also supports increasing allocations to the newly established Forest Sustainability Fund, created as an incentive for the establishment and maintenance of local forest land use valuation programs. Such programs preserve prime soils for food production and protect important forest land and environmentally sensitive areas in the Commonwealth.

VACo supports preserving and enhancing the ability for counties to balance growth and development, as it pertains to farm and forestland, within their jurisdiction.

Positions

Agriculture and Forestry Best Management Practices

VACo supports voluntary state and federally-funded conservation programs, including the United States Department of Agriculture's (USDA) Environmental Quality Incentives Program, Conservation Stewardship Program and the Virginia Agriculture Best Management Practices Cost-Share Program (VACS) to assist producers with the implementation of best management practices.

Biosolids

VACo supports an effective statewide regulatory program governing land application of biosolids. Such a program should not infringe upon the authority of local governments to monitor compliance. VACo supports the ability of local governments to propose amendments to biosolids permits as they are considered by Department of Environmental Quality (DEQ). VACo supports a study to determine the impact of biosolids on agriculture and forest land.

Invasive Species and Noxious Weeds

VACo supports funding for, and the complete implementation of, the Virginia Invasive Species Management Plan. VACo supports an amendment to the term, "noxious weeds," enabling additional invasive plants to be considered for regulation. All programs and proposals should be evaluated for their commercial impact, allowing no more than a negligible impact on Virginia's agricultural industry. Finally, VACo supports state prevention and mitigation practices, including coordination with the Virginia Department of Transportation (VDOT) to assist counties in species control.

Predator Control

VACo urges state and federal agencies to support the agricultural industry by allowing farmers and producers sufficient flexibility when protecting livestock and crops against predatory animals. VACo encourages the USDA Wildlife Services Division, the Virginia Department of Wildlife Resources and the Virginia Department of Agriculture and Consumer Services to allow producers access to the predator control tools required for the continuation of effective livestock and crop production. VACo also supports continuing and sufficiently funding the USDA's Livestock Indemnity Program and the financial relief it provides to producers who have lost livestock to the attacks of federally protected predators. Furthermore, VACo supports the USDA's various crop and livestock insurance policies as well as the Noninsured Crop Disaster Assistance program (NAP) as these programs seek to provide financial assistance to producers who have undergone crop or livestock loss.

Technical Assistance

VACo supports increased state funding for entities that provide critical resources and technical assistance to localities in their efforts to comply with environmental policies and regulations. This includes, but is not limited to, organizations such as Soil and Water Conservation Districts, the Virginia Cooperative Extension, and Planning District Commissions (PDCs).

Water Usage

VACo supports water conservation as well as streamlined permitting and application processes for water usage. VACo also supports a review of regulations and supports education initiatives that promote reclamation of water on a local level for industrial, commercial, and irrigation uses to offset future demands on all ground and surface water used for human consumption. VACo supports water use and water rights decisions be made at the local or regional level.

Solid Waste

VACo supports maintaining local authority to regulate solid waste and opposes any effort to interfere with local "flow control" ordinances.

COMMUNITY, ECONOMIC, AND WORKFORCE DEVELOPMENT

Priorities

Broadband

VACo requests that the Commonwealth provide 100 percent match funding to counties to build the necessary telecommunications infrastructure, including cellular communications, to deploy universal affordable access to the internet for all areas, particularly in underserved and rural areas, and streamline the application process for both the Broadband Equity Access and Deployment (BEAD) and Virginia Telecommunication Initiative (VATI) grants. Additionally, VACo supports legislation that provides additional tools for counties to finance, build and operate open access networks in partnership with commercial internet service providers. VACo also supports efforts to streamline the permitting of broadband infrastructure in the VDOT right-of-way, at railroad crossings, and within utility easements.

Affordable and Workforce Housing

VACo supports increasing federal and state funding and appropriate incentives to assist localities to create and sustain more affordable housing.

Positions

Economic Development

VACo supports economic development policies and programs that bolster local and regional development efforts by maintaining and expanding state funding, streamlining state and federal grant application processes, and granting additional funding and authority to promote local and regional initiatives. VACo also supports the provision of state funding to support the mission of regional economic development organizations (REDOs) to foster regional cooperation in expanding business and job opportunities.

Impacts of Federal and Military Facilities

VACo supports maintaining federal and state funding and technical assistance to mitigate the impacts on counties affected by federal budget cuts and to sustain current and future federal facilities in Virginia. VACo supports state and local partnerships that work to prevent encroachment and non-compatible land uses next to military installations. VACo also supports workforce training and retraining for programs that support defense activities in Virginia.

Impacts of State Facilities

VACo recommends that prior to the proposed closure of any state facilities, the Department of General Services shall provide a detailed plan to the locality

regarding removal, demolition, rehabilitation and/or adaptive reuse of buildings. VACo also recommends that the state provide technical and financial resources to assist localities in ameliorating the impacts any closure will have on the local economy. Additionally, VACo supports measures to ameliorate the effects of state tax-exempt property on the local tax base.

Maintain Public Sector Role in Onsite Sewer Program

VACo supports an onsite sewage program at the Virginia Department of Health (VDH) that protects public health and the environment in all regions of the Commonwealth. The Commonwealth should give special focus to addressing the challenge of failing septic systems and allow localities authority to develop and implement policies that support the state's program. VACo supports the private sector providing onsite sewage system design, installation, and repair services, as long as the services can be provided at affordable rates and in a timely manner, and as long as VDH continues to provide these direct services as well. Additionally, VACo supports legislation ensuring that potential buyers of real property are told about the type, size and maintenance requirements and associated costs of the wastewater systems on the property prior to the signing of the initial sales contract and the recordation of engineered systems plat and deed at the time of sale.

Workforce-Ready Students

VACo supports changes in curriculum and funding that will increase the number of students leaving the K-14 system with workforce-ready credentials. This includes dedicated and recurring funding for the College and Career Ready Virginia (CCRV) Fund and the Fast Forward workforce training program. VACo supports incorporating career and technical education curriculum at the elementary and middle school levels. VACo supports high school students earning academic credit for participating in an internship, apprenticeship, credential, and other work programs. VACo supports innovative models for schools to give academic credit for students that earn industry workforce skills through certifications, or licensure from an approved education or training provider.

VACo supports establishing partnerships to strengthen the school-to-workforce pipeline in a variety of ways including guaranteed employment opportunities with local businesses and learning opportunities shared between local community colleges and high schools. VACo supports opportunities for students to physically visit and train at actual work sites in cooperation with local employers and economic development entities.

VACo supports the expansion and funding of workforce training programs such as the Virginia Talent Accelerator Program and the Virginia Jobs Investment Program to leverage federal grant programs with state funding. VACo supports the mission and activities of local Workforce Development Boards across the Commonwealth of Virginia to assist businesses in securing a qualified workforce that meets current and future job demand, including efforts to coordinate actions across state agencies within Virginia under the Commonwealth Workforce Innovation and Opportunity Act (WIOA) plan.

EDUCATION

Priority

Education Funding

VACo supports full state funding for public education, including the Standards of Quality (SOQ) as recommended by the Board of Education, the Joint Legislative Audit & Review Commission (JLARC), and the Joint Subcommittee on Elementary and Secondary Education Funding. As long as these recommendations coincide with prevailing local practice, VACo supports targeted incentive programs, capital, and maintenance support, and teacher salaries. Full state funding should be achieved without reduction to other parts of state public education budgets or to other core services.

VACo supports additional state resources and additional statewide 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 as well as continuing to fund the School Construction Grant Program and School Construction Assistance Program. Funds from these latter two programs should be as accessible as possible.

VACo supports state incentives that encourage localities to increase teacher salaries to reflect the national average in compensation, as long as this is done without a required minimum local match. The state share of compensation for the base rate of salaries should reflect the actual average salary as determined by prevailing local practice.

Positions

Appointed School Boards

VACo supports local authority to choose the selection process for school board members.

Charter Schools

VACo supports the continuation of local authority to establish charter schools.

Childhood Development and School Readiness

VACo supports efforts to increase at-risk children's access to high-quality, enriching learning environments, including more resources and flexibility for localities participating in programs like the Virginia Preschool Initiative and Head Start.

VACo supports additional federal and state funding for programs such as the Child Care and Development Block Grant (CCDBG) to support increased demand for childcare services. VACo supports local flexibility to administer or expand support services for childcare.

VACo supports the work of and local government representation on the Commission on Early Childhood Care and Education to provide

recommendations for and tracking progress on the financing of Virginia's comprehensive birth-to-five early childhood care and education system.

Critical Thinking Skills

VACo supports changes to educational programs and standards that rely less on standardized testing and more on critical thinking skills such as performance-based assessments. VACo opposes efforts to impose additional standardized testing burdens on students and school staff. VACo supports state study of the means of assessment to determine the most effective measures of student growth and subject matter proficiency.

Federal Bureau of Investigation's Record of Arrest and Prosecution Back (Rap Back) Service

VACo supports funding of this program by the state to ensure all localities and school divisions have full access to this essential public safety service.

Funding of Personnel

VACo supports the calculation of salary and other Standards of Quality formula cost assumptions using the division average, rather than the linear weighted average. VACo supports replacing the current cost of competing adjustment with a more accurate adjustment based on a Virginia cost of labor index that better accounts for differing labor costs across school divisions in calculating compensation funding through the Standards of Quality formula.

Laboratory Schools

VACo supports innovative approaches to K-12 education as long as they do not divert state or local funds away from local public schools.

Library System

VACo supports additional state resources for the funding of the local library system.

Reversion of Funds

VACo supports the current practice whereby all year-end funds appropriated to the school divisions by the locality revert to the locality, retaining discretion with the governing body to evaluate and approve the reallocation of year-end fund balances.

School Consolidation and Regionalism

VACo supports additional state incentives that allow counties to voluntarily consolidate or regionalize K-12 services to increase operational efficiencies, including career and technical education schools.

School Safety and Security

VACo supports efforts to improve school safety and preparedness. VACo supports continued local authority and state funding to implement appropriate security, preparedness, and health measures. VACo supports dedicated state funding that

may include capital and operational costs, including ongoing support for School Resource and School Security Officer positions.

Small School Division Economies of Scale

VACo supports changes to the Standards of Quality formula to include an economies of scale adjustment to provide additional funding to divisions with fewer than 2,000 students.

Special Education Regional Tuition Reimbursement Program

VACo supports enhancing local capacity to serve children with high-level support needs in the least restrictive environment, including regional special education programs. VACo supports local flexibility in the structure of such programs.

K-12 Staff Shortage and Retention

VACo urges the General Assembly to approve and fund strategies addressing the teacher shortage in the Commonwealth. VACo supports a targeted approach to teacher shortage by prioritizing areas in critical need, as recommended by the Virginia Department of Education. VACo supports using district-level data to determine how to best fill shortage gaps, especially in hard-to-staff divisions.

VACo supports reducing burdens on the teacher workforce in the Commonwealth. VACo supports programs aimed at reducing student debt for teaching in public schools. VACo also supports programs that encourage teachers to stay in the profession including measures that provide mentorship, guidance and other forms of support for teachers in their first five years in the profession.

VACo also supports similar efforts to address the shortage of school bus drivers at both the state and federal level including incentives to recruit and retain drivers and additional flexibility regarding driver requirements.

ENVIRONMENT, ENERGY, AND LAND USE

Priorities

Energy Policy

VACo supports energy policies and goals that reduce greenhouse gas emissions without compromising reliable and affordable access to electricity, and that address potential environmental impacts and life cycle costs for the manufacture, disposal, re-use, or recycle of material inputs. New sources of potential energy generation should include a range of technologies such as solar, wind, hydroelectric, hydrogen, geothermal, and nuclear, including small modular nuclear reactors. Such policies should allow for responsible coal and natural gas extraction, processing, and transport while protecting agricultural interests and natural resources.

Water Quality Funding

VACo supports sufficient and sustained financial and technical assistance to counties to improve water quality and meet all federal and state standards to reduce pollution.

Positions – Environment

Chesapeake Bay

VACo supports efforts to continue to restore and protect the Chesapeake Bay but opposes additional nutrient regulations on wastewater treatment facilities that are scientifically unsound, economically infeasible, or unnecessary for meeting the Commonwealth's goals.

Dam Safety

VACo supports programs that keep downstream owners and developers aware of potential inundation zones. VACo also supports sufficient state and federal funding for the repair and maintenance of dams.

Flood Preparedness

VACo supports continued funding and resources that assist localities in preventing and reducing the impacts of flooding. VACo supports greater flexibility in these programs and funding sources that best suit local and regional needs.

Southern River Watersheds

VACo supports continued funding to improve water quality in non-Chesapeake Bay watersheds.

Stormwater Programs

VACo supports state funding that enables local governments to fully satisfy the resource and funding needs to comply with stormwater standards, including standards for implementation of local stormwater programs, in ways that promote economic development while achieving water quality goals. VACo also supports initiatives that clarify and modernize stormwater regulations and permitting processes, including measures that make permitting more efficient, reevaluate the fee structure system, and allow for consideration of factors such as long-term maintenance costs.

Tree Conservation and Replacement

VACo supports strengthening and expanding tree replacement and tree conservation statutes to include all localities in Virginia. VACo supports providing greater flexibility to all local governments to achieve their specific goals.

Technical Assistance

VACo supports state funding for entities that provide critical resources and technical assistance to localities in their efforts to comply with environmental policies and regulations. This includes, but is not limited to, organizations such as Soil and Water Conservation Districts, the Virginia Cooperative Extension, and Planning District Commissions (PDCs).

Water Supply

VACo supports policies and goals to promote adequate, reliable, and affordable access to water and wastewater services by private providers. VACo supports appropriations adequate to ensure full funding by the state for the ongoing development and implementation of state-mandated water supply plans. VACo supports streamlining permitting processes or applications for water usage. VACo supports initiatives by the state to assure adoption of actions to reduce high chloride concentrations and loss of artesian head pressure in Virginia's aquifers. VACo also supports a review of regulations and supports education initiatives that promote reclamation of water for industrial and irrigation uses to offset future demands on all ground and surface water used for human consumption.

Positions – Energy

Local Tax Revenue

VACo opposes any imposition, expansion, or extension of state-mandated exemptions on local property taxes for energy generating and storage equipment.

Regional Energy Planning

VACo supports state funding and technical assistance for the development of local or regional energy plans to address production, transmission, and

deployment of new resources to meet statewide goals that reduce greenhouse gas emissions. VACo also supports legislation and policy that requires electric grid operators to continually share with localities where current and planned infrastructure to transmit and store energy exists that may feasibly accommodate the development of large-scale renewable energy facilities. Additionally, VACo supports requiring utilities to seek input from localities and property owners before any actions to construct, modify or enlarge transmission facilities.

Renewable Energy Production and Energy Efficiency

VACo supports legislation allowing counties to implement renewable energy and energy efficiency goals. This includes the allowance of third-party power purchase agreements (PPAs) to serve local electric accounts, as well as other creative financing mechanisms that enable the development of renewable energy sources and energy efficiency programs and measures.

Utility-Scale Renewable Energy Generation and Energy Storage

VACo supports maintaining local authority to address all impacts and all choices associated with utility-scale installations of solar power, wind power, and energy storage facilities.

Utility-Scale Energy Generation and Transmission Projects

VACo supports the provision of adequate direction and resources at the state level to improve monitoring and enforcement of erosion and sediment control (ESC) and stormwater (SWM) requirements by entities constructing utility-scale projects for energy generation or transmission (including fuel). The state should have relevant agencies conduct an annual review of the standards, specifications, and construction general permit requirements to determine adequate protection of water quality, water supply, and natural resources.

Positions – Land Use

Local Authority

VACo supports maintaining and expanding local authority to plan and regulate land use and opposes any legislation that weakens these key local responsibilities.

Impact Fee Authority

VACo also supports legislation that grants localities additional tools to adequately meet increasing needs for public services driven by new development without burdening current residents with the cost of new growth through increased real estate taxes. Such additional tools may include broad impact fee authority for all counties, and adequate public facilities provisions.

Regulation of Event Spaces

VACo opposes exemptions to local review and enforcement of building, fire, and other health and safety regulations for event and assembly spaces.

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Regulation of Home-based Businesses

VACo opposes any legislation that limits or restricts local authority to regulate home-based businesses, including short-term rentals regardless of whether services or goods are purchased through an online hosting platform.

FINANCE AND ELECTIONS

Priority

Local Finance

VACo supports preserving the authority of county governments to collect revenues necessary to provide local public services.

Positions

Appeals of Tax Assessments

VACo supports preservation of the current appeals processes for real or tangible personal property assessments, including the assessor's presumption of correctness and the role of the state Tax Commissioner with respect to valuation of property.

Communications Regarding Effective Real Estate Tax Increases

VACo supports revising the requirements for informing the public about the interaction between real estate tax rates and growth in assessed values. Currently, when growth in assessments would result in an increase of more than 1 percent in the total real property tax levied, the governing body must reduce the tax rate accordingly, unless it holds a public hearing. The notice for the public hearing, as well as the notice of change in assessment that is mailed to each property owner, must include a calculation showing the tax rate that would levy the same amount of real estate tax as the previous year when applied to the total assessed value of real property (excluding new construction or improvements). Under current law, this calculation makes no allowance for inflation in the value of real estate, which has often exceeded 1 percent. As a result, by advertising the lowered rate necessary to offset the increased assessment, as currently calculated, localities are communicating to the public a tax rate that would produce a reduction in revenue, when adjusted for inflation. VACo supports the ability of localities to communicate the lowered rate necessary to generate no more than a one percent increase in real estate tax revenue, after adjusting assessment growth for inflation, which would provide a more realistic picture of the tax rate proposed.

Election Administration

Conducting accessible, transparent, secure, and accurate elections is a fundamental responsibility of government and a shared funding obligation of the state and local governments.

Recent changes to offer more robust voting options have not been accompanied by additional ongoing state support for this fundamental function of government, and VACo supports a more balanced state/local funding partnership in election administration.

Areas in which the state could provide additional support to localities include:

- adequate funding for voting equipment and registrar costs
- resources necessary to implement state requirements, such as meeting election security standards.

VACo also supports legislation that would assist localities in minimizing or eliminating split voting precincts. Additionally, VACo supports a streamlined process to address situations in which census boundaries do not align with locally drawn or commonly adhered to boundaries. VACo supports additional flexibility for localities in the requirements for drawing precinct and district boundaries. VACo supports reentry into the Electronic Registration Information Center in addition to working with neighboring states to exchange voter data in order to ensure accurate voter lists.

Funding for State Mandated Positions and Jails

The Commonwealth must meet its obligations to fund appropriate staffing, to include competitive salaries, for the state's system of justice, to include clerks, magistrates, Commonwealth's Attorneys, public defenders, district court employees, and probation office employees. Similarly, VACo urges the Commonwealth to meet its full funding obligations for Constitutional offices, to include realistic levels of staffing to enable these offices to meet their responsibilities and limit the need for localities to provide additional locally-funded positions or salary supplements.

Constitutional offices: VACo supports flexibility in the use of state funds for compensation of constitutional officers and state-supported local employees, to include the ability to draw down state funds provided for a bonus payment if the locality provides a salary increase of an equivalent amount. VACo supports state funding levels for compensation increases that more closely reflect the true cost of providing such increases across the state-supported local workforce. For example, state-funded salary increases typically provide funding only for Compensation Board-funded positions for employees in Constitutional offices and for instructional and support positions recognized in the Standards of Quality for school divisions. In these instances, in addition to any required local matches for state-recognized positions, localities must provide comparable salary increases for locally-funded positions purely from local dollars in order to preserve parity between state-funded and locally-funded positions in the workforce.

Jail per diems: VACo supports a more robust state-local partnership in funding local and regional jails. In FY 2024, the Compensation Board reported \$1.2 billion in total expenditures, including capital costs, to house inmates in local and regional jails – localities contributed \$691.8 million of these costs, and an additional \$15.1 million to house inmates in other jurisdictions, while the state contributed \$437.1 million.

A key mechanism through which the state assists with operating costs is per diem payments. Prior to action by the 2022 General Assembly, per diem rates had not been adjusted since FY 2011, when the payment of \$8 per day for

local-responsible inmates was reduced to \$4 per day, and the state-responsible rate was adjusted from a bifurcated rate of \$8 per day for the first 60 days and \$14 per day thereafter to a standard rate of \$12 per day. Legislative action in 2022 increased the state-responsible rate by \$3 (from \$12 to \$15) and in 2023 increased the local-responsible rate by \$1 (from \$4 to \$5), both steps toward more realistic funding levels. VACo supports continued efforts to increase per diem rates to levels that better represent the costs of housing inmates and to adjust the rates in the future so that payments keep pace with rising costs. While the increase in the state-responsible rate is an important step in the right direction, and the numbers of state-responsible inmates in local jails have declined significantly, the current rates remain inadequate and require counties to subsidize care for individuals who should be housed at the Department of Corrections. The Compensation Board estimated a total average daily cost of operating local and regional jails at \$151.38 per inmate in FY 2023, of which \$83.75 was contributed by localities.

State-responsible inmates in local or regional jails: VACo supports a requirement for the Department of Corrections to accept state-responsible inmates into the state correctional system unless a local or regional jail agrees to continue holding such inmates at the applicable per diem rate.

Medical and behavioral health care for incarcerated individuals: VACo supports expanded flexibility to cover payment of the medical costs of inmates through Medicaid.

The state must provide sufficient funding to enable local and regional jails to meet any new standards for the provision of health care, including behavioral health care, for individuals incarcerated in these facilities. Funding for additional case management and medical/treatment positions first provided in 2022 represents a significant investment in helping jails to comply with proposed behavioral health standards. VACo supports a continued state partnership with localities in ensuring that jails are able to meet state standards in caring for these vulnerable individuals.

Mitigation of the Effects of State-Mandated Property Tax Exemptions on the Local Tax Base

VACo supports reinstating state payments (PILT) to counties that mitigate the impacts of state correctional and behavioral healthcare facilities on county revenue. VACo supports measures to ameliorate the effects of large amounts of other tax-exempt property on the local tax base, including state assistance with the costs of state-mandated property tax exemptions.

Legislation with Local Fiscal Impact

VACo supports legislation or other measures providing additional time for localities to review legislation that may have an impact on local revenues or expenditures, as well as improvements to the process of local mandate review at the Commission on Local Government to capture the effects of mandates on localities more accurately.

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726 **Modernization of Communications Sales and Use Tax Structure**

727 VACo supports updating the Communications Sales and Use Tax (CSUT) to
728 ensure that it reflects the modern telecommunications landscape, which has
729 evolved since the CSUT took effect in January 2007.

730 VACo opposes any further diversion of Communications Sales and Use Tax
731 Trust Fund dollars beyond the uses already specified in statute. These revenues
732 should be held in trust for localities and not diverted for general state purposes.
733 Currently, funds from the Communications Sales and Use Tax Trust Fund are
734 taken “off the top” for the Department of Taxation’s costs to administer the tax,
735 the telephone relay center operated by the Department for the Deaf and Hard of
736 Hearing, and any franchise fees owed to localities. Language adopted in the
737 2018-2020 biennium budget and continued in subsequent budgets provides for
738 an additional diversion of funds to the state General Fund from assumed savings
739 in the telephone relay contract; these funds would otherwise flow to localities.

740
741 **Personal Property Taxes on Motor Vehicles (“Car Tax”)**

742 Personal property taxes on motor vehicles currently serve as an important source
743 of revenue for county governments, which use these dollars to fund critical public
744 services such as K-12 education, public safety, and behavioral health and other
745 human services. Any proposals to change this local revenue source must provide
746 for replacement revenue, must be based on accurate, comprehensive data, and
747 must be developed in consultation with local governments.

748
749 A replacement source that generates revenue in aggregate sufficient to replace
750 lost revenue from motor vehicles is not sufficient. Individual counties must be
751 kept whole.

752
753 A reimbursement from the state must be structured in such a way as to eliminate
754 the possibility that it will be capped or eliminated over time and must allow for
755 revenue growth.

756
757 **Real and Personal Property Tax Exemptions Enacted Prior to 2003**

758 VACo supports providing localities the ability to decide whether to maintain
759 property tax exemptions granted by the General Assembly prior to passage of the
760 Constitutional amendment vesting the authority to grant such exemptions with
761 localities. The Constitutional amendment which was passed by the voters in
762 2002 and took effect in January 2003 placed decision-making authority about
763 local tax exemptions with local governing bodies, within certain limits, and this
764 authority should apply to exemptions granted before 2003 as well.

765
766 **Sales Tax on Food for Human Consumption/Essential Personal**
767 **Hygiene Products (“Grocery Tax”)**

768 VACo appreciates the General Assembly’s action in 2022 to stipulate in statute
769 that local revenue losses associated with the elimination of the state sales tax on
770 food purchased for human consumption and essential personal hygiene products
771 would be replaced and strongly advocates for the state to maintain this

commitment. VACo urges that no further changes be made that would negatively affect this important local funding source.

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GENERAL GOVERNMENT

Priorities

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.

Fire and EMS Funding

VACo supports additional state resources for fire and EMS coverage across the Commonwealth.

Positions

Collective Bargaining for Public Employees

VACo opposes any effort to mandate collective bargaining for public employees.

Cybersecurity

VACo supports dedicated state and federal funding for local governments to acquire and maintain advanced cybersecurity to protect vital systems and sensitive data. Incident reporting requirements should not impose an undue burden or interfere with local incident response.

Emergency Management

VACo supports efforts to study emergency management needs and associated funding, evaluate the sustainability of present funding models, and assess alternative funding strategies employed in other states.

Ethics Reform

VACo supports common sense efforts to strengthen Virginia's public ethics and conflict of interest laws that are applicable and practical at the local level.

853 **First Responder Recruitment, Retention, Training, and Support**

854 VACo urges the General Assembly to provide additional resources that would
855 assist local governments with the recruitment, retention, training, and support of
856 first responders such as law enforcement, fire and EMS personnel, and 9-1-1
857 dispatchers.

858
859 **Freedom of Information Act (FOIA)**

860 VACo opposes changes to the Virginia Freedom of Information Act that would
861 impose additional burdens on localities. VACo supports the option for local and
862 regional bodies to meet electronically. VACo supports protecting the
863 confidentiality of citizen complainants' personal information from disclosure
864 under FOIA.

865
866 **Grievance Hearings**

867 VACo supports legislation authorizing localities to use an administrative hearing
868 officer and existing grievance panels and procedures, and opposes the mandate of
869 a three-member panel. VACo also supports providing immunity to local
870 government employees, officers, volunteers, administrative hearing officers and
871 panel members for claims arising out of participation in personnel grievance
872 procedures.

873
874 **Interoperability**

875 VACo supports the state's goal that agencies and their representatives at the local,
876 regional, state and federal levels be able to communicate using compatible
877 systems to respond more effectively during day-to-day operations and major
878 emergencies.

879 VACo supports increased interoperability and the Commonwealth's transition to
880 Next Generation 9-1-1 (NG9-1-1) in a way that does not unfairly burden localities,
881 financially or otherwise.

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883 **Local EMS Involvement**

884 VACo supports increased local involvement in state EMS planning to ensure
885 statewide needs are met and to avoid imposing unnecessary barriers to
886 volunteerism.

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888 **Pretrial Services**

889 VACo supports increased funding for and expansion of pretrial services. If the
890 Commonwealth adopts a funding formula for pretrial services, it must hold
891 harmless the localities currently participating.

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893 **Public Notice, Public Hearing and Public Procurement**

894 VACo supports legislation to streamline required newspaper advertising for
895 public notices, public hearings and public procurement including legislation to
896 give localities the option to use electronic or other forms of notification as an
897 alternative to newspaper advertising.

900 **Public Safety – Body Worn Cameras**

901 VACo supports maintaining the ability of local governments to adopt policies and
902 practices regarding body worn cameras that reflect local needs and fiscal realities.
903

904 **Public Safety – Regulatory Overreach**

905 VACo opposes any federal or state regulatory action that hinders the provision of
906 emergency services by increasing costs of operations or deterring recruitment
907 and retention of emergency services employees. This includes the Occupational
908 Safety and Health Administration proposed rules change to Fire Brigades
909 Standards.
910

911 **Sovereign Immunity**

912 VACo opposes any substantive change in local governments’ present defense of
913 qualified immunity and sovereign immunity. VACo opposes bringing counties
914 under the Virginia Tort Claims Act.
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916 **State Assistance for Police Departments**

917 VACo supports increasing state assistance for police departments through “599”
918 Aid to Localities. This funding is designed to equalize state funding between
919 counties in which the sheriff department provides law enforcement and those
920 cities, counties, and towns with a police department.
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922 **Workers’ Compensation Presumptions**

923 VACo opposes any effort to expand workers’ compensation presumptive illnesses
924 eligibilities for public employees that is not done in concert with additional state
925 funding assistance to local governments to offset additional insurance liabilities.
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HEALTH AND HUMAN RESOURCES

Priorities

Health and Human Resources Funding

VACo supports transparent state policies and funding to ensure the Commonwealth's at-risk families have access to high quality and appropriate services. The Commonwealth should provide full funding to localities and their state administrative entities for state-mandated human services and provide the necessary program flexibility to enable localities to provide comprehensive and case-tailored services.

VACo supports resources necessary for behavioral health and mental health facilities to ensure the protection of residents' and staff health and safety, such as appropriate staff qualifications, training, compensation, and condition of the facilities.

Implementation of Changes to Benefits Programs in 2025 Federal Reconciliation Legislation

Changes to the Supplemental Nutrition Assistance Program (SNAP) and Medicaid enacted at the federal level in 2025 are substantial and will require significant support from the state and coordination between state agencies and local departments of social services to implement.

VACo supports the provision of appropriate tools and investment in staff training to enable local staff to administer these programs effectively and efficiently, and urges the state to work closely with localities in implementing changes to programs with shared state/local responsibility, such as the new community engagement requirement for certain individuals covered by Medicaid. Building on the investment made in the 2024 session and providing the full funding necessary to replace the current benefits management IT system (VaCMS and CommonHelp) is a critical need, and additional state technical support is also needed to improve the administration of the SNAP program in order to reduce Virginia's error rate.

VACo encourages the state to pursue available federal funding to assist with implementation of program changes and to advocate with the federal government for reasonable implementation timelines.

VACo urges the state to avoid shifting costs for program administration or benefit payments to localities, which are already stretched by existing responsibilities for human services programs and other critical public services.

Positions

Aging/Long-Term Care

VACo supports efforts that allow seniors to remain at home in a safe and secure environment, such as sufficient funding for companion services, in-home services, and home-delivered meals. Funding levels must keep pace with the costs of providing services and the growing numbers of older Virginians. Due to the increasing number of older adults in Virginia and the rise of Adult Protective Services (APS) cases, VACo supports additional state resources to ensure adequate training for APS workers on topics such as financial exploitation.

Behavioral Healthcare

Crisis Services and State Hospital Capacity to Accept Individuals Subject to Temporary Detention Orders

VACo supports efforts to address census pressures at state hospitals through near-term funding measures, to include efforts to stabilize staffing, that will ensure that all state hospitals have the capacity to receive admissions of individuals subject to temporary detention orders without delays. VACo supports competitive salaries and training for state hospital direct care staff, as well as support staff.

In addition, ongoing efforts to support community-based crisis services must continue, to include any necessary clarification to ensure that eligible services provided to Medicaid members within short-term crisis intervention facilities can be covered by Medicaid.

Community Mental Health Services Redesign

VACo supports guardrails on any proposed discontinuation of legacy Medicaid-funded services and implementation of new services to ensure that there is a seamless transition and there are no gaps in care for individuals being served. The current redesign timeline anticipates new services being ready to deploy and the legacy services being terminated by July 1, 2026; this target date must be adjusted if adequate provider capacity will not be in place to meet client needs.

Funding for Community Services Boards or equivalent county

agencies: VACo supports continued funding by the Commonwealth sufficient to allow Community Services Boards (CSBs) (or equivalent county agencies)¹ to meet the charge of providing services through a community-based system of care. State support must enable CSBs to provide the services mandated by the General Assembly as part of the STEP-VA initiative, as well as any additional requirements that may be added. Funding must be sufficient to ensure adequate staffing in a competitive market.

¹ The term “Community Services Boards” is used here to encompass the operating or administrative policy Community Services Boards, behavioral health authority, and local government departments with policy-advisory Community Services Boards.

Any changes to CSB funding should involve meaningful consultation with localities as key funding partners in the behavioral health system.

Proposed changes to the funding structure, such as the creation of new funding formulae, should apply only to new funding. As an alternative, hold-harmless funds must be provided to those CSBs that would stand to lose state funding under any new funding structure.

VACo supports maintaining the ability of the Department of Behavioral Health and Developmental Services to waive local matching requirements for CSB funding for localities experiencing financial hardships.

Realignment of the behavioral health funding structure to incentivize community-based treatment rather than use of state hospitals will require additional state dollars and must not rely on local funding to backfill unanticipated costs for hospitalization.

Services for justice-involved individuals, individuals with cognitive impairments, and individuals with intellectual and developmental disabilities: VACo supports the provision of additional resources to meet the behavioral health needs of justice-involved individuals, such as mobile crisis services and other diversion programs that may be appropriate substitutes for, or supplements to, law enforcement responses. Such work should be coordinated with existing local and state efforts. A sustained commitment of resources from the state will be necessary to ensure successful implementation of the Marcus Alert system; these resources must be in addition to, and not at the expense of, the funding needed to provide the array of community-based services established under STEP-VA.

VACo recognizes the need for specialized services for individuals with cognitive impairments, neurodevelopmental disabilities, or neurocognitive disorders who may experience behavioral health challenges, and supports the provision of resources to enable these individuals to remain in the community, such as continued funding for dementia behavioral specialists and other supports for caregivers.

VACo supports the creation of additional Medicaid waiver slots to serve individuals with intellectual and developmental disabilities in the community, approximately 12,193 of whom were on a wait-list as of July 2025. Funding for 3,440 additional waiver slots in the 2024-2026 biennium aimed at eliminating the Priority 1 waitlist represents a major investment toward meeting this need.

Children's Services Act

VACo supports maintaining the state/local partnership at the heart of the Children's Services Act and opposes proposals to limit state participation in funding services for children and youth who are mandated to be provided with special education and foster care services. Caps on state reimbursement which limit the state's exposure to increasing costs, while leaving localities to shoulder costs above the cap, run counter to the nature of this program.

VACo supports enhancing the ability of local school divisions to serve children with disabilities, to include flexibility in use of state pool funds to serve children with high-level needs in local or regional programs tailored to meet

those needs, at local option; exploration of enhancements to the Students with Intensive Support Needs Application (SISNA) or a similar funding mechanism within the Department of Education to enable more children to be supported within the public school environment; and additional support for special education wraparound services to help support children in their communities.

VACo supports state assistance to localities with contracting for CSA services to improve localities' ability to negotiate with providers of these services, such as private day placements. Rate setting by the state must not limit the state's funding obligation at the expense of localities if a provider refuses to accept the negotiated rate.

VACo appreciates the recent investment of an additional \$500,000 per year in state administrative funds and supports continued investment of state resources to assist in the local administration of CSA programs. As CSA becomes increasingly complex and the Office of Children's Services is charged with ensuring effective implementation, the state should provide funding and other resources to support local programs.

Early Intervention

VACo supports sustainable funding for Part C Early Intervention, which is an entitlement program that provides services for Virginia's infants and toddlers. VACo requests that the General Assembly continue to increase state general funding to address growth in caseloads and fund rates that address the costs of providing the services. Underfunding this entitlement program puts pressure on local revenues to fill funding gaps for this service, which the state is mandated to provide.

Foster Care and Social Services

VACo supports continued state efforts to ensure successful implementation of federal legislation governing federal funding for children placed in foster care, to include improving access to the evidence-based prevention services that may be funded by Title IV-E dollars and ensuring that congregate care providers are able to meet new standards required in the law. This legislation will allow federal participation in prevention services that previously have been funded by state and local dollars, but services must meet certain standards in order to qualify for federal funding.

VACo supports state assistance in recruiting appropriate foster families to care for children who must be removed from their homes. Continued state assistance with finding placements for youth with high-acuity needs is particularly important in building on the progress made by the Safe and Sound Task Force. VACo supports state assistance in recruiting and retaining child welfare workers to address high rates of turnover in local departments of social services, such as by increasing the number of partnerships with universities in Virginia, improving training for child welfare workers, and expanding the Child Welfare Stipend program.

Healthcare

VACo supports continued state funding for dental care, school nurses and preventive services and maternal and child health programs offered through local health departments and local school systems. VACo encourages the state to prepare for emergency health services access to care and to develop and fund incentives that would alleviate the nursing shortages felt in many communities.

VACo supports efforts to reduce the cost of prescription drugs for individual consumers as well as for local governments' health insurance plans for county employees, such as through an affordability review process and the establishment of Upper Payment Limits for high-cost prescription drugs, provided there is an opportunity for local representation in such a process.

Human Trafficking

VACo supports treating survivors of human trafficking as victims, not criminals, and supports additional state resources to assist in providing access to services available to other trauma victims, such as job placement services, housing assistance, access to education, legal services, and mental health services.

Implementation of Medicaid Expansion

VACo supports continued state funding for the local costs associated with Medicaid expansion, such as local eligibility workers.

Prevention Services

VACo supports increased stable, predictable funding, through state general fund appropriations or federal funding streams, for voluntary home visiting programs. Investments in programs that ensure a strong start for children can help reduce the need for costlier interventions later in life.

Substance Use Disorder

Efforts to address substance dependency must be comprehensive and coordinated with localities. The state should develop and support evidence-based prevention initiatives and should continue to improve access to treatment.

Telehealth

VACo supports the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health and health administration. Flexibility in the delivery of these services is essential in meeting the needs of residents.

TRANSPORTATION

Priorities

Transportation Funding

The Virginia Association of Counties (VACo) is committed to advocating for a robust and sustainable transportation funding framework that effectively addresses the evolving needs of our communities across the Commonwealth. We recognize the critical role transportation infrastructure plays in connecting our counties, supporting economic growth, and ensuring the safety and well-being of our residents.

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 actions must, without impacting other transportation funding, address the secondary road needs of counties as well as unpaved roads.

VACo supports simplifying the Smart Scale process and maintaining transit capital state match rates.

VACo supports the efforts of the federal government to provide additional infrastructure funding to state and local governments, preferably through a multi-year surface transportation reauthorization. As Congress debates the contents of the next surface transportation reauthorization, VACo believes that this funding should supplement, not replace, funding the Commonwealth should provide for localities and regional bodies regarding their transit and infrastructure needs. VACo supports flexible funding for transportation, transit and infrastructure projects across the Commonwealth.

VACo remains dedicated to advocating for transportation funding policies that empower counties to address their evolving infrastructure needs effectively and is committed to working collaboratively with stakeholders to ensure the continued growth, safety, and prosperity of Virginia's counties and their residents.

Local-State Cooperation

VACo is committed to the protection of local government authority to regulate land use. This authority must be recognized by the Virginia Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB) when evaluations are conducted to determine the consistency between local transportation plans and the Commonwealth's transportation priorities.

VACo opposes the reduction of local control that is associated with the CTB's process of designating Corridors of Statewide Significance and the implementation of Arterial Preservation.

VACo supports additional flexibility within the VDOT project approval process and standards to be responsive to localities' individual needs. VACo supports the expansion of authority and discretion of Resident Administrators of VDOT to approve modifications to design standards where appropriate with local needs, including reduction of speed limits. VACo supports preservation of local authority to reduce speed limits below 25mph in certain business and residential districts.

Positions

Airports

VACo supports additional state and federal funding for the maintenance and expansion of airports to foster regional economic development.

Autonomous Vehicles

VACo supports continued collaboration with local governments on the development, deployment, and restrictions of use for autonomous vehicles, aerial systems, and related support infrastructure.

Electric Vehicle Charging Stations

VACo supports increased state and federal funding that provides for the availability and installation of interoperable, electric vehicle charging stations in collaboration with localities.

Devolution of Secondary Roads

VACo opposes legislative or administrative initiatives that would transfer to counties the responsibility for the construction, maintenance or operation of new and existing roads.

Maintenance Priorities

VACo supports a requirement imposed upon VDOT to implement a notification plan with the local governing body to establish maintenance priorities.

Parking

VACo supports general authority for counties to adopt ordinances regulating, including prohibiting, the parking of boats, RVs, utility trailers, campers, etc. on residential streets. In addition, VACo supports additional authority that would allow localities with parking ordinances the ability to enforce such ordinances using law enforcement, uniformed local employees, or uniformed personnel under contract with the locality.

Photo Speed Monitoring Devices

VACo supports, as a local option, enhanced authority for counties to deploy and administer photo speed monitoring devices within their jurisdiction in the interest of public safety.

Railways

VACo supports efforts by the Commonwealth to expand sustainable passenger and commuter rail service, including Transforming Rail in Virginia, to currently unserved areas of the Commonwealth as well as areas where demand exceeds available service. VACo supports continued collaboration with local governments regarding Commonwealth Rail Fund projects funded by the state and constructed within their jurisdictions. VACo supports efforts to safely improve mobility issues on roads that cross railway lines.

Recordation Tax Distribution to Localities

VACo supports the restoration of state recordation tax revenues distributed to counties and cities for use of transportation or public education purposes.

Regional Transportation Funding

VACo opposes any efforts to divert existing dedicated regional transportation revenues to areas and purposes outside of that region unless additional dedicated funding sources are provided to hold such funding harmless. Furthermore, VACo supports fully restoring redirected regional transportation funding.

Truck Size and Weight

VACo opposes any legislation that seeks to increase truck size or weight beyond the current federal standards, thereby stressing the capacity of the Commonwealth's road systems and putting highways, roads and bridges at risk of increased damage or deterioration.

Transit

VACo supports additional state and federal funding for transit that accounts for the needs of each region and community to foster regional economic development.

Unpaved Roads

VACo supports efforts to reform the unpaved road eligibility requirements for state-funded hard surfacing.