

Capitol Contact

Virginia General Assembly

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

Monday, April 20, 2026

FOR IMMEDIATE RELEASE

VACo and VML Weigh In on Governor's Collective Bargaining Amendments

RICHMOND, VA (April 20, 2026) – The Virginia Association of Counties (VACo) and the Virginia Municipal League (VML) today responded to Governor Abigail Spanberger's proposed amendments to [HB 1263](#) / [SB 378](#), noting the Administration's engagement with local government concerns.

VACo and VML appreciate the Governor's decision to amend the legislation to delay the main implementation for local governments until January 1, 2030, providing localities with additional needed time to prepare for potential changes.

"Counties across Virginia have been clear about the importance of maintaining local flexibility in workforce decisions," VACo Executive Director Dean Lynch said. "VACo had requested a veto of this legislation, but we appreciate that Governor Spanberger carefully considered the concerns raised by local governments and took meaningful steps to address them through her amendments."

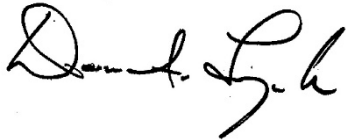
"This legislation is complex and will require significant local resources to implement," VML Executive Director Michelle Gowdy said. "Additional time to prepare for a change of this magnitude is helpful."

While the amendments provide additional time and clarity, VACo and VML will continue to work with its members and state leaders to monitor the impact of the legislation and advocate for policies that preserve local authority and flexibility. VACo and VML remain committed to supporting localities as they navigate this evolving policy

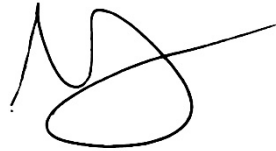
landscape and will provide ongoing guidance and resources in the months and years ahead.

VACo and VML look forward to continuing to engage cooperatively with the Governor on this and other important issues facing local governments and the Commonwealth. \

Sincerely,



Dean A. Lynch, CAE
Executive Director
Virginia Association of Counties



Michelle Gowdy
Executive Director
Virginia Municipal League

General Assembly Will Consider Governor's Amendments, Vetoes April 22

Governor Spanberger proposed amendments to 176 bills ahead of her April 13 deadline (in addition to four bills already amended prior to the conclusion of the regular session), and vetoed eight bills. The legislature will meet on April 22 to act on the Governor's amendments and vetoes.

During this reconvened session, members will have an opportunity to accept or reject the Governor's revisions to bills (based on a majority vote of members present in each chamber) and to override the Governor's vetoes (which requires a supermajority vote of two-thirds of members present in each chamber). If the legislature rejects the Governor's amendments to a bill, in whole or in part, the bill is returned to the Governor, who then has 30 days to sign the bill, veto the bill, or allow the bill to become law without her signature.

VACo Contact: [Katie Boyle](#)

Senate Finance and Appropriations Committee Briefed on State Revenues Ahead of April 23 Special Session

Secretary of Finance Mark Sickles briefed members of the Senate Finance and Appropriations Committee on Tuesday, shortly after the Monday night release of Governor Spanberger’s amendments to legislation passed by the 2026 General Assembly.

Secretary Sickles reported that state General Fund revenues are outperforming expectations, running \$708.5 million, or 3.2 percent, ahead of the forecast. Secretary Sickles expressed confidence in the state’s finances in the near term, noting that revenues could decline by 4.1 percent in the last quarter of the fiscal year and still meet the FY 2026 forecast. However, he cautioned Committee members that individual income tax non-withholding and lower than expected individual income tax refunds represented \$582.2 million of the \$708.5 million variance from the forecast – in other words, most of the growth was generated by sources that have traditionally been volatile. He highlighted several concerning economic indicators, including a loss of 31,600 jobs in Virginia since the beginning of the fiscal year, an increase in the state unemployment rate, and a decline in labor force participation. A sustained increase in oil prices is a potential inflationary factor, with every \$10 increase in the price of oil translating to a 25-cent-per-gallon increase in gasoline prices.

Members pressed Secretary Sickles on the Governor’s openness to additional revenue options to bridge the \$1 billion difference between the House and Senate spending proposals. The Senate proposes to sunset the sales and use tax exemption for data center equipment and software in January 2027, ahead of its scheduled expiration in 2035, while the House proposes to require data centers to meet certain environmental standards to qualify for the exemption, but does not assume additional revenues from data centers in the upcoming biennium. Several members expressed frustration at the Governor’s veto of legislation that would have established a regulatory and tax structure for skill games, noting that this action eliminated potential revenues that could have been used to fund legislative priorities. Secretary Sickles responded by encouraging conferees to meet to begin finding a solution to the impasse. Legislators will return to Richmond next week to consider the Governor’s vetoes and amendments at the April 22 reconvened session, followed by the April 23 convening of the special session that has been scheduled to finalize a new biennium budget.

Secretary Sickles’s presentation is available at [this link](#).

VACo Contact: [Katie Boyle](#)

Governor Proposes Minor Amendments to Legislation to Allow “By-Right” Development of Faith-Based Owned Property

[SB 388 \(McPike\)](#) and [HB 1279 \(Cole\)](#) override local decision-making by allowing development of housing, with up to 30 percent of certain ground-floor nonresidential uses, on land owned by property tax-exempt religious organizations or certain property tax-exempt nonprofit organizations. The legislation also mandates that zoning ordinances shall allow the by-right development of up to 20 units per acre on property owned by such organizations. The measures specify that the review of such developments be completed pursuant to general law and states that localities shall not require a special exception, special use permit, conditional use permit, rezoning, or any discretionary review or approval process. Governor Spanberger is asking the legislature to consider several amendments that are mostly technical in nature (see [See Governor's Recommendation](#)).

VACo opposed the legislation and requested a veto.

The legislation, with the proposed amendments, includes the following key provisions:

- A qualifying religious or nonprofit organization must own the property for five years prior to applying for a housing development application.
- At least 60 percent of the total housing units must be affordable at 80 percent or less AMI (area median income) for rental units, and up to 120 percent AMI for for-sale units.
- Affordability of units must be recorded and preserved for a minimum of 30 years by deed restrictions or other legally binding requirements.
- The property is served by or within an area planned for public water and sewer.
- It does not apply to ... *property zoned for or adjacent to land zoned for industrial use provided there has been an active and operational industrial use as defined by the locality on the property within the previous five years.*
- The provisions of the legislation become effective on January 1, 2027, and expire on January 1, 2031.

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

Governor Proposes Minor Amendment to Legislation that Makes Utility-Scale Batteries a By-Right Use

[HB 891 \(Shin\)](#) and [SB 443 \(McPike\)](#) make utility-scale Battery Energy Storage Systems (BESS) a by-right use on any parcel that has previously been approved for utility-scale solar and that is subject to an approved special use permit, ... *or any other similar approval issued for a solar facility*. Governor Spanberger is asking the legislature to consider adopting a substitute version (see [Governor's amendment in the nature of a substitute](#)) that makes several technical changes and specifies that the by-right battery facility may not exceed ... *100 percent of the of the nameplate generating capacity of the associated solar facility*. For example, if a county has approved a 100 megawatt (MW) solar facility, then the battery facility cannot exceed 100 MW without further local discretionary approval.

VACo opposed the legislation and requested a veto.

In addition to taking away local decision-making, the legislation also exempts such installations from the requirement that applicants give the locality written notice of their intent to locate in such locality and request a meeting to negotiate a host siting agreement pursuant to [Virginia law on the Siting of Solar Projects and Energy Storage Projects](#).

It is important to note the host siting agreement law was amended 2021 to include battery storage projects as way to offset the loss in revenue due to state mandated exemptions from local machinery and tools tax on the equipment - 80% exemption for the first 5 years of operation; 70% exemption for years 6-10; and 60% exemption for years 11 and beyond (see [Legislature passes complex changes to laws regarding the siting and taxing of solar and energy storage projects - Virginia Association of Counties](#)).

Without the requirement for an applicant to seek a host siting agreement, and because of loss in revenue due to state-mandated exemption from local taxes, counties cannot adequately address limited resources of their fire departments and public safety operations who must be familiar with the layouts and protocols for each site and have adequate resources to respond to fire and emergency calls.

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

Governor Proposes Minor Technical Amendments to Legislation Mandating Statewide Standards for Solar Facilities

[HB 711 \(Herring\)](#) and [SB 347 \(VanValkenburg\)](#) direct that, unless otherwise permitted “by right,” a locality shall require and review any “special exception” (aka special use permit) for any application of a solar project one megawatt or more in generating capacity in all zoning districts classified as agricultural, commercial, industrial, and institutional. The legislation then mandates specific criteria to be applied to such applications, and they be adopted in local zoning ordinances. Governor Spanberger is asking the legislature to consider several technical amendments (see [See Governor's Recommendation](#)).

VACo opposes the legislation and requested a veto.

While there is no mandate to approve such applications, the legislation does require localities to review all such applications, regardless of whether the location of the proposed facility is contrary to local comprehensive plans and land use ordinances, and ...*furnish the State Corporation Commission a record of special exception decisions reached pursuant to this section not more than 60 days after such decision is made. The record shall include (i) the reason for any adverse decision, (ii) any finding of nonconformity with the local comprehensive plan, and (iii) the date of the last revision to the comprehensive plan.*

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

Additional Bills of Interest to Local Governments with Governor’s Amendments

Local Governing Bodies

[HB 505 \(McAuliff\)/SB 648 \(Perry\)](#), as passed by the General Assembly, provide that any member of a local governing body who has been employed by a governmental agency that is a component part of and which is subject to the ultimate control of the governing body is considered to have a continuing personal interest in the agency for two years after terminating employment. The bills also include several provisions applying only to the Town of Purcellville that (i) require that in the event of a criminal proceeding against any officer of the town, the court of appropriate jurisdiction is to suspend the officer pending the resolution of the proceeding and may appoint someone to act in the officer’s place; (ii) require the town to conduct a study of its debt and other liability risks; (iii) stipulate that the town council may only vote on matters that have been properly advertised or otherwise properly approved as an addition to a meeting

agenda; and (iv) require the town manager to be a resident of the Commonwealth. The Governor adds an emergency clause to the bill and removes language dealing with the compensation of an officer in the town who has been suspended due to a criminal proceeding.

Elections

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. The Governor's amendment would provide that the State Board's removal decision would be subject to judicial review in accordance with the Administrative Process Act.

HB 630 (Callsen) and **SB 176 (VanValkenburg)** set out certain administrative provisions for implementing ranked-choice voting. 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. The Governor's amendments add several provisions requiring final tabulation of votes at the electoral board's meeting on the day after the election; requiring the Department of Elections to make public the total number and percentage of votes received by each candidate in each round of the official tabulation, consistent with voter privacy; and clarifying how a risk-limiting audit of an election conducted by ranked-choice voting would be implemented.

HB 639 (Krizek) modifies the current prohibition on acceptance of funding from private individuals or nongovernmental entities for election-related expenses to allow acceptance of such funds under certain circumstances. As passed by the General Assembly, the bill bars acceptance of such funding in excess of \$1000 unless approved by a two-thirds majority of the State Board of Elections or the local governing body. The Governor's amendments provide that the \$1000 cap would apply annually and limit approval authority to the State Board of Elections (removing the authority of a local governing body to accept the funding). The Governor's amendments also require recipients to report any funding to the Department of Elections and direct the Department to publish guidance for local electoral boards and general registrars on acceptance and use of such resources.

SB 126 (Pekarsky) provides that if an incumbent does not submit the declaration of candidacy, petitions, and filing fees by the seventy-fifth 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. The Governor's amendments would require certain notification to the party chair and adjust the

deadline for the party chairs to submit the names of candidates to the State Board of Elections.

Health and Human Services

HB 455 (Willett)/SB 599 (Srinivasan), as passed by the General Assembly, revise the statute governing the Virginia Opioid Use Reduction and Jail-Based Substance Use Disorder Treatment and Transition Fund by requiring that grants be awarded for up to three years and that applicants submit a plan for financial viability within the award period. The Governor's amendments remove the specification for the three-year timetable for grant awards.

HB 483 (Delaney)/SB 271 (Deeds), as passed by the General Assembly, would cap payments to prescription drug manufacturers and wholesale distributors for certain prescription drugs at the maximum fair price established by the U.S. Secretary of Health and Human Services. Pharmacies would be required to be reimbursed for these drugs at amounts at least equivalent to the maximum fair price, plus a dispensing fee. The bill would also set up a Prescription Drug Affordability Advisory Panel, which would review prescription drug pricing and utilization trends and report annually on specified topics, including patients' out-of-pocket costs, strategies to reduce local governments' spending on prescription drugs, enhancements to data collection and reporting, and suggested statutory or regulatory changes to improve affordability and transparency. One of the members of this Advisory Panel would be a representative of a local government. The Governor's amendments include the addition of a reenactment clause to the provisions of the bill setting maximum fair prices for certain drugs; the Governor also removes the requirement for a local government representative on the Advisory Panel. VACo has historically supported this legislation, contingent on local government representation on the Advisory Panel.

HB 931 (Simon)/SB 270 (VanValkenburg) require the Board of Behavioral Health and Developmental Services to promulgate regulations for minimum certification standards for recovery residences and set out elements of these standards. The bills also direct the Department of Behavioral Health and Developmental Services and the Virginia Housing Commission to make recommendations for establishing regulations for licensed providers of clinical substance use treatment services that offer housing as a benefit for individuals participating in treatment services, but are not licensed or certified as recovery residences; as passed by the General Assembly, a report would be due by November 1, 2027. The Governor proposes to advance this deadline to November 1, 2026. The legislation as passed by the General Assembly also extends the workgroup on the issue of regulation of recovery residences that met last summer (an effort in which VACo participated) and requires it to meet at least twice per year; the Governor's amendments sunset the workgroup on July 1, 2031.

HB 1222 (Delaney), as passed by the General Assembly, requires any interview of a child conducted as part of a child welfare interview (an interview conducted by a child protective services agency to collect information regarding abuse, neglect, or exposure to violence) or a family assessment to be recorded. The Governor's amendments would

convert this directive into permissive authority to make such recordings and expand this authorization to interviews of alleged child victims in human trafficking assessments.

Wage garnishments

[**HB 1100 \(Hernandez\)**](#)/[**SB 597 \(Aird\)**](#) limit wage garnishments imposed by Treasurers for unpaid taxes or other charges to 25 percent of disposable earnings, with certain exceptions. Under the bills as passed by the General Assembly, the cap does not apply if the Treasurer determines that the delinquent taxpayer is no longer in the jurisdiction, is attempting to flee the jurisdiction or is improperly disposing of assets with the intent to frustrate the collection of the delinquent taxes. The Governor's amendments would vest the determination about whether such risks exist with a court of appropriate jurisdiction, rather than the Treasurer.

Retail cannabis market

[**HB 642 \(Krizek\)**](#)/[**SB 542 \(Aird\)**](#) establish a regulatory and tax structure for a retail market for the sale of cannabis. The Governor proposed extensive changes to the bills, including the following revisions:

- The Governor would cap the number of retail stores at 200 until January 1, 2029; as passed by the General Assembly, this cap would be set at 350 until January 1, 2028.
- Under the General Assembly's version of the bills, net profits collected by the Cannabis Control Authority would be appropriated as follows: 40 percent to early childhood care and education, 30 percent to the Cannabis Equity Reinvestment fund, 25 percent to the Department of Behavioral Health and Developmental Services for substance use disorder prevention and treatment programs at Community Services Boards, and 5 percent to public health programs, including public awareness campaigns to discourage drugged driving. The Governor proposes more general language that would direct funds to purposes such as early childhood education, behavioral health, public health awareness, prevention, treatment, and recovery services, workforce development, reentry, indigent criminal defense, and targeted reinvestment in historically disadvantaged communities, but without prescribing a set distribution of funds for each purpose.
- As passed by the General Assembly, the sale of marijuana or marijuana products would be subject to a 6 percent tax, in addition to the retail sales and use tax. Each locality would be required to impose an additional local tax of at least 1 percent but not greater than 3.5 percent. The Governor's amendments would increase the state tax to 8 percent after July 1, 2029, and retain the applicability of the retail sales and use tax; the local tax requirement is unchanged.
- As passed by the General Assembly, general retail sales would be allowed beginning January 1, 2027. Governor Spanberger proposes to delay the start date

of retail sales until July 1, 2027.

- As passed by the General Assembly, the bills include language stipulating that localities retain authority to adopt and enforce local ordinances regulating businesses, including local zoning and land use requirements, and authorizing localities to adopt ordinances setting hours during which marijuana may be sold. The Governor’s proposal retains these provisions and adds language allowing local governing bodies to adopt ordinances decreasing minimum distance requirements between retail stores and between retail stores and other land uses, such as hospitals or schools.
- The Governor’s amendments reduce the amount of marijuana that may be legally possessed on the person or in a public place by an individual who is at least 21 from 2.5 ounces (as proposed by the General Assembly) to two ounces; the Governor also proposes to make public consumption a Class 4 misdemeanor (under current law, public consumption is punished by a \$25 civil penalty for a first offense, and is a Class 4 misdemeanor beginning with a third offense).
- The bills as passed by the General Assembly contain detailed requirements for the licensing process, including criteria for denial of a license that would include failure to conform to certain local ordinances and a requirement for notification to a locality when an applicant has been granted preliminary license approval. The Governor proposes instead to vest the Board of Directors of the Cannabis Control Authority with broad power to promulgate regulations for the administration of licenses; the Governor’s amendments do not include the specific notice requirements and other criteria in the General Assembly’s version of the legislation.

Labor

HB 238 (Lopez) expands enforcement mechanisms and penalties for violations of certain labor laws. The Governor’s substitute narrows the scope of covered violations and clarifies enforcement triggers, helping limit exposure to technical or ambiguous claims.

HB 636 (Maldonado) / **SB 215 (Boysko)** restrict employer inquiries into wage and salary history during the hiring process. The Governor’s amendments clarify permissible employer communications and limit application in certain contexts, helping reduce ambiguity in implementation.

HB 670 (Maldonado) modifies the definition of “employer” under applicable labor statutes. The Governor’s amendment adds a reenactment clause, signaling that the policy may be revisited pending further review. VACo had previously engaged on this bill to remove **language** provisions that would repeal sovereign immunity.

Procurement

[**HB 569 \(Feggans\)**](#) / [**SB 518 \(Rouse\)**](#) raised concerns about expanding prevailing wage requirements to additional local government projects. As amended through the legislative [**process**](#) and with the Governor's actions, the measures appear to preserve key exemptions and avoid sweeping new mandates on local procurement.

[**HB 1046 \(Carr\)**](#) / [**SB 324 \(McPike\)**](#) make targeted changes to public procurement processes. The Governor's amendments include a carveout for certain transportation-related projects, which is a helpful clarification for local governments engaged in infrastructure delivery. The revisions provide greater certainty and flexibility, particularly for projects involving state and regional transportation partners.

Law Enforcement

[**HB 1482 \(Schmidt\)**](#) / [**SB 352 \(Salim\)**](#) prohibit state and local law enforcement officers from wearing facial coverings while performing official duties, with limited exceptions for health, safety, and tactical situations. The Governor's amendments clarify allowable exceptions and place greater emphasis on compliance through agency policy, reducing ambiguity and potential liability. The bills as originally [**introduced**](#) had provisions repealing sovereign immunity, which VACo thanks the patrons for removing during the legislative process.

[**HB 650 \(Callsen\)**](#) / [**SB 351 \(Salim\)**](#) prohibit certain civil arrests in courthouses, including arrests under civil administrative warrants, with exceptions for judicial warrants and specific enforcement actions. The Governor's amendments clarify definitions and narrow applicability to ensure core court functions and lawful enforcement activities are not disrupted, reducing ambiguity for local officials.

VACo Contacts: [**Katie Boyle**](#) and [**Jeremy R. Bennett**](#)

VACo Supports Governor's Amendments to Public Transit Labor Mandates Legislation

[**SB 731 \(Salim\)**](#) and [**HB 547 \(Helmer\)**](#), as passed the General Assembly, 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 adhere to the following:

- 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 bills also state 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 bills included exemptions for various systems and types of service, and directed the Department of Rail and Public Transportation to convene a workgroup on implementation of the legislation.

VACo opposed 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 Governor has sent favorable amendments to the General Assembly. The amendments would put a reenactment clause on the bills and grandfather existing collective bargaining amendments effective before July 1, 2027. Importantly, the bills still direct the Department of Rail and Public Transportation to convene a workgroup on implementation, with recommendations due by December 2026.

VACo supports the Governor’s amendments to SB 731 and HB 547.

VACo Contact: [James Hutzler](#)

Governor Proposes Amendments to Bill Overriding Local Authority to Regulate Off-Street Parking

[HB 888 \(Shin\)](#) mandates specific statewide standards for off-street parking be adopted in local zoning ordinances for “designated areas” defined as ... *any parcel that is (i) located within one mile of the entrance to a mass transit or public transportation station or facility; (ii) located within an approved small area plan and designated therein as a revitalization area or other designated district established for the purpose of facilitating residential or mixed-use development; (iii) located within a zoning district classification that permits residential, multifamily, or mixed-use development and authorizes a floor area ratio of 1.0 or greater, or an*

equivalent density based on units per acre, either by-right or by special exception, special use permit, conditional use permit, or other discretionary approval; or (iv) that is the subject of an application for rezoning, special exception, special use permit, conditional use permit, site plan, or subdivision plat, that if approved, will include affordable dwelling units in accordance with an ordinance adopted pursuant to § [15.2-2304](#), [15.2-2305](#), or [15.2-2305.1](#). Within such areas localities are prohibited from requiring off-street parking spaces in amounts exceeding (1) one-half of one parking space per dwelling unit for multifamily or mixed-use residential development; and (2) one parking space per dwelling unit for one-family and two-family dwellings and townhouses.

The legislation also requires localities with a population greater than 20,000 to provide for administrative reduction of minimum off-street parking requirements of not less than 20 percent for residential, multifamily, or mixed-use development proposed on parcels outside of the designated areas defined in the legislation.

VACo opposes the legislation.

The Governor is asking the legislature to consider the following substantive amendments that lessen its impact on local authority to regulate off street parking within these areas (see [Governor's Amendments](#)):

- Narrow the definition of “designated areas” so that it only applies to ... *any parcel that is located within one mile of the entrance to a mass transit or public transportation station or facility.*
- Narrows the definition of “mass transit or public transit” so that it only applies to “fixed routes” or the other high-capacity transit service as identified by the Virginia Department of Rail and Public Transportation. This means it would not apply to bus routes and stops that vary over time to meet changes in use and demand.
- Deletes language that would have rescinded existing authority of localities to regulate off-street parking for residential uses.

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