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SENATE BILL NO. 226

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Counties, Cities and Towns
on February 20, 2026)

(Patron Prior to Substitute—Senator Surovell)

A *BILL* to amend the Code of Virginia by adding a section numbered 15.2-937.1 and by adding in Article 3 of Chapter 9 of Title 22.1 a section numbered 22.1-141.2:1, relating to compost and other products containing organic soil amendments infrastructure; Department of Environmental Quality tax policy options for reforming the litter tax study expanded; civil penalty.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 15.2-937.1 and by adding in Article 3 of Chapter 9 of Title 22.1 a section numbered 22.1-141.2:1 as follows:

§ 15.2-937.1. Localities may require separation of organic waste; civil penalty.

A. For purposes of this section:

"Generator" means a generator of large quantities of organic waste, including public and nonpublic school facilities, supermarkets, convenience stores, or similar establishments; a business, school, or institutional cafeteria; and a cafeteria operated by or on behalf of the Commonwealth or a locality.

"Organic waste" means material derived from the processing or discarding of food, including pre-consumer and post-consumer vegetables, fruits, grains, dairy products, and meats.

B. Any locality may, by ordinance, require that certain generators separate organic waste from other solid waste and ensure that such organic waste is diverted from final disposal in a refuse disposal system. The ordinance may require that generators divert organic waste from final disposal in a refuse disposal system by (i) reducing the amount of food residuals generated; (ii) donating servable food; (iii) managing the organic waste in an on-site organics recycling system; (iv) providing for the collection and transportation of organic waste for agricultural use, including for use as animal feed or for processing in an organics recycling facility or anaerobic digester; or (v) engaging in some combination of those waste diversion activities. However, a locality that adopts an ordinance pursuant to this section shall require that a business generating at least one ton of organic waste weekly compost such organic waste at a permitted facility if such facility is within 30 miles of the business.

C. The ordinance shall only apply to a generator that generates a threshold amount of organic waste, as established in the ordinance. Such generator may apply for a waiver from the above requirements if the generator demonstrates undue hardship in accordance with criteria established by the locality.

D. The ordinance may establish civil penalties for violations of the ordinance. A locality shall first issue a warning to a generator that violates the ordinance. After receiving a warning, a generator that subsequently violates the ordinance is subject to a civil penalty to be collected in a civil action brought by the locality. The civil penalty is \$250 for a second violation, \$500 for a third violation, and \$1,000 for a fourth or subsequent violation. Each day a violation occurs is a separate violation. Penalties collected under the ordinance shall be payable to the treasury of the locality.

§ 22.1-141.2:1. Waste disposal infrastructure.

A. For purposes of this section:

"Organic waste" means the same as that term is defined in § 15.2-937.1.

"Waste disposal infrastructure" means a physical waste disposal line located near a cafeteria that allows a student to efficiently and properly dispose of organic waste at the end of a meal.

B. It is the intent of the General Assembly that new public school buildings and facilities and improvements and renovations to existing public school buildings and facilities include waste disposal infrastructure that includes a place for the disposal of trash, recyclables, and organic waste and a sink for liquid waste.

2. That the Department of Environmental Quality, in conducting its study of tax policy options for reforming the litter tax pursuant to House Joint Resolution No. 448 (2025), shall also examine

(i) options to (a) expand state composting capacity and permitted facilities, (b) identify school composting challenges and potential solutions, and (c) incentivize curbside residential composting and (ii) the impacts of PFAS, as that term is defined in § 62.1-44.34:29 of the Code of Virginia, in compost, and shall include in its executive summary its findings and recommendations on such topics no later than the first day of the 2027 Regular Session of the General Assembly.