

Capitol Contact

Virginia General Assembly

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Thursday, February 26, 2026

VACo Supported School Construction Financing Legislation Status

Legislative initiatives that would expand school financing abilities to counties across the Commonwealth continue to move forward, but in different processes and with different content. [HB 334 \(Rasoul\)](#), which once again seeks to grant additional revenue raising authority if approved by local referendum for school capital needs, passed the House of Delegates and has been referred to the Senate Finance and Appropriations Committee. Meanwhile, the Senate left in the same committee, [SB 607 \(Lucas\)](#), which incorporates [SB 66 \(McPike\)](#). Instead, the proposed Senate [budget](#) includes Item 4-14 #1s, which is an amendment that embeds the language of SB 607 in the proposed budget.

Besides adopting a different process to move the proposed legislative proposal forward, below is a summary of some of the similarities and main differences between the House and Senate versions:

Point	Policy Area	House	Senate	Key Difference
1	Core Purpose & Scope	Authorizes all counties and cities to impose up to a 1% local sales and use tax for school capital projects, subject to voter referendum.	Authorizes all counties and cities to impose up to a 1% local sales and use tax for school capital projects, subject to voter referendum.	Substantively similar authority granted; differences emerge in restrictions and fiscal safeguards.
2	Use of Revenue & Restrictions	Revenue dedicated solely to school capital projects,	Revenue dedicated to school capital projects, with explicit language	Senate includes explicit “no supplanting”

Point	Policy Area	House	Senate	Key Difference
		including construction, renovation, and debt service.	preventing use of new revenue to replace or reduce existing local capital funding.	language; House does not contain that express limitation.
3	Expiration / Duration of Tax	Removes existing statutory requirement tying expiration of the tax to bond repayment or a set termination date, allowing greater local flexibility.	Does not clearly remove or modify expiration requirements in the same manner (based on current bill structure and budget amendment language).	House provides broader flexibility regarding duration; Senate does not clearly do so.
4	Structural / Technical Approach	Amends Code sections governing local sales tax authority and adjusts duration language.	Incorporates SB 607 language and embeds provisions through Senate budget amendment (Item 4-14 #1s).	Senate advances through the budget process; House proceeds as standalone Code amendment.
5	Legislative Process Status	Passed the House of Delegates; referred to Senate Finance.	Left in Senate Finance and Appropriations; language embedded in Senate budget amendment.	HB 334 moving as a House bill; SB 607 advancing via budget vehicle rather than standalone passage.

As previously [reported](#), funding for school construction and renovation is one of the biggest concerns and responsibilities of local governments in the Commonwealth and has been almost solely a local responsibility for decades. The condition of the facilities in which children are educated has a direct impact on their ability to learn

Senate Finance and Appropriations could docket HB 334 for discussion in committee. Alternatively, language pertaining to this issue could be included in discussions by the committee of conference for the General Assembly budget to be submitted to the Governor. That both chambers have advanced legislative provisions related to this issue is an encouraging sign that majorities in both chambers feel that this issue has merit.

VACo supports any efforts for additional state resources and additional statewide funding options for localities for capital and school construction costs and has publicly testified this session in favor of these efforts.

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

Transportation Services Mandate Bills Pass Original Chambers

[SB 731 \(Salim\)](#), as substituted, would require that the governing body of any city or county that contracts with a private company to provide a system of public transportation must:

- Require such company to provide any employee of such company providing services compensation and benefits that are, at a minimum, equivalent to the compensation and benefits provided to a public employee.
- Ensure that all employees of such public transportation system employed by a predecessor private company be offered employment with any successor company without loss of compensation or benefits.

The bill also states that if a city or county that contracts with a private company to provide a system of public transportation subsequently elects to provide its own system of public transportation, such county or city shall:

- Adopt an ordinance or resolution providing collective bargaining (if such county or city has not already done so).
- Ensure that all employees of the private company are offered employment with such subsequent system of public transportation without loss of compensation or benefits.

The bill was substituted in the Senate to exempt the Virginia Railway Express, paratransit service, microtransit service, and any ferry service from the provisions of SB 731. The substitute also grandfathers existing collective bargaining agreements and directs the Department of Rail and Public Transportation to convene a workgroup on how to implement the provisions . SB 731 passed the Senate (20-19 vote) and will be heard in a House Counties, Cities and Towns Subcommittee on Friday.

[HB 547 \(Helmer\)](#) passed through the House of Delegates (63-34 vote) in its original form and was eventually conformed with SB 731. Both bills now contain the same language.

VACo opposes SB 731 and HB 547 because they would mandate collective bargaining for localities, interfere with the ability for a county to make employment and services delivery decisions, and may have costly unintended consequences. The bills would almost certainly raise the operating costs of transportation delivery systems at a time when the budgets for these services are tight.

VACo Contact: [James Hutzler](#)

Website Domain Bill Continued to 2027 and Sent to JCOTS

On February 25, the Senate General Laws and Technology Committee voted unanimously (15-0) to continue to 2027 and refer [HB 707 \(Hayes\)](#) to the Joint Commission on Technology and Science (JCOTS). The bill, as introduced, would prohibit a public body, defined in the bill, from maintaining an official website for public use with a domain other than a .gov, .edu, or .museum domain. The bill provides that any email address that a public body provides to its employees shall utilize a .gov domain and directs the Virginia Information Technologies Agency to promulgate regulations to implement the provisions of the bill. The bill has a delayed effective date of July 1, 2029. Delegate Hayes currently serves as the Chairman of [JCOTS](#).

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

ACTION ITEM: VACo Continues to Oppose Mandatory Collective Bargaining

VACo urges continued opposition to [HB 1263 \(Tran\)](#) / [SB 378 \(Surovell\)](#), which would curtail local authority and create substantial local fiscal impact by imposing mandatory collective bargaining for local governments if a group employees petition and vote to form a bargaining unit. The bills would also create a state Public Employee Relations Board (PERB) with no specified local government representation and impose binding arbitration, among other provisions. Furthermore, the bills do not preserve local discretion beyond the expiration of existing collective bargaining agreements, effectively forcing localities into the new state-administered system when current agreements expire.

ACTION REQUESTED

- **VACo Members** – Contact ALL legislators in the General Assembly ([House of Delegates Emails 1](#) | [House of Delegates Emails 2](#) | [Senate of Virginia](#)) to oppose this legislation now.
- Please include VACo in your correspondence and share fiscal and other impacts of the legislation on your locality.

SB 378 passed the Senate on February 17 on a vote of 21-19. HB 1263 passed the House on February 17 on a vote of 61-35. Each bill has slight differences detailed further below, but the most problematic aspects involving local decision making and fiscal impact

remain. The bills will likely be heard in each opposing chamber. If the differences in each bill are unable to be reconciled, they will likely be sent to a committee of conference.

KEY POINTS

- Virginia is home to a diverse array of localities with significant variations in population, resources, and administrative capacity. Mandating a uniform collective bargaining framework ignores these differences and places an undue burden on many localities that lack the resources to manage the complexities of collective bargaining agreements.
- Disregard for locally tailored solutions made by democratically elected local representatives disrupts established practices and agreements and creates unnecessary confusion and administrative burden.
- This legislation preempts local governance, introduces fiscal uncertainty, and disregards the progress made by a number of localities and local school divisions under the current framework.
- The estimated **local fiscal impact** for this legislation is massive. One responding locality has reported a potential fiscal impact exceeding \$400 million for that jurisdiction alone.

VACo opposes both bills. Below is a side-by-side comparison.

Topic	SB 378	HB 1263
PERB Placement	Establishes PERB as an agency in the executive branch.	Establishes PERB as a division of a department.
Binding Arbitration	Requires final & binding arbitration for grievances and impasse procedures. More explicit and prescriptive about the use of binding arbitration. A local governing body shall approve or reject the submission as a whole. However, if the governing body rejects the submission of the public employer, either party may reopen negotiations.	Requires final & binding arbitration for grievances and impasse procedures. Leaves more details to regulation.
Procedural Impacts	State-run certification/elections and bargaining unit determinations; contact info requirements; enforcement and hearings in localities.	Similar statewide structure; additional home-care provisions expand scope and

Topic	SB 378	HB 1263
		administrative footprint.
Home care / Medicaid Consumer-Directed Providers	Directs the Secretary of Health and Human Resources (along with the Secretary of Labor) to evaluate options for collective bargaining rights for consumer-directed providers in the Medicaid waiver programs.	Creates a Virginia Home Care Authority (VHCA) with extensive responsibilities and “public employer” role for providers.
Higher Education	Includes employees of public institutions of higher education from the bill’s collective bargaining framework.	Excludes employees of public institutions of higher education from the bill’s collective bargaining framework.
Effective date / transition	Major provisions become effective July 1, 2028, with continuity language for existing representatives and collective bargaining agreements until then.	Requires regulations by July 1, 2028 and pauses certain petition and election activity until regulations are adopted.

Some other considerations of both bills:

- Eliminates the current “local option” framework and replaces it with a mandatory, state-administered collective bargaining system, regardless of local governing body preferences or capacity.
- Local governments lose existing decision-making authority over labor relations policy and must navigate a new state bureaucracy.
- Creates new procedural timelines and legal standards that local human resources staff, county attorneys, and administrators must meet, regardless of staffing capacity or workload constraints.
- Creates new reporting, documentation, and compliance tracking requirements, increasing administrative overhead for counties without providing state funding to support these mandates.
- PERB’s membership structure does not guarantee any dedicated representation for local governments.
- PERB has enforcement authority to seek court involvement to compel compliance with the statute and PERB orders, exposing counties to new litigation risk and legal costs.
- Binding arbitration creates outcomes with unpredictable fiscal consequences.
- Limits counties’ ability to respond quickly to fiscal downturns, emergencies, or changing service demands, due to contractual and arbitration-driven constraints on staffing, scheduling, and compensation adjustments.

- Most major provisions take effect July 1, 2028, limiting immediate impacts on the next biennial budget, while setting up potentially significant fiscal impacts in future budget cycles.
- Employees of the legislative branch are excluded from coverage under the collective bargaining framework created by the bills.
- For local governments, the two bills still have the same functional impact. Both curtail the authority of democratically elected local officials, centralize authority at the state level, expand binding arbitration, and expose counties to significant new fiscal and operational risk. VACo urges members to contact the General Assembly to respect the autonomy of local governments and reject this measure.

KEY CONTACTS

- [House of Delegates Emails 1](#) | [House of Delegates Emails 2](#)
- [Senate of Virginia](#)

Additional local government and local school board perspectives on this legislation can be found in these publications.

- [WJLA.com](#): Va. leaders sound alarm on collective bargaining bill: 'It will bankrupt local government'
- [Richmond Times-Dispatch](#): Collective bargaining bills extreme measure to problem that doesn't exist | Guest column
- [Richmond Times-Dispatch](#): County leaders say bills would undermine fiscal responsibility and local authority | Guest column
- [“Letter from Mayors of Seven Cities of Hampton Roads”](#)

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

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](#)