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HOUSE BILL NO. 1577

Offered January 13, 2025

Prefiled December 30, 2024

A BILL to amend the Code of Virginia by adding a section numbered 15.2-2507.1, relating to centralized local government reporting system; unfunded mandates on localities.

Patrons—Williams and Phillips

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 15.2-2507.1 as follows:****§ 15.2-2507.1. Centralized local government reporting system and unfunded mandate review.**

A. As used in this section, "unfunded mandate" means any act that imposes on a locality the responsibility of providing funding for new programs, governmental actions, or increased levels of service under existing programs without sufficient funding from the Commonwealth.

B. The Department of Planning and Budget shall establish and maintain a centralized electronic reporting system for all locality reporting requirements, including those required by state agencies or bodies, no later than October 1, 2025.

1. The Department of Planning and Budget shall:

a. Create a single web-based portal through which localities may submit all required reports, data, and information currently required by state law or regulation;

b. Establish data-sharing agreements with all state agencies and bodies that currently receive locality reports;

c. Ensure that the system maintains appropriate security measures to protect sensitive information while providing transparency for public access to nonsensitive data;

d. Develop standardized reporting formats and schedules to streamline the submission process;

e. Provide technical assistance to localities in transitioning to the new system; and

f. Maintain a public-facing component of the system that allows citizens to access appropriate local government data and reports.

2. Upon implementation of the centralized reporting system:

a. All existing statutory and regulatory requirements for localities to submit reports directly to individual state agencies or bodies shall be deemed satisfied by submission through the centralized system;

b. State agencies and bodies shall accept data and reports submitted through the centralized system as meeting any existing reporting requirements; and

c. The Department of Planning and Budget shall ensure that agencies and bodies receive timely notification when information relevant to their oversight responsibilities is submitted.

C. 1. There is hereby created the Unfunded Mandate Review Task Force (the Task Force), consisting of nine members to be appointed as follows:

a. Two members of the House of Delegates to be appointed by the Speaker of the House of Delegates;

b. Two members of the Senate to be appointed by the Senate Committee on Rules;

c. Five members to be appointed by the Governor as follows: (i) one representative from a city with a population of 100,000 or more, according to the most recent United States Census Bureau data; (ii) one representative from an incorporated town with a population of less than 10,000, according to the most recent United States Census Bureau data; (iii) one representative from a county where at least 60 percent of the population lives in a census-defined urbanized area or urban cluster that is not an independent city; (iv) one representative from the Department of Planning and Budget with experience in public finance; and (v) one representative from the Commission on Local Government with experience in public administration.

2. The Task Force shall:

a. Meet quarterly to review proposals from localities regarding alternative approaches to implementing unfunded mandates;

b. Establish criteria for evaluating local proposals, including (i) cost-effectiveness, (ii) achievement of mandate objectives, (iii) impact on public health and safety, and (iv) administrative feasibility;

c. Approve or deny local proposals within 90 days of submission;

d. Monitor implementation of approved alternatives;

e. Maintain records of all decisions and the rationale behind such decisions; and

f. Submit annual reports to the General Assembly by November 1 of each year detailing its activities, decisions, and recommendations.

3. Localities may submit proposals to the Task Force for alternative approaches to implementing any

INTRODUCED

HB1577

59 unfunded mandate, except those subject to emergency provisions under subsection E.

60 4. Task Force approval of an alternative approach shall constitute compliance with the relevant mandate
61 for the approving locality.

62 D. Any bill that includes an unfunded mandate approved by the General Assembly shall have an
63 implementation delay beginning at the end of the session in which the mandate was passed and ending at the
64 adjournment of the following session.

65 1. During the delay period, affected localities shall prepare and submit fiscal impact statements through
66 the centralized reporting system no later than August 1 of the year in which the mandate passed the General
67 Assembly.

68 2. The Department of Planning and Budget shall compile these statements and present a comprehensive
69 report to the General Assembly by November 1 of the year in which the mandate passed the General
70 Assembly.

71 3. The General Assembly shall review the comprehensive fiscal impact report and reapprove the bill, with
72 or without modifications, in the following session, at which point the mandate shall take effect. If the General
73 Assembly does not reapprove the mandate at this time, the bill that includes it shall be deemed to have failed
74 to pass.

75 E. 1. A bill containing an unfunded mandate that includes an emergency declaration shall not be subject
76 to the requirements and options provided in subsections C and D and shall be implemented immediately or
77 on the date of implementation described in the bill containing the emergency mandate.

78 2. The emergency declaration in the bill shall:

79 a. Clearly state that it is an emergency mandate;

80 b. Provide a written justification for the emergency status;

81 c. Specify the immediate actions required by localities; and

82 d. Pass by a vote of four-fifths of the members voting in each house.

83 3. If an unfunded mandate that includes an emergency declaration pursuant to this subsection is passed
84 and signed by the Governor, localities shall prepare fiscal impact statements within 120 days of
85 implementing the mandate and submit them through the centralized reporting system. The Department of
86 Planning and Budget shall compile these statements and present a comprehensive report to the General
87 Assembly by November 1 of the year the emergency mandate was implemented.

88 4. In the session following the implementation of an emergency mandate, the General Assembly shall
89 review the implementation and fiscal impact of the emergency unfunded mandate and may make adjustments
90 as necessary.

91 F. The Department of Planning and Budget shall:

92 1. Maintain comprehensive records of all unfunded mandates, approved alternative approaches, and
93 fiscal impact statements;

94 2. Make such records available to the public through the centralized reporting system; and

95 3. Submit a biennial report to the General Assembly by November 1 of every second year detailing:

96 a. The effectiveness of the centralized reporting system;

97 b. The activities and impact of the Task Force;

98 c. The fiscal impact of unfunded mandates on localities; and

99 d. Recommendations for improvement of the systems established by this section.

100 2. That the Unfunded Mandate Review Task Force, as created by this act, shall only be effective until
101 June 1, 2031, unless reauthorized by act of the General Assembly.