

# Capitol Contact

## Virginia General Assembly

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Tuesday, February 17, 2026

# Sovereign Immunity Repeal Bill Defeated

On February 12, the Senate Finance and Appropriations Committee voted unanimously (15-0) to carry over to 2027, [SB 228 \(Surovell\)](#), which proposes a number of changes to Code, including limiting the sovereign immunity of local governments. VACo strongly opposed this bill.

As previously [reported](#), the proposed bill stated that when a locality provides liability insurance or self-insurance under this section, that provision is “deemed a waiver of sovereign immunity.” This means the locality may be liable for damages up to the total of the self-insurance or insurance coverage it has in place, including any pooled or excess coverage.

According to local government risk insurers, this would have significant fiscal impacts to local government liabilities, potentially raising existing liability costs by more than 2.5 times, resulting in several hundred million dollars in additional costs to local governments. Local governments routinely perform inherently risky but socially necessary functions, such law enforcement and corrections, fire-EMS and emergency response, child welfare and social services, land-use decisions and zoning, and public works and transportation. Without sovereign immunity, localities face open-ended liability for lawsuits, including high-dollar verdicts. VACo thanks members who contacted their Senators to oppose this legislation.

Additional legislation involving proposed changes to sovereign immunity has been modified to address VACo and local government concerns. [HB 1220 \(Delaney\)](#), [HB 994 \(Seibold\)](#), and [HB 1330 \(Seibold\)](#) make various changes to the requirements governing the use of photo speed monitoring devices. These changes address topics such as the use of civil penalty revenues, signage, data retention, device calibration, reporting

requirements, and other operational standards. Each bill passed the House Transportation Committee with language stating that, in any court proceeding involving a failure by a locality, or a private vendor acting on its behalf, to comply with photo speed monitoring requirements, the locality must waive its sovereign immunity in that proceeding. The problematic language involving sovereign immunity was removed in a House floor amendment on February 16. VACo thanks the patrons for working to address these concerns.

**[SB 637 \(Ebbin\)](#)**, reduces the number of employees from 15 to five for each working day in each of 20 or more calendar weeks in the current or preceding calendar year for the definition of employer of domestic workers under the Virginia Human Rights Act. As originally introduced, the bill also waives sovereign immunity for all governmental entities for any act of unlawful discrimination in violation of the Act. The problematic language involving sovereign immunity was subsequently removed in a Senate Finance and Appropriations Committee substitute. VACo thanks the patron for addressing that concern.

VACo opposes any substantive change in local governments' present defense of qualified immunity and sovereign immunity.

VACo Contacts: [Jeremy R. Bennett](#) and [James Hutzler](#)

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## **ACTION ITEM: Oppose Bills to Make Multi-Family Residential a “By-Right” Use in Commercial Districts**

By votes of [64-35](#) and [21-19](#), [HB 816 \(Helmer\)](#) and [SB 454 \(VanValkenburg\)](#) passed in the House and Senate and head to their respective committees after crossover. The bills require local zoning ordinances to allow for the by-right development and construction of multifamily residential and mixed-use residential development on at least 75 percent of all land contained in commercial or business zoning district classifications. SB 454 was amended in committee to limit its application to cities and towns having a population of more than 20,000, or any locality within a federally designated metropolitan planning organization (MPO). Thirty-three Virginia counties are currently located within designated MPOs.

### **ACTION REQUESTED**

- The bills cross over with both soon to be heard – HB 816 in the [Senate Local Government Committee](#), and SB 454 in the [House Counties, Cities, and Towns Committee](#).

- Contact members of the [Senate Local Government Committee](#) and the [House Counties, Cities, and Towns Committee](#) to Oppose SB 454 and HB 816.

### **KEY POINTS**

- Through the implementation of comprehensive plans, capital improvement programs, and land use ordinances, counties have made strategic investments to provide for managed growth in business, jobs, and housing.
- Counties, in partnership with developers, have successfully implemented mixed use developments that include both commercial and residential components.
- A mandate to allow for multi-family residential use on land planned and zoned for commercial and business growth, invalidates publicly invested time and money, and ignores the role of counties in making wise land use decisions for their communities.

### **KEY CONTACTS**

- [Senate Local Government Committee](#)
- [House Counties, Cities, and Towns Committee](#)

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

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## **Finance Legislation Roundup**

As the 2026 General Assembly approaches the unofficial half-way marker of the session at “crossover,” several finance-related bills of interest to local governments have advanced, as outlined below.

### **Admissions Tax**

[HB 550 \(Anderson\)](#) and its companion bill, [SB 400 \(Diggs\)](#), would allow James City County and York County the option to impose a tax on admissions for attendance at any event. When legislation was enacted in 2020 providing counties with revenue options more closely aligned with those long available to cities and towns, it included a provision barring counties where an additional state sales and use tax (of which a portion is dedicated to tourism promotion) is levied from imposing admissions taxes. All other counties were permitted to impose a tax on admissions of up to 10 percent. This legislation removes this restriction and allows these counties the same option available to all other counties. VACo supports this bill and spoke in favor during the House subcommittee hearing. Both bills have passed their chambers of origin. HB 550 was reported from Senate Finance and Appropriations this morning and is headed to the Senate floor; SB 400 has been referred to House Finance.

## **Personal Property Taxes**

**HB 960 (Watts)** would change how tangible personal property employed in a trade or business is valued for purposes of personal property taxation. Under current law, this property is to be valued by means of a percentage or percentages of original cost; a 2014 Attorney General opinion held that “original cost” means the original cost paid by the original purchaser of the property from the manufacturer or dealer, and not the price paid by the current owner. HB 960 would define “original cost” to mean “original cost to the taxpayer.” VACo expressed concerns about the potential revenue impact to localities that have relied on the Attorney General’s opinion in valuing such property. To allow for further discussion of the issue, the patron added a reenactment clause on the bill, meaning that the legislation would need to be considered again by the 2027 General Assembly. This bill has passed the House and awaits consideration in the Senate Finance and Appropriations Committee.

**HB 557 (Reaser)** sets out electric-powered landscaping equipment employed in a trade or business as a separate class of personal property and allows localities to impose a tax rate on this equipment that is lower than the rate applied to general personal property. This legislation has passed the House and has been referred to the Senate Finance and Appropriations Committee.

## **Property Tax Exemptions**

**HB 175 (Feggans)** authorizes a local governing body to provide up to a total exemption from real property taxes for property owned by the surviving spouse of a servicemember who died in the line of duty. Current law provides that such property qualifies for a full exemption if it does not exceed the average assessed value of a dwelling that is situated on property that is zoned as single family residential. If the value of the dwelling exceeds the average assessed value, the portion of the assessed value that exceeds the average assessed value is taxable. This bill has passed the House and has been referred to Senate Finance and Appropriations, which continued a similar bill (**SB 8 (DeSteph)**) to 2027 earlier this session.

**HB 854 (Cousins)** allows real or personal property owned by certain nonprofit organizations that provide affordable housing to be eligible for local-option property tax exemptions under localities’ authority to provide exemptions for property used for certain charitable or benevolent purposes. The bill allows this property to be considered under this category if it is owned by an ownership entity with a controlling interest held directly or indirectly by nonprofit organizations, even though there may be some for-profit ownership interest in the property. This bill has passed the House and awaits a hearing in Senate Finance and Appropriations.

**SB 181 (Williams Graves)**, which has passed the Senate and has been referred to the House Finance Committee, allows a local governing body to provide for a partial tax exemption for real estate which is converted to affordable housing under certain circumstances. The partial exemption may be an amount equal to the increase in assessed value, or a percentage of the increase, but would be capped at the amount of expenses incurred in connection with the residential conversion, and would be limited to 15 years. The bill also allows localities to grant tax incentives or provide regulatory

flexibility, such as a reduction in permit fees, a streamlined process for permit approval, or a reduction in gross receipts tax, to encourage qualifying residential conversions.

### **Tax Administration**

**[HB 954 \(Watts\)](#)** addresses problems experienced by local Treasurers' offices in making exact change for taxpayers who pay bills in cash after the United States Mint ceased production of penny coins last year. Among other provisions, the bill authorizes a local governing body to set out procedures for the adjustment of bills and account balances for taxes and other charges due to the locality, which could include rounding to the nearest five-cent increment or the write-down or write-off of sums due that are less than five cents. VACo supports this legislation, which was introduced at the request of the Treasurers' Association of Virginia. This bill is on the House floor.

**[HB 915 \(Lopez\)](#)** authorizes a local governing body to allow an extension on personal property taxes owed by federal employees who are furloughed and essential federal employees who must work without pay during a federal government shutdown. This bill has passed the House and been referred to Senate Finance and Appropriations.

**[HB 1358 \(Runion\)](#)** and its companion, **[SB 649 \(Obenshain\)](#)**, seek to improve awareness among buyers of real estate that property may be subject to use value assessment and taxation. The bills add language to the "buyer beware" statute setting out what must be included in a residential property disclosure statement that the owner provides to the buyer; under the bill, this statement must include notice that the owner makes no representations or warranties with respect to whether the property is located in a locality that has adopted a land-use plan that may provide for use value assessment and taxation for real estate. If a real estate settlement agent knows that the real estate is subject to use value assessment and taxation, the agent must provide a written notice, which would be developed by the Department of Taxation, to the purchaser. Both bills have passed their respective chambers of origin. **[SB 829 \(Surovell\)](#)**, which aimed to improve awareness among homeowners about property that is designated as a resource protection area, would have required such information to be included on real property tax bills; this bill was continued to 2027 in Senate Finance and Appropriations over implementation concerns.

**[HB 341 \(Martinez\)](#)** requires any county that has imposed a disposable plastic bag tax to distribute a portion of tax revenues to any town located within the county.

### **Failed/Continued Bills of Interest to Local Governments**

**[HB 13 \(McNamara\)](#)** and **[HB 703 \(Tata\)](#)** would have eliminated the remaining 1 percent local option sales and use tax on groceries and replaced the lost revenue with a state appropriation based on each locality's monthly pro rata share of total sales and use tax collections. VACo spoke in opposition and registered concerns about eliminating a local revenue source and relying on the state to continue to appropriate the replacement revenue in perpetuity. Both bills were continued to 2027 in House Finance. **[SB 9 \(Suetterlein\)](#)**, a similar bill, was heard in Senate Finance and Appropriations earlier in the session and also continued to 2027.

[\*\*HB 563 \(Reid\)\*\*](#) would have set out generating equipment purchased on and after July 1, 2026, for the purpose of upgrading the backup or standby power systems of a major energy consumer (as defined in the bill) as a separate class of personal property and allowed a locality to impose a tax rate that is lower than the rate applied to general personal property. This bill was also continued to 2027 in House Finance.

[\*\*SB 712 \(Stuart\)\*\*](#) would have allowed localities to impose a tax on nicotine vapor products up to a maximum rate of 10 percent of the wholesale price or \$0.11 per milliliter. This bill was stricken at the request of the patron. A similar bill, [\*\*HB 1449 \(Pope Adams\)\*\*](#), was not taken up in House Appropriations prior to crossover.

[\*\*HB 697 \(Kent\)\*\*](#) would have established an income tax credit for the surviving spouse of a veteran who would have qualified for the real property tax exemption for disabled veterans but who died prior to the enactment of the exemption in 2011. The surviving spouse would be allowed to claim an income tax credit in the amount of the real estate taxes paid for the most recent assessment of the property. The credit would expire January 1, 2031, and would be capped at \$5 million in aggregate per taxable year. This bill was reported from House Finance and referred to House Appropriations, but not heard in that committee prior to crossover.

[\*\*HB 1136 \(Cherry\)\*\*](#) would have directed the Department of Health to determine the viability of establishing a centralized office to handle licensure, permitting, and taxation for mobile food units; this study would also consider centralizing collection of meals taxes from mobile food units. The bill was tabled in House Rules, although the subject matter is expected to be referred to the Virginia Department of Health.

[\*\*SB 93 \(Roem\)\*\*](#) sought to address a recent issue in the City of Manassas and provided that if any tenant of a data center is a bank, then the data center operator and any tenants of the data center would not qualify for the sales tax exemption for data center computer equipment. The bill would also make the computer equipment and peripherals of all banks used in a data center subject to tangible personal property taxes. The bill was continued to 2027 in Senate Finance and Appropriations over concerns about its scope.

VACo Contact: [\*\*Katie Boyle\*\*](#)

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## **Elections Legislation Update**

Several election-related bills of interest to local governments remain under consideration at the crossover deadline.

### **Ranked-Choice Voting**

[\*\*HB 630 \(Callsen\)\*\*](#) and [\*\*SB 176 \(VanValkenburg\)\*\*](#) set out certain administrative provisions for implementing ranked-choice voting, such as direction to the State Board to provide standards for vote tabulating software and direction on how damaged ballots should be handled.

The bills expand the option to conduct an election by ranked-choice voting to town councils (currently this option is limited to elections of boards of supervisors and city councils) but allow counties to bill towns for costs associated with conducting an election via ranked-choice voting if those costs would not have been incurred otherwise. VACo had requested this provision in earlier versions of the legislation considered in previous years to ensure that counties were not obligated to incur expenses due to a decision made by a town. HB 630 is on the House floor and SB 176 has passed the Senate and awaits a hearing in the House Privileges and Elections Committee.

## **Sunday Voting**

**SB 438 (Bagby)**, as introduced, required early voting to be offered on the second Sunday immediately preceding all elections. A substitute offered in committee expanded this language to require early voting to be offered between the hours of 11 a.m. and 5 p.m. on the second and third Sunday immediately preceding all elections. Currently, electoral boards must offer early voting for eight hours on the two Saturdays preceding the election, but offering early voting on Sundays is discretionary, and legislators in both parties have recently expressed concerns about variation among localities in early voting opportunities. VACo has traditionally supported local flexibility to determine how best to use local resources to accommodate voters. A similar bill, **SB 533 (Suetterlein)**, would have required early voting to be available between the hours of 8 a.m. and 5 p.m. Monday through Friday and between the hours of 1 p.m. and 5 p.m. on the second Sunday preceding all elections. This bill was continued to 2027 in Senate Privileges and Elections. SB 438 has passed the Senate.

## **Electronic Registration Information Center**

**SB 57 (VanValkenburg)** requires the state to rejoin the Electronic Registration Information Center (ERIC). A related bill, **HB 215 (Henson)**, contains similar language in a second enactment, as well as language requiring the Commissioner of Elections to submit proposed memoranda of understanding with any third party for voter registration data exchange to the State Board of Elections for review and approval. VACo supports the state's rejoining ERIC as part of an effort to ensure accurate voter lists to support local election administration planning. HB 215 is on the House floor; SB 57 has already "crossed over" to the House.

## **Voting Rights Act of Virginia**

**HB 967 (Price)** revises several provisions of the Voting Rights Act of Virginia. The bill revises the standard for determining that a violation has occurred; expands who may challenge a covered practice (such as a change to district boundaries or change in polling places) to include any organization whose membership includes persons who will be subject to or affected by the covered practice; and expands who has standing to initiate a cause of action for an alleged violation to include any organization whose membership includes members of a protected class or whose mission would be frustrated by a violation of the Act. As introduced and passed by the House, the bill does not expand the list of covered practices that are subject to the review and public comment process.

## **Non-Governmental Election Funding**

**HB 639 (Krizek)** revisits an earlier prohibition on acceptance of funding from private individuals or nongovernmental entities for election-related expenses to allow acceptance of such funds under certain circumstances. The bill bars acceptance of such funding in excess of \$1,000 unless approved by a two-thirds majority of the State Board of Elections or the local governing body. This bill has passed the House and awaits action in Senate Privileges and Elections.

## **Removal of Electoral Board Members or General Registrars**

**HB 41 (Simon)** sets out a process for removal of an electoral board member or general registrar. Under the bill, the State Board of Elections may remove a member of an electoral board member or general registrar for certain enumerated reasons, including neglect of a clear, ministerial duty or misuse of office; a two-thirds majority vote would be required for removal. Similarly, a local electoral board would be authorized to remove a general registrar by a unanimous vote; in this case, the registrar would be entitled to appeal to the State Board of Elections, which could reverse the electoral board's decision by a two-thirds vote. A related bill, **HB 78 (Price)**, stipulates that ascertaining and certifying election results are clear, ministerial duties of electoral board members and that neglect or refusal to perform such duty would be grounds for removal and a civil penalty of up to \$1,000. Both bills have passed the House and been referred to the Senate Privileges and Elections Committee.

## **Incumbent Failure to File**

**SB 126 (Pekarsky)**, which has passed the Senate, provides that if an incumbent does not submit the declaration of candidacy, petitions, and filing fees by the 75<sup>th</sup> day before a primary election (or the documents are filed but subsequently withdrawn), any person other than the incumbent would have five more days to file these documents.

## **Challenges to Candidate Eligibility**

**SB 169 (Pekarsky)** requires any legal action related to a candidate's eligibility to be filed within certain deadlines, and sets deadlines for the court to decide such a case. This bill has also passed the Senate.

## **Failed/Continued Elections Legislation of Interest to Local Governments**

**HB 23 (Helmer)/SB 76 (VanValkenburg)** would have required all primaries for offices to be filled in the November general election in presidential primary years to be held on the date of the presidential primary. Although similar legislation passed last year and was vetoed, SB 76 failed to report in Senate Privileges and Elections, and HB 23 was subsequently stricken.

**HB 71 (Reaser)** would allow a local governing body to prescribe the dates and hours of operation of satellite offices for in-person absentee voting (if the dates and hours met minimum requirements set out in statute). Currently, the governing body establishes the number of satellite offices, but dates and hours of operation are set by electoral boards. This bill was continued to 2027 in House Privileges and Elections.

**HB 162 (Simon)** would allow local governing bodies in counties or cities to establish public campaign financing for elected local offices. This bill was continued to 2027 in House Privileges and Elections.

**SB 202 (Suetterlein)** would require vacancies in boards of supervisors or city councils to be filled by a special election rather than a temporary appointment and would supersede special forms of government and charters setting out different timelines for filling vacancies. VACo opposed this bill, which would mandate a significant change to well-established processes and eliminate modest accommodations in Virginia law that allow localities to maintain continuity in governance and minimize costs from unexpected special elections. This bill was continued to 2027 with a suggestion that the Chairs of the House and Senate Privileges and Elections Committees request further discussion on this topic.

[\*\*HB 89 \(Cole, J.G.\)\*\*](#) would have required the Department of Elections to implement an online filing system to accept any notification, form, or petition required to be filed by a party official or candidate and allowed such documents to be filed electronically. This bill did not emerge from committee prior to the crossover deadline.

[\*\*HB 235 \(Gardner\)\*\*](#) would establish a pilot program for “super precincts,” and allow any county or city to apply to the State Board of Elections to participate. Super precincts would be composed of whole precincts that would be combined to serve up to 15,000 registered voters per vote center. A proposal would outline the number of super precincts to be established, the elections during which they would be used, and how they would be operated. The State Board would promulgate standards for the operation of super precincts and would have to approve participation in the pilot program unanimously. The authorization for the pilot program would expire in 2030. This bill was continued to 2027 in House Privileges and Elections.

VACo Contact: [Katie Boyle](#)

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## Key Dates for 2026 General Assembly Session

The General Assembly convenes today for a scheduled 60-day session.

Key dates for the 2026 session, as approved by the Joint Rules Committee in the procedural resolution setting out the schedule for the session, are as follows:

- **Wednesday, January 14:** General Assembly convenes; pre-filed bills must be submitted by 10:00 a.m. (after the pre-filing deadline, legislators are limited to five additional bills or resolutions). Last day to submit bills creating or continuing a study or to submit bills dealing with the Virginia Retirement System. Governor Youngkin will address a joint session of the General Assembly at 7 p.m.
- **Friday, January 16:** Deadline to submit budget amendments.
- **Saturday, January 17:** Inauguration of Governor-Elect Spanberger, Lieutenant Governor-Elect Hashmi, and Attorney General-Elect Jones.
- **Monday, January 19:** Joint session of the General Assembly for remarks by Governor Spanberger.
- **Friday, January 23:** Last day to submit legislation, other than bills submitted by unanimous consent or bills requested by the Governor.
- **Tuesday, February 17:** Last day for bills to be acted upon in their chambers of origin, other than the budget bills. Bills must “cross over” to the opposite chamber by Wednesday, February 18.

- **Sunday, February 22:** “Budget Sunday” deadline for House Appropriations and Senate Finance and Appropriations committees to report their respective budget proposals.
- **Thursday, February 26:** Deadline for each chamber to act on its respective budget proposal.
- **Wednesday, March 4:** Deadline for each chamber to act on budget and revenue bills from the other chamber and appoint conferees as necessary.
- **Monday, March 9:** Deadline for committee action on all legislation by midnight.
- **Saturday, March 14:** Scheduled adjournment *sine die*.
- **Wednesday, April 22:** Reconvened session to consider Governor’s actions on bills and budget items.

VACo Contact: [Katie Boyle](#)