



***Key Bills for Planners***  
***APA Virginia Legislative***  
***Program Final Report***  
***2023 General Assembly***



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## Energy and Environment

### Energy Efficiency

**[HB 1637/SB 1370 VETOED](#) Electric utilities; pilot program for underground transmission or distribution lines, adds projects.**

**Electric utilities; pilot program for underground transmission or distribution lines; additional projects.** Adds one project to the existing pilot program for underground transmission lines. The bill requires the State Corporation Commission to approve one additional application filed between January 1, 2023, and October 1, 2023, as a qualifying project to be constructed in whole or in part underground, as a part of the pilot program. The bill requires that the added qualifying project be a newly proposed 230-kilovolt underground line and that (i) an engineering analysis demonstrates that it is technically feasible to place the proposed line, in whole or in part, underground; (ii) the governing body of each locality in which a portion of the proposed line will be placed underground indicates, by resolution, general community support for the project and that the governing body supports the transmission line to be placed underground; (iii) a project has been filed with the Commission or is pending issuance of a certificate of public convenience and necessity by October 1, 2023; (iv) the estimated additional cost of placing the proposed line, in whole or in part, underground does not exceed \$40 million or, if greater than \$40 million, the cost does not exceed 2.5 times the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a proposed underground line whose cost exceeds 2.5 times the cost of placing the line overhead may also be accepted into the pilot program; (v) the public utility requests that the project be considered as a qualifying project under the pilot program; and (vi) the primary need of the project is for purposes of grid reliability or grid resiliency or to support economic development priorities of the Commonwealth, including the economic development priorities and the comprehensive plan of the governing body of the locality in which at least a portion of line will be placed, and not to address aging assets that would have otherwise been replaced in due course.

Additionally, the bill adds one project to place underground an electric distribution mainline as part of a transportation infrastructure improvement project incorporating transit that has been initially accepted for partial funding of at least \$250 million pursuant to a federal program. The bill provides that such project is qualified to be placed underground if (a) the estimated additional cost of placing the proposed mainline, in whole or in part, underground does not exceed \$40 million or, if greater than \$40 million, the cost does not exceed 2.5 times the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a proposed underground line whose cost exceeds 2.5 times the cost of placing the line overhead may also be accepted into the pilot program and (b) the public utility requests that the project be considered as a qualifying project under this section. The provisions of the bill related to the underground distribution mainline expire on July 1, 2028.

**HB 1643/SB 1121 Coal mine methane; options to encourage capture & beneficial use.**

States that it is the policy of the Commonwealth to encourage the capture and beneficial use of coal mine methane, defined in the bill. The bill directs the Department of Energy to evaluate policy options to encourage the capture and beneficial use of coal mine methane and submit a report of its findings by November 15, 2023.

**HB 2026/SB 1231. Renewable energy; biomass-fired facilities, Department of Forestry advisory panel,**

Removes the renewable energy requirement for each Phase I and Phase II Utility to retire all biomass-fired electric generating units that do not co-fire with coal by December 31, 2028. The bill provides that biomass-fired facilities may qualify as renewable energy standard eligible sources, provided that they are in operation as of January 1, 2023, and (i) supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected and are fueled by forest-product manufacturing materials harvested in accordance with best management practices or (ii) are owned by a Phase I or Phase II Utility, have less than 52 megawatts capacity, and are fueled by forest-product manufacturing residuals, biowastes, or biomass harvested in accordance with best management practices. The bill directs the Department of Forestry to convene an advisory panel to examine the use of forest-related materials, agricultural-related materials, and solid woody waste materials for biomass-fired electric generating units in the Commonwealth and to submit a report of the advisory panel's findings and any recommendations to the House Committee on Commerce and Energy and the Senate Committee on Commerce and Labor no later than December 1, 2024. The bill further directs the Department of Forestry to develop by December 1, 2023, best management practices for the sustainable harvesting of biomass for biomass-fired electric generating units that are subject to the provisions of the bill.

**HB 2178 Green and alternative energy job creation tax credit; clarifies definition of "green job."**

Adds methane extracted in Planning District 2 to the list of alternative sources of energy production that qualify an industry as a creator of green jobs for purposes of the green job creation tax credit, which is renamed the green and alternative energy job creation tax credit by the bill. The bill applies to taxable years beginning on and after January 1, 2023.

**HB 2275/SB 1166 Energy planning & electric utility oversight; membership for Com. on Electricity Utility Regulation.**

Increases from 10 to 14 the membership of the Commission on Electric Utility Regulation (the Commission) by adding three nonlegislative citizen members with expertise in ratepayer advocacy and the Attorney General or his designee from the Division of Consumer Counsel as an ex officio member; requires the Commission to annually elect a chairman and vice-chairman,

meet twice annually, and receive an annual report from the State Corporation Commission by November 1 regarding the implementation of the Virginia Electric Utility Regulation Act; requires newly appointed members of the Commission to receive an orientation on electric utility regulation from the State Corporation Commission annually; authorizes the Commission to employ an executive director and such other persons as it deems necessary and to employ experts who have knowledge of the issues before it; and extends the expiration of the Commission from July 1, 2024, to July 1, 2029. The bill requires the Commission to (i) monitor applications by the Commonwealth for grants and awards for energy projects from the federal government, (ii) consider legislation referred to it during any session of the General Assembly or other requests by members of the General Assembly, and (iii) conduct studies and gather information and data in order to accomplish its purposes.

The bill requires the Division of Renewable Energy and Energy Efficiency of the Department of Energy to present the final version of the Virginia Energy Plan to the Commission at a public meeting. The bill also requires the Commission, upon request by the Chairman of the House Committee on Commerce and Energy or the Senate Committee on Commerce and Labor, to prepare a ratepayer impact statement for any proposed legislation related to electric utility regulation specified by such Chairman. Each such Chairman may request up to five ratepayer impact statements in any given regular or special session of the General Assembly. Additionally, the Commission, upon the request of any member of the General Assembly and at the Commission's discretion, may prepare a ratepayer impact statement for any proposed legislation related to electric utility regulation specified by such member.

The bill changes the date by which an electric utility is required to file its updated integrated resource plan from May 1 to October 15, in each year immediately preceding the year the utility is subject to a review of rates for generation and distribution services filing, and provides that after January 1, 2024, each electric utility not subject to an annual review shall file an annual update to the integrated resource plan by October 15, in each year that the utility is subject to review of rates for generation and distribution services filing. The bill requires electric utilities, as part of preparing any integrated resource plan, to conduct outreach to engage the public in a stakeholder review process and provide opportunities for the public to contribute information, input, and ideas on the utility's integrated resource plan including the plan's development methodology, modeling inputs, and assumptions, as well as the ability for the public to make relevant inquiries, to the utility when formulating its integrated resource plan and to report its public outreach efforts to the Commission.

**[HB 2305](#) Electric utilities, certain; proposed facilities were subject to competitive procurement, etc.**

Provides that in any petition by a Phase I or Phase II Utility for a certificate of public convenience and necessity to construct and operate an electrical generating facility that generates electric energy derived from sunlight, such utility shall demonstrate that the proposed facility was subject to competitive procurement or solicitation.

**[HB 2386/SB 1464](#) Virginia Power Innovation Fund and Program; created.**

Creates the Virginia Power Innovation Fund with funding to be used solely for the purposes of research and development of innovative energy technologies, including nuclear, hydrogen, carbon capture and utilization, and energy storage. The bill also creates the Virginia Power Innovation Program to use moneys from the Fund to (i) establish a Virginia nuclear innovation hub and (ii) award competitive grants to support energy innovation.

**[HB 2444 /SB 1441](#) Offshore wind capacity; development, cost recovery.**

Requires the State Corporation Commission, in conducting its review of requests for cost recovery by a Phase II Utility for costs associated with generating facilities utilizing energy derived from offshore wind, to give due consideration to the economic development benefits of the project for the Commonwealth, including capital investments and job creation, arising from project construction and operation and the manufacture of wind turbine generator components and subcomponents. The bill also accelerates the timeline from 2034 to 2032 for public utilities to construct or purchase one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth.

## **Environment and Water Resources**

**[HB 1438](#) Oyster Replenishment Fund; oyster resource user fees to be credited to Fund.**

Adds the recycling of oyster shells to the list of activities eligible to receive funds from the Oyster Replenishment Fund. The bill also allows the Fund to be used for the encouragement of oyster shell donations for oyster replenishment projects.

**[HB 1485/SB 1129](#) Chesapeake Bay Watershed Implementation Plan; changes contingency for effective date.**

Changes the contingency for the effective date of the Chesapeake Bay Watershed Implementation Plan to allow consideration of a combination of point or nonpoint source pollution reduction commitments other than agricultural best management conservation practices when determining whether the Commonwealth's commitments in the Chesapeake Bay Total Maximum Daily Load (TMDL) Phase III Watershed Implementation Plan have been satisfied. The bill advances from July 1, 2026, to July 1, 2028, the contingency effective date of the Chesapeake Bay Watershed Implementation Plan and requires the Secretary of Natural and Historic Resources and the Secretary of Agriculture and Forestry to convene a stakeholder advisory group to review annual progress and make recommendations toward the implementation of the Commonwealth's agricultural commitments in the Chesapeake Bay TMDL Phase III Watershed Implementation Plan. The group is required to submit its first annual

report by July 1, 2024, and the Secretaries of Agriculture and Forestry and Natural and Historic Resources are required to jointly review such report by July 1, 2025. The bill also requires soil and water conservation districts to report to the Department of Conservation and Recreation recommendations for improving the disbursement of funding and for program efficiencies that would expedite disbursement of funds provided through the Virginia Natural Resources Commitment Fund and prohibits certain regulatory actions from being imposed on agricultural practices prior to July 1, 2028, provided that reasonable progress is being achieved and a detailed plan has been developed for reaching the needed number of voluntary incentivized practices.

**HB 1628 Wetland and Stream Replacement Fund; availability of credits, use of funds.**

Permits the Department of Environmental Quality to use the Wetland and Stream Replacement Fund for purposes other than the purchase of mitigation bank credits, as set out in the bill, if the Department makes a determination within two years after the collection of moneys for a specific impact that mitigation bank credits for such impact will not be available within three years. Currently, the Department can use such funds for other specified purposes if after three years no mitigation bank credits are available for purchase.

**HB 1664/SB 897 Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program; created.**

Establishes the Governor's Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program and authorizes the Governor to award grants to political subdivisions from the Governor's Agriculture and Forestry Industries Development Fund as part of the Program. Such grants, in amounts up to \$250,000, shall be awarded as reimbursable grants to support blue catfish processing, flash freezing, and infrastructure projects. The bill directs the Secretary of Agriculture and Forestry to develop certain guidelines as provided in the bill on behalf of the Governor to facilitate the Program.

**HB 1807/SB 1392 Flood plain management; state agency compliance with regulations.**

Directs the Department of Conservation and Recreation, no later than September 30, 2023, and in cooperation with numerous Secretariats and the Special Assistant to the Governor for Coastal Adaptation and Protection, to establish standards for development in a flood plain for all state agencies and departments. Such standards shall require at least compliance with the National Flood Insurance Program and shall require that any development undertaken by an agency or department on state-owned land located in a Special Flood Hazard Area be protected or flood-proofed against flooding and flood damage. The bill also requires any state agency or department, when developing a facility on state-owned property located in a flood plain, to either adhere to all local flood plain management regulations or receive Department approval of compliance with the applicable state standard for development in a flood plain, provided that such standard does not jeopardize a locality's participation in the National Flood Insurance Program. Such compliance shall be documented and provided in the form of a permit by the

Department to the applicant prior to preliminary design approval of a project by the Department of General Services. The bill allows the Department of Conservation and Recreation to issue a permit if no feasible alternative to developing a facility in the flood plain exists and if one of several other conditions provided in the bill is met.

**HB 1940/SB 999 Waterworks and wastewater works operators; license reciprocity.**

Requires the Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals, upon application by an individual, and without examination, to recognize licenses or certificates issued by another state as fulfillment of qualifications for licensure in the Commonwealth if certain conditions are met.

**HB 1941 Septic systems; loans to local governments or other entities.**

Authorizes the State Water Control Board to provide loans from the Virginia Water Facilities Revolving Fund to a local government for the purpose of correcting onsite sewage disposal problems (small water facility projects) to protect or improve water quality and prevent the pollution of state waters. The bill allows loan funding for repairs or upgrades to onsite sewage disposal systems that are owned by eligible businesses, defined in relevant law, where public health or water quality concerns are present and connection to a public sewer system is not feasible because of location or cost.

**HB 1848/SB 1376 Stormwater management and erosion and sediment control; agreement in lieu of plan.**

Stormwater management and erosion and sediment control; agreement in lieu of plan; farm buildings and agritourism activities; small construction activity. Includes farm buildings, any building or structure used for agritourism activity, and any related impervious surface, including roads, driveways, and parking areas, in the respective definitions of an agreement in lieu of a plan in the stormwater management and erosion and sediment control laws. Current laws define an agreement in lieu of a plan to cover only single-family residences. The bill also requires the State Water Control Board to establish by regulation a procedure by which a registration statement shall not be required for coverage under the General Permit for Discharges of Stormwater from Construction Activities for a small construction activity, defined in the bill, involving a single-family detached residential structure.

**HB 1944/SB 1390 Solar photovoltaic projects; extension of land use approvals, extends sunset provision.**

Extends to July 1, 2026, the sunset date for various local land use approvals for solar photovoltaic projects that were valid and outstanding as of July 1, 2023.



**HB 1949/SB 899 Oyster-planting grounds; fees.**

Removes the requirement that the Marine Resources Commissioner consider certain factors when recording in his office an application for transfer or assignment for an existing lease of oyster-planting grounds.

**HB 1950 Wetlands; Commission to review certain guidelines.**

Directs the Virginia Marine Resources Commission (VMRC) to review and update its "Guidelines for Establishment, Use and Operation of Tidal Wetland Mitigation Banks in Virginia" (January 1, 1998) and its regulations, Wetlands Mitigation-Compensation Banks and Supplemental Guidelines (the Guidelines). The bill requires VMRC to consider provisions relating to the generation of vegetated and unvegetated wetland credits from wetland creation, restoration, conversion, and enhancement activities; invasive species control; and the establishment of open water channels. The bill requires VMRC to form a stakeholder group for the purpose of reviewing and updating the Guidelines.

**HB 2095/SB 1149 Plans and programs; drought evaluation and response plans, Potomac River.**

Requires the State Water Control Board to recognize service areas for water utilities in the Commonwealth that use the Potomac River as a water supply source as a distinct drought evaluation region. The bill requires the Board to incorporate certain provisions from the Metropolitan Washington Water Supply and Drought Awareness Response Plan: Potomac River System (the Metropolitan Washington Plan) into the existing drought evaluation and response plans that are applicable to the Potomac River drought evaluation region. The bill directs the Board to adopt regulations that further recognize the localities that include any portion of the service area of a water supply utility in the Commonwealth that uses the Potomac River as a water supply source as a distinct regional planning area. The bill requires such regulations to incorporate certain provisions from the Metropolitan Washington Plan. The bill provides that the incorporation of such provisions shall not be construed to limit the authority of the Governor during a declared drought emergency.

**HB 2126/SB 1178 Stormwater management & erosion & sediment control; installation of permanent gravel access roads.**

Directs the Department of Environmental Quality to include specifications regarding certain activities for stormwater management and erosion and sediment control related to the installation of permanent gravel access roads by an electric utility in the next publication of the Department's Virginia Stormwater Management Handbook (the Handbook). The bill permits any electric utility that complies with such specifications to be deemed to satisfy the water quantity technical criteria in the Stormwater Management Act. The bill further allows, until the effective date of the next publication of the Handbook, any new permanent gravel access road associated with the construction and maintenance of electric transmission lines by an electric

utility to be deemed to have satisfied the required water quantity technical criteria if certain requirements are met.

**HB 2161 Local government; standardization of public notice requirements for certain intended actions.**

Standardizes the frequency and length of time that notices of certain meetings, hearings, and other intended actions of localities must be published in newspapers and other print media. The notice provisions included in the bill are organized into the following three groups: (i) publication required one week before the meeting, hearing, or intended action; (ii) publication required two consecutive weeks before the meeting, hearing, or intended action; and (iii) publication required three consecutive weeks before the meeting, hearing, or intended action. In addition, the bill amends provisions related to the content of notices for zoning ordinances and amendments to such ordinances by removing the requirement that such notices contain a descriptive summary of the proposed action and providing that such notices shall include the street address or tax map parcel number of the parcels subject to the action. In cases where the intended action affects more than 25 parcels, the notice must also include the approximate acreage subject to the intended action. For more than 100 parcels of land, the advertisement may instead include a description of the boundaries of the area subject to the changes and a link to a map of the subject area. The bill also removes the requirement that notices of proposed amendments to a zoning map state the general usage and density range of the proposed amendment and the general usage density set forth in the applicable part of the comprehensive plan. The bill directs the Virginia Code Commission to convene a work group to continue review of the notice requirements throughout the Code of Virginia and requires the Virginia Code Commission to submit a report to the Chairmen of the House Committee on General Laws and the Senate Committee on General Laws and Technology summarizing the work and any recommendations of the work group by November 1, 2023.

**HB 2181/SB 1074 Subaqueous beds; nontidal waters, permit requirements, penalty.**

Authorizes any person to build, dump, trespass, encroach upon or over, or take or use any materials from subaqueous beds that are the property of the Commonwealth, provided that such activity is conducted in nontidal waters and such person obtains a Virginia Water Protection Permit and complies with all requirements of the Virginia Water Resources and Wetlands Protection Program. A violation of the provisions of the bill is a Class 1 misdemeanor.

**HB 2189 PFAS chemicals; requirements to test, publicly owned treatment works.**

Directs the State Water Control Board to adopt regulations that require any industrial user of publicly owned treatment works that receive and clean, repair, refurbish, or process items that the industrial user knows or reasonably should know use PFAS chemicals, defined in the bill, to test wastestreams for PFAS prior to and after cleaning, repairing, refurbishing, or processing such items. The bill requires the results of such tests to be transmitted to the receiving publicly

owned treatment works within three days of receipt of the test results by the industrial user of the publicly owned treatment works.

**[HB 2284](#) Waterworks & Wastewater Works Operators & Onsite Sewage System Professionals, Bd. for; membership.**

Removes from the membership of the Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals a faculty member of a public institution of higher education in the Commonwealth whose principal field of teaching is management or operation of waterworks or wastewater works and adds to the Board's membership a local or regional representative of the Department of Health.

**[HB 2390/SB 1168](#) Virginia Erosion and Stormwater Management Act; regulations, effective date.**

Directs the State Water Control Board to adopt regulations to implement before July 1, 2024, the requirements of amendments to the Virginia Erosion and Stormwater Management Act enacted by the 2016 Session and amended by the 2017 Session and delays from July 1, 2018, to July 1, 2024, the effective date of the amendments made by the 2016 Session and regulations required to be adopted pursuant thereto. The bill also directs such adopted regulations to include the reduction of regulations through consolidation of duplicative requirements.

**[HB 2393](#) Coastal resilience policy; research university collaborative.**

Authorizes the Secretary of Natural and Historic Resources and all relevant agencies, when setting coastal resilience policies, to seek input and consultation from the Commonwealth's research university collaborative, including the Virginia Coastal Policy Center, Virginia Sea Grant, Virginia Cooperative Extension, and Institute for Coastal Adaptation and Resilience. The bill permits the Secretary and all relevant agencies to utilize such research university collaborative's expertise, research, and data analysis for the implementation of water management techniques and coastal resilience strategies.

**[SB 867](#) Wetlands zoning permit; eliminates notarization requirement.**

Eliminates the notarization requirement for a permit issued by a local wetlands board for the use or development of any wetland.

**[SB 959](#) Chesapeake Bay; nutrient credit calculations outside the watershed.**

Establishes that nutrient credits generated through stream restoration projects that are certified or recertified by the Department of Environmental Quality and located in tributaries outside of the Chesapeake Bay watershed may be calculated using a delivery factor deemed by the Director of the Department of Environmental Quality to be based on the best available

scientific and technical information appropriate for the tributaries outside of the Chesapeake Bay watershed.

**SB 993 Virginia Land Conservation Board of Trustees; expands membership.**

Expands from 19 to 20 members the total membership of the Virginia Land Conservation Board of Trustees by adding an additional nonlegislative citizen member and stipulates that the 12 nonlegislative citizen members shall include one person from each of the 11 congressional districts and one member of a state-recognized or federally recognized Virginia Indian Tribe. Current law stipulates that the 11 nonlegislative citizen members shall include one person from each congressional district, at least one of whom shall be a member of a state-recognized or federally recognized Virginia Indian Tribe.

**SB 997 Oyster Replenishment Fund; oyster resource user fees to be credited to Fund.**

Creates the Oyster Shell Waste Diversion Fund for the purpose of diverting oyster shells from landfills and promoting the beneficial reuse of such shells in oyster restoration activities. The Fund shall be administered by the Department of Conservation and Recreation, which shall be authorized to contract with an entity that is exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code and is engaged in oyster restoration activities to manage Fund operations consistent with the purposes of the Fund.

**SB 1160 Marine Resources Commission and local wetlands boards; permit applications, public notice.**

Requires notices to the public for certain permit hearings relating to fisheries and habitat of the tidal waters to be posted on the Virginia Regulatory Town Hall website and reduces the frequency at which such hearing notices are required to be published in a newspaper of general circulation from once a week for two weeks to at least once in the seven days prior to such hearing. The bill allows the Marine Resources Commission or a local wetlands board to email notice of a certain public hearing to any applicant for such permit and any other parties interested in such application and also requires such notice to be posted on the Commission's website at least 14 days prior to such hearing. The bill also requires localities that have adopted a coastal primary sand dune or wetlands zoning ordinance to amend any such ordinance to conform with the provisions of the bill by January 1, 2024.

**SB 1388 Menhaden fish; VIMS to study ecology, etc., of populations in the waters of the Commonwealth.**

Directs the Virginia Institute of Marine Science (VIMS) to develop plans for studying the ecology, fishery impacts, and economic importance of menhaden populations in the waters of the Commonwealth and to provide a report on its findings to the Chairmen of the Senate Committee on Agriculture, Conservation and Natural Resources and the House Committee on

Agriculture, Chesapeake and Natural Resources and the Secretary of Natural and Historic Resources no later than September 1, 2023.

**SB 1501 Environmental Quality, Department of; civil penalties, written notice of violation of regulations.**

Requires the Department of Environmental Quality, prior to assessing any civil penalty against any person for an alleged violation of a regulation adopted by the State Air Pollution Control Board, the Virginia Waste Management Board, or the State Water Control Board or permit issued by the Department, to inform such person in writing of the alleged violation, the potential penalties, and the actions necessary to achieve compliance and remediate the alleged violation. The Department may allow such person 30 days to take such actions and to provide any additional, relevant facts to the Department, including facts that demonstrate a good-faith attempt to achieve compliance.

## Housing and Building Codes

### Building Codes

#### [HB 1993/SB 905](#). Fire marshals; police powers, training requirements.

Provides that a local fire marshal or assistant shall not exercise any police powers until such person has satisfactorily completed a basic law-enforcement course for fire marshals with police powers and maintains satisfactory participation in in-service and advanced courses and programs. The bill also provides that current or prior certification as a law-enforcement officer may satisfy the police powers training requirements.

#### [HB 2312/SB 1263](#) Uniform Statewide Building Code; stop work orders, appeals.

Defines stop work orders for the purposes of the Uniform Statewide Building Code. The bill provides that if, during an appeal pursuant to the provisions of the Administrative Process Act of the State Building Code Technical Review Board's decision with respect to the issuance of a stop work order by a local building official, the court finds in favor of the party that was issued the stop work order, such party shall be entitled to recover its actual costs of litigation, including court costs, attorney fees, and witness fees, from the locality responsible for issuing the stop work order. The bill contains technical amendments.

#### [SB 1046](#) Law-enforcement officer; definition includes fire marshal with police powers.

Provides that fire marshals who have been appointed with police powers are included in the definition of law-enforcement officer that applies in numerous applications in the Code. The bill contains a reenactment clause that applies to these amendments to the Code and directs the Department of Criminal Justice Services to convene a work group composed of various stakeholders to examine and make recommendations on the inclusion of fire marshals with police powers in such definition of law-enforcement officer. The bill provides that the work group shall complete its work and submit its findings and recommendations to the General Assembly no later than November 1, 2023.

## Housing

### **[HB 1411/SB 1320](#) Virginia Community Development Financial Institutions Fund and Program; codifies Fund, etc.**

Codifies the Virginia Community Development Financial Institutions Fund, originally created in the 2021 Appropriation Act, and establishes the Virginia Community Development Financial Institutions Program to carry out the purposes of the Fund. The Program shall provide grants and loans to community development financial institutions and other similar entities for the purpose of providing financing to small businesses, housing development and rehabilitation projects, and community revitalization real estate projects in the Commonwealth. The bill requires the Department of Housing and Community Development to oversee the Fund and Program and to (i) identify qualified recipients of funding; (ii) ensure that grants and loans promote housing and community development, capital access, housing access, and small business support; (iii) ensure that qualified recipients emphasize microfinancing, defined as financing to small businesses in amounts of \$100,000 or less, in using program funds; and (iv) utilize Program funds to promote collaborative and cooperative projects with public and private sector partners. The bill requires the Department to submit an annual report on the use and impact of funding provided.

### **[HB 1542/SB 891](#) Virginia Residential Landlord and Tenant Act; security deposits.**

Increases from 15 to 30 days the additional time period that a landlord has to provide a tenant with an itemization of damages to the premises and the cost of repair when such damages exceed the amount of the tenant's security deposit and require the services of a third-party contractor. The bill has an expiration date of June 30, 2024.

### **[HB 1725](#) Virginia Fair Housing Law; use of assistance animal in a dwelling, penalties.**

Prohibits certain persons from providing fraudulent supporting documentation to evince the existence of a disability or disability-related need for a person requesting a reasonable accommodation with respect to the use of an assistance animal in a dwelling. The bill adds a violation of such prohibition as a prohibited practice under the Virginia Consumer Protection Act.

### **[HB 1805/SB 1401](#) Virginia Resources Authority; community development and housing projects.**

Adds community development projects related to the production and preservation of housing, including housing for persons and families of low and moderate income, to those projects that the Virginia Resources Authority may finance. The bill directs the Department of Housing and Community Development to assist the Authority with determining which local governments are to receive grants from the Authority for such projects.

**[HB 2046/SB 839](#) DHCD; powers and duties of Director, statewide housing needs assessment and plan, report.**

Adds to the powers and duties of the Director of the Department of Housing and Community Development the responsibility to conduct a comprehensive statewide housing needs assessment at least every five years, to develop a statewide housing plan and update such plan at least every five years, and to provide annual updates to the General Assembly regarding meeting the goals of such plan. The bill requires Virginia localities with a population greater than 3,500 to submit annual reports summarizing any local housing policies, ordinances, or processes affecting the development and construction of housing during the preceding fiscal year to the Department by September 1 for publication on the Department's website.

**[HB 2099](#) Livable home; increases allowable tax credit.**

Increases from \$1 million to \$2 million, beginning in fiscal year 2024, the aggregate cap of tax credits allowed by the livable home tax credit in a fiscal year. The bill increases from \$500,000 to \$1 million, beginning in fiscal year 2024, the amount of credits allocated by the Department of Housing and Community Development to each of (i) the purchase or construction of new residences and (ii) the retrofitting and renovation of existing residences. The bill also increases from \$5,000 to \$6,500, beginning in taxable year 2023, the maximum amount of livable home tax credits an individual may claim in a taxable year.

**[SB 1114](#) Housing and Community Development, Department of; powers and duties of the Director.**

Instructs the Director of the Department of Housing and Community Development to develop and operate a Virginia Residential Sites and Structures Locator database to assist localities in marketing publicly owned, privately owned, or publicly and privately owned structures and parcels determined by the locality to be suitable for residential or mixed-use development or redevelopment when the owner or owners have authorized the locality to market the structure or parcels for residential or mixed-use development or redevelopment.



## Administration of Local Government

### Elections & Redistricting

#### **[HB 1683](#) Voter registration; final day of registration, notice requirements.**

Requires notice of the last day of voter registration to be published at least once in a newspaper of general circulation in the county or city, if one is available. Such notice is also required to be posted on the official website of the county or city.

#### **[HB 1948](#) Absentee voting; removes witness requirement, required information on return ballot envelope.**

Removes the witness requirement for absentee ballots and replaces it with the requirement that the voter provide the last four digits of his social security number and his birth year. The bill provides that the unique identifier assigned to the voter in the voter registration system will be accepted in place of the last four digits of the voter's social security number for such purposes for those voters whose registration includes a statement of affirmation that they have never been issued a social security number.

#### **[HB 2049](#) Polling place; assistance for certain voters, definition of disability.**

Limits the entitlement of voters with disabilities to vote outside the polls to those whose disability prevents them from entering the polling place. Expands the definition of disability for purposes of providing assistance outside of a polling place to voters with disabilities to include any permanent or temporary disability. Under current law, the disability is limited to a permanent or temporary physical disability.

#### **[HB 2266](#) Absentee ballot; SBE to adopt policy regarding counting, etc., in a central absentee voter precinct.**

Directs the State Board of Elections to adopt a policy regarding the counting and reporting of absentee ballots in a central absentee voter precinct in order to ensure that (i) the results of absentee ballots cast early in person are reported separately from mailed absentee ballots and are posted promptly on the State Board website and (ii) the results of all absentee ballots cast by voters are reported by precinct in accordance with law and are posted on the State Board website no later than noon on the seventh calendar day following the election. The bill requires such policy to be adopted no later than September 1, 2023, and the Chairmen of the House and Senate Committees on Privileges and Elections to be notified of such policy within seven days of its adoption.

#### **[HB 2289/SB 1431](#) Elected and certain appointed; procedure for removal by courts.**

Sets out the procedure by which, and clarifies the reasons for which, an elected officer or officer who has been appointed to fill an elective office may be removed from office. The bill requires, among other things, that the general registrar review the petition for removal of an officer and determine its sufficiency in accordance with the uniform standards approved by the State Board of Elections and that the attorney for the Commonwealth review such petition to determine if valid grounds exist to remove the officer. If the attorney for the Commonwealth is the elected official who is subject to the removal petition, the bill specifies that the Chief Justice of the Supreme Court of Virginia is tasked with appointing an alternate attorney for the Commonwealth to receive such petition. As introduced, this bill was a recommendation of the Boyd-Graves Conference.

**[HB 2471/SB 1514](#) General registrars; petition for removal.**

Provides for the removal of a general registrar by the circuit court upon a petition signed by a majority of the members of the State Board of Elections or a majority of the members of the local electoral board. Currently, a local electoral board may remove a general registrar with a majority vote, while the State Board of Elections may petition the circuit court to remove a general registrar only after petitioning the local electoral board to remove the registrar and the electoral board fails to do so. The bill requires the Virginia Division of Risk Management to assign counsel to the defense of any member of a local electoral board or general registrar subject to a petition for removal, upon that member's or registrar's application.

**[SB 944](#) Elections; filling vacancies in Gen. Assembly, certain vacancies to be filled between 30/45 days.**

Requires the writ of election to fill a vacancy in the membership of the General Assembly (i) to be issued within 30 days of the vacancy or receipt of notification of the vacancy, whichever comes first, and (ii) if the vacancy occurs or will occur between December 10 and March 1, to order that the special election take place no more than 30 days from the date of such vacancy.

## FOIA

**[HB 1569](#) Virginia Freedom of Information Act; disclosure of personnel records.**

Clarifies that personnel records excluded from disclosure under the Virginia Freedom of Information Act include those of persons employed by (i) a public body engaged in emergency medical services or fire protection services, (ii) a law-enforcement agency, or (iii) an emergency 911 system or any other equivalent reporting system. The bill also contains technical amendments.

**[HB 1738](#) Virginia Freedom of Information Act; state public bodies, meetings, virtual public access.**

Provides that all state public bodies may provide public access to meetings through electronic communication means and may provide the public with the opportunity to comment at such meetings through the use of such electronic communication means when public comment is customarily received.

**[HB 2006](#) Virginia Freedom of Information Act; public records charges, electronic payment method.**

Provides that any local public body that charges for the production of public records pursuant to the Virginia Freedom of Information Act may provide an electronic method of payment through which all payments for the production of such records to such locality may be made.

**[HB 2007](#) Virginia Freedom of Information Act; posting of fee policy by a public body.**

Requires a public body to make available upon request and post on its website or otherwise publish a written policy (i) explaining how the public body assesses charges for accessing or searching for requested records and (ii) noting the current fee charged, if any, by the public body for accessing and searching for the requested records.

**[HB 2498](#) Virginia Freedom of Information Act; training for local officials, members of park authorities.**

Adds members of any boards governing any authority established pursuant to the Park Authorities Act to the list of persons to whom the Virginia Freedom of Information Advisory Council or the local government attorney is required to provide training. The bill requires such members to complete such training sessions within two months after assuming the local elected office and requires the clerk of each governing body or school board to maintain records indicating the names of such members and the dates of training completion.

## **Local Authority**

**[HB 1472/SB 1246](#) Emergency medical services agencies; ordinances or resolutions, designation as emergency response.**

Requires that ordinances or resolutions establishing an emergency medical services agency specify the geographic boundaries of the agency's primary service area within the locality. The bill also directs that emergency medical services agencies that respond to medical emergencies be a designated emergency response agency and be recognized as an integral part of the official public safety program of the locality with responsibility for providing emergency medical response.

**[HB 1490](#) Virginia Public Procurement Act; certain construction contracts, performance and payment bonds.**

Allows localities to allow a contractor of indefinite delivery or quantity contracts, defined in the bill, who is otherwise required to furnish performance and payment bonds in the sum of the contract amount to the public body with which he contracted to furnish such bonds only the dollar amount of the individual tasks identified in the underlying contract. Such contractors shall not be required to furnish the sum of the contract amount if the governing locality has adopted such an ordinance.

**[HB 1610](#) Virginia Public Procurement Act; cooperative procurement, installation of playground equipment.**

Excludes the installation of playground equipment, including all associated and necessary construction and maintenance, from the prohibition on using cooperative procurement to purchase construction.

**[HB 1637/SB 1370](#) VETOED Electric utilities; pilot program for underground transmission or distribution lines, adds projects.**

Adds one project to the existing pilot program for underground transmission lines. The bill requires the State Corporation Commission to approve one additional application filed between January 1, 2023, and October 1, 2023, as a qualifying project to be constructed in whole or in part underground, as a part of the pilot program. The bill requires that the added qualifying project be a newly proposed 230-kilovolt underground line and that (i) an engineering analysis demonstrates that it is technically feasible to place the proposed line, in whole or in part, underground; (ii) the governing body of each locality in which a portion of the proposed line will be placed underground indicates, by resolution, general community support for the project and that the governing body supports the transmission line to be placed underground; (iii) a project has been filed with the Commission or is pending issuance of a certificate of public convenience and necessity by October 1, 2023; (iv) the estimated additional cost of placing the proposed line, in whole or in part, underground does not exceed \$40 million or, if greater than \$40 million, the cost does not exceed 2.5 times the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a proposed underground line whose cost exceeds 2.5 times the cost of placing the line overhead may also be accepted into the pilot program; (v) the public utility requests that the project be considered as a qualifying project under the pilot program; and (vi) the primary need of the project is for purposes of grid reliability or grid resiliency or to support economic development priorities of the Commonwealth, including the economic development priorities and the comprehensive plan of the governing body of the locality in which at least a portion of line will be placed, and not to address aging assets that would have otherwise been replaced in due course.

Additionally, the bill adds one project to place underground an electric distribution mainline as part of a transportation infrastructure improvement project incorporating transit that has been initially accepted for partial funding of at least \$250 million pursuant to a federal program. The bill provides that such project is qualified to be placed underground if (a) the estimated additional cost of placing the proposed mainline, in whole or in part, underground does not exceed \$40 million or, if greater than \$40 million, the cost does not exceed 2.5 times the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a proposed underground line whose cost exceeds 2.5 times the cost of placing the line overhead may also be accepted into the pilot program and (b) the public utility requests that the project be considered as a qualifying project under this section. The provisions of the bill related to the underground distribution mainline expire on July 1, 2028.

**HB 1817 Disposition of unclaimed bodies; how disposition expenses paid, seizure of assets.**

Permits seizure of a decedent's nonprobate assets to cover the costs of disposition of such decedent's unclaimed body. Currently, seizure is limited to estate assets out of which disposition costs may be paid.

**HB 1818 Fire zones; removes prohibition for creating in Augusta County.**

Removes a prohibition on the creation of fire zones and the levy of a related tax on certain property in Augusta County that has qualified for an agricultural or forestal use-value assessment.

**HB 1993/SB 905 Fire marshals; police powers, training requirements.**

Provides that a local fire marshal or assistant shall not exercise any police powers until such person has satisfactorily completed a basic law-enforcement course for fire marshals with police powers and maintains satisfactory participation in in-service and advanced courses and programs. The bill also provides that current or prior certification as a law-enforcement officer may satisfy the police powers training requirements.

**HB 1995/SB 868 Passing stopped school buses; rebuttable presumption.**

Extends from 10 days to 30 business days the deadline for issuing a summons for an alleged violation of passing a stopped school bus in order for proof that the motor vehicle passed a stopped school bus and that the defendant was the registered owner of the vehicle to give rise to a rebuttable presumption that the owner of the vehicle was the operator during the violation.

**HB 2110 Delinquent tax lands; extends maximum duration of an installment agrmt. between locality/landlord.**

Extends the maximum duration of an installment agreement between a locality and a landowner to pay delinquent taxes from 60 to 72 months.

**HB 2161 Local government; standardization of public notice requirements for certain intended actions.**

Standardizes the frequency and length of time that notices of certain meetings, hearings, and other intended actions of localities must be published in newspapers and other print media. The notice provisions included in the bill are organized into the following three groups: (i) publication required one week before the meeting, hearing, or intended action; (ii) publication required two consecutive weeks before the meeting, hearing, or intended action; and (iii) publication required three consecutive weeks before the meeting, hearing, or intended action. In addition, the bill amends provisions related to the content of notices for zoning ordinances and amendments to such ordinances by removing the requirement that such notices contain a descriptive summary of the proposed action and providing that such notices shall include the street address or tax map parcel number of the parcels subject to the action. In cases where the intended action affects more than 25 parcels, the notice must also include the approximate acreage subject to the intended action. For more than 100 parcels of land, the advertisement may instead include a description of the boundaries of the area subject to the changes and a link to a map of the subject area. The bill also removes the requirement that notices of proposed amendments to a zoning map state the general usage and density range of the proposed amendment and the general usage density set forth in the applicable part of the comprehensive plan. The bill directs the Virginia Code Commission to convene a work group to continue review of the notice requirements throughout the Code of Virginia and requires the Virginia Code Commission to submit a report to the Chairmen of the House Committee on General Laws and the Senate Committee on General Laws and Technology summarizing the work and any recommendations of the work group by November 1, 2023.

**HB 2191 Unattended or immobile vehicles; removal by locality.**

Allows for the removal of certain unattended or immobile vehicles by the locality's civil code enforcement division. Current law provides that such removal must be carried out under the direction of a law-enforcement officer or other uniformed employee of the local law-enforcement agency who specifically is authorized to do so.

**HB 2450/SB 1491 Virginia Public Procurement Act; construction management, contract requirements.**

Excludes construction management contracts involving infrastructure projects from the requirement that no more than 10 percent of the construction work be performed by the construction manager with its own forces and that the remaining 90 percent of the construction work be performed by subcontractors of the construction manager.

**SB 861 Traffic control device violation monitoring systems; localities in Hampton Roads may established.**

Authorizes localities in Planning District 23, after completing an engineering safety analysis that addresses congestion, accident rates, and driver disregard for traffic control devices, to establish traffic control device violation monitoring systems, defined in the bill, imposing monetary liability on the operator of a motor vehicle for failure to comply with traffic control devices at any intersection deemed by the local governing body to be negatively impacted by traffic due to the Hampton Roads Bridge-Tunnel Express Lanes Hampton Segment (4C) Project. The bill prohibits the use of such devices for enforcing traffic signal or speed limit violations and provides that a driver's first offense is punishable by a written warning, not a monetary penalty. The bill expires on July 1, 2027, or upon certification by the Secretary of Transportation that the Hampton Roads Bridge-Tunnel Express Lanes Hampton Segment (4C) Project is complete, whichever occurs earlier. The bill contains technical amendments.

**SB 872 Emergency custody; temporary detention, alternative transportation.**

Requires magistrates to authorize alternative transportation of a person subject to an emergency custody order or temporary detention order if appropriate alternative transportation is available. The bill allows an employee or contractor of an entity providing alternative transportation services pursuant to a contract with the Department of Behavioral Health and Developmental Services who has completed training approved by the Department in the proper and safe use of restraint to use restraint (i) if restraint is necessary to ensure the safety of the person or others or prevent escape and (ii) if less restrictive techniques have been determined to be ineffective to protect the person or others from harm or to prevent escape.

**SB 956 Localities; authorized to create business improvement and recruitment districts.**

Authorizes any locality to create a local business improvement and recruitment district plan, consisting of fees charged to businesses and used to fund business improvements, business promotions, and business recruitment activities.

**SB 1258 Sales tax revenues; entertainment arena.**

Adds entertainment arena to the definition of public facility for the purpose of allowing a locality to collect all sales tax revenues generated by transactions at such a facility, provided that a locality owns the facility, wholly or partly, and contributes to financing its construction. The bill also allows a municipality to issue bonds to finance a public facility on or after July 1, 2023, but prior to July 1, 2026. The provisions of the bill do not become effective unless reenacted by the 2024 Session of the General Assembly.

**SB 1455 Civil disturbance; local curfew, penalty.**

Enables the chief law-enforcement officer of a locality to enact a curfew under certain circumstances during a civil disturbance. The bill clarifies that such action in cities shall be in concurrence with the city manager and the mayor. The bill requires that such action specify the hours of the curfew and the geographic area to which the curfew applies and provide for various specified exceptions. The action authorizing the curfew shall provide for reasonable efforts to inform the public in advance of the curfew, which shall be valid for no more than 24 hours. The bill provides that such curfew shall not be extended or renewed unless by recorded vote of the local governing body or by judicial order. The bill provides that any violation is a Class 1 misdemeanor.

## Local Revenue

### **[HB 1442](#) Transient occupancy tax; administration.**

Requires the Department of Taxation to annually publish on its website the current transient occupancy tax rates imposed in each locality. The bill also (i) requires the tax-assessing officer of a locality to administer and enforce the assessment and collection of transient occupancy taxes from accommodations intermediaries and (ii) specifies certain return filing requirements for accommodations intermediaries.

### **[HB 1481/SB 1349](#) Internet root infrastructure providers; taxation of corporations, apportionment.**

Provides that Internet root infrastructure providers, defined in the bill, that meet certain criteria and choose to enter into a memorandum of understanding with the Virginia Economic Development Partnership Authority may use a hybrid sales factor in their income apportionment calculations when filing Virginia corporate income tax returns. The bill is effective for taxable years beginning on and after January 1, 2023, provided that the provider and the Authority enter into an MOU no later than December 1, 2023.

### **[HB 1486](#) Personal property tax; farm machinery and farm implements.**

Expands the list of certain farm machinery and farm implements that a locality may exempt from personal property taxes to include (i) motor vehicles used primarily for agricultural purposes, (ii) privately owned trailers primarily used by farmers in their farming operations, and (iii) season-extending vegetable hoop houses used for in-field production of produce. The bill states that a locality that exempts motor vehicles or privately owned trailers pursuant to these provisions shall not collect any unpaid tangible personal property taxes, including interest or penalties, that are owed to the locality as of July 1, 2023. Any such unpaid taxes shall be stricken from the books of the treasurer.

### **[HB 1563/SB 1240](#) Sales and use tax; agricultural exemptions.**



Provides a sales and use tax exemption for property used to produce agricultural products for market in an indoor, closed, controlled-environment commercial agricultural facility. The property exempted includes (i) internal structural components required to create the necessary growing environment for plants, including watering systems, towers for growing plants, and lighting and air systems, and (ii) transparent elements of external structural components of such facilities, including windows, walls, and roofs, that allow sunlight in for the commercial production of agricultural products. The exemption shall not apply to property used in producing cannabis. The bill allows contractors working on behalf of owners of facilities exempt under these new provisions to use the exemption when purchasing materials that would otherwise qualify for the exemption.

**[HB 1677](#) Retail Sales and Use Tax; diagnostic work for automotive repair and emergency roadside service.**

Exempts any amount charged for labor for diagnostic work for automotive repair and emergency roadside service for motor vehicles from retail sales and use tax, regardless of whether there is a sale of a repair or replacement part or a shop supply charge.

**[HB 1685](#) Business local; taxes, penalties.**

Requires license application forms to include the due date for the application and the amount of the penalty charged for late application filing, the underpayment of estimated tax, and the late payment of tax. The bill requires the assessing official, upon assessing any such penalty or any interest, to notify the affected taxpayer of the amount of such penalty, any interest assessed, and the total amount of tax owed. This bill is a recommendation of the Small Business Commission.

**[HB 1942](#) Real property tax; notice of rate and assessment changes.**

Requires certain information to be included in the notice that a locality is required to send to taxpayers after conducting a reassessment of real property. The bill provides that, in any county, city, or town that conducts an annual or biennial reassessment of real estate or in which reassessment of real estate is conducted primarily by employees of the county, city, or town under direction of the commissioner of the revenue and that has not yet established its real property tax rate when such notice is sent, the locality shall set out in the notice the effective tax rate increase.

**[HB 2414](#) Real property; tax exemption for disabled veterans or surviving spouse.**

Allows a disabled veteran or surviving spouse to apply for a real property tax exemption and receive a decision prior to purchasing a qualifying property. The bill provides that the commissioner of the revenue of the county, city, or town, or such other officer as may be designated by the governing body in which the property is located, shall, within 20 business days of receiving the application, process the application and send a letter to the disabled

veteran or surviving spouse stating whether the application is approved or denied. If the application is approved, the bill requires the letter to include the amount of the tax exemption approved. The bill provides, however, that the exemption described in such letter shall become effective only after the disabled veteran or surviving spouse becomes the owner of the property.

**HB 2479/SB 1522 Cloud Computing Cluster Infrastructure Grant Fund; created.**

Creates the Cloud Computing Cluster Infrastructure Grant Fund for the purpose of providing grants to qualified companies, defined in the bill as a company, including its affiliates, that enters into a memorandum of understanding with the Virginia Economic Development Partnership Authority and is expected to (i) make or cause to be made a capital investment of at least \$50 billion and (ii) create at least 1,500 new full-time jobs that pay an average annual wage of at least one and one-half times the prevailing average wage in the locality where the job is located. The bill requires that, in order to become a qualified company, a company successfully complete a qualification process that includes an endorsement from the MEI Commission and approval in the appropriation act for the amount of grants that are to be provided.

The bill also extends the data center sales and use tax exemption to 2040 for a data center operator that (a) makes a capital investment of at least \$35 billion in data centers in the Commonwealth and (b) creates at least 1,000 direct new jobs, of which at least 100 of such jobs pay at least one and one-half times the prevailing average wage in the Commonwealth. Such data center operator shall be eligible for further extension of the sales and use tax exemption to 2050 if the data center operator (1) makes a total capital investment of at least \$100 billion, inclusive of the initial \$35 billion investment, and (2) creates a total of at least 2,500 direct new jobs, of which at least 100 of such jobs pay at least one and one-half times the prevailing average wage in the Commonwealth, inclusive of the 1,000 jobs initially created.

**SB 1511 Land use classifications; property qualifications.**

Allows a property that formerly participated in and continues to meet the qualifications of a state or federal soil and water conservation program but is no longer receiving payments or other compensation as a result of such program to continue to be eligible for designation as real estate devoted to agricultural use and real estate devoted to horticultural use. The bill further states that the presence of noxious weeds or woody growth shall not be the sole basis for denial of a property's designation as real estate devoted to agricultural use. Further, the bill requires that the application form for taxation on the basis of a use assessment allow a landowner who received payments or compensation as a result of the former participation of his property in a state or federal soil and water conservation program, and whose property continues to meet the qualifications of such program but is no longer receiving such payments or compensation, to certify that the land continues to meet the requirements of such program for the purposes of classification.

**SJ 231 Constitutional amendment; property tax exemption for certain surviving spouses.**

Expands the current tax exemption for real property available to the surviving spouses of soldiers killed in action to the surviving spouses of soldiers who died in the line of duty with a Line of Duty determination from the U.S. Department of Defense.

## **State Revenue**

**HB 1368 Tax practitioners; work group to consider discussion process, etc.**

Directs the Department of Taxation to convene a work group for the purpose of studying the Department's current policies and procedures in order to determine options for a mechanism for tax practitioners to provide feedback to the Department on an ongoing basis.

**HB 1369 Income tax, state; installment agreements for payment of taxes.**

Requires the Tax Commissioner to offer to enter into an installment agreement with any individual taxpayer under which the taxpayer may satisfy his entire tax liability over a payment term of up to five years. The bill maintains the current law for corporate taxpayers whereby the Tax Commissioner may enter into a written agreement with any taxpayer under which such taxpayer is allowed to satisfy his entire tax liability in installment payments if the Tax Commissioner determines that such agreement will facilitate collection. The bill also removes the power under which the Tax Commissioner may alter, modify, or terminate an installment agreement if it is determined that the financial condition of the taxpayer has significantly changed or if the taxpayer fails to provide a financial condition update upon request. The bill directs the Department of Taxation to convene a working group to study current federal and state policies concerning installment agreements and to make recommendations by November 15, 2023, regarding how the Commonwealth's policies may better align with the installment agreement policies adopted by the Internal Revenue Service.

**HB 1405/SB 796 Income tax, corporate; returns, affiliated corporations.**

Removes the requirement that, in order for a group of affiliated corporations to be granted permission from the Tax Commissioner to change their filing status for corporate income tax purposes, for the previous tax year there would have been no decrease in tax liability computed under the proposed election as compared to the affiliated group's former filing method. The bill retains the current requirement that the affiliated group agree to file returns under both the new filing method and the former method and pay the greater of the two amounts for the taxable year in which the new election is effective and for the immediately succeeding taxable year.

**[HB 1481/SB 1349](#) Internet root infrastructure providers; taxation of corporations, apportionment.**

Provides that Internet root infrastructure providers, defined in the bill, that meet certain criteria and choose to enter into a memorandum of understanding with the Virginia Economic Development Partnership Authority may use a hybrid sales factor in their income apportionment calculations when filing Virginia corporate income tax returns. The bill is effective for taxable years beginning on and after January 1, 2023, provided that the provider and the Authority enter into an MOU no later than December 1, 2023.

**[HB 1563/SB 1240](#) Sales and use tax; agricultural exemptions.**

Provides a sales and use tax exemption for property used to produce agricultural products for market in an indoor, closed, controlled-environment commercial agricultural facility. The property exempted includes (i) internal structural components required to create the necessary growing environment for plants, including watering systems, towers for growing plants, and lighting and air systems, and (ii) transparent elements of external structural components of such facilities, including windows, walls, and roofs, that allow sunlight in for the commercial production of agricultural products. The exemption shall not apply to property used in producing cannabis. The bill allows contractors working on behalf of owners of facilities exempt under these new provisions to use the exemption when purchasing materials that would otherwise qualify for the exemption.

**[HB 1595/SB 882](#) Internal Revenue Code; conformity of the Commonwealth's taxation system.**

Advances Virginia's date of conformity with the Internal Revenue Code from December 31, 2021, to December 31, 2022. The bill enacts Chapters 6 and 18 of the Acts of Assembly of 2022, Special Session I. The bill contains an emergency clause.

**[HB 1645/SB 996](#) Litter tax; penalty for failure to timely pay.**

Prohibits the Department of Taxation from imposing any penalty or interest for failure to pay the litter tax without first notifying the taxpayer at least 30 days prior to the date that a return must be filed.

**[HB 1677](#) Retail Sales and Use Tax; diagnostic work for automotive repair and emergency roadside service.**

Exempts any amount charged for labor for diagnostic work for automotive repair and emergency roadside service for motor vehicles from retail sales and use tax, regardless of whether there is a sale of a repair or replacement part or a shop supply charge.

**HB 2193/SB 1405 Income tax, state; rolling conformity, report.**

Provides that Virginia shall generally conform to federal tax laws on a rolling basis, meaning that Virginia tax laws incorporate changes to federal income tax law as soon as Congress enacts them on or after January 1, 2023. However, the bill provides that Virginia shall not conform to (i) any changes in a single act of Congress with an impact of more than \$15 million on revenues in the year in which the amendment was enacted or any of the next four years and (ii) all amendments in a year with a cumulative projected impact of more than \$75 million in the year in which the amendments were enacted or any of the next four years. For any amendment enacted on or after January 1, 2024, the \$15 million per act impact threshold shall be adjusted annually by the change in the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) for the previous year.

**HB 2373/SB 1210 Income tax, state; subtraction for members of National Guard.**

Increases from \$3,000 to \$5,500 the income tax subtraction for wages or salaries of a member of the National Guard of the Commonwealth for taxable years beginning on or after January 1, 2023. The bill also expands the military ranks that qualify for the subtraction from O3 and below to O6 and below.

**HB 2479/SB 1522 Cloud Computing Cluster Infrastructure Grant Fund; created.**

Creates the Cloud Computing Cluster Infrastructure Grant Fund for the purpose of providing grants to qualified companies, defined in the bill as a company, including its affiliates, that enters into a memorandum of understanding with the Virginia Economic Development Partnership Authority and is expected to (i) make or cause to be made a capital investment of at least \$50 billion and (ii) create at least 1,500 new full-time jobs that pay an average annual wage of at least one and one-half times the prevailing average wage in the locality where the job is located. The bill requires that, in order to become a qualified company, a company successfully complete a qualification process that includes an endorsement from the MEI Commission and approval in the appropriation act for the amount of grants that are to be provided.

The bill also extends the data center sales and use tax exemption to 2040 for a data center operator that (a) makes a capital investment of at least \$35 billion in data centers in the Commonwealth and (b) creates at least 1,000 direct new jobs, of which at least 100 of such jobs pay at least one and one-half times the prevailing average wage in the Commonwealth. Such data center operator shall be eligible for further extension of the sales and use tax exemption to 2050 if the data center operator (1) makes a total capital investment of at least \$100 billion, inclusive of the initial \$35 billion investment, and (2) creates a total of at least 2,500 direct new jobs, of which at least 100 of such jobs pay at least one and one-half times the prevailing average wage in the Commonwealth, inclusive of the 1,000 jobs initially created.

**SB 997 Oyster Replenishment Fund; oyster resource user fees to be credited to Fund.**

Creates the Oyster Shell Waste Diversion Fund for the purpose of diverting oyster shells from landfills and promoting the beneficial reuse of such shells in oyster restoration activities. The Fund shall be administered by the Department of Conservation and Recreation, which shall be authorized to contract with an entity that is exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code and is engaged in oyster restoration activities to manage Fund operations consistent with the purposes of the Fund.

## Planning & Land Use

### Land Conservation

**[HB 1388/SB 915](#) Virginia National Guard Passport; established, free entry and parking for state parks.**

Directs the Department of Conservation and Recreation to establish a Virginia National Guard Passport that authorizes a member of the Virginia National Guard to enter state parks without paying a parking or admission fee.

**[HB 1510](#) Urban green space; local incentives.**

Authorizes localities to establish programs to provide regulatory flexibility to encourage the preservation, restoration, or development of urban green space, defined in the bill. The regulatory flexibility may include (i) a reduction in permit fees or (ii) a streamlined process for the approval of permits.

**[HB 1834](#) Land preservation; deadline for filing an application for tax credits.**

Provides that for conveyances made on or after January 1, 2017, the deadlines for filing a complete application for land preservation tax credit shall be extended for any number of days exceeding 90 during which the application is being reviewed for verification of conservation value by the Department of Conservation and Recreation, provided that the application is otherwise complete.

**[HB 2041/SB 807](#) Parks, local; walking trails, liability for property owners.**

Authorizes a locality or park authority to establish, conduct, and regulate a system of walking trails and releases from certain civil liability the owner of any property leased, licensed, or provided by easement for such use in the absence of gross negligence or willful misconduct

**[HB 2151](#) State parks; master planning requirements.**

Increases from \$500,000 to \$2 million the value of physical improvements and structures in state parks that are considered substantial improvements, as defined in the bill. The bill also stipulates that the master planning process shall not be considered an impediment to the acquisition of inholdings, adjacent properties to be incorporated into an existing park, or properties acquired for the development of a new park. Such properties, when acquired, shall be incorporated into a park's existing master plan as part of that plan's next scheduled 10-year review and update, or for new parks, a master plan shall be initiated within five years of finalizing the acquisition.

**[SB 1122](#) Open-Space Lands Preservation Trust Fund; use of funds, conservation easements.**

Allows grants made from the Open Space Lands Preservation Trust Fund to be used to aid localities in providing funding for projects approved by the Virginia Outdoors Foundation to persons conveying conservation easements to nonprofit land trusts so long as such easement has a local coholder, as defined in the bill. In cases where a grant is used to purchase all or part of the value of a property interest, such property interest is required to be (i) compliant with the Open-Space Land Act or (ii) a conservation easement under the Virginia Conservation Easement Act, so long as the holder of such easement is accredited by the Land Trust Accreditation Commission or its designated subsidiary entity. If the Land Trust Accreditation Commission accreditation is not available at the time of the grant application for such holder, the Foundation is required to evaluate such holder on a case-by-case basis consistent with its established guidelines.

## **Land Use & Growth Management**

**[HB 1411/SB 1320](#) Virginia Community Development Financial Institutions Fund and Program; codifies Fund, etc.**

Codifies the Virginia Community Development Financial Institutions Fund, originally created in the 2021 Appropriation Act, and establishes the Virginia Community Development Financial Institutions Program to carry out the purposes of the Fund. The Program shall provide grants and loans to community development financial institutions and other similar entities for the purpose of providing financing to small businesses, housing development and rehabilitation projects, and community revitalization real estate projects in the Commonwealth. The bill requires the Department of Housing and Community Development to oversee the Fund and Program and to (i) identify qualified recipients of funding; (ii) ensure that grants and loans promote housing and community development, capital access, housing access, and small business support; (iii) ensure that qualified recipients emphasize microfinancing, defined as financing to small businesses in amounts of \$100,000 or less, in using program funds; and (iv) utilize Program funds to promote collaborative and cooperative projects with public and private sector partners. The bill requires the Department to submit an annual report on the use and impact of funding provided.

**[HB 1634/SB 1187](#) Comprehensive plan; encouraged to consider strategies to address resilience.**

Encourages localities to consider strategies to address resilience in their comprehensive plans.

**[HB 1665/SB 1205](#) Local land use approvals; extension of approvals to address the COVID-19 pandemic, sunset provision.**



Extends from July 1, 2023, to July 1, 2025, the sunset date for various local land use approvals that were valid and outstanding as of July 1, 2020. The bill also provides that its provisions shall not be construed to extend previous extensions related to the housing crisis and that any extension of approvals outstanding as of July 1, 2020, shall apply to any such approvals granted subsequent to July 1, 2020, that expire prior to July 1, 2025. This provision is declarative of existing law.

**HB 1671 Residential land development and construction; fee transparency, annual report.**

Requires localities with a population greater than 3,500 to submit an annual report no later than March 1 to the Department of Housing and Community Development containing the total fee revenue collected by the locality over the preceding calendar year in connection with the processing, reviewing, and permitting of applications for residential land development and construction activities. The bill requires the report to be submitted by the locality in accordance with any guidelines and forms developed by the Department and the Commission on Local Government. The Department shall make the reports available on its website.

**HB 1674 Comprehensive plan; freight corridors.**

Requires localities, when developing a transportation plan as part of the locality's comprehensive plan, to include freight corridors when designating transportation facilities that support the planned development of the locality.

**HB 1944/SB 1390 Solar photovoltaic projects; extension of land use approvals, extends sunset provision.**

Extends to July 1, 2026, the sunset date for various local land use approvals for solar photovoltaic projects that were valid and outstanding as of July 1, 2023. This bill is identical to SB 1390.

**HB 2161 Local government; standardization of public notice requirements for certain intended actions.**

Standardizes the frequency and length of time that notices of certain meetings, hearings, and other intended actions of localities must be published in newspapers and other print media. The notice provisions included in the bill are organized into the following three groups: (i) publication required one week before the meeting, hearing, or intended action; (ii) publication required two consecutive weeks before the meeting, hearing, or intended action; and (iii) publication required three consecutive weeks before the meeting, hearing, or intended action. In addition, the bill amends provisions related to the content of notices for zoning ordinances and amendments to such ordinances by removing the requirement that such notices contain a descriptive summary of the proposed action and providing that such notices shall include the street address or tax map parcel number of the parcels subject to the action. In cases where the intended action affects more than 25 parcels, the notice must also include the approximate

acreage subject to the intended action. For more than 100 parcels of land, the advertisement may instead include a description of the boundaries of the area subject to the changes and a link to a map of the subject area. The bill also removes the requirement that notices of proposed amendments to a zoning map state the general usage and density range of the proposed amendment and the general usage density set forth in the applicable part of the comprehensive plan. The bill directs the Virginia Code Commission to convene a work group to continue review of the notice requirements throughout the Code of Virginia and requires the Virginia Code Commission to submit a report to the Chairmen of the House Committee on General Laws and the Senate Committee on General Laws and Technology summarizing the work and any recommendations of the work group by November 1, 2023.

**[HB 2312/SB 1263](#) Uniform Statewide Building Code; stop work orders, appeals.**

Defines stop work orders for the purposes of the Uniform Statewide Building Code. The bill provides that if, during an appeal pursuant to the provisions of the Administrative Process Act of the State Building Code Technical Review Board's decision with respect to the issuance of a stop work order by a local building official, the court finds in favor of the party that was issued the stop work order, such party shall be entitled to recover its actual costs of litigation, including court costs, attorney fees, and witness fees, from the locality responsible for issuing the stop work order. The bill contains technical amendments.

**[HB 2494](#) Local housing policy; reports to the Department of Housing and Community Development.**

Requires any locality with a population greater than 3,500 to submit an annual report to the Department of Housing and Community Development summarizing the adoption or amendment of any local policies, ordinances, or processes affecting the development and construction of housing during the preceding fiscal year. The bill requires such localities to submit the report annually by September 1 in accordance with any forms developed by the Department and requires the Department to make such reports available on its website.

**[SB 983](#) Alcoholic beverage control; winery and farm winery licenses, requirements and privileges.**

Makes numerous changes to the privileges of and requirements for winery and farm winery licenses. Such changes relate to the characteristics of and tasks to be performed on the licensed premises, license qualifications, manufacturing and sale requirements and limitations, and utilization of contract winemaking services.

**[SB 1305](#) Farm buildings and structures; building code exemptions.**

Requires farm buildings and structures where the public is invited to enter and that are used for storage, handling, production, display, sampling, or sale of agricultural, horticultural, floricultural, or silvicultural products produced on the farm and that are exempt from the

Uniform Statewide Building Code (the building code) to have (i) portable fire extinguishers, (ii) a simple written plan in case of an emergency, and (iii) a sign posted in a conspicuous place upon entry that states that the building is exempt from the provisions of the building code. The bill also directs the Agritourism Event Structure Technical Advisory Committee to meet at least four times between the 2023 and 2024 Regular Sessions of the General Assembly and provides guidance to the Committee on topics to be considered related to fire safety and the welfare of the general public.

**SB 1495 Local enforcement action; willful disregard for applicable law, damages.**

Provides that any person against whom an enforcement action is carried out by a locality, of any ordinance or regulation, where the enforcement action was based upon a willful disregard for applicable law, regulation, or ordinance, shall be entitled to an award of compensatory damages and to an order remanding the matter to the locality and may further be entitled to reasonable attorney fees and court costs.

## Transportation

### Funding – Roads

#### **SB 1035 VETOED. Bridges; state of good repair, allocation of funds.**

Designates bridges with a general condition rating, defined in the bill, of no more than five for at least one major bridge component as eligible for state of good repair funds. Currently, bridges must be structurally deficient to be eligible. The bill authorizes the use of state of good repair funds for improvements anticipated to extend the useful life of a bridge by at least 10 years. The bill changes the funding distribution standard from equitable needs-based distribution, with percentage limits for a given district and a process to exceed such limits when necessary, to needs-based distribution of funding among the highway construction districts. The provisions of the bill apply to new project allocations made by the Commonwealth Transportation Board after June 1, 2024.

### Funding – Transit

#### **HB 1496/SB 1079 Commonwealth Mass Transit Fund; 3.5 percent of Fund may be allocated to NVTC.**

Allocates 3.5 percent of the Commonwealth Mass Transit Fund to commuter rail systems jointly operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission and excludes such commuter rail systems from receiving allocations pursuant to other distributions of the Fund. The bill requires such commuter rail systems to submit reports to the Commonwealth Transportation Board. The bill limits allocations by the NVTC for distribution to the Washington Metropolitan Area Transit Authority (WMATA) to 50 percent of the total operating and capital assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget and establishes reporting requirements for WMATA. The bill codifies requirements for WMATA to adopt and submit certain planning documents first required pursuant to the eighth enactment of Chapter 854 and the eighth enactment of Chapter 856 of the Acts of Assembly of 2018 and repeals the original requirements.

#### **HB 2338/SB 1326 Transit Ridership Incentive Program; use of funds, improving accessibility.**

Directs the Commonwealth Transportation Board to use up to 30 percent of available funds in the Transit Ridership Incentive Program to support local, regional, and state entities in improving the accessibility of transit bus passenger facilities and improving crime prevention and public safety for transit passengers, operators, and employees. The bill directs the Board to develop guidelines for applications for grants to any local, regional, or state public entity that supports a transit system.

## **Pedestrian Safety, Walkability & Bicycling Safety**

### **HB 1723 Passing stopped school buses; purpose of stop, prima facie evidence.**

Makes evidence that a bus was stopped with at least one warning device activated prima facie evidence that the bus was stopped for the purpose of taking on or discharging children, the elderly, or mentally or physically handicapped persons.

### **SB 1069 Pedestrians; drivers stopping at certain signs.**

Requires the driver of a vehicle on a highway approaching a pedestrian who is crossing such highway to stop when such pedestrian is within the driver's lane or within an adjacent lane and approaching the driver's lane. Currently, a driver is required to yield the right-of-way to such pedestrian by stopping and remaining stopped. The bill also provides that localities that are already authorized to install signs directing motor vehicles to yield the right-of-way to pedestrians crossing or attempting to cross a highway may also install signs directing motor vehicles to stop for such pedestrians.

### **SB 1293 Bicycles; exemptions to certain traffic control devices, local ordinances.**

Authorizes the local governing body of any county, city, or town to by ordinance authorize a bicyclist to treat a stop light as a stop sign and a stop sign as a yield right-of-way sign, provided that certain safety measures are observed.

## **Policy**

### **HB 1495/SB 1216 Transportation network companies; uninsured and underinsured motorist coverage.**

Requires transportation network company (TNC) insurance to maintain the same minimum uninsured and underinsured motorist coverage as is currently required by law for all motor vehicle insurance policies of \$30,000 for bodily injury per person, \$60,000 for bodily injury per accident, and \$20,000 for property damage, whether or not there is a passenger in the vehicle. The bill also prohibits TNC insurance underinsured motorist coverage from being set off by another policy from incidents arising when there is a passenger in the vehicle. Current law requires uninsured and underinsured motorist coverage for TNCs at \$1 million when a passenger is in the vehicle. The bill repeals expired provisions related to TNC insurance coverage.

### **HB 1587 Commissioner of Highways; entering into certain agreements, civil penalties, agents.**

Adds contractors to the list of entities that the Commissioner of Highways, in agreement with Fairfax County, may authorize to act as agents for the enforcement of provisions related to signs or advertising within the limits of highways and the collection of associated civil penalties

for violations of such provisions. The bill also requires such contractors to comply with applicable law and makes them subject to a right to reclaim a lawfully placed sign by the sign owner if such sign was confiscated in violation of the granted authority.

**HB 2254 Highway use fee; reimbursement.**

Requires the Department of Motor Vehicles to establish and administer a process whereby a vehicle owner may contest an assessed highway use fee. The bill requires the Department to reimburse the vehicle owner for any contested highway use fee or portion thereof that was incorrectly collected.

**HB 2302/SB 1106 Transportation Partnership Opportunity Fund; funds for transportation projects.**

Authorizes the Governor to direct funds from the Transportation Partnership Opportunity Fund (Fund) to the Commonwealth Transportation Board for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs when recommended by the Secretary of Transportation and Secretary of Commerce and Trade; these directed funds do not have a specified limit.

When funds are directed to such transportation projects or programs from the Fund in excess of \$5 million, the bill requires the Secretary of Transportation to submit a report, the content of which is designated in the bill, to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days of such direction of funds. The bill further requires, for the direction of funds from the Fund in excess of \$35 million, that such direction be submitted for review, within 14 days, to the MEI Project Approval Commission. The bill provides that absent a recommendation within the 14-day period that the funds should not be directed, or in the event that the Commission does not provide a recommendation within the 14-day period, the funds shall be directed.

The bill authorizes the use of grants, funds directed to the Board, and revolving loans for property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs. The bill clarifies that the authority granted related to the Fund cannot be used for otherwise prohibited eminent domain purposes.

**SB 865 Highway use fee; exemptions, low-speed vehicles.**

Exempts registered low-speed vehicles from the existing highway use fee calculated on the basis of average fuel economy and miles traveled per year and replaces such fee with an annual flat fee of \$25.

## Other

### [HB 2244/SB 1062](#) African American cemeteries and graves; appropriations DHR.

Requires appropriations by the Department of Historic Resources for African American cemeteries to be allocated on the bases of (i) the number of markers in a cemetery of African Americans who were alive prior to January 1, 1900, regardless of the date of interment, and (ii) the number of markers in a cemetery of African Americans who were born on or after January 1, 1900, and interred in such cemetery prior to January 1, 1948. Under current law, such appropriations are allocated on the basis of the number of markers in a cemetery of African Americans who were interred in such cemetery prior to January 1, 1948.