

2024 General Assembly Session Mid-Session Update

VIRGINIA LOCAL GOVERNMENT MANAGEMENT ASSOCIATION

FEBRUARY 16, 2024

Key Session Themes

Large number of new legislators

- 19 members of the Senate elected since 2023 session, although 10 previously served in House and one served in Senate
- 36 members of the House elected since 2023 session, although three served in House previously and one served in state Senate

Budget pressures

- State budget returning to normal in terms of Medicaid spending, CSA growth
- “Money committees” have expressed reluctance to take on additional ongoing state commitments (whether spending items or revenue reductions, such as tax credits)

What's Next?

Tuesday was the deadline for all bills to make it out of their respective chambers of origin. Wednesday the House began considering Senate bills and vice versa.

Sunday, February 18: “Budget Sunday”

- House Appropriations and Senate Finance and Appropriations Committees report their respective budgets, beginning the process of the full House/Senate considering the budgets and placing the two versions into conference

Some major issues that are still in the mix:

- Tax policy changes
- Skill games/gray machines
- Retail cannabis
- Arena deal
- Short-Term Rentals and Affordable Dwelling Units

BILLS STILL ALIVE

Short-Term Rental Bills

HB1461 (Mundon King) Short-Term Rental Property; locality's ability to prohibit lessee or sublessee operator.

This bill says that a locality may require in their short-term rental registry an attestation that the property owner has granted a lessee or sublessee to operate a short-term rental

AND

That a locality cannot prohibit an operator from operating a short-term rental solely on the basis that the operator is a lessee or sublessee if permission from the owner was granted.

Short-Term Rental Bills cont.

SB544 (Bagby) Short-term rental property; locality's ability to prohibit use of accessory dwelling unit.

This bill says “Notwithstanding any other provision of law, general or special, no local ordinance enacted after December 31, 2023, shall require that a special exception, or conditional use permit be obtained for the use of a residential dwelling as a short-term rental where the dwelling unit is also legally occupied by the property owner as his primary residence.”

VML supports maintaining local authority

Accessory Dwelling Units

SB304 (Salim) Development and use of accessory dwelling units

“Zoning ordinances for single-family residential zoning districts shall be deemed to include accessory dwelling units as a permitted accessory use.....”

Localities cannot :

- Require setbacks greater than those for the primary dwelling
- Consanguinity or affinity between the occupants of both

Utility Disconnection Bills

SB480 (Aird) / HB906 (Shin) Public utilities; municipal utilities, disconnection of service, consumer protections.

These bills prohibit electricity, gas, water, wastewater and drinking water utility disconnections for residential customers due to nonpayment of bills by private or municipal utilities when temperatures are forecasted to be above 92 or below 32 as well as state holidays or Fridays.

Create certain requirements for customer notification of disconnection policies, repayment plans and prohibit disconnections until a customer is at least 60 days in arrears.

Skill Games

SB212 (Rouse) Virginia Small Business Economic Development Act; established

Pre-K Priority Fund is created – 75% of the gross revenue tax (Total tax is 22%)

3 games in any ABC retail licensee or 7 at a truck stop – State total not to exceed 15K

HB590 (Hayes) Electronic Gaming Devices; regulation, penalties

Adoption of a local ordinance or referendum

2 games in any ABC retail licensee or 5 at a truck stop

Basic School aid – 10%, Pre-K 15% - total tax 30%

Cannabis

HB698 (Krizek) Cannabis control; retail market, penalties

Includes local option 4.5% tax in addition to state 4.5% tax

50% of the local option is restricted in its use.

SB448 (Rouse) Cannabis control; establishes a framework for creation of a retail marijuana market, penalties.

Local 3.5% tax

12.5% state tax

Retail Sales and Use tax of 1.125%

Also includes provisions to protect local land use, zoning and business licensing authority

Local Regulation of Solar Facilities

SB697 (VanValkenberg) Solar and energy facilities; local regulation.

Prohibits local ordinances that include limits on the amount, density or size of solar or energy storage = UNLESS the total area under panels exceeds 4% of the total are of the county.

The bill goes on to say that nothing requires a locality to approve an application or limits the locality in their requirements for siting.

Speed Enforcement Bill

SB336 (Roem) Photo speed monitoring devices; high-risk intersection segments.

This bill expands authority to use photo-enforcement to intersections where pedestrian fatalities have occurred within the past decade.

1% Sales Tax for Schools

HB805 (Rasoul) / SB14 (McPike) Sales and Use tax, local; additional tax authorized in counties and cities to support schools.

This bill provides statewide authority for counties and cities to impose a 1% additional sales and use tax to support school construction and renovation. This has to be approved in a voter referendum.

**VML is working on an amendment to clarify that the Towns of West Point and Colonial Beach shall receive additional funding consistent with the Code*

FOIA/COIA/PUBLIC NOTICES/ADMIN.

Supreme Court “Fix” Bills

SB244 (McPike)/HB816 (Cherry) Meeting held electronically during declared states of emergency

Meetings by electronic means due to a state of emergency are declarative of existing law since March 20, 2020 as long as the notice and access requirements were met.

SB36 (Locke) FOIA; Definitions of meetings and public business

This bill defines “public business” and codifies that three or more members of a public body may appear and participate in certain public meetings w/o FOIA violations.

HB818 (Cherry) FOIA; Definitions of meetings and public business

This bill does not define “public business” and adds a provision that says the appointment of 2 or more members of a public body to another public body does not constitute a meeting of the first public body

***SB415 (Stuart) exempts from the definition of meeting local political party meetings**

Freedom of Information Act

SB324 (Roem) Virginia Freedom of Information Act; charges for production of public records.

- 1st hour of 1st request during a calendar year – FREE
- Must document all requests over 30 minutes and the number of hours
- Bill has to be reenacted in 2025
- FOIA Council to study the issue and report by November 30, 2024

Other FOIA Bills of Note:

SB85 (Favola)/HB1040 (Bennett Parker) – includes Caregivers and Persons with disability in quorum

SB734 (Marsden)/HB894 (Bennett Parker) – Electronic meetings moved to 2 or 50%

Public Notice - Standardization

SB413 (Head) / HB1488 (Henson) Local government; standardization of public notice requirements for certain meetings, hearings, etc.

Clean up bill from the Code Commission regarding public notice requirements. Revisions include amending the frequency for publishing notices in the newspapers, the number of days required to elapse between the publication of notices and the amount of information to be included in the notices.

A good summary of the bill is here:

[November 21 2023 Meeting Materials.pdf \(virginia.gov\)](#)

Local Fiscal Distress

SB645 (Aird) Local fiscal distress; determination by Auditor of Public Accounts, state intervention.

Authorizes the Commission on Local Government to oversee a locality's operations if they are in a state of fiscal distress.

Authorizes the appointment of an emergency fiscal manager to:

- Implement an approved fiscal recovery plan
- Approval all professional services, suppliers, service provider contracts & labor agreements
- Approve all city employee payroll
- Approve all long-term debt service and loan payments
- Complete internal control and forensic audit assessments
- Approve the annual operating and capital budgets

Transparency Bill

SB549 (Perry) Travel expenses; local officials.

Requires that any local official anticipating a travel expense to exceed \$5,000 shall get advance approval of the governing body and if the expenses exceed that amount, the amount shall be reported to the governing body and noticed in a meeting agenda or the minutes.

Education / Elections

Education Bills

HB624 (Rasoul) Public school funding; ratios of instructional positions to English language learner students.

Encompasses all JLARC recommendations – including eliminating the support cap, including competing costs adjustments for instructional and support staff salaries, amount of funding for at-risk programs, using a 3-year average for the local composite index, estimating consumption costs and amending the SOQ formula and definitions.

HB825 (Cousins) At-Risk Program; established, public school funding

Establishes an At-Risk Program defined as any state funding provided for programs of prevention, intervention, or remediation according to the at-risk add-on program – there is a hold harmless clause if you receive more funding now

Elections

SB428 (VanValkenburg) Elections; any local or constitutional office may be conducted by ranked-choice voting.

The local governing body has to approve ranked-choice voting.

SB270 (Subramanyam) Presidential primaries; ranked choice voting, effective clause.

Allows presidential primaries to be conducted via ranked-choice voting if the political party chooses to do so – it has to be reenacted

Health

Health-Related Bills of Interest

[HB 1431](#) (Hodges) – allows Department of Health to approve alternative onsite sewage systems that meet certain national standards or testing requirements.

[HB 1052](#) (Batten) – requires locality to check the VDH onsite sewage database before sending notice to applicable homeowners regarding maintenance requirements for their system to ensure the proper maintenance information is given to the owner of the system.

Health-Related Budget Items

- Item 278 #3h (Sickles)/Item 278 #3s (Aird) - \$3 million per year to support Community Health Worker positions at Virginia's local health districts, with direction to prioritize supporting Community Health Worker positions at local health districts that serve localities with the highest rates of maternal mortality.

Aging

Aging-Related Budget Items

Introduced budget reflects an increase in the auxiliary grant rate to \$2079 per month (up from \$2055), beginning January 1, 2024.

Introduced budget provides \$246,548 per year to address an increase in adult protective services hotline calls.

Budget Amendments

- Item 315 #1h (Hodges) and Item 315 #1s (Locke) propose \$5 million each year to be distributed equally to the 25 Area Agencies on Aging to address unmet need of core services to keep seniors in their homes
- Item 328 #1h (Carr)/Item 328 #2h (Morefield)/Item 328 #4h (Hodges)/Item 328 #6h (Cousins)/Item 328 #9h (McClure)/Item 328 #10h (McQuinn)/Item 328 #1s (Favola)/Item 328 #3s (Hashmi) would increase the Auxiliary Grant rate to \$2500/month [*Item 328 #7h (Wiley) proposes this increase as well as an increase to the personal needs allowance*]

Jails

Jail-Related Bills of Interest

[HB 912](#) (Shin) - requires any net profits from sales in jail commissaries or stores to be used for education, recreation, or rehabilitation services benefitting inmates of the local or regional jails. The original bill capped fees and charges by jails.

HHS Workforce Development and Regulations

HHS Workforce-Related Bills of Interest

[HB 1499](#) (Willett) and [SB 155](#) (Head) – makes a number of changes to the Virginia Health Workforce Development Authority’s duties and operations, including: adding four ex officio members to the Board and authorizing the Authority to partner with agencies and institutions to obtain and manage health workforce data.

- The Senate version establishes the Virginia Health Workforce Innovation Fund; this will provide grants to facilitate regional collaboration on health care innovation and workforce development, in particular the formation of regional, employer-led partnerships that prioritize workforce growth and training.
- The Senate version also authorizes the Authority, in collaboration with several state agencies and representatives from for-profit and private not-for-profit health care providers, educational institutions, research centers, and the regional Area Health Education Centers to develop an employer-led collective impact program to align, coordinate, and integrate resources and efforts across the Commonwealth to strengthen the health and health sciences workforce.

Workforce-Related Bills of Interest (continued)

[HB 326](#) (Glass) and [SB 239](#) (Hashmi) – authorizes Virginia to become a signatory to the Social Work Licensure Compact. The Compact allows social workers who have or are eligible for an active, unencumbered license in the compact member state where they reside to apply for a multistate license. After verifying eligibility, the social worker is granted a multistate license that authorizes practice in all other compact member states. The Compact takes effect when it is enacted by a seventh member state.

HHS Workforce-Related Budget Items

Select budget amendments:

Item 276 #2h (Hodges)/Item 276 #12h (Willett)/Item 276 #2s (Favola)/Item 276 #5s (Boysko) – Additional \$1.8 million each year from the general fund to the Virginia Health Workforce Development Authority for operational costs to support health workforce initiatives across the Commonwealth. Funding will match federal funding received from the United States Department of Health Resources and Services Administration for the management of the Virginia Area Health Education Centers.

Item 276 #3h (Hodges)/Item 276 #11h (Willett)/Item 276 #3s (Favola)/Item 276 #6s (Boysko) - \$3.3 million the first year and \$3 million the second year to establish the Health Innovation Fund.

- From this fund \$1.5 million each year is for competitive grants from the Health Innovation Fund, prioritizing high need areas that are ready to begin a training program.
- Another \$250,000 in matching competitive grants the first year is for seed money to initially fund five organizations to support regional employer-led collective models the first year and four organizations to support regional employer-led collective models the second year based on GoVirginia nine regions with funding awards being matched by regional employers.
- Additionally, \$500,000 the first year and \$500,000 the second year is for George Mason University Data Center to assist the Virginia Health Workforce Development Authority with data collection and evaluation of the Health Innovation Fund.

ENVIRONMENT

PFAS Per-and Polyfluorinated Substances

SB243 (McPike) / HB1085 (Rasoul) PFAS Advisory Committee; established, monitored PFAS levels by publicly owned treatment works.

Require the owner or operator of a publicly owned treat works to monitor PFAS levels. DEQ will establish an advisory committee and to establish a plan to identify and address sources of PFAS.

Budget Amendments VML/VACo Requested or Support

COIA / HB599

Conflict of Interest Act training and technical assistance

HB30: Item 15#1h (Hodges)

This is for an additional attorney to provide training and assistance.

Increase state assistance to local police departments (HB599)

HB30/SB30: Item 396#2h (McQuinn) and Item 391#1s (Locke)

These amendments would add \$6.3M for the first year and \$19.8M for the second year to ensure that State Aid to Localities with Police Departments Program is compliant with state code

School Funding

Remove the cap on K-12 support positions

HB30: Item 125#14h (Reid), Item 125#43h (Simonds)

SB30: Item 125#12s (Carroll-Foy), Item 125#30s (Favola)

\$200.3M in FY2025 and \$202M in FY2026

Funding the School Construction Assistance Grant Program

HB30: Item 125#17h (Carr)

SB30: Item 125#9s (Deeds)

\$120M each year

Per diem rates

HB 30/SB 30: [Item 61#2h](#) (Krizek) ; [Item 61#1s](#) (Peake) were requested by VML and VACo and would provide \$8.7 million in FY 2025 and \$17.7 million in FY 2026 to restore the per diem rate for local-responsible inmates in local and regional jails to the rates paid prior to the Great Recession. The first-year amount reflects a partial year due to the schedule of Compensation Board reimbursements.

Support PDC Funding!

Grocery Tax – Restore Hold-Harmless for K-12

HB30: Item 125#1h (McNamara)

SB30: Item 125#7s (Boysko)

\$121.3M in FY2025, \$121.8M in FY2026

Increased Funding for Planning District Commissions

HB30: Item 103#2h (Rasoul), Item 103#4h (McQuinn), Item 103#5h (Kilgore), Item 103#9h (Bulova)

SB30: Item 103#6s (Marsden), Item 103#7s (Pillion)

\$150K each year for all 21 PDC's

Transportation / Environmental

Washington Metropolitan Area Transit Authority

SB30: Item 433#1s (Marsden), Item 433#1h (Sickles), Item 433#2h (Krizek)

\$65M each year *Item 433#2s (Marsden) language to remove the 3% cap on increases

Water Quality Improvement Fund

SB30: Item 365#5s (Marsden) \$200M each year

SB30/HB30: Item C-53.50#1s (Marsden), Item C-53.50#1h (Bulova) \$400M bonds for construction

Stormwater Local Assistance Fund

SB30/HB30: Item 365#6s & 7s (Marsden), Item 365#2h (Bulova) \$35M FY2025, \$50M FY2026

Medicaid coverage of behavioral health/SUD treatment for incarcerated individuals

HB 30/SB 30: [Item 288#55h](#) (Coyner) ; [Item 288#5s](#) (Favola) were requested by VML and VACo in concert with the Virginia Association of Regional Jails and other stakeholders, and direct the Department of Medical Assistance Services (DMAS) to seek a waiver or state plan amendment to expand Medicaid coverage for behavioral health and substance use treatment for qualifying incarcerated individuals. Such coverage would be provided during the first 30 days of incarceration and the last 90 days prior to release.

- Jails continue to serve large numbers of individuals with mental illness and substance use disorders, despite commendable efforts to develop a comprehensive continuum of community-based services, including crisis services. The State Compensation Board indicates that approximately 22 percent of the jail population is known or suspected to have a mental illness; of those with a mental illness, approximately 55 percent have a co-occurring substance use disorder (SUD). Of those without a mental illness, approximately 12 percent of the jail population is reported to have a SUD.
- Avoiding gaps in health care coverage for those reentering the community has been demonstrated to assist in a successful transition and avoid recidivism.
- The assumption is that the program would be operational by at least July 1, 2026.

Administrative costs for Percentage of Income Payment Program (PIPP)

VACo and VML worked with the Virginia League of Social Services Executives on amendments that would clarify the use of Percentage of Income Payment Program (PIPP) nongeneral funds to reimburse local social services agencies for administrative costs. Amendments were filed for both HB/SB 29 and HB/SB 30):

HB 29/SB 29: [Item 340#1h](#) (Sullivan); [Item 340#1s](#) (Deeds)

HB 30/SB 30: [Item 324#8h](#) (Sullivan); [Item 324#3s](#) (Deeds)

Substance use disorder treatment in local/regional jails

HB30: [Item 60 #12h \(Coyner\)/Item 394 #20h \(Coyner\)](#)

SB 30: [Item 60 #13s \(Favola\)/Item 394 #8s \(Favola\)](#)

- Moves funding from the Compensation Board to the Opioid Use Reduction and Jail-Based Substance Use Disorder Treatment and Transition Fund administered by the Department of Criminal Justice Services and increases funding from \$500,000 to \$2.0 million each year.
- VACo and VML supported the creation of the Virginia Opioid Use Reduction and Jail-Based Substance Use Disorder Treatment and Transition Fund established (but not funded) in 2023.
- This fund is to be used for the planning or operation of substance use disorder treatment services and transition services, such as medically assisted treatment therapies, addiction recovery, and other services for persons with substance use disorder who are incarcerated in local and regional jails.

Social Services Budget Amendments

VACo and VML Support

- Training academy model for family services program staff (HB30/SB30: [Item 324#1h](#) (Coyner); [Item 324#2s](#) (Favola))
- Replacement of VaCMS eligibility and enrollment case management software (HB30/SB30: [Item 334#2h](#) (Carr); [Item 334#1s](#) (Aird))
- Expansion of child welfare workforce development/retention stipend program (HB30/SB30: [Item 329#2h](#) (Coyner); [Item 329#3s](#) (Favola))

Thank you!
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