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HOUSE BILL NO. 505
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Joint Conference Committee
 on March 11, 2026)

(Patron Prior to Substitute—Delegate McAuliff)

A *BILL* to suspend certain officers, require a study, adopt a remedial plan, and establish meeting requirements of town councils in certain towns and to amend the Code of Virginia by adding in Article 6 of Chapter 15 of Title 15.2 a section numbered 15.2-1535.1, relating to members of local governing body; continuing personal interest in certain transactions.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 6 of Chapter 15 of Title 15.2 a section numbered 15.2-1535.1 as follows:

§ 15.2-1535.1. Members of governing body; continuing personal interest in certain transactions.

Any member of a governing body in any locality, who has been employed by any governmental agency that is a component part of and which is subject to the ultimate control of that governmental body of which he is a member, shall be deemed to have a continuing personal interest, as defined in § 2.2-3101, in that agency for a period of two years following the termination of such employment.

2. § 1. Notwithstanding any provision of law to the contrary, in the event of a criminal proceeding against an officer of any town in Planning District 8 with a population between 8,000 and 10,000 according to the latest United States decennial census alleging the commission of a felony offense, the court having jurisdiction over such offense shall enter an order suspending such officer pending the resolution of such proceeding and any related proceeding under § 24.2-231, 24.2-232, 24.2-233, 24.2-234, or 24.2-234.1 of the Code of Virginia. If such offense originates in district court, such court shall have authority to issue an order pursuant to this section of this act. Upon transfer to circuit court or if such offense originates in circuit court, such circuit court shall enter an order pursuant to this section of this act on the record. The presiding court may dissolve such order if the final outcome of the felony offense is an acquittal, nolle prosequi, or dismissal, including if the offense was deferred and dismissed after a finding of facts sufficient to justify a finding of guilt.

During a suspension pursuant to this enactment, the court may appoint some suitable person to act in the officer's place. The officer's compensation shall be withheld and kept in a separate account and paid to him if and when the judicial proceedings result in his favor. Otherwise, it shall be paid back to the county, city, town, or State Treasurer who paid it.

§ 2. Any town in Planning District 8 with a population between 8,000 and 10,000 according to the latest United States decennial census shall procure a study to evaluate the condition and status of the town's debt, infrastructure, utilities, and other significant liability risks, to be performed by a public institution of higher education with a student population of at least 15,000 students in consultation with a chief administrative officer of a locality in Planning District 8 with a population of at least 500,000 according to the latest United States decennial census. The study shall make recommendations about prioritizing and identifying the needs of the town as well as any recommendations as to amendments to the town's charter. The study shall conclude no later than July 1, 2027.

§ 3. Any town in Planning District 8 with a population between 8,000 and 10,000 according to the latest United States decennial census for which a study is conducted pursuant to § 2 of this act shall adopt a plan consistent with the study to address such town's needs in a fiscally appropriate manner that does not jeopardize the town's bond rating.

§ 4. In any town in Planning District 8 with a population between 8,000 and 10,000 according to the latest United States decennial census, the town council shall only take votes on matters that have been (i) properly published at least three days prior to the vote as part of a town council agenda or (ii) otherwise approved as additional agenda items or as amendments to existing agenda items by a three-fourths vote of all the members of the council at the start of the meeting. Any resident of the town shall have standing in the general district court of the county in which the town is located to challenge a town council vote in conflict with this section or the provisions of § 2.2-3112 of the Code of Virginia, and such case shall take precedence on the docket. Any prevailing resident filing such case shall be entitled to attorney fees.

§ 5. In any town in Planning District 8 with a population between 8,000 and 10,000 according to the latest United States decennial census, any full-time town manager shall be a resident of the Commonwealth of Virginia unless the town council of such town has waived such requirement by a majority vote of the town council.

3. That the provisions of the second enactment of this act shall expire on July 1, 2028.

HOUSE SUBSTITUTE

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