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Tuesday, January 21, 2025

## VACo Supports School Construction Financing Bill

On January 15, VACo testified in support of <u>SB 1307 (McPike)</u>, which legislation that once again seeks to grant additional revenue raising authority if approved by local referendum for school capital needs. 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.

Many localities face significant challenges in raising sufficient funds to undertake these projects. These challenges include over-reliance on real property taxes to generate revenue, which can have vastly different yields depending on the locality and disproportionately burden a subset of taxpayers within a jurisdiction. This raise concerns over equity and diversity of revenues.

SB 1307 would permit any county or city to impose an additional local sales and use tax of up to 1 percent, if initiated by a resolution of the local governing body and approved by voters at a local referendum. The revenues of such a local tax would be used solely for capital projects for the construction or renovation of schools. Any tax imposed shall expire when the costs for capital projects are to be repaid and shall not be more than 20 years after the date of the resolution passed. Unlike legislation from last year, this bill also has a maintenance of effort provision.

Currently, this authority is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville. Standalone legislation for Pulaski County also supported by VACo, <u>SB</u> <u>874 (Hackworth)</u> was incorporated into SB 1307.

SB 1307 passed the Senate on a vote of 27-13. Legislation from year was **vetoed** by Governor Youngkin.

VACo Contact: <u>Jeremy R. Bennett</u>

## **ACTION ITEM:** Oppose Legislation to Require Closure of Juvenile Detention Centers

**SB** 1432 (Marsden) requires the closure and consolidation of seven juvenile detention centers by January 1, 2026. VACo opposes this legislation. Throughout several workgroups reviewing this issue, VACo has maintained its position that any decisions regarding consolidation should be made by the affected local governments so that the full spectrum of community needs can be considered, to include opportunities for the reinvestment of savings into the provision of additional services, as well as potential drawbacks, such as housing youth farther from their families and communities.

The bill would require a series of closures and consolidations, as follows:

- Loudoun County Juvenile Detention Center, Northern Virginia Juvenile
  Detention Center, and Prince William County Juvenile Detention Center
  would be closed and consolidated into the Fairfax County Juvenile Detention
  Center or other detention center as negotiated by the localities or
  commissions;
- Henrico Juvenile Detention Center would be closed and consolidated into the James River Juvenile Detention Center, Chesterfield Juvenile Detention Home, or other detention center as negotiated by the localities or commissions;
- Richmond Juvenile Detention Center would be closed and consolidated into the Chesterfield Juvenile Detention Home or other detention center as negotiated by the localities or commissions;
- Norfolk Juvenile Detention Center would be closed and consolidated into the Virginia Beach Juvenile Detention Center, Chesapeake Juvenile Services, or other detention center as negotiated by the localities or commissions;
- Blue Ridge Juvenile Detention Center would be closed and consolidated into the Shenandoah Valley Juvenile Center or other detention center as negotiated by the localities or commissions.

The bill requires a locality or commission operating a facility that would receive youth from a facility that would be closed under the provisions of the bill to negotiate with the locality from which the youth would be placed regarding "mutually agreeable funding contributions for the operation of such receiving juvenile secure detention facility." These agreements must include certain provisions regarding access to post-dispositional programming, medical and hospitalization costs, and transportation costs. If the localities are unable to reach an agreement, the Department of Juvenile Justice would determine the contributions, and failure to comply with this determination could result in the loss of state funding. Under the bill, a locality or commission operating a detention facility that refuses to accept youth who would otherwise have been placed in a facility that is closed would not be eligible for state funding for its facility.

The bill also proposes changes to staffing requirements for education professionals at detention centers. Rather than a ratio of one teacher for every 12 beds, the ratio would be changed to one full-time equivalent program employee (which may include teachers, lead teachers, principals, and program administrative support staff) for every six students based on a rolling average daily population at the facility from the previous three fiscal years. Contracts between the Board of Education and local school divisions must allow a teacher employed by a local school board to continue serving in the local school division and also work part-time at a regional or local detention center; these teachers would be eligible for a \$3000 annual bonus.

#### **KEY POINTS**

- Juvenile detention centers are owned and operated locally, with some state support. Decisions regarding consolidation should be made by the affected local governments so that the benefits and drawbacks can be fully considered.
- The most recent study of this issue concluded that several facilities could be closed and consolidated, provided that an extensive list of barriers could be overcome, including the potential negative effects of placing youth farther from home on family engagement, youth access to legal counsel, and youth engagement in services in their home communities. This legislation does not address these barriers.

**VACo Contact: Katie Boyle** 

## Bill to Make Multi-Family Residential a "By-Right" Use in Commercial Districts Fails

**SB 839 (Van Valkenburg)** failed to pass in the Senate Local Government Committee by a **vote of 5-7-3** on January 20. The legislation requires all local zoning ordinances to allow for the development and construction of multifamily residential uses on all land contained in commercial or business zoning district classifications.

The legislation also specifies that such ordinances shall not (1) impose more stringent land use requirements for such development than would otherwise be required or (2) require that a special exception, special use, or conditional use permit be obtained for such development.

**VACo opposed the bill in committee.** Its passage would amount to the state superseding current local authority, by rezoning of all commercial property in the Commonwealth. Counties, in partnership with developers, are successfully implementing mixed use developments that include both commercial and residential components.

VACo Contact: <u>Joe Lerch, AICP</u>

## **ACTION ITEM:** Oppose School Board Binding Arbitration Bill

On January 20, VACo testified in opposition to **SB 1033 (Pekarsky)**, which permits any school board to enter into a written agreement to submit any existing controversy to binding arbitration and to execute a contract, including a collective bargaining agreement, that contains a provision to submit to binding arbitration any controversy arising thereunder. This bill introduces potentially significant challenges that would undermine the financial harmony and statutory balance between school boards and county boards of supervisors, as outlined in **Virginia**Code § 22.1-91 and § 2.2-4366. The Code explicitly prohibits school boards from incurring expenses that exceed the appropriations made by the local governing body (the county board of supervisors). Binding arbitration decisions could result in school boards being obligated to fund settlements or contract terms that exceed their approved budgets. This would place county boards of supervisors in an untenable position, either having to make unplanned appropriations or risk the school board violating the law.

Furthermore, the legislation could lead to erosion of fiscal oversight. County boards of supervisors serve as the fiscal stewards of taxpayer dollars. SB 1033 would effectively diminish their oversight role, as binding arbitration could commit school boards to financial decisions without the input or approval of the funding authority. This undermines the cooperative relationship between the two boards, which is essential for effective governance and fiscal discipline. Arbitrators involved in binding arbitration are not elected officials and are not accountable to taxpayers. This undermines the democratic process and could result in decisions that reflect external preferences rather than local priorities.

VACo was joined in opposition by the Virginia School Boards Association (VSBA), which argued that the legislation violates the Virginia Constitution. The Senate

Education and Health Public Education Subcommittee recommended reporting the bill, 3-2. **VACo urges members to oppose the legislation.** 

VACo Contact: <u>Jeremy R. Bennett</u>

#### VACo Helps Defeat Workers' Compensation Unfunded Mandate Bill

On January 16, VACo testified in opposition to **HB 1851 (Arnold)**, which would have expanded the workers' compensation presumption of compensability for certain cancers causing the death or disability of certain employees who have completed five years of service in their position to include sheriffs or deputy sheriffs.

Though not opposed to the policy intent of the legislation, the bill would have imposed significant costs to local government risk insurers, which would then be reflected in higher insurance premium costs for local governments. **VACo opposes** any effort to expand workers' compensation presumptive illnesses eligibilities for public employees that is not done in concert with additional state funding assistance to local governments to offset additional insurance liabilities.

VACo was joined in opposition by VAcorp. The Labor and Commerce Subcommittee #2 recommended laying the bill on the table by a 4-3 vote.

VACo Contact: Jeremy R. Bennett

#### Bill that Negatively Affects Water Quality Improvement Grants Fails in Subcommittee

**HB 2247 (Runion)** states that the Director of the Department of Environmental Quality (DEQ) is only required to enter into water quality improvement grant agreements with publicly owned wastewater treatment plants that apply for such grants if sufficient and unobligated funds are available in the Virginia Water Quality Improvement Fund at the time the Director enters into such grant agreements. Currently, the DEQ Director is required to sign an agreement with all eligible applicants.

#### **KEY POINTS**

 With the state not funding its share of these wastewater treatment upgrades, the legislation would completely change the water quality improvement grant process and could leave local governments and local wastewater plants to

- provide the funds necessary to complete the construction of this expensive nutrient removal technology.
- Local governments have enjoyed this financial agreement with the state to share costs of nutrient removal projects and the results from these projects have largely helped Virginia meet our clean water and Chesapeake Bay goals.

VACo spoke in opposition of the bill during its hearing in the Chesapeake Subcommittee. The bill was laid on the table by a vote of 8-2.

**VACo Contact: James Hutzler** 

## Speed Camera Bill that would Redirect Funds from Locality to State

**HB 2401 (Seibold)** would authorize the governing body of any county, city, or town to provide, by ordinance, for the placement and operation of a speed safety camera by the law-enforcement agency of such locality for the purposes of recording vehicle speed violations on any highway in such locality as long as:

- The highways speed limit is 45 miles per hour or less
- The highway is in a priority pedestrian corridor as identified by the Department of Transportation in the statewide Pedestrian Safety Action Plan or
- The highway is a high-risk pedestrian corridor as designated by the Commissioner of Highways

The bill also states that civil penalties collected from speed safety cameras are to be used solely for the operating costs of such speed safety cameras, and that any excess fund collected are to be annually deposited in the Virginia Highway Safety Improvement Program (VHSIP). While VACo supports photo speed enforcement as a public safety tool, VACo opposes this bill because it diverts locally generated funds away from our communities and into the state-administered Virginia Highway Safety Improvement Program (VHSIP).

VACo firmly believes that if localities are granted the expanded authority to implement and oversee speed safety camera programs, they should retain all excess funds generated. Keeping these funds at the local level empowers communities to invest in critical programs and infrastructure improvements that directly address their unique needs and priorities.

Additionally, this bill imposes unnecessary administrative burdens on local governments and law enforcement agencies, creating operational challenges that could hinder the effectiveness of speed safety initiatives.

VACo urges lawmakers to prioritize local control and flexibility to ensure that resources remain where they are needed most—within our communities.

VACo Contact: <u>James Hutzler</u>

#### Freedom of Information bills

**HB 2152 (Carr)** provides that any legal counsel for a public body who is also designated as the public body's FOIA officer shall complete a training session or online course offered or approved by the Virginia Freedom of Information Advisory Council. Current law provides that FOIA officers must be trained on a regular basis.

HB 2275 (Ennis) increases the minimum and maximum civil penalties that may be imposed upon an officer, employee, or member of a public body for violations of certain provisions of the Virginia Freedom of Information Act. The bill also adjusts the minimum and maximum civil penalty for such second and subsequent violations, in addition to increasing the minimum and maximum civil penalties that can be imposed on a public body for violations related to certifying a closed meeting.

**VACo opposed** <u>SB 876 (Ebbin)</u> as introduced because it did not provide for the addition of, and action on, agenda issues that were emerging or required swift attention. The bill in its introduced form expands current notice information required of Public Bodies providing that the notice shall include a proposed agenda listing all items expected to be considered by the public body at the meeting and that agenda items shall be sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting. What is particularly problematic about the bill is added language that provides that amendments to the proposed agenda may be made prior to the meeting, but the public body shall not take any final action on those amended or additional agenda items. This provision would essentially prevent modifying the agenda at a meeting and would prohibit a local public body from responding promptly to issues.

Operation of local government requires action on issues that come with the day-to-day complexities of safely and efficiently operating of local government functions. Requiring public bodies to wait until the next meeting, which may be a month away, to take action, is unreasonable at best and a public safety concern at worst.

The patron considered concerns raised by VACo and other public bodies and introduced a substitute to the bill which provides in part that the agenda and any subsequent revisions shall be posted on the public body's official public government website, if any, and made available to the public prior to the meeting. It also provides that any items added to the agenda after the meeting commences may be considered and discussed at the meeting, but final action shall not be taken on such an item unless the matter is time sensitive. This new language would

allow action on matters added to the agenda that are time sensitive, but all other matters added cannot be acted on until a subsequent meeting.

To express concerns about your county policies as they relate to this bill contact the Patron Senator Ebbin or your legislators.

**SB 1029 (Roem)** is a revised version of past bills introduced by the patron and opposed by VACo to provide free or reduced requester fees for FOIA requests to public bodies. The Introduced version of this bill is based on a work group of stakeholders that held a number of meetings over the past year under the umbrella of the Freedom of Information Act Advisory Council. The council did not take a position on the bill as it lacked a quorum at its last meeting before the session. The bill limits the fees that can be charged for producing public records to the median hourly rate of pay of employees of the public body, or the actual hourly rate of pay of the person performing the work, whichever is less. It also provides that a public body may petition a court for relief from this fee limit, if there is no one who can process the request at the median hourly rate of pay or less.

The bill also amends existing law providing that a public body may petition a court for additional time to respond to a request for public records to allow such petitions to be heard in either general district or circuit court, to give such petitions priority on the court's docket, and to toll the response time while such a petition is pending before a court. As part of the **workgroup**, the Virginia Freedom of Information Advisory (FOIA) Council staff has published best practices guides pertaining to access to public records under FOIA, FOIA charges, and making requests for public records.

VACo does not endorse the workgroup product as reflected in this bill. To express concerns about your county policies as they relate to this bill contact the Patron Senator Roem or your legislators.

#### **Public Notice**

VACo supports <u>HB 1996 (Bennett Parker)</u>, which allows the second public hearing notice that a planning commission publishes for certain planning and zoning actions to be published no less than five days before the date of the meeting. Current law requires such notice to be published no less than seven days before the date of the meeting and this time frame was problematic for several localities due to the deadlines of the local newspaper.

#### **KEY POINT**

• The slightly shorter notice period will allow more timely action on these matters by the Public Body.

#### **Conflicts and Ethics bills**

**SB** 1349 (**Srinivasan**) proposes changing the filing deadline for statements of economic interests and financial disclosure statements from February 1 to December 15. The bill requires the forms to be made public within 30 days of the filing deadline; currently, this is required within six weeks of the filing deadline.

HB 1745 (Watts) and SB 1357 (Ebbin) provides that a personal interest in a transaction exists, for purposes of the State and Local Government Conflict of Interests Act and the General Assembly Conflicts of Interests Act, when a subject of a transaction is the spouse of the officer, employee, or legislator, regardless of whether a financial benefit or liability is accrued by the spouse as the result of such transaction.

**SB** 1170 (Salim) directs the Virginia Conflict of Interest and Ethics Advisory Council to require the disclosure of digital assets on the Statement of Economic Interests form. The bill defines "digital assets" to mean any digital representation of value recorded on a cryptographically secured distributed ledger or similar technology.

VACo Contact: Phyllis Errico, Esq., CAE

### General Assembly Convenes, Adopts Schedule for 2025 General Assembly Session

Key dates for the 2025 session, as approved by the General Assembly in its procedural resolution, are as follows:

- **Wednesday, January 8:** General Assembly convenes. Last day to introduce legislation creating or continuing a study, or legislation regarding the Virginia Retirement System
- Friday, January 10: Deadline for Senate budget amendments
- **Monday, January 13:** Governor's State of the Commonwealth Address; last day to pre-file legislation (by 10 a.m.); deadline to submit House budget amendments

- **Friday, January 17:** Last day to file bills, except for bills offered by unanimous consent or bills submitted on behalf of the Governor
- **Sunday, February 2:** "Budget Sunday" deadline for House Appropriations and Senate Finance and Appropriations Committees to report their respective budgets by midnight
- **Tuesday**, **February 4:** "Crossover" deadline for each chamber to complete work on legislation originating in that chamber (except the budget bill)
- **Thursday, February 6:** Deadline for each chamber to complete work on its budget bill
- **Wednesday**, **February 12:** Deadline for each chamber to complete consideration of the other chamber's budget bill and revenue bills
- **Monday, February 17:** Deadline for committee action on legislation by midnight
- Saturday, February 22: Scheduled adjournment sine die
- **Wednesday, April 2:** Reconvened session for consideration of Governor's amendments and vetoes

**VACo Contact: Katie Boyle**