

January 13, 2025

To: Board of Supervisors  
From: C. McGarry  
Re: County Administrator's Report for January 14, 2025 Board Meeting

- A. DSS Building:** The underground storage tank has been removed and associated testing showed no adverse environmental impacts; closing on the property purchase is being finalized by the County Attorney. PMA is working on the building construction design documents and furniture sampling with DSS staff and Timmons, the geotechnical subcontractor, has submitted the Stormwater Management Plan to DEQ and Major Site Plan for review by County Planning and Zoning, Building Inspections, VDH, VDOT, and DEQ. Finance and Administration staff are working with PMA and Davenport to develop an integrated timeline of construction and permanent financing for the project.
- B. Region 2000 Solid Waste Authority:** The Region 2000 landfill expansion Rezoning and Special Use permit application was denied on a 4-3 vote by the Campbell County Board of Supervisors on January 7, 2025. Staff will begin looking at the feasibility of other disposal options for when the landfill is anticipated to reach capacity in 2028/2029.
- C. FY26 Budget: NO CHANGE** Staff is collecting Departmental CIP (Capital Improvement Plan) requests and entering submitted departmental budget data with a draft preliminary budget calendar forthcoming. It is the goal of staff to begin work sessions in late January, with the review of FY26 CIP requests to be considered as we are building the General Fund budget. A challenge in budgeting FY26 Real Estate revenues will be estimating Calendar Year 2025 real estate values and Calendar Year 2026 (including reassessment values) because FY26 will be based upon ½ of CY 2025 and ½ of CY 2026. **A preliminary budget calendar is forthcoming.**
- D. General Assembly 2025 Session Dates:**
- January 17<sup>th</sup> – Final bill introduction deadline
  - February 2<sup>nd</sup> – House and Senate Money Committees release their budget amendments
  - February 4<sup>th</sup> – “Crossover Day” deadline for bills to be considered in their originating Chambers
  - February 6<sup>th</sup> – Deadline for each Chamber to complete budget bills
  - February 12<sup>th</sup> – Deadline for each Chamber to complete consideration of the other Chamber’s budget and revenue bills
  - February 17<sup>th</sup> – Deadline for Committee action on Legislation by Midnight
  - February 22<sup>nd</sup> – Scheduled Adjournment
  - April 12<sup>th</sup> – Reconvened session for Governor’s amendments and vetoes

VACo Summary of Governor’s proposed amendments to 2024-2026 biennium budget Attached

- E. Dog Licenses:** The FY24 Cost of issuing dog/kennel licenses was \$2,614, not including the unknown postage costs to mail a tag/license back to the citizen. Revenues collected were \$14,821 for an approximate net gain of \$12,207. As of November 2024, 564 annual licenses, Sixteen (16) 10-dog kennel licenses, Six (6) 20-dog kennel licenses, and Three (3) 50-dog kennel licenses have been sold. Additionally, 1,039 lifetime licenses have been sold since its implementation on July 13, 2021.

**State Code Requires dog licensing and imposing a fee for such licensing in the sections below, which is incorporated into the Code of Nelson County, Chapter 3 Animals, Article II Dogs and Cats Sec. 3-26 and Sec. 3-28.**

§ 3.2-6524. Unlicensed dogs prohibited; ordinances for licensing cats

A. It shall be unlawful for any person other than a releasing agency that has registered as such annually with local animal control to own a dog four months old or older in the Commonwealth unless such dog is licensed, as required by the provisions of this article

§ 3.2-6528. Amount of license tax.

A. The governing body of each county or city shall impose by ordinance a license tax on the ownership of dogs within its jurisdiction.

- F. FEMA/Virginia Department of Emergency Management Grant Award:** Congratulations to John Adkins in his submittal of a successful grant application! The County has been awarded a \$275,100 grant to provide backup generators at seven (7) local fire and EMS locations that are designated as emergency shelters in the County's Emergency Operations Plan. These are: Montebello Fire Department, Nelson EMS (NEMS building), Roseland Rescue Squad, Piney River Volunteer Fire Department, Faber Volunteer Fire Department, Lovington Volunteer Fire Department, and Rockfish Valley Volunteer Fire Department. The grant funds are comprised of \$209,600 Federal, \$52,400 State, \$13,100 Local (In-Kind and/or Cash). The County intends to meet its match obligation through in-kind services provided by County staff in implementing the project. The period of project performance expires on March 11, 2026.
- G. Schuyler Boat Take Out:** Jerry West is working with VDOT staff and the property owner to finalize and submit the required LUP (land use permit) to VDOT. The property owner must be the permit applicant and County Parks and Recreation can be their agent.
- H. Guardrail Request at NEMS Building:** A request for installation of guardrail on Route 29 beside the Nelson EMS (NEMS) building was made to VDOT following the December Board meeting; a response is pending.
- I. Meals and Lodging Tax Collection & Lodging Entity Tracking:** See Attached Charts - # of Lodging Units increased from 802 to 806 since last report.
- J. Staff Reports:** Department and office reports for December/January have been provided.

January 10, 2025



Governor Youngkin presented his proposed amendments to the 2024-2026 biennium budget on Wednesday, December 18. As VACo reported in its **initial review**, the Governor had good news to share with the “money committees,” noting that the overall health of the state’s economy and strong revenue collections in the first part of the fiscal year warranted an upward adjustment to the revenue forecast. The Governor’s budget expects \$2.1 billion in additional revenue in FY 2025 and \$1.1 billion in FY 2026, relative to revenues assumed in the current biennium budget, which was built around a December 2023 forecast that expected a mild recession. In addition, the budget appropriates excess revenues from FY 2024 of approximately \$653 million for operating expenditures and \$400 million for capital costs over the biennium.

The Governor included several tax policy proposals in his budget, including exempting cash tips (cash payments and electronic tips) from state income taxes; making the current standard deduction levels for income taxes permanent (the increases enacted in recent years are scheduled to expire on January 1, 2026, absent legislative action); and using market-based sourcing for the attribution of income for multi-state businesses for sales of services and intangible personal property for purposes of corporate income tax. As widely reported in the media, the introduced budget also includes \$1.1 billion to fund three years’ worth of income tax credits for certain taxpayers to offset the cost of personal property taxes on motor vehicles.

In his December 18 remarks, the Governor highlighted several areas of focus for proposed spending items in his budget, including investments in workforce development, business site readiness, disaster relief, environmental quality, and public safety. A review of the elements of the introduced budget of interest to local governments follows below.

**Next steps:** Senators may submit amendments to the introduced budget until 5:00 on Friday, January 10; Delegates' deadline is Monday, January 13. VACo is working with legislators and advocacy partners to submit several amendments on county priorities. The money committees will review proposed amendments, and each committee will propose its own set of revisions to the introduced budget by midnight on Sunday, February 2. The Governor's budget is the vehicle for amendments – in other words, if a provision is included in the Governor's budget and no amendment is approved to remove it, that provision remains. Each chamber will approve its version of the budget and then differences between the two versions will be resolved in a conference committee. A compromise agreed to by the budget conferees will then be considered by both chambers. After passage of the conference report and adjournment of the legislature, the Governor has the opportunity to offer amendments to the legislature's version of the budget, which would be considered by the General Assembly along with the Governor's amendments to all other bills and resolutions at the April 2 reconvened session.

## **Amendments of concern – VACo encourages members to alert your legislators to these provisions:**

- ***Virginia Preschool Initiative:*** Eliminates the current cap on the Local Composite Index of 0.5000 for the Virginia Preschool Initiative, effective July 1, 2025. This proposal, which was also included in the Governor's introduced budget in December 2023, but not adopted by the legislature, would mean that the local share would increase for this program for localities with LCIs above 0.5000. A list of affected localities may be found in **VACo's report on a similar proposal last session.**
- ***Children's Services Act:*** Includes language capping the state's contribution to the program by stipulating that the rate of state reimbursement to localities for private day educational services for services provided on or after July 1, 2025, may not increase more than 2.5 percent over the rates for such services provided the previous year. VACo has worked with advocacy partners to submit amendments to remove this provision, which would leave localities to fund both the state and local shares of costs for rate increases in excess of this threshold.

## **Additional provisions of interest to local governments:**

**Car tax credit**

- Deposits \$1.1 billion in FY 2025 to fund a new Car Tax Credit, a refundable income tax credit for taxable years beginning January 1, 2025. The credit would be available to an individual whose federal adjusted gross income does not exceed \$50,000, or to married persons filing a joint return whose federal adjusted gross income does not exceed \$100,000. The credit is capped at \$150 for single filers and \$300 for married persons, or the amount actually paid in personal property tax on qualifying vehicles, whichever is less. If a locality increases its personal property tax rate on qualifying vehicles by more than 2.5 percent above the rate it imposed the prior year, taxpayers in that locality do not qualify for the credit. The \$1.1 billion deposit would fund the credits for taxable years beginning January 1, 2025 and before January 1, 2028.

### **School capital**

- Increases funding for the School Construction Assistance Program by \$290 million over the biennium (\$140 million over the biennium from casino gaming revenues and \$150 million in FY 2025 from the Literary Fund).

### **K-12**

- Does not include additional funding for recommendations from JLARC's 2023 study of K-12 funding.
- Includes a series of technical amendments to capture updates in average daily membership, categorical and incentive program costs, English language learner data, Lottery proceeds, participation in certain programs, and sales tax distribution.
- Provides \$61 million in FY 2025 and \$5 million in FY 2026 for a new student assessment contract, pending a report on the planned cost.
- Provides \$50 million in FY 2025 for infrastructure, technical training, and evidence-based supports for schools identified as "needing intensive support" or "off track" under the Board of Education's School Performance and Support Framework. Also provides \$250,000 in FY 2025 and \$1 million in FY 2026 for regional support specialists focused on math, literacy, and science to assist schools so identified.
- Establishes the Virginia Opportunity Scholarship Program with \$50 million in FY 2026; the Program will provide grant awards for qualified students to support certain expenses of attending an accredited private school in the Commonwealth.
- Deposits \$25 million in FY 2025 to the College Partnership Laboratory School Fund for the design, launch, and operation of college partnership laboratory schools established by a Historically Black College or University in Virginia.

### **Compensation**

- Retains across-the-board compensation actions in the 2024 Appropriation Act (3 percent salary increases in each year of the biennium for state employees, state-supported local employees, and SOQ-recognized instructional and support staff).
- Provides additional funding of \$130,716 in FY 2026 for salary increases due to population increases in certain Constitutional offices.

- Provides \$1.4 million in FY 2026 for an additional 9.3 percent salary increase for all Sheriff's dispatch positions, effective July 1, 2025.

## **Early Childhood**

- Provides \$15 million in FY 2025 to establish an early learning capital supply-building fund to make competitive grants to increase the supply of quality early learning spaces in childcare and early learning deserts; this funding includes the \$1 million included in the 2024 Appropriation Act for a Memorandum of Understanding with Reynolds Community College to establish a child care facility near Richmond for the benefit of state employees, which has been redirected to the new building fund.
- Proposes several changes to the Child Care Subsidy Program and the Mixed Delivery Grant Program. For FY 2026, would require that family copayment rates be set at \$5 per month for households with income below 100 percent of the federal poverty level, and up to 7 percent of annual income for all other households (current copayments begin at \$0 for families with income below the poverty guidelines and increase as family income increases, with a cap of 7 percent of gross countable income for any family). For FY 2026, would impose a time limit of 90 days for job search for purposes of parental work and job search requirements, with one extension permitted for extraordinary circumstances.
- Bars the enrollment of additional school-age children in the Child Care Subsidy Program as of July 1, 2025, unless they qualify as "hard to serve," a category that the Department of Education is directed to define no later than July 1, 2025.
- Directs the Department of Education to revise attendance requirements for the Child Care Subsidy Program and the Virginia Preschool Initiative, and to revise attendance requirements for the Mixed-Delivery Initiative in consultation with the Virginia Early Childhood Foundation.
- Directs the Superintendent of Public Instruction to establish a workgroup to review the current structure of all publicly-funded out-of-school time learning and extracurricular programs and make recommendations on how to position Virginia as a national model for this programming for working families, to include recommendations on whether to resume enrollment of school-age children in the Child Care Subsidy Program. A report is due by September 1, 2025.

## **Administration**

- Provides an additional \$1.9 million in FY 2025 in increased state matching funds for the federal State and Local Cybersecurity Grant program.
- Directs the Virginia Information Technologies Agency and the Virginia Fusion Center to provide a semi-annual confidential briefing to the Joint Subcommittee on Cyber Risk (whose members are to be designated by the Chairs of the House Appropriations and Senate Finance and Appropriations Committees) regarding current and emerging cybersecurity risks to the Commonwealth and recommended risk reduction initiatives. Specifies that additional meetings of the Joint Subcommittee shall be held as directed by the chairs, upon the written request of the Chief Information Officer of the Commonwealth.

## **Agriculture and Forestry.**

- Provides \$250,000 in FY 2026 for the new Pasture, Rangeland, and Forage Premium Assistance Program, which will reimburse a portion of the annual federal premium paid by livestock producers enrolled in the U.S. Department of Agriculture's Risk Management Agency Rainfall Index Pasture, Rangeland, Forage (PRF) insurance program.
- Moves the \$250,000 in FY 2026 previously appropriated directly to support the Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program to the Governor's Agriculture and Forestry Industries Development Fund and earmarks the funding to support the Program.
- Provides \$450,000 in FY 2026 to establish the Large Animal Veterinary Loan Repayment program through the Virginia Department of Health.

## **Commerce and Trade/Economic Development**

- Provides an additional \$50 million for the Virginia Business Ready Sites Program Fund in FY 2026.
- Establishes the Disaster Assistance Fund, to be used to address life, safety, and housing costs not covered by federal assistance, private donations, or insurance, and deposits \$25 million from the General Fund in FY 2025 for this purpose; directs the deposit of proceeds from the December 2023 Regional Greenhouse Gas Initiative auction into the Fund (the Governor indicated in his remarks that this action would provide an additional \$100 million).
- Moves \$10 million in Virginia Telecommunication Initiative funding from FY 2026 to FY 2025.
- Moves \$69.1 million provided for biotechnology research initiatives in the 2024 Appropriation Act from FY 2026 to FY 2025, and provides an additional \$35 million in FY 2025 for investments in identified regional innovation clusters. Directs the Virginia Innovation Partnership Authority to convene a task force to review and recommend investments in regional initiatives.
- Provides \$3.9 million in FY 2025 to reimburse Wythe County for certain infrastructure costs associated with an economic development project.
- Adds language clarifying that previously-appropriated funding may be used to demolish derelict structures, perform remediation, and market for sale the Central Virginia Training Center property. Stipulates that proceeds from the sale of the property are to be deposited into the Behavioral Health and Developmental Services Trust Fund.
- Moves the previously-appropriated \$2.5 million in funding for the development of an inland port in the Mount Rogers Planning District from FY 2026 to FY 2025.
- Funds a natural gas study in Patrick County (\$100,000 in FY 2025).
- Eliminates language allowing use of unobligated balances in the Low Income Energy Efficiency Program Fund for a pilot program to assist residents of a manufactured home park or certain nonprofits with acquiring manufactured home parks, and to establish a down payment assistance pilot program.

- Provides \$5 million in FY 2025 to the Virginia Tourism Authority to establish the Virginia Sports Incentive Grant Program; sets aside \$500,000 for the City of Bristol for promotion of a major sporting event.
- Provides \$250,000 in FY 2025 to the Heart of Appalachia Tourism Authority to support a visitor center in St. Paul and \$395,000 in FY 2025 to the Southwest Virginia Regional Recreation Authority to support the Spearhead Trails initiative.

### **Workforce Development**

- Provides an additional \$3.5 million in FY 2026 for the New Economy Workforce Credential Grant Program.
- Provides \$15 million in FY 2026 for the College and Career Ready Virginia program, as well as a one-time transfer of \$20 million in unexpended appropriations in the G3 program. Language directs the reappropriation of unexpended balances from G3 each fiscal year, to be used for G3 or to support demand for the College and Career Ready Virginia program. Language requires eligibility and admission requirements for the College and Career Ready Virginia program to incorporate noncredit workforce training and credentialing through the Virginia Community College System's FastForward Program.
- Provides \$2.1 million in FY 2025 for the Virginia Has Jobs Initiative; the Department of Planning and Budget describes this initiative as a new workforce portal designed to connect potential applicants with available employment and training opportunities.

### **Children's Services Act**

- Provides \$37 million in FY 2025 and \$68.3 million in FY 2026 to fund program growth.
- Eliminates the current process by which localities receive an initial allocation and then submit supplemental requests for additional expenses. Instead, beginning July 1, 2025, the Office of Children's Services will reimburse localities for eligible services as requests are submitted.

### **Medicaid**

- Provides \$632.2 million GF over the biennium for forecasted growth in Medicaid.
- Includes funding and authorization for the Department of Medical Assistance Services to add coverage for services provided to Medicaid beneficiaries during short-term stays for acute care in psychiatric hospitals or residential treatment settings that qualify as Institutes of Mental Disease (such as crisis stabilization units) through a Medicaid waiver.
- Provides funding and authorization for the Department of Medical Assistance Services to provide covered services for incarcerated youth in the 30 days prior to release and immediately after release in accordance with changes in federal law included in the Consolidated Appropriations Act of 2023 (\$1 million in non-General Funds in FY 2025 and \$367,178 General Funds/\$855,026 non-General Funds in FY 2026).



- Includes funding and authorization for children served in Psychiatric Residential Treatment Facilities (PRTFs) to maintain their enrollment in managed care during their treatment; payments for PRTF per diem payments and required services will still be paid on a fee-for-service basis (\$273,575 GF and \$290,568 NGF in FY 2026).
- Requires a one-year reserve amount to be included in FY 2026 to offset future program costs for any new Medicaid initiative that increases costs and sets aside \$972,941 GF in FY 2026 for this purpose.
- Sets out language to specify the use of funding that was previously provided for the Department of Medical Assistance Services to contract with a vendor to handle all incoming medical assistance-related mail currently directed to local departments of social services.

## **Behavioral Health**

- Provides \$35.2 million in FY 2026 for contracts with private hospitals or other qualified agencies to hire Special Conservators of the Peace to maintain custody of individuals under emergency custody orders or temporary detention orders until the individual is ready for transportation to the bed of temporary detention or is released.
- Provides \$3.5 million in FY 2026 to reimburse local law enforcement agencies for time spent transporting an individual under an emergency custody order or temporary detention order. Stipulates priority for reimbursement for agencies within specified Virginia State Police divisions and agencies who must travel substantial distances to state facilities.
- Funds additional quality improvement specialists, registered nurse care consultants, licensed behavioral analysts, dental staff, and dental services contracts as required by the state's settlement agreement with the U.S. Department of Justice (\$4.6 million GF and \$532,410 NGF in FY 2026).
- Provides \$663,758 in FY 2026 for five additional licensing positions.
- Provides \$1 million in FY 2025 for an education and outreach campaign related to the impacts of social media, mental illness, and substance use on youth.
- Amends language governing eligibility for grants for recovery support services. Current language allows the Department of Behavioral Health and Developmental Services to make grants to members of the Virginia Association of Recovery Residences; the introduced budget proposes to broaden eligibility to "recovery residences certified by the Department of Behavioral Health and Developmental Services for recovery support services."
- Provides additional flexibility in the use of the \$15 million per year previously appropriated for school-based health clinics. New language would allow these funds to be used to provide technical assistance to school divisions seeking guidance on integrating mental health services and grants to school divisions to contract for community-based mental health services from public or private community-based providers, in addition to being used to provide grants to contract with federally qualified health centers or other healthcare organizations to establish school-based

health clinics to serve students and their families, as specified in current budget language.

- Provides \$1.2 million in FY 2026 for two additional teams through the Marcus Alert initiative.
- Provides \$777,000 in FY 2026 to expand peer support services for youth.
- Provides an additional \$1.5 million in FY 2025 for Part C Early Intervention to address increases in caseloads.
- Provides \$52.1 million GF in FY 2026 for upgrades, renovations, and repairs at state facilities.
- Funds four additional forensic evaluators to address the growing forensic population at certain state hospitals (\$800,908 in FY 2026).
- Funds salary increases for trades staff at state facilities (\$2.2 million in FY 2026 for trades positions at state hospitals; \$146,648 in FY 2026 for trades positions at Southeastern Virginia Training Center and Hiram Davis Medical Center).

## **Health**

- Funds the development of necessary databases for a rainwater harvesting system permitting program (\$118,551 per year).
- Provides \$1.8 million in FY 2026 for the Office of Drinking Water to maintain compliance with federal and state regulations.
- Provides \$546,266 GF and \$421,680 NGF in FY 2026 for rent increases at local health departments.
- Provides an additional \$1 million in FY 2026 for community health workers and doulas in local health districts that serve localities with the highest rates of maternal mortality.
- Increases the fee for an expedited vital records search from \$48 to \$53, effective July 1, 2025.
- Removes language prohibiting changes to the service areas of regional EMS councils.
- Provides \$12 million in FY 2026 for competitive grants to public institutions of higher education to increase the number of nursing graduates in Virginia. Also provides \$1.5 million in FY 2026 for awards to students enrolled in a nursing program at an eligible Virginia institution (a nonprofit private institution of higher education) designated as a Hispanic-Serving Institution by the U.S. Department of Education.
- Provides \$2.5 million in FY 2026 to pilot perinatal health hub programs, to be funded by two-year grant awards for community-based providers.

## **Social Services**

- Provides \$500,000 in FY 2025 and \$7.5 million in FY 2026 to implement recommendations from the Office of the State Inspector General to improve child protective services, to include enhancements to the state child protective services

hotline, additional regional consultants, and additional CPS investigator and supervisor positions at local departments of social services.

- Provides \$7.3 million GF and \$6.5 million in NGF in FY 2026 to supplement existing support for income and employment verification and directs the Department of Social Services to investigate alternatives to its current contract.
- Provides \$500,000 GF and \$500,000 NGF in FY 2026 to modernize the statewide 2-1-1 Information and Referral System.
- Provides \$440,000 NGF in FY 2026 for the Temporary Assistance to Needy Families Full Employment Program.
- Funds a 3 percent increase in foster care and adoption assistance payments in accordance with budget language requiring a reasonable, automatic adjustment for inflation in fiscal years following a fiscal year in which salary increases are provided to state employees (\$1.5 million GF and \$1.4 million NGF in FY 2026).
- Includes language making clear that administrative costs for the Percentage of Income Payment Program (PIPP) are capped at \$5.5 million annually, which includes program administration for state agencies and local departments of social services. VACo had previously secured clarifying language in the budget to ensure that local administrative costs would be covered by the PIPP Fund and that a local match would not be required.
- Increases the auxiliary grant rate from \$2079/month to \$2103/month, beginning January 1, 2025.

### **Natural and Historic Resources**

- Deposits \$26.3 million in FY 2025 from FY 2024 surplus revenues to the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund.
- Deposits \$17.4 million in FY 2025 from FY 2024 surplus revenues to the Water Quality Improvement Fund to support the Enhanced Nutrient Removal Certainty Program.
- Provides an additional \$50 million in FY 2025 from FY 2024 surplus revenues for the City of Richmond's Combined Sewer Overflow project (these funds would otherwise have been deposited to the Water Quality Improvement Fund).
- Authorizes \$462,541 in interest earnings from the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund in FY 2026 to fund three additional positions to provide oversight and assistance to Soil and Water Conservation Districts.
- Authorizes the use of \$355,393 in interest earnings from the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund to support two positions to oversee maintenance, repair, and rehabilitation projects necessary for District-owned dams to be in compliance with the Dam Safety Act and attendant regulations.
- Replaces \$400 million in bond authorization for wastewater projects over the biennium with a like amount of General Fund dollars from excess FY 2024 revenues.

## **Public Safety and Homeland Security**

- Includes \$2.5 million in FY 2025 for competitive grants to localities for the purchase of public safety radio and communications infrastructure equipment. Grants are to be prioritized for localities with above average or high fiscal stress and that are double-distressed according to the Virginia Economic Development Partnership, and that demonstrate need.
- Provides an additional \$6.8 million in FY 2025 for the School Resource Officer Incentive Grants Fund.
- Provides \$5 million in FY 2026 for grants to localities to purchase protective equipment for firefighters. Grants are to be prioritized for localities with above average or high fiscal stress and that are double-distressed according to the Virginia Economic Development Partnership, and that demonstrate need.
- Includes language providing for withholding of HB 599 funding or jail per diem payments from a locality if an official in charge of a jail does not comply with lawful U.S. Immigration and Customs Enforcement (ICE) detainers and does not provide at least 48 hour pre-release notification to ICE, or if an official in charge of a jail or local law enforcement agency or sheriff's office prohibits or impedes communication or cooperation with ICE pursuant to adoption of a local ordinance, procedure, policy, or custom.
- Increases funding for the Office of First Responder Wellness by \$322,218 in FY 2026; expands use of funds to nonprofit organizations that support first responders (in addition to law enforcement).
- Provides an additional \$200,000 per year for the Victim Witness Grant Program; earmarks at least \$500,000 per year for the Office of the Attorney General.
- Directs the Department of Fire Programs to assess the fees charged by the State Fire Marshal's office to conduct fire safety inspections and the costs to provide these services.
- Provides an additional \$3.1 million in FY 2026 for the Department of Juvenile Justice (DJJ) to address increased costs in youth admissions and placements, as well as cost increases for contracted services. Authorizes DJJ to study possible relationships with localities to increase state-run juvenile correctional center bed capacity for committed youth; if such a study is pursued, findings and recommendations must be reported by October 1, 2025.

## **Transportation**

- Appropriates \$175 million in FY 2025 in FY 2024 surplus revenues to the I-81 Corridor Improvement Program, as required by the 2024 Appropriation Act.
- Moves \$84.5 million in support for the Washington Metropolitan Area Transit Authority from FY 2026 to FY 2025; reduces funding in FY 2025 by \$11.1 million.
- Authorizes a \$20 million Treasury loan for the Roanoke Regional Airport Commission for a runway modification project, subject to Federal Aviation Administration approval of the project.

- Includes language modifying the provisions of the 2024 Appropriation Act regarding toll relief; specifies a locality median income range in the definition of eligible drivers; provides that the Commissioner of the Department of Motor Vehicles is not required to assess a \$40 fee for withholding vehicle registration/renewal associated with outstanding customer balances/fees; and stipulates that the General Funds provided for the program may be used to supplement the Toll Relief program funded by Elizabeth River Crossings.
- Eliminates tolls on the George P. Coleman Bridge, effective January 1, 2026.
- Provides \$1 million in FY 2025 for dredging Back Creek off the York River.

## **Tax Policy**

- Provides \$136,038 in FY 2026 for the Department of Taxation to increase the scope of its Memorandum of Understanding with Virginia Tech for the State Land Evaluation and Advisory Council duties to include the development of values for the assessment of open space.
- Raises the threshold for individual taxpayers to make estimated tax payments from the current level of \$150 in tax liability to \$1000, starting with taxable years beginning January 1, 2026.
- Creates an income tax deduction for income derived from cash tips, for taxable years beginning on and after January 1, 2026.
- Makes the existing standard deduction levels permanent (under current law, these levels of \$8,500 for single individuals and \$17,000 for married persons are set to revert to \$3,000 and \$6,000, respectively, after January 1, 2026).
- Harmonizes the interest rate on state tax underpayments or refunds with the rates established by the Internal Revenue Code (current law provides that the rate of interest is the IRS's rate plus two percent).
- Effective with taxable years beginning on and after January 1, 2026, uses market-based sourcing for multi-state businesses for sales of services and intangible personal property for purposes of corporate income tax. Requires the Tax Commissioner to develop guidelines to implement this change, and provides that existing authorization for market-based sourcing previously granted for specific businesses is not affected by the new language.

## **Reserves**

- As required by statute, proposes to deposit \$294.5 million from FY 2024 collections into the Revenue Reserve Fund in FY 2025 (when there is a fiscal year in which General Fund revenues do not result in a mandatory deposit to the "Rainy Day Fund," the Governor is required to include in the introduced budget a deposit to the Revenue Reserve Fund from General Fund revenue in excess of the forecast, after any required Water Quality Improvement Fund deposit).
- Transfers \$203 million in FY 2025 from the Revenue Reserve Fund to the General Fund; adjusts the cap on the combined amounts in the Revenue Reserve Fund and the Revenue Stabilization Fund from 20 percent of the Commonwealth's three-year

average of annual tax revenues derived from taxes on income and retail sales, to 17.53 percent in FY 2025 and 15 percent in FY 2026.

### **Other Items**

- Authorizes a \$10 million Treasury loan for the Virginia Lottery for start-up costs and other expenses associated with the implementation of a gaming commission or similar combined gaming agency.
- Includes language stating that the Department of General Services has determined that the necessary water needs of the Piedmont Geriatric Hospital, Virginia Center for Behavioral Rehabilitation (Phases 1 and 2), and Nottoway Correctional Center, would be best satisfied by replacing the Town of Crewe's water treatment plant equipment and infrastructure, replacing the main water transmission line, improving the raw water intake line and pumps, and increasing water capacity by creating wells or raising the reservoir. Authorizes the Department to execute the project; stipulates that the Department may pursue another solution if it later determines that an alternative will best meet the necessary potable and fire protection water needs of the identified facilities. Authorizes the Department to construct, provide, and improve infrastructure as necessary to implement the determined solution, including authorization to acquire land of any public utility, municipality or political subdivision, without obtaining the consent or permission of any locality or public body. Provides that the ownership, construction, and operation of the infrastructure shall not be subject to any state or local permitting requirements or similar ordinances or regulations. Upon completion of construction, the Department is authorized to transfer ownership and/or operation of all or any part of the property to one or more locality, which shall not require the consent or permission of any locality or public body. Declares that the exercise of the power of eminent domain for this purpose is a public use of such property.

### **VACo Contact: Legislative Team**

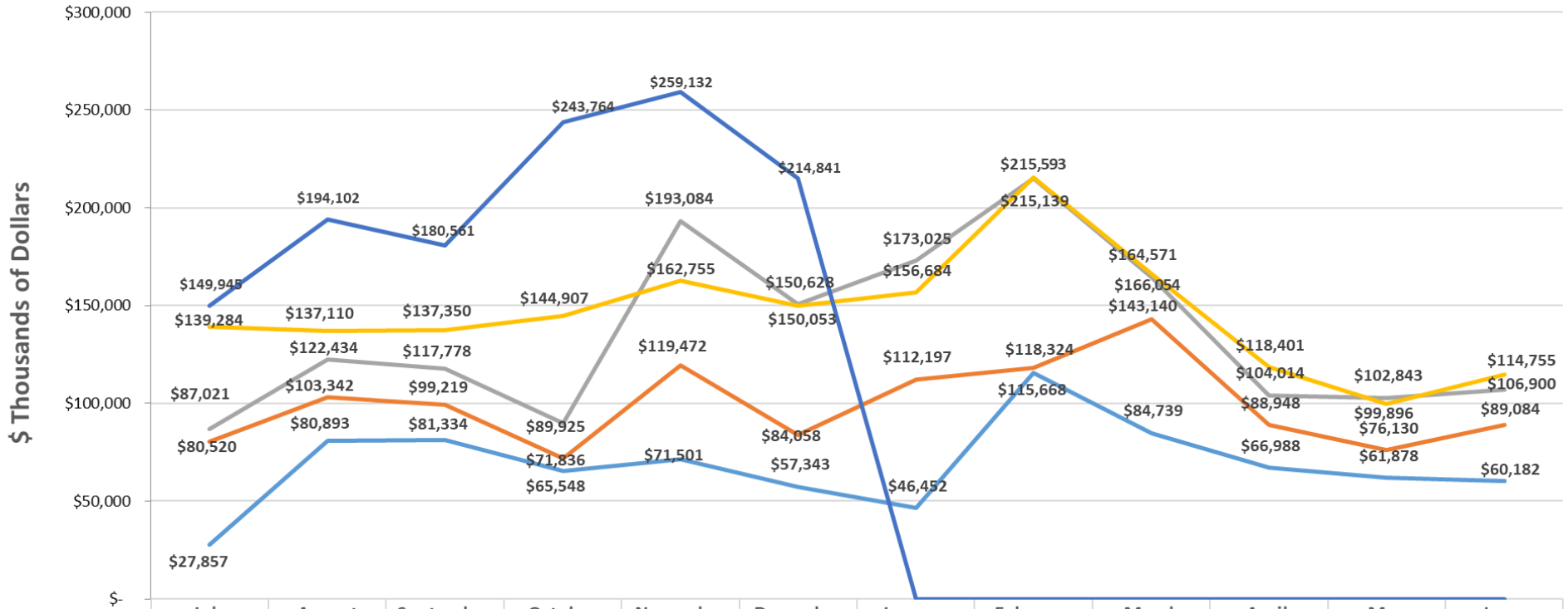
Budget, County Connections, Dean Lynch, General Assembly, James Hutzler, Jeremy Bennett, Joe Lerch, Katie Boyle, Legislative, Phyllis Errico

# December 2024 Collection – January 14, 2025 BOS Report

## Transient Occupancy Tax Collection - Monthly Trend By Fiscal Year

\*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy

\*\* TOT Tax Rate Changed from 5% to 7% Effective July 1, 2024



	July	August	September	October	November	December	January	February	March	April	May	June
— FY 20/21	\$27,857	\$80,893	\$81,334	\$65,548	\$71,501	\$57,343	\$46,452	\$115,668	\$84,739	\$66,988	\$61,878	\$60,182
— FY 21/22	\$80,520	\$103,342	\$99,219	\$71,836	\$119,472	\$84,058	\$112,197	\$118,324	\$143,140	\$88,948	\$76,130	\$89,084
— FY 22/23	\$87,021	\$122,434	\$117,778	\$89,925	\$193,084	\$150,628	\$173,025	\$215,139	\$164,571	\$104,014	\$102,843	\$106,900
— FY 23/24	\$139,284	\$137,110	\$137,350	\$144,907	\$162,755	\$150,053	\$156,684	\$215,593	\$166,054	\$118,401	\$99,896	\$114,755
— FY 24/25	\$149,945	\$194,102	\$180,561	\$243,764	\$259,132	\$214,841						

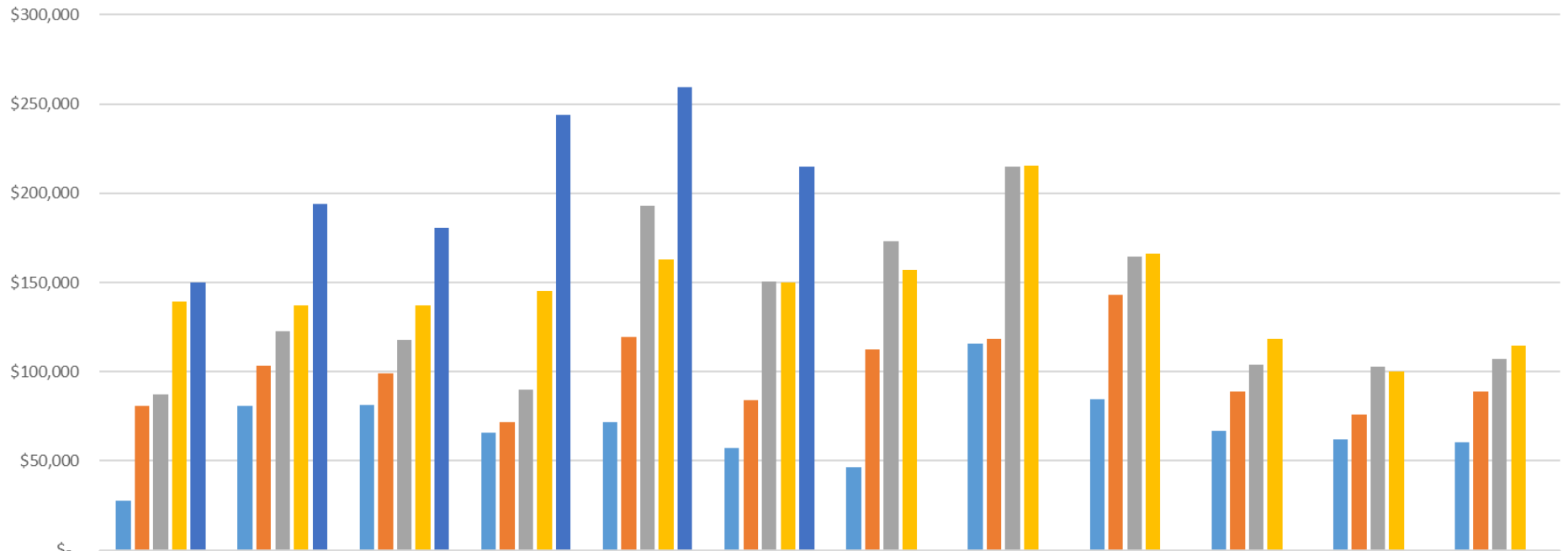
— FY 20/21 — FY 21/22 — FY 22/23 — FY 23/24 — FY 24/25

## December 2024 Collection – January 14, 2025 BOS Report

### Transient Occupancy Tax Collection by Month and Fiscal Year

\*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy

\*\* TOT Tax Rate Changed from 5% to 7% Effective July 1, 2024



	July	August	September	October	November	December	January	February	March	April	May	June
<span style="color: #4F812E;">■</span> FY 20/21	\$27,857	\$80,893	\$81,334	\$65,548	\$71,501	\$57,343	\$46,452	\$115,668	\$84,739	\$66,988	\$61,878	\$60,182
<span style="color: #E67E22;">■</span> FY 21/22	\$80,520	\$103,342	\$99,219	\$71,836	\$119,472	\$84,058	\$112,197	\$118,324	\$143,140	\$88,948	\$76,130	\$89,084
<span style="color: #A6A6A6;">■</span> FY 22/23	\$87,021	\$122,434	\$117,778	\$89,925	\$193,084	\$150,628	\$173,025	\$215,139	\$164,571	\$104,014	\$102,843	\$106,900
<span style="color: #F1C40F;">■</span> FY 23/24	\$139,284	\$137,110	\$137,350	\$144,907	\$162,755	\$150,053	\$156,684	\$215,593	\$166,054	\$118,401	\$99,896	\$114,755
<span style="color: #2E86C1;">■</span> FY 24/25	\$149,945	\$194,102	\$180,561	\$243,764	\$259,132	\$214,841						

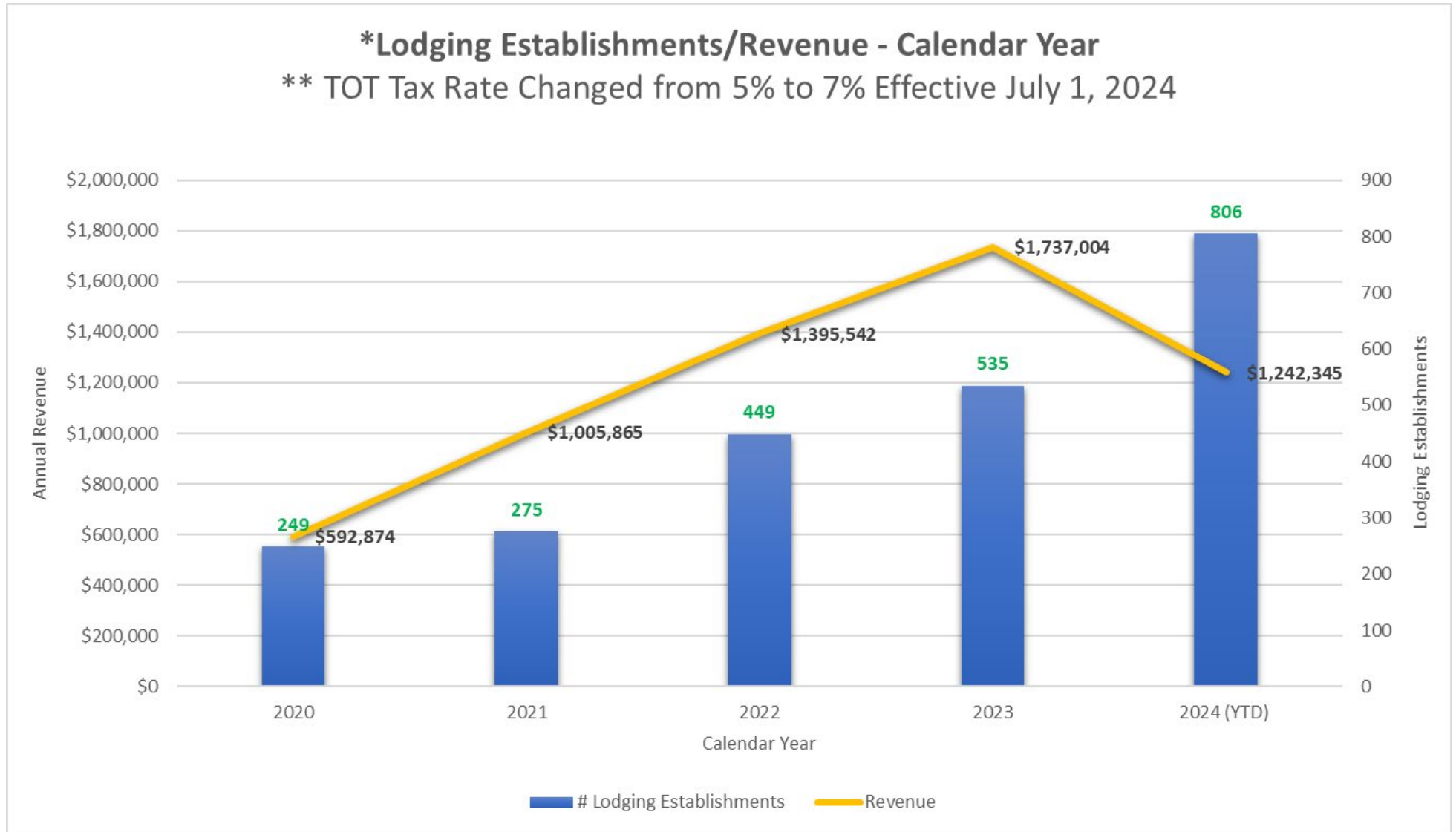
■ FY 20/21   
 ■ FY 21/22   
 ■ FY 22/23   
 ■ FY 23/24   
 ■ FY 24/25



## December 2024 Collection – January 14, 2025 BOS Report

### \*Lodging Establishments/Revenue - Calendar Year

\*\* TOT Tax Rate Changed from 5% to 7% Effective July 1, 2024

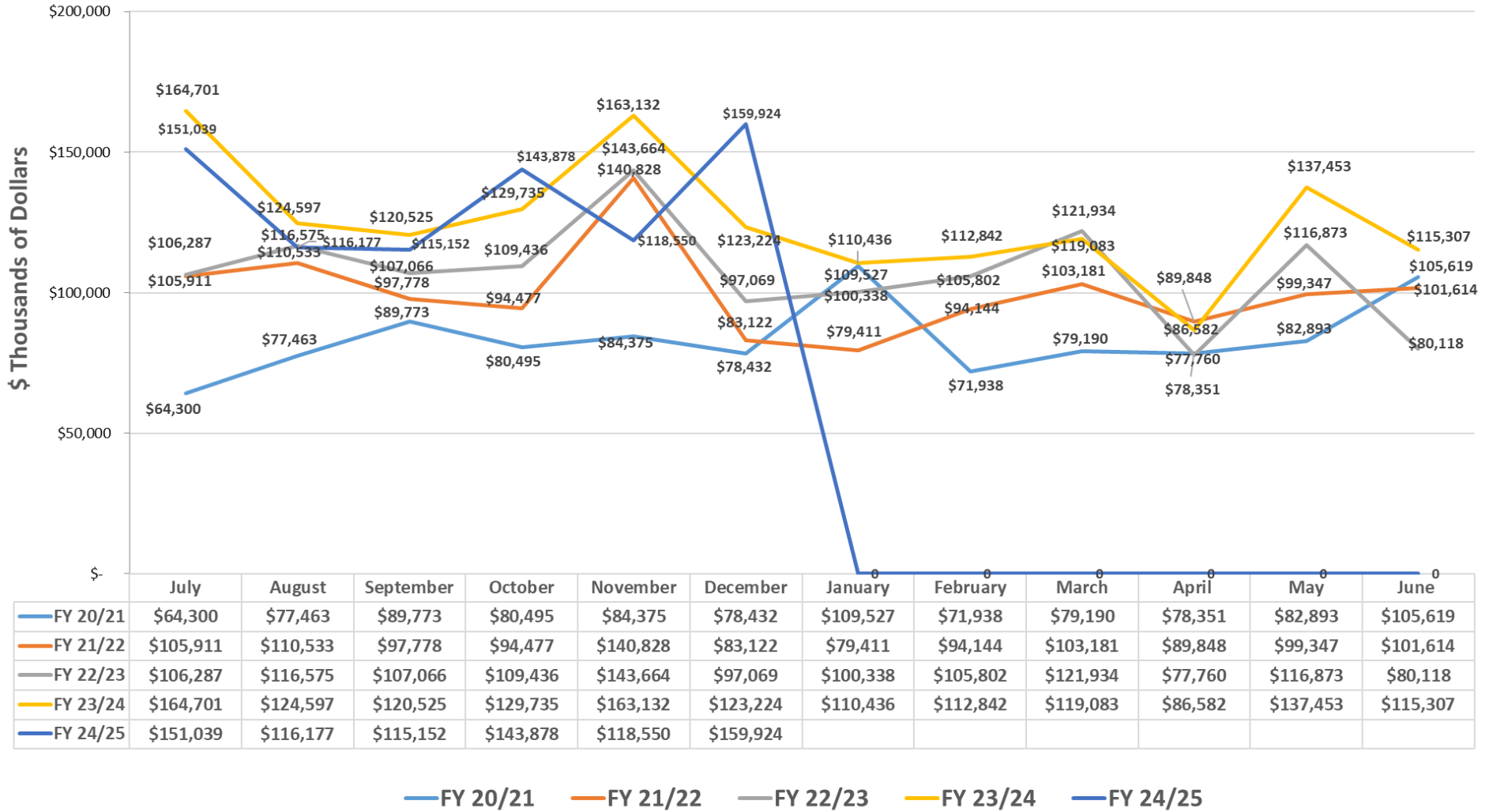


\*Lodging Establishments is the number of businesses who are registered with the Commissioner of the Revenue for lodging in Nelson County. The number includes businesses who may have multiple properties who remit for all units with one payment. Some businesses remit their taxes quarterly, and due to their start date, may not be on a January-March-June-September schedule. Many businesses utilize services such as AirBnB who remit on their behalf and by State Code, these revenues are only to be disclosed in aggregate; no personal information can be shared (55.1-1209).

# December 2024 Collection – January 14, 2025 BOS Report

## Meals Tax Collection - Monthly Trend By Fiscal Year

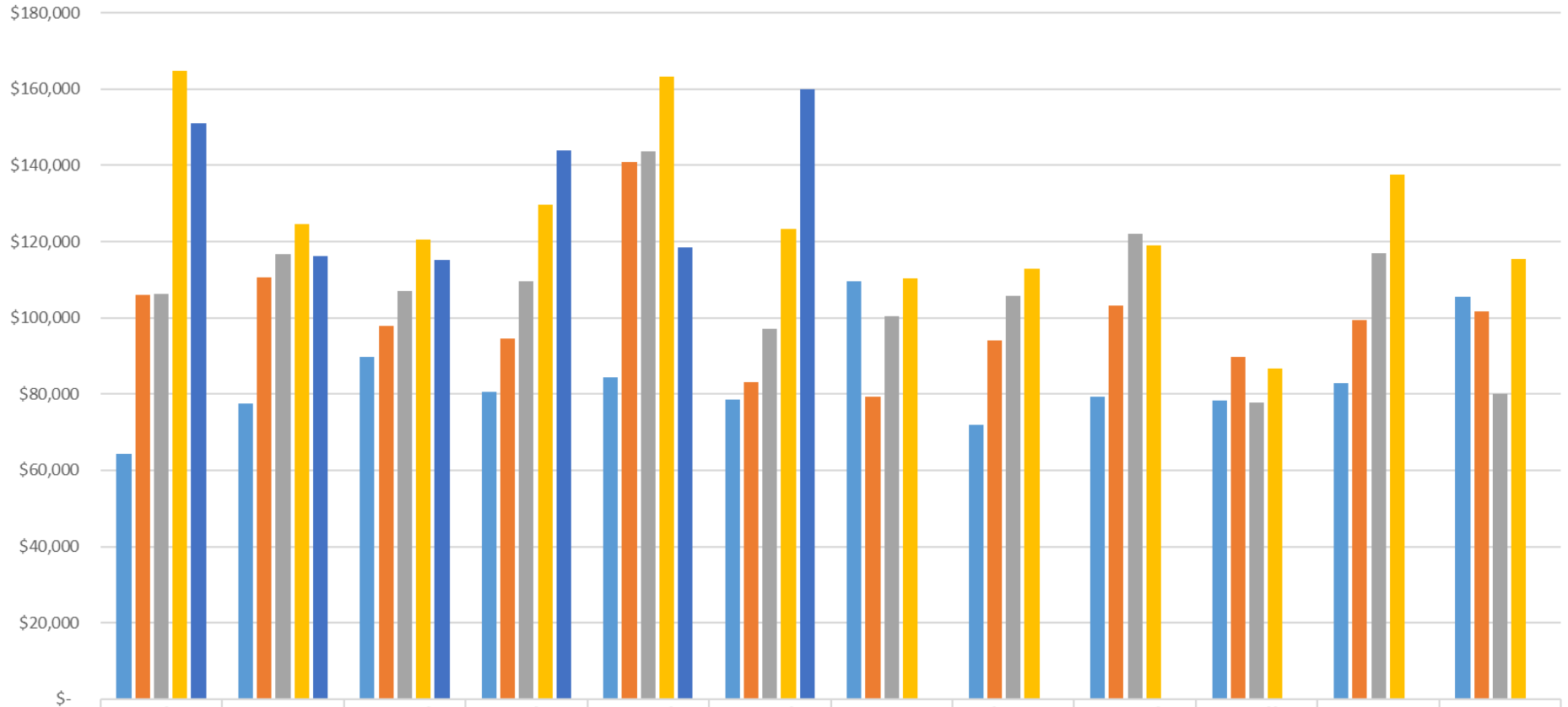
\*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy



## December 2024 Collection – January 14, 2025 BOS Report

### Meals Tax Collection by Month and Fiscal Year

\*Amounts Shown Reflect Payments for Prior Month(s) Tax Levy



	July	August	September	October	November	December	January	February	March	April	May	June
<span style="color: #4F81BD;">■</span> FY 20/21	\$64,300	\$77,463	\$89,773	\$80,495	\$84,375	\$78,432	\$109,527	\$71,938	\$79,190	\$78,351	\$82,893	\$105,619
<span style="color: #E67E22;">■</span> FY 21/22	\$105,911	\$110,533	\$97,778	\$94,477	\$140,828	\$83,122	\$79,411	\$94,144	\$103,181	\$89,848	\$99,347	\$101,614
<span style="color: #95A5A6;">■</span> FY 22/23	\$106,287	\$116,575	\$107,066	\$109,436	\$143,664	\$97,069	\$100,338	\$105,802	\$121,934	\$77,760	\$116,873	\$80,118
<span style="color: #F1C40F;">■</span> FY 23/24	\$164,701	\$124,597	\$120,525	\$129,735	\$163,132	\$123,224	\$110,436	\$112,842	\$119,083	\$86,582	\$137,453	\$115,307
<span style="color: #2E86C1;">■</span> FY 24/25	\$151,039	\$116,177	\$115,152	\$143,878	\$118,550	\$159,924						

■ FY 20/21  
 ■ FY 21/22  
 ■ FY 22/23  
 ■ FY 23/24  
 ■ FY 24/25