Joint Conference Committee Report on

House Bill 30

2026 Special Session I

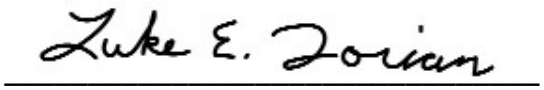
June 19, 2026

We, the conferees, appointed by the respective bodies to consider and report the disagreeing vote on House Bill 30 report as follows:

A. We recommend that the House and Senate amendments be rejected.

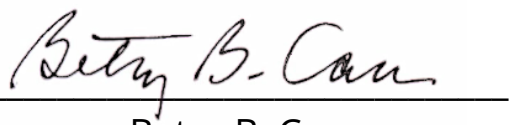
B. We recommend that House Bill 30, as introduced, be amended as follows to resolve the matters under disagreement.

Respectfully submitted,



Luke E. Torian

L. Louise Lucas



Betsy B. Carr

R. Creigh Deeds

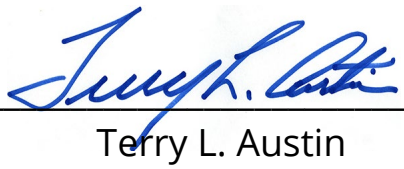
Delores L. McQuinn

Mamie E. Locke

Paul E. Krizek

Todd E. Pillion*

* I object to the following Items: 1 #6c, 44 #1c, 50 #1c, 54 #1c, 56 #2c, 60 #2c, 71 #1c, 394 #10c, 4-14 #4c



Terry L. Austin

* I object to the following Items: 1 #6c, 44 #1c, 50 #1c, 54 #1c, 56 #2c, 60 #2c, 71 #1c, 4-5.04 #1c, 4-14 #4c

Richard H. Stuart*

* I object to the following Items: 1 #6c, 44 #1c, 50 #1c, 54 #1c, 56 #2c, 60 #2c, 71 #1c, 394 #10c, 4-14 #4c

Robert S. Bloxom, Jr.

* I object to the following Items: 1 #6c, 44 #1c, 50 #1c, 54 #1c, 56 #2c, 60 #2c, 71 #1c, 4-5.04 #1c, 4-14 #4c

House Conferees

Senate Conferees

Item 0 #1c

Revenues

Revenues Language

Language:

Page 1, strike lines 3 through 8 and insert:
"A BILL for all appropriations of the Budget submitted by the Governor of Virginia in accordance with the provisions of § 2.2-1509, Code of Virginia, and to provide a portion of the revenues for the two years ending respectively on the thirtieth day of June, 2027, and the thirtieth day of June, 2028; and to amend and reenact §§ 33.2-3404, 33.2-1526.1, 58.1-322.03, 58.1-339.8, 58.1-602, 58.1-605, 58.1-605.1, and 58.1-606.1 of the Code of Virginia; and to amend and reenact §§ 2.2-2499.8, 2.2-2818, 2.2-2905, 2.2-3114, 2.2-3711, as it is currently effective and as it shall become effective, 2.2-3802, 2.2-4024, 3.2-4112, 3.2-4113, 3.2-4116, 3.2-4126, 3.2-5145.1, 3.2-5145.2:1, 3.2-5145.4, 4.1-103, 4.1-352, 4.1-600, 4.1-601, 4.1-603, 4.1-604, 4.1-606, 4.1-607, 4.1-611, 4.1-614, 4.1-621, 4.1-1100, 4.1-1101, 4.1-1106.1, 4.1-1108, 4.1-1121, 4.1-1402, 4.1-1500, 4.1-1501, 4.1-1502, 4.1-1600 through 4.1-1603.2, 4.1-1604, 5.1-13, 9.1-1101, 15.2-912.4, 16.1-69.40:1, 16.1-260, 16.1-273, 16.1-278.9, 18.2-46.1, 18.2-247, 18.2-248, 18.2-248.01, 18.2-251, 18.2-251.03, 18.2-251.1:1, 18.2-251.1:2, 18.2-251.1:3, 18.2-252, 18.2-254, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, 18.2-265.1, 18.2-265.2, 18.2-265.3, 18.2-287.2, 18.2-308.012, 18.2-308.4, 18.2-371.2, 18.2-460, 18.2-474.1, 19.2-66, 19.2-81, 19.2-81.1, 19.2-83.1, 19.2-188.1, 19.2-303.01, 19.2-386.22 through 19.2-386.25, 19.2-389, as it is currently effective and as it shall become effective, 19.2-389.3, 19.2-392.02, 19.2-392.6 and 19.2-392.12:1 as they shall become effective, 22.1-206, 22.1-277.08, 23.1-1301, 46.2-105.2, 46.2-347, 48-17.1, 53.1-231.2, 54.1-2903, 54.1-3401, 54.1-3443, 58.1-301, and 59.1-200 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 6 of Title 4.1 sections numbered 4.1-629 and 4.1-630, by adding in Title 4.1 chapters numbered 7 through 10, consisting of sections numbered 4.1-700 through 4.1-1010, by adding sections numbered 4.1-1102 through 4.1-1105, 4.1-1106, 4.1-1113, 4.1-1114, 4.1-1115, 4.1-1117, 4.1-1118, and 4.1-1119, by adding in Title 4.1 a chapter numbered 12, consisting of sections numbered 4.1-1200 through 4.1-1206, by adding in Chapter 13 of Title 4.1 sections numbered 4.1-1300, 4.1-1301, and 4.1-1303 through 4.1-1309, by adding in Chapter 14 of Title 4.1 sections numbered 4.1-1403 through 4.1-1407, by adding a section numbered 4.1-1602.1, by adding in Title 4.1 a chapter numbered 17, consisting of sections numbered 4.1-1700 through 4.1-1704, by adding in Article 2 of Chapter 1 of Title 6.2 a section numbered 6.2-108, and by adding in Chapter 44 of Title 54.1 a section numbered 54.1-4426."
Page 1, strike lines 25 through 32, and insert:"

	First Year	Second Year	Total
Unreserved Beginning Balance	$2,316,398,593	$0	$2,316,398,593
Additions to Balance	$594,402,250	($500,000)	$593,902,250
Official Revenue Estimates	$34,695,918,516	$35,648,556,043	$70,344,474,559
Transfer	$1,112,797,278	$920,509,199	$2,033,306,477
Total General Fund Resources Available for Appropriation	$38,719,516,637	$36,568,565,242	$75,288,081,879"

Page 1, strike lines 34 through 44, and insert:"

	First Year	Second Year	Total
Balance, June 30, 2026	$13,494,379,594	$0	$13,494,379,594
Official Revenue Estimates	$58,545,703,526	$59,451,047,319	$117,996,750,845
Lottery Proceeds Fund	$887,725,168	$877,725,168	$1,765,450,336
Internal Service Fund	$2,703,466,322	$2,707,118,410	$5,410,584,732
Bond Proceeds	$948,588,618	$220,000,000	$1,168,588,618
Total Nongeneral Fund Revenues Available for Appropriation	$76,579,863,228	$63,225,890,897	$139,835,754,125
TOTAL PROJECTED REVENUES	$115,299,379,865	$99,824,456,139	$215,123,836,004"

Page 2, strike lines 30 through 40, and insert:"

	General Fund	Nongeneral Fund	Total
OPERATING EXPENSES	$73,641,115,543	$129,770,401,914	$203,411,517,448
LEGISLATIVE			

DEPARTMENT	$274,310,983	$11,528,828	$282,744,354
JUDICIAL DEPARTMENT	$1,471,664,256	$89,365,446	$1,561,029,702
EXECUTIVE DEPARTMENT	$71,686,158,629	$122,804,857,366	$194,491,015,995
INDEPENDENT AGENCIES	$208,981,666	$6,864,650,274	$7,073,631,940
STATE GRANTS TO NONSTATE AGENCIES	$0	$0	$0
CAPITAL OUTLAY EXPENSES	$1,467,116,248	$1,908,562,516	$3,375,678,764
TOTAL	$75,108,231,782	$131,678,964,430	$206,787,196,212"

Explanation:

(This amendment modifies the front page to reflect changes to resources as modified by the Conference Report.)

Item 1 #1c

Legislative Department	**FY26-27**	**FY27-28**	
General Assembly of Virginia	$75,000	$0	GF

Language:

Page 3, line 5, strike "$67,511,846" and insert "$67,586,846".
Page 10, line 28, strike "$501,494" and "$501,494" and insert:
"$576,494" and "$501,494"
Page 10, line 42, strike "$6,019" and "$6,019" and insert:
"$81,019" and $6,019".
Page 11, line 40, strike "$501,494" and "$501,494" and insert:
"$576,464" and "$501,494".
Page 14, after line 21, insert:
"X. Amounts appropriated to, and fund balances retained by, the Commission on Unemployment Compensation may be utilized to hire actuarial services to provide assessments that include but are not limited to the impacts of annual adjustments to the weekly benefit of the UI Trust Fund solvency and employer tax rates."

Explanation:

(This amendment provides $75,000 the first year from the general fund to the Commission on

Unemployment Compensation to hire actuarial services to support the Commission's work.)

Item 1 #2c

Legislative Department	**FY26-27**	**FY27-28**	
General Assembly of Virginia	$46,984	$46,984	GF

Language:

Page 3, line 5, strike "$67,511,846" and insert "$67,558,830".
Page 3, line 5, strike "$67,511,846" and insert "$67,558,830".
Page 10, line 28, strike "$501,494" and "$501,494" and insert:
"$548,878" and "$548,878".
Page 10, after line 36, insert:
"Boys and Men Advisory Commission Chapter 749, 2026 Acts of Assembly $42,184 $42,184".

Page 11, after line 1, insert:
"Distributed Energy Resources Task Force (Legislative Member Expenses) Chapter 1042, 2026 Acts of Assembly $4,800 $4,800".
Page 11, line 40, strike "$501,494" and "$501,494" and insert:
"$548,478" and "$548,478".
Page 13, line 31, after "Commission" strike the remainder of the line and insert:
". Any general fund balances attributable to the Commission to Study Slavery and Subsequent De Jure and De Facto Racial and Economic Discrimination Against African Americans established by Title 2.2, Chapter 25, Article 11, Code of Virginia, may be transferred to this item for use by the Commission for the purposes outlined herein."

Explanation:

(This amendment provides $46,984 each year from the general fund to support costs associated with legislative commissions, including the Boys and Men Advisory Commission (Chapter 749) and the first year member costs of the Distributed Energy Resources Task Force (Chapter 1042). This amendment also authorizes a transfer of balances to support the ongoing work of the Commission to Study the History of Uprooting of Black Communities by Public Institutions of Higher Education.)

Item 1 #3c

Legislative Department

General Assembly of Virginia — Language

Language:

Page 3, line 25, strike "$126,160" and insert "$133,843".

Page 3, line 28, strike "$344,216" and insert "$365,179".
Page 3, line 31, strike $240,613" and insert "$256,511".
Page 3, line 35, strike "$52,102" and insert "$55,275".
Page 3, line 36, strike "$60,409" and insert "$62,183".
Page 3, line 39, strike "$19,538" and insert "$20,728".
Page 3, line 40, strike "$11,583" and insert "$13,818".
Page 4, line 25, strike "$83,336" and insert "$88,412".
Page 7, after line 2, insert:
"3. The Legislative Branch, as a coequal and separate branch of government, shall be exempt from directives and executive orders from the Executive Branch and the Governor related to purchasing, finance, and information technology. The Clerks of the House of Delegates and Senate, with approval from the Speaker of the House and/or Chair of Senate Rules, shall determine when it is in the best interest of the Legislature to follow Executive Branch procedures. The Clerks of the House of Delegates and Senate shall have full authority to enter into a Memorandum of Understanding with Executive Branch agencies and outside vendors for services. The Clerks of the House of Delegates and Senate shall approve and have final authority over the maintenance, operations, upkeep, upgrades, and construction of their respective spaces in legislative buildings. The Clerks shall collaborate on joint spaces."
Page 8, line 55, after "M." insert "1."
Page 9, after line 4, insert:
"2. Notwithstanding any other provision of law, the Speaker of the House of Delegates or the President Pro Tempore of the Senate may appoint a designee to any council, commission, or other body in the legislative or executive branch of state government in lieu of any member of the House of Delegates or Senate, respectively, who is serving as an ex officio member of such body."
Page 11, line 13, strike "Coastal" and insert "Recurring".
Page 14, strike lines 18 through 21 and insert:
"2. No later than August 1, 2026, DLAS shall submit for approval to the Legislative IT Council, the agency's development priorities through the 2027 fiscal year. Those priorities shall include resolution of outstanding issues with the Legislative Information System (LIS), Lobbyist-in-a-Box, and redesign of bill drafting and e-filing. DLAS shall cease development of all other systems unless otherwise directed by the Joint Committee on Rules or the Legislative IT Council."

Explanation:

(This amendment makes language updates to Item 1, to include such matters as removal of outdated references and directives, updating compensation amounts to reflect recent statewide pay actions, and clarifying legislative authority with regard to appointments and operating guidelines.)

Item 1 #4c

Legislative Department	**FY26-27**	**FY27-28**	
General Assembly of Virginia	($24,203)	($24,203)	GF

Language:

Page 3, line 5, strike "$67,511,846" and insert "$67,487,643".
Page 3, line 5, strike "$67,511,846" and insert "$67,487,643".

Explanation:

(This amendment transfers $24,203 in general fund both years to other legislative commissions to correctly reflect rent amounts in legislative budgets. Companion amendments to the Commission on Youth and Chesapeake Bay Commission accept the transferred amounts.)

Item 1 #5c

Legislative Department	**FY26-27**	**FY27-28**	
General Assembly of Virginia	$10,000	$0	GF

Language:

Page 3, line 5, strike "$67,511,846" and insert "$67,521,846".
Page 10, line 28, after "P.", insert "1.".
Page 10, line 37, strike the first reference of "$15,000", and insert "$25,000".
Page 11, after line 40, insert:
"2. Out of the appropriation included in the table above, $10,000 the first year from the general fund for the Commission on Civic Education shall be provided for the one-time purpose of developing and maintaining a website for the Commission."

Explanation:

(This amendment provides $10,000 GF the first year for the the Commission on Civic Education to support development and maintenance of a Commission website. The website will include student resources, educator resources, information on the annual Civic Education Summit, content from Summit presenters, and a teacher advertising campaign regarding the Summit. The Commission is working with VPAP.org on the website.)

Item 1 #6c

Legislative Department	**FY26-27**	**FY27-28**	
General Assembly of Virginia	$0	$2,131,489	GF

Language:

Page 3, line 5, strike "$67,511,846" and insert "$69,643,335".

Page 3, line 19, after "$36,321" and insert "through January 12, 2028, and $72,000 per year effective January 13, 2028."
Page 3, line 20, after "$17,640 per year" insert:
"through January 12, 2028, and $50,000 per year effective January 13, 2028".
Page 3, line 20, after "$18,000 per year" insert:
"through January 12, 2028, and $50,000 per year effective January 13, 2028".

Explanation:

(This amendment provides $2.1 million general fund in fiscal year 2028 to adjust the compensation for the members of the House of Delegates and State Senate up to $50,000 effective the start of the 2028 legislative session.)

Item 1 #7c

Legislative Department

General Assembly of Virginia — Language

Language:

Page 9, strike lines 29-37 and insert:
"5. The Joint Subcommittee on Tax Policy shall study the data center sales and use tax exemption and other data center impacts during the 2026 interim. The Joint Subcommittee shall meet at least two times with the following goals and objectives: (i) reviewing Virginia's data center sales and use tax exemption; (ii) examining the impact of the existing and any potential future exemption or incentives; (iii) approaches taken in other states related to the data center industry including tax preferences, incentives, environmental standards and mitigation, moratoriums on incentives or location of new facilities, and sustainable development requirements; (iv) reviewing methods related to data center investment in non-urbanized areas of the Commonwealth; (v) reviewing the recommendations and options in the 2024 JLARC study on Data Centers in Virginia; (vi) reviewing the estimated direct and indirect economic benefits of data center investment in Virginia; (vii) reviewing the direct or indirect impacts on the environment and quality of life related to data center location and siting; (viii) evaluating the impact of Artificial Intelligence on employment; (ix) reviewing the State Corporation Commission reported data on electric service agreements, water usage, permitted generators; and (x) recommended mechanisms to provide direct revenue to the state from the data center industry. The Joint Subcommittee shall report recommendations to the General Assembly by December 15, 2026. All agencies of the Commonwealth, applicable utilities, and the Weldon Cooper Center for Public Service shall provide technical assistance to the Joint Subcommittee on Tax Policy."

Explanation:

(This amendment directs the Joint Subcommittee on Tax Policy to study data centers during the 2026 Interim. The Joint Subcommittee is directed to convene at least two times during the year

and and review the impacts associated with the data center industry.)

Item 8 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Joint Commission on Technology and Science	$25,000	$0	GF

Language:

Page 17, line 45, strike "$461,878" and insert "$486,878".

Explanation:

(This amendment provides $25,000 the first year from the general fund to fund the fiscal impact of Chapter 426, which directs the Joint Commission on Technology and Science to evaluate the feasibility and impact of developing a framework for any person or entity seeking to act as an independent verification organization that assesses artificial intelligence models' or applications' adherence to standards reflecting best practices for the prevention of personal injury and property damage.)

Item 14 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Virginia Conflict of Interest and Ethics Advisory Council	$50,000	$50,000	GF

Language:

Page 19, line 20, strike "$922,593" and insert "$972,593".
Page 19, line 20, strike "$922,593" and insert "$972,593".

Explanation:

(This amendment provides $50,000 each year from the general fund for the fiscal impact of Chapter 504, which provides for submission of electronic disclosure forms and funding to build out the Virginia Conflict of Interest and Ethics Advisory Council's filing system to accommodate local filers.)

Item 18 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Chesapeake Bay Commission	$8,190	$8,190	GF

Language:

Page 21, line 28, strike "$377,277" and insert "$385,467".
Page 21, line 28, strike "$377,277" and insert "$385,467".

Explanation:

(This amendment provides $8,190 each year from the general fund to accept the net-zero transfer of funding from Item 1 to accurately reflect legislative rent appropriation. Companion amendments to Item 1 and to the Commission on Youth balance out to zero.)

Item 19 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Joint Commission on Health Care	$150,000	$150,000	GF
	1.00	1.00	FTE

Language:

Page 21, line 39, strike "$1,290,057" and insert "$1,440,057".
Page 21, line 39, strike "$1,290,057" and insert "$1,440,057".

Explanation:

(This amendment provides $150,000 each year from the general fund for the Joint Commission on Health Care to address increased workload, to include responsibilities associated with Chapter 782 (House Bill 1357) of the 2026 Acts of Assembly.)

Item 21 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Virginia Commission on Youth	$16,013	$16,013	GF

Language:

Page 22, line 16, strike "$434,188" and insert "$450,201".
Page 22, line 16, strike "$434,188" and insert "$450,201".

Explanation:

(This amendment provides $16,013 each year from the general fund to accept the net-zero transfer of funding from Item 1 to accurately reflect legislative rent allotments. Companion amendments to Item 1 and to the Chesapeake Bay Commission balance out to zero.)

Item 21 #2c

Legislative Department	**FY26-27**	**FY27-28**

Virginia Commission on Youth	$55,000	$55,000	GF

Language:

Page 22, line 16, strike "$434,188" and insert "$489,188".
Page 22, line 16, strike "$434,188" and insert "$489,188".

Explanation:

(This amendment provides $55,000 each year from the general fund to fully fund existing staff for the Commission and bring funding levels in line with comparably staffed legislative commissions.)

Item 21 #3c

Legislative Department

Virginia Commission on Youth — Language

Language:

Page 22, after line 19, insert:
"The Commission on Youth shall develop recommendations, working with stakeholders, to incentivize local governments to draw down additional funding (above a base allocation) to support Child Advocacy Centers through partnership arrangements that may include the allocation of space, administrative support, or other supports. These recommendations shall also include potential access to funding through various court fees or other revenue options. The Commission shall report to relevant legislative committees by November 1, 2026."

Explanation:

(This amendment directs the Commission on Youth to develop recommendations, working with stakeholders, to incentivize local governments to draw down additional funding (above a base allocation) to support Child Advocacy Centers through partnership arrangements that may include the allocation of space, administrative support, or other supports. These recommendations shall also include potential access to funding through various court fees or other revenue options.)

Item 22 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Virginia State Crime Commission	$25,000	$25,000	GF

Language:

Page 22, line 26, strike "$2,008,782" and insert "$2,033,782".
Page 22, line 26, strike "$2,008,782" and insert "$2,033,782".

Explanation:

(This amendment provides $25,000 each year from the general fund to support the work of the Mary Jane Burton Review Panel supported by the Virginia Crime Commission. The Review Panel was established by Chapters 421 and 430, 2025 Acts of Assembly, to review certain cases where testing or analysis was performed by Mary Jane Burton, a serologist at the Department of Forensic Science in the 1970s and the 1980s. The Review Panel consists of individuals who may request compensation for their time reviewing cases, such as retired judges, court appointed counsel, and an independent serologist, and there may also be costs associated with in-person panel meetings. To date, 314 cases have been identified for the panel to review.)

Item 23 #1c

Legislative Department	**FY26-27**	**FY27-28**	
Commission on Electric Utility	$0	$200,000	GF
Regulation	1.00	1.00	FTE

Language:

Page 23, line 49, strike "$691,123" and insert "$891,123".
Page 23, after line 51, insert:
"The Commission is authorized to use up to $200,000 of general fund balances carried forward from fiscal year 2026 to fund an additional position."

Explanation:

(This amendment authorizes $200,000 from balances the first year and provides $200,000 GF the second year for the Commission on Electric Utility Regulation (CEUR) to hire one attorney and reduce the burden on the Division of Legislative Services.)

Item 25 #1c

Legislative Department

Joint Legislative Audit and Review Commission — Language

Language:

Page 28, after line 42, insert:
"J.1. For the purposes of conducting its study of the Department of Medical Assistance Services' (DMAS) oversight of managed care, consistent with its statutory authority to obtain information necessary for the performance of its duties from state agencies and any private entity that has entered a contractual relationship to accomplish an agency program, JLARC shall have the legal authority to access all information and records pertaining to Virginia's Medicaid program in the possession of: (i) DMAS pertaining to managed care and MCOs' performance, the setting of

capitation rates, and the annual forecast of Medicaid expenditures; (ii) private entities under contract with DMAS for the provision of managed care, including, but not limited to, surveys of members or providers, case management notes, health risk assessments, prior authorization files, and internal appeals files; and (iii) private entities under contract with either DMAS or its contracted MCOs for services related to the delivery of or payment for care through Medicaid or the Children's Health Insurance Program.

2. Records provided by DMAS and its contractors to JLARC in connection with this study, where the records would not be subject to disclosure by DMAS, shall be excluded from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). DMAS and its contractors shall identify the specific portion of the records to be protected and the applicable provision of the Freedom of Information Act or other provision of law that excludes the record or portions thereof from mandatory disclosure."

Explanation:

(This amendment clarifies authority for JLARC to access relevant Medicaid data and information for its study of the Department of Medical Assistance Services' (DMAS) oversight of managed care.)

Item 25 #2c

Legislative Department

Joint Legislative Audit and Review Commission — Language

Language:

Page 28, after line 42, insert:

"J. The Joint Legislative Audit and Review Commission shall include, on at least an every five-year rotation, an analysis of state spending for aid to localities as part of its State Spending report."

Explanation:

(This amendment directs the Joint Legislative Audit and Review Commission to include, on at least an every five-year rotation, an analysis of state spending for aid to localities as part of its State Spending report.)

Item 25 #3c

Legislative Department

Joint Legislative Audit and Review Commission — Language

Language:

Page 28, after line 42, insert:

"J. The Joint Legislative Audit and Review Commission shall periodically review comprehensive teacher compensation in the Commonwealth, including benefits such as health insurance and retirement, and provide this information as part of the State Spending on K-12 Standards of Quality report."

Explanation:

(This amendment directs JLARC to periodically review comprehensive teacher compensation in Virginia, including benefits.)

Item 27 #1c

Legislative Department

Legislative Department Reversion Clearing Account — Language

Language:

Page 29, after line 28, insert:
"D. On or before June 30, 2027, the Committee on Joint Rules shall authorize a reversion to the general fund of $2,402,250, representing savings generated by the following legislative agencies:

	Estimated Savings
Legislative Agency	**FY 2027**
100: General Assembly	$50,394
107: Division of Legislative Services	$1,433,755
110: Joint Legislative Audit and Review Commission	$600,000
810: Capitol Square Preservation Council	$10
876: Virginia Conflict of Interest and Ethics Advisory Council	$318,091
Total:	**$2,402,250"**

Explanation:

(This amendment authorizes transfer of $2,402,250 the first year in general fund balances from legislative branch agencies.)

Item 31 #1c

Judicial Department

Supreme Court — Language

Language:

Page 33, after line 27, insert:
"U. The Office of the Executive Secretary of the Supreme Court shall assess the cost and feasibility of providing a unified efiling system for civil and criminal cases in circuit courts and requiring each circuit court to use the unified system. The assessment shall update the information in the 2018 report on statewide electronic filing of civil cases in circuit court submitted pursuant to Chapter 2, 2018 Special Session I, Acts of Assembly, and provide the updated assessment to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2026."

Explanation:

(This amendment directs the Office of the Executive Secretary of the Supreme Court to provide an assessment of the cost and feasibility of providing a unified efiling system for civil and criminal cases in circuit courts and requiring each circuit court to use the unified system. The assessment should include an update of the information provided in a similar report from 2018.)

Item 31 #2c

Judicial Department	**FY26-27**	**FY27-28**	
Supreme Court	$74,000	$0	GF

Language:

Page 30, line 45, strike "$64,548,646" and insert "$64,622,646".

Explanation:

(This amendment provides $74,000 the first year from the general fund to support one-time IT system programming costs to implement the provisions of Chapter 355 (House Bill 17) and Chapter 356 (Senate Bill 180), which change the period of limitations on the collection of court fees.)

Item 31 #3c

Judicial Department	**FY26-27**	**FY27-28**	
Supreme Court	$397,614	$0	GF

Language:

Page 30, line 45, strike "$64,548,646" and insert "$64,946,260".

Explanation:

(This amendment provides $397,614 the first year from the general fund to support costs for the Office of the Executive Secretary of the Supreme Court to make updates to the property alert

notification system as directed by Chapter 364 (House Bill 163) and Chapter 365 (Senate Bill 316).)

Item 32 #1c

Judicial Department	**FY26-27**	**FY27-28**	
Court of Appeals of Virginia	$3,426,976	$3,146,976	GF
	16.00	16.00	FTE

Language:

Page 33, line 37, strike "$23,087,457" and insert "$26,514,433".
Page 33, line 37, strike "$23,087,457" and insert "$26,234,433".

Explanation:

(This amendment provides $3.4 million the first year and $3.1 million the second year from the general fund for four additional Court of Appeals judgeships and affiliated support staff as approved in Chapter 615 (House Bill 443). Included in the cost estimate to support each additional judgeship are the judge's position, three law clerk positions, and associated general office overhead and operational expenses. The first year includes one-time start-up costs for furniture and technology.)

Item 32 #2c

Judicial Department	**FY26-27**	**FY27-28**	
Court of Appeals of Virginia	$3,726,400	$3,529,620	GF

Language:

Page 33, line 37, strike "$23,087,457" and insert "$26,813,857".
Page 33, line 37, strike "$23,087,457" and insert "$26,617,077".

Explanation:

(This amendment provides $3.7 million the first year and $3.5 million the second year from the general fund to establish, design, and build a new Appellate Case Management System for the Court of Appeals. This amendment modernizes a system that was built 18 years ago to augment a paper process and faces critical limitations that hinder operational performance, data accuracy, and long-term maintainability.)

Item 33 #1c

Judicial Department	**FY26-27**	**FY27-28**

Circuit Courts	$1,411,974	$0	GF

Language:

Page 34, line 19, strike "$142,596,679" and insert "$144,008,653".
Page 35, line 2, strike the first "$167,281,494" and insert "$168,693,468".

Explanation:

(This amendment provides $1.4 million the first year from the general fund to support costs associated with Chapter 1103 (House Bill 26) and Chapter 1104 (Senate Bill 62) which relate to the modification of sentences for marijuana-related offenses. A companion budget amendment in Item 390 provides funding for additional costs anticipated to result from the legislation.)

Item 33 #2c

Judicial Department	**FY26-27**	**FY27-28**	
Circuit Courts	$351,849	$699,598	GF
	1.00	2.00	FTE

Language:

Page 34, line 19, strike "$142,596,679" and insert "$142,948,528".
Page 34, line 19, strike "$142,596,679" and insert "$143,296,277".

Explanation:

(This amendment provides $351,849 the first year and $699,598 the second year from the general fund for two circuit court judgeships established by Chapter 615 (House Bill 443) and Chapter 880 (Senate Bill 158), with a delayed effective date for the judgeship in the 20th Circuit until July 1, 2027, per the legislation.)

Item 33 #3c

Judicial Department	**FY26-27**	**FY27-28**	
Circuit Courts	$750,000	$750,000	GF

Language:

Page 34, line 19, strike "$142,596,679" and insert "$143,346,679".
Page 34, line 19, strike "$142,596,679" and insert "$143,346,679".
Page 35, strike lines 50 through 53 and insert:
"J. Out of the amounts appropriated in this Item, $3,250,000 the first year and $3,250,000 the second year from the general fund is provided to support an increase in the rate paid to

guardians ad litem from the Criminal Fund to $87.00 per hour for time spent in court and $63.00 for time spent out of court."

Explanation:

(This amendment provides $750,000 each year from the general fund to combine with $2.5 million provided in the Introduced Budget to increase guardian ad litem rates from the current level of $57.50/hour out of court and $78.75/hour in court, to $63.00/hour and $87.00/hour, respectively.)

Item 34 #1c

Judicial Department	**FY26-27**	**FY27-28**	
General District Courts	$644,256	$636,056	GF
	2.00	2.00	FTE

Language:

Page 36, line 14, strike "$184,169,557" and insert "$184,813,813".
Page 36, line 14, strike "$184,169,557" and insert "$184,805,613".

Explanation:

(This amendment provides $644,256 the first year and $636,056 the second year from the general fund and two positions to increase general district court judgeships in the Twelfth and Twenty-Sixth Judicial Circuits, as expanded by Chapter 615 (House Bill 443) and Chapter 880 (Senate Bill 158). These judgeships were recommended by the Committee on District Courts.)

Item 35 #1c

Judicial Department	**FY26-27**	**FY27-28**	
Juvenile and Domestic Relations	$322,128	$640,156	GF
District Courts	1.00	2.00	FTE

Language:

Page 37, line 3, strike "$132,045,360" and insert "$132,367,488".
Page 37, line 3, strike "$132,045,360" and insert "$132,685,516".

Explanation:

(This amendment provides $322,128 the first year and $640,156 the second year from the general fund for two additional juvenile and domestic relations court judgeships pursuant to Chapter 615 (House Bill 443) and Chapter 880 (Senate Bill 158), with a delayed effective date

for the judgeship in the 15th Circuit until July 1, 2027, per the legislation .)

Item 40 #1c

Judicial Department

Indigent Defense Commission — Language

Language:

Page 39, after line 45, insert:
"F.1. The Indigent Defense Commission, in consultation with the Executive Secretary of the Supreme Court or his designee, shall convene a work group composed of all relevant stakeholders, including the Attorney General or his designee and representatives from the Compensation Board, the Virginia State Crime Commission, the Virginia Joint Legislative Audit and Review Commission, the Virginia Court Clerks' Association, the Virginia Association of Commonwealth's Attorneys, the Virginia Probation and Parole Association, staff from the House Appropriations and Senate Finance and Appropriations Committees, and two criminal justice reform organizations with relevant expertise.
2. The work group shall examine fees, fines, and other financial assessments imposed in criminal prosecutions, including amounts assessed and collected by type of offense, any guidelines or data related to the fees assessed for various types of cases, use of collected funds to include any programs such funds support, state and local reimbursement, imposition of costs on delinquent accounts, and practices used by other states. The work group shall submit an interim executive summary and report of its findings and recommendations to the Governor and the General Assembly by November 1, 2026, and a final report no later than November 1, 2027."

Explanation:

(This language amendment directs the Commission to convene a workgroup to review various aspects with relation to court fines and fees.)

Item 40 #2c

Judicial Department	**FY26-27**	**FY27-28**	
Indigent Defense Commission	$3,707,891	$3,707,891	GF
	45.00	45.00	FTE

Language:

Page 39, line 23, strike "$94,773,343" and insert "$98,481,234".
Page 39, line 23, strike "$94,773,343" and insert "$98,481,234".

Explanation:

(This amendment provides $3.7 million GF and 45.0 positions each year for additional support staff in public defender offices, including paralegals, mitigation specialists, investigators, and legal assistants. In 2023, JLARC recommended funding additional mitigation specialist and paralegal positions to help public defenders manage their workloads.)

Item 44 #1c

Executive Offices	**FY26-27**	**FY27-28**	
Office of the Governor	$1,200,000	$1,200,000	GF
	10.00	10.00	FTE

Language:

Page 43, line 4, strike "$8,643,357" and insert "$9,843,357".
Page 43, line 4, strike "$8,643,357" and insert "$9,843,357".

Explanation:

(This amendment provides $1.2 million each year from the general fund and ten positions to supplement staff support in the Office of the Governor.)

Item 44 #2c

Executive Offices

Office of the Governor — Language

Language:

Page 43, strike lines 35 through 42
Page 43, line 43, strike “G.” and insert “F.”

Explanation:

(This amendment removes recent language that changed how the Executive Branch Review process operates.)

Item 50 #1c

Executive Offices	**FY26-27**	**FY27-28**	
Attorney General and Department of Law	$1,298,080	$1,298,080	GF
	8.00	8.00	FTE

Language:

Page 45, line 12, strike "$61,665,660" and insert "$62,963,740".

Page 45, line 12, strike "$61,665,660" and insert "$62,963,740".

Explanation:

(This amendment provides $1.3 million each year from the general fund and eight positions to augment staffing within the Office of the Attorney General.)

Item 50 #2c

Executive Offices	**FY26-27**	**FY27-28**	
Attorney General and Department of Law	$328,324 10.00	$1,313,295 10.00	GF FTE

Language:

Page 45, line 12, strike "$61,665,660" and insert "$61,993,984".
Page 45, line 12, strike "$61,665,660" and insert "$62,978,955".

Explanation:

(This amendment provides $328,324 GF the first year and $1.3 million GF the second year and 10.0 positions to fund the associated fiscal impact from legislation passed in the 2026 Session of the General Assembly that impacts the workload of the Office of the Attorney General.)

Item 50 #3c

Executive Offices	**FY26-27**	**FY27-28**	
Attorney General and Department of Law	$1,825,000 12.00	$1,825,000 12.00	NGF FTE

Language:

Page 45, line 12, strike "$61,665,660" and insert "$63,490,660".
Page 45, line 12, strike "$61,665,660" and insert "$63,490,660".
Page 47, after line 7, insert:
"L. Out of this appropriation, $1,825,000 the first year and $1,825,000 the second year from the Electronic Nicotine Delivery Systems Fund is authorized for the Office of the Attorney General to support initial startup regulatory and enforcement costs associated with implementation of Chapters 1021 and 1044, 2026 Acts of Assembly."

Explanation:

(This amendment provides $1.8 million NGF each year from JUUL Settlement funds to support initial startup regulatory and enforcement costs associated with implementation of Chapter 1021

(House Bill 308) and Chapter 1044 (Senate Bill 620). After use of the JUUL Settlement funds for the initial startup costs, the provisions of the legislation will be supported through fee collections and through a memorandum of understanding with the Alcoholic Beverage Control Authority.)

Item 51 #1c

Executive Offices

Attorney General and Department of Law — Language

Language:

Page 47, after line 12, insert:
"The Medicaid Fraud Control Unit shall submit an annual report no later than October 1, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees detailing caseload activity, enforcement outcomes, staffing levels, expenditures, Medicaid recoveries, and return-on-investment metrics, including trends and performance measures."

Explanation:

(This amendment requires the Medicaid Fraud Control Unit to submit an annual report detailing outcomes, staffing levels, expenditures, Medicaid recoveries, and return-on-investment metrics, including trends and performance measures.)

Item 54 #1c

Executive Offices	**FY26-27**	**FY27-28**	
Attorney General and Department of Law	$3,540,042	$3,540,042	GF

Language:

Page 47, line 43, strike "$1,472,451" and insert "$5,012,493".
Page 47, line 43, strike "$1,472,451" and insert "$5,012,493".
Page 47, after line 48, insert:
"Out of the amounts included in this appropriation, $3,540,042 the first year and $3,540,042 the second year from the general fund is provided for compensation adjustments for attorneys within the Office of the Attorney General to address high turnover and vacancies."

Explanation:

(This amendment provides $3.5 million each year from the general fund to provide salary compression adjustments for approximately 320 attorneys within all divisions of the Office of the Attorney General. The funding addresses a compensation gap that has accumulated over

nearly a decade without systematic correction.)

Item 56 #1c

Executive Offices	**FY26-27**	**FY27-28**	
Secretary of the Commonwealth	$110,392	$110,392	GF
	1.00	1.00	FTE

Language:

Page 49, line 16, strike "$3,897,760" and insert "$4,008,152".
Page 49, line 16, strike "$3,897,760" and insert "$4,008,152".

Explanation:

(This amendment provides $110,392 each year from the general fund and a position to support implementation costs associated with Chapter 364 (House Bill 163) and Chapter 365 (Senate Bill 316).)

Item 56 #2c

Executive Offices	**FY26-27**	**FY27-28**	
Secretary of the Commonwealth	$250,000	$250,000	GF
	2.00	2.00	FTE

Language:

Page 49, line 16, strike "$3,897,760" and insert "$4,147,760".
Page 49, line 16, strike "$3,897,760" and insert "$4,147,760".

Explanation:

(This amendment provides $250,000 each year from the general fund and two positions to support workload requirements in the office of the Secretary of the Commonwealth. One position is needed to assist with notary processing, and the second is needed to assist with clemency-related operations.)

Item 57 #1c

Executive Offices

Office of the State Inspector General — Language

Language:

Page 50, line 26, after "F." insert "1."

Page 50, after line 28, insert:
"2. Notwithstanding Article 4 of Chapter 1, Title 53.1, the Office of the Department of Corrections Ombudsman (Office) shall not be required to establish policies for a statewide uniform reporting system, as described in § 53.1-17.2 (A) (5), and may include in its annual report the items in § 53.1-17.8 (A) (2-6) and (8-10). Other statutory reporting requirements, including the directive to collect and analyze data related to complaints received by the Department of Corrections (Department), remain in effect. As the Department deploys tablets to inmates, the Department shall ensure that the Office continues to have access to: the status of complaints; all emergency grievances, written complaints, and regular grievances from inmates, as well as the Department's responses and resolutions to complaints (to include the institutional ombudsman notes on why a complaint is accepted or rejected); and issued grievance receipts, appeal requests, and responses to appeals. In addition, the Department shall assess the feasibility, including cost estimates if any additional funding is needed, to establish a mechanism by which the Office may respond to inmate complaints electronically in accordance with § 53.1-17.4(B) and § 53.1-17.5 of the Code of Virginia and shall provide such assessment to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 15, 2026."

Explanation:

(This amendment provides language that streamlines certain statutory reporting requirements of the Office of the Department of Corrections Ombudsman and directs the Department of Corrections to assess the cost and feasibility of allowing confidential electronic communication from the Office to inmates who have submitted complaints.)

Item 60 #1c

Administration	**FY26-27**	**FY27-28**	
Compensation Board	$127,269	$127,269	GF

Language:

Page 52, line 14, strike "$685,058,201" and insert "$685,185,470".
Page 52, line 14, strike "$685,058,201" and insert "$685,185,470".
Page 55, line 6, strike each instance of "$2,042,314" and insert "$2,169,583".

Explanation:

(This amendment provides $127,269 each year from the general fund to cover recent cost increases in the Virginia Victim Information and Notification Everyday (VINE) services.)

Item 60 #2c

Administration	**FY26-27**	**FY27-28**

Compensation Board	($3,900,000)	($3,900,000)	GF

Language:

Page 52, line 14, strike "$685,058,201" and insert "$681,158,201".
Page 52, line 14, strike "$685,058,201" and insert "$681,158,201".

Explanation:

(This amendment redirects to other purposes $3.9 million GF each year proposed in the introduced budget to increase the minimum number of deputy sheriffs in each office from five to 10. A companion amendment in Item 67 adjusts the position table accordingly.)

Item 61 #1c

Administration	**FY26-27**	**FY27-28**	
Compensation Board	$75,000	$75,000	GF

Language:

Page 55, line 43, strike "$43,814,791" and insert "$43,889,791".
Page 55, line 43, strike "$43,814,791" and insert "$43,889,791".
Page 58, line 31, strike "$315,939" and "$315,939" and insert:
"$390,939" and "$390,939".

Explanation:

(This amendment provides $75,000 each year from the general fund to increase to $390,939 the amount provided to Nottoway County to reimburse their expense of confining residents of the Virginia Center for Behavioral Rehabilitation who are arrested for new offenses and held in Piedmont Regional Jail.)

Item 64 #1c

Administration	**FY26-27**	**FY27-28**	
Compensation Board	$329,320	$359,258	GF

Language:

Page 60, line 23, strike "$116,705,440" and insert "$117,034,760".
Page 60, line 23, strike "$116,705,440" and insert "$117,064,698".

Explanation:

(This amendment provides $329,320 the first year and $359,258 the second year from the general fund to restore state support for 50 Assistant Commonwealth's Attorneys and 15 support staff positions allocated by the Compensation Board in Commonwealth's Attorneys'

offices for which salaries were previously reduced due to budget reductions, and for which funding has not been restored.)

Item 64 #2c

Administration	**FY26-27**	**FY27-28**	
Compensation Board	$1,599,229	$1,744,614	GF

Language:

Page 60, line 23, strike "$116,705,440" and insert "$118,304,669".
Page 60, line 23, strike "$116,705,440" and insert "$118,450,054".

Explanation:

(This amendment provides $1.6 million GF the first year and $1.7 million GF the second year to reclassify paralegals in Commonwealth's Attorney offices to a higher administrative salary level, increasing the starting salary from $32,801 to $43,841.)

Item 65 #1c

Administration	**FY26-27**	**FY27-28**	
Compensation Board	$459,927	$510,937	GF

Language:

Page 63, line 5, strike "$81,741,987" and insert "$82,201,914".
Page 63, line 5, strike "$81,741,987" and insert "$82,252,924".

Explanation:

(This amendment provides $459,927 GF the first year and $510,937 GF the second year to provide the career development program salary incentive for 5.0 circuit court clerks and 94.0 deputy clerks that qualify, but for which insufficient funding is available.)

Item 67 #1c

Administration	**FY26-27**	**FY27-28**	
Compensation Board	$60,000	$0	GF

Language:

Page 66, line 44, strike "$5,815,548" and insert "$5,875,548".

Explanation:

(This amendment provides $60,000 the first year from the general fund to support system upgrades to the Local Inmate Data System (LIDS). These upgrades are necessary to implement the provisions of Chapter 685 (House Bill 861), which establishes reporting requirements for state, regional, and local correctional facilities related to pregnant and postpartum inmates.)

Item 67 #2c

Administration

Compensation Board Language

Language:

Page 67, line 22, strike each instance of "11,869" and insert "11,798".

Explanation:

(This amendment is a technical companion to an amendment in Item 60 that changes the number of positions in constitutional offices.)

Item 67 #3c

Administration

Compensation Board Language

Language:

Page 70, after line 39, insert:
"X. Effective July 1, 2026, the Compensation Board is authorized to withhold reimbursements due the locality or regional jail, as appropriate, for sheriff or regional jail administration and jail expenses upon notification from the Executive Director, Board of Local and Regional Jails, that the local or regional adult correctional facility failed to send the report required by subsection B, § 9.1-192.1, Code of Virginia, within 10 days of the individual's death. Upon subsequent notification by the Executive Director that the facility has submitted the report, the Compensation Board shall make reimbursement of withheld funding due the locality or regional jail, as appropriate, when such report is made within the same fiscal year that funds have been withheld."

Explanation:

(This amendment provides that the Compensation Board may withhold reimbursements due to local and regional jails for noncompliance with existing requirements to report deaths in custody to the State Board of Local and Regional Jails. This policy is similar to House Bill 80, 2026 Session of the General Assembly.)

Item 71 #1c

Administration	**FY26-27**	**FY27-28**	
Department of General Services	$1,792,510	$0	GF

Language:

Page 73, line 1, strike "$74,624,259" and insert "$76,416,769".
Page 74, after line 46, insert:
“I. The Department of General Services shall relocate and gift to the Shenandoah Valley Battlefields Foundation all Confederate monuments and memorials from Capitol Square, including the General Thomas J. "Stonewall" Jackson statue, unveiled in 1875; the Governor William "Extra Billy" Smith statue, unveiled in 1906; and the Dr. Hunter Holmes McGuire statue, unveiled in 1904."

Explanation:

(This amendment provides funding to the Department of General Services to relocate three confederate statues in Capitol Square for gifting to the Shenandoah Valley Battlefields Foundation.)

Item 71 #2c

Administration	
Department of General Services	Language

Language:

Page 73, line 21, strike "$15.50" and insert "$18.25".
Page 73, line 22, strike "$15.50" and insert "$18.25".
Page 73, after line 40, insert:
"5. All agencies invoiced by the Department of General Services (DGS) for rent shall pay such invoice within 30 days of receipt. The State Comptroller, at the request of the Director of DGS, shall transfer available funding from any agency that fails to pay its invoice in a timely manner to DGS. The Director of DGS shall have discretion to extend the payment deadline for any agency that can justify needing more time in order to generate funds to pay the rent to DGS."
Page 73, line 52, strike "5." and insert "6."

Explanation:

(This amendment increases the rent charged by the Department of General Services to state agencies for state-owned office space. A corresponding amendment in Central Appropriations provides funding for the state share of the increase in rent costs.)

Item 71 #3c

Administration

Department of General Services — Language

Language:

Page 74, line 13, after "3." insert:
"Unless otherwise established in subparagraph 4, below,"
4. In consultation with the Department of Planning and Budget, the Department of General Services (DGS) may determine a fair and reasonable rate to charge to capital projects for architectural, engineering, review, and inspection services provided by the Division of Engineering and Building. Any increases in the internal service fund rate shall be done with the intent to prevent delays to state construction projects, and shall be posted on the agency's website. As necessary, DGS may enter into a memorandum of agreement to pass through capital outlay funding to the State Fire Marshal Office for the required fire safety inspections of state-owned buildings that are undergoing construction and/or renovation."

Explanation:

(This language amendment authorizes the Department of General Services, in consultation with the Department of Planning and Budget, to determine a fair and reasonable rate to charge to capital projects for architectural, engineering, review, and inspection services provided by the Division of Engineering and Buildings, and to enter into a memorandum of agreement to pass through capital outlay funding to the State Fire Marshal Office for the required fire safety inspections of state-owned buildings that are undergoing construction and/or renovation.)

Item 74 #1c

Administration	**FY26-27**	**FY27-28**	
Department of Human Resource Management	($200,000)	$0	GF

Language:

Page 76, line 14, strike "$118,052,873" and insert "$117,852,873".

Explanation:

(This amendment removes $200,000 the first year from the general fund that was proposed in the Introduced Budget for a duplicative leadership academy.)

Item 74 #2c

Administration	**FY26-27**	**FY27-28**

Department of Human Resource Management	$350,000	$0	GF

Language:

Page 76, line 14, strike "$118,052,873" and insert "$118,402,873".
Page 78, after line 14, insert:
"J. Out of the amounts included in this appropriation, $350,000 from the general fund the first year is provided for the Department of Human Resource Management to examine the options for modernizing the Commonwealth's job classification system. In conducting its review the Department shall (i) consider and recommend a method to standardize the Commonwealth's system of classified job titles, (ii) review and update classified salary pay bands, and (iii) review and recommend redesigned base salary budgeting, base salary structure management, and job structure management. The Department shall complete its work and make recommendations to the Governor and General Assembly by November 30, 2026."

Explanation:

(This amendment includes $350,000 from the general fund in fiscal year 2027 and includes language requiring the Department to make recommendations regarding the Commonwealth's employee classification system.)

Item 74 #3c

Administration	**FY26-27**	**FY27-28**	
Department of Human Resource Management	$175,224 1.00	$175,224 1.00	GF FTE

Language:

Page 76, line 14, strike "$118,052,873" and insert "$118,228,097".
Page 76, line 14, strike "$117,376,823" and insert "$117,552,047".
Page 78, after line 14, insert:
"J. Out of this appropriation, $175,224 the first year and $175,224 the second year from the general fund is provided to effectuate the provisions of Chapters 786 and 787, 2026 Acts of Assembly."

Explanation:

(This amendment provides $175,224 each year from the general fund for the Department of Human Resource Management to hire an internship coordinator to place interns with state agencies.)

Item 74 #4c

Administration

Department of Human Resource Management Language

Language:

Page 76, line 41, after "affected agencies," insert:
"and with approval from the affected cabinet secretaries,".

Explanation:

(This amendment requires an agency's cabinet secretary to approve the agency joining the Shared Service Center operated by DHRM if the agency has fewer than 150 employees.)

Item 75 #1c

Administration

Administration of Health Insurance Language

Language:

Page 79, after line 35, insert:
"I. The Department of Human Resource Management (DHRM) shall, through its contracted actuary, evaluate pharmaceutical manufacturer programs and other contracting arrangements available to self-insured health insurance programs that are intended to reduce the costs of glucagon-like peptide-1 (GLP-1) receptor agonists and related therapies. The evaluation shall include: (i) a review of manufacturer-sponsored programs and any other contractual arrangements that are available; and (ii) an assessment of the fiscal impact and feasibility associated with participation in such programs or arrangements. DHRM shall project cost savings for such programs or contracting arrangements and shall be authorized to implement the program or arrangement with the greatest projected savings to the state health plan that also results in achieving the savings for the state health plan as included in House Bill 30, as introduced. If DHRM determines that such savings cannot be achieved, then DHRM shall be authorized to impose increased cost-sharing for GLP-1 drugs prescribed for weight loss and add additional restrictions on GLP-1 drugs to achieve the savings. Any changes to the state health plan pursuant to this paragraph requires 30 days prior notice to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees."

Explanation:

(This amendment directs the Department of Human Resource Management (DHRM) to evaluate pharmaceutical manufacturer programs and other contracting arrangements available to reduce the costs of glucagon-like peptide-1 (GLP-1) receptor agonists and related therapies. DHRM must project cost savings for such programs or contracting arrangements and is authorized to implement the program or arrangement with the greatest projected savings to the state health plan.)

Item 76 #1c

Administration	**FY26-27**	**FY27-28**	
Virginia Management Fellows	$200,000	$200,000	GF
Program Administration	2.00	2.00	FTE

Language:

Page 79, line 41, strike "$1,660,510" and insert "$1,860,510".
Page 79, line 41, strike "$1,660,510" and insert "$1,860,510".
Page 80, after line 10, insert:
"D. The Department of Human Resource Management is authorized to adjust the starting salary of the Management Fellows, effective July 25, 2026, for the newest cohort at that time. The starting salary shall be benchmarked to similar programs and positions to be competitive, but shall be limited to available funding.
E. The Department of Human Resource Management shall assess the need to create a salary step for the second year of the program for Management Fellows. In addition, the Department shall assess the capacity of the program to increase the typical cohort size and report any recommendations or funding needs to the advisory group established in this Item, which shall meet to consider the information prior to October 1, 2026."

Explanation:

(This amendment provides $200,000 each year from the general fund to increase support for the Virginia Management Fellows program. The position level is increased by two for a total of 20 positions to reflect the typical size of the cohorts in the program.)

Item 77 #1c

Administration	**FY26-27**	**FY27-28**	
Department of Elections	$615,000	$0	GF

Language:

Page 80, line 27, strike "$24,730,589" and insert "$25,345,589".
Page 81, after line 25, insert:
"H. Out of this appropriation, $615,000 the first year from the general fund is provided to support advertising costs with holding constitutional referenda pursuant to the provisions of Chapters 1, 2, 3, 4, 5 and 819, 2026 Acts of Assembly."

Explanation:

(This amendment provides $615,000 in fiscal year 2027 from the general fund to supports costs incurred by the Department of Elections for advertising constitutional referenda.)

Item 77 #2c

Administration	**FY26-27**	**FY27-28**	
Department of Elections	$137,500	$110,000	GF

Language:

Page 80, line 27, strike "$24,730,589" and insert "$24,868,089".
Page 80, line 27, strike "$21,394,303" and insert "$21,504,303".
Page 81, after line 25, insert:
"H. Out of this appropriation, $137,500 the first year and $110,000 the second year from the general fund is provided to effectuate the provisions of Chapters 876 and 1038, 2026 Acts of Assembly."

Explanation:

(This amendment provides $247,500 over the biennium from the general fund for the Department of Elections to participate in 3rd party voter registration data exchanges including the Electronic Registration Information Center.)

Item 77 #3c

Administration	**FY26-27**	**FY27-28**	
Department of Elections	$50,400	$0	GF

Language:

Page 80, line 27, strike "$24,730,589" and insert "$24,780,989".
Page 81, after line 25, insert:
"H. Out of this appropriation, $50,400 the first year from the general fund is provided to effectuate the provisions of Chapters 992 and 1081, 2026 Acts of Assembly."

Explanation:

(This amendment provides $50,400 in fiscal year 2027 from the general fund to the Department of Elections to restore the rights of incarcerated persons upon release.)

Item 77 #4c

Administration	**FY26-27**	**FY27-28**	
Department of Elections	$5,454	$2,954	GF

Language:

Page 80, line 27, strike "$24,730,589" and insert "$24,736,043".
Page 80, line 27, strike "$21,394,303" and insert "$21,397,257".
Page 81, after line 25, insert:
"H. Out of this appropriation, $5,454 the first year and $2,954 the second year from the general fund is provided to effectuate the provisions of Chapter 1039, 2026 Acts of Assembly."

Explanation:

(This amendment provides $8,408 over the biennium from the general fund for the Department of Elections to provide standardized identification badges to members of local electoral boards.)

Item 77 #5c

Administration	**FY26-27**	**FY27-28**	
Department of Elections	$286,131	$122,681	GF

Language:

Page 80, line 27, strike "$24,730,589" and insert "$25,016,720".
Page 80, line 27, strike "$21,394,303" and insert "$21,516,984".
Page 81, after line 25, insert:
"H. Out of this appropriation, $286,131 the first year and $122,681 the second year from the general fund is provided to effectuate the provisions of Chapter 1120, 2026 Acts of Assembly."

Explanation:

(This amendment provides $286,131 in fiscal year 2027 and $122,681 in fiscal year 2028 from the general fund for the Department of Elections to facilitate voter list maintenance as prescribed by Chapter 1120, 2026 Acts of Assembly.)

Item 77 #6c

Administration	**FY26-27**	**FY27-28**	
Department of Elections	$15,000	$15,000	GF

Language:

Page 80, line 27, strike "$24,730,589" and insert "$24,745,589".
Page 80, line 27, strike "$21,394,303" and insert "$21,409,303".
Page 81, after line 25, insert:
"H. Out of this appropriation, $15,000 the first year and $15,000 the second year from the general fund is provided to effectuate the provisions of Chapter 717, 2026 Acts of Assembly."

Explanation:

(This amendment provides $30,000 over the biennium from the general fund to the Department of Elections effectuate the provisions of Chapter 717, 2026 Acts of Assembly, which reduces the thresholds for providing election materials in different languages to increase voting accessibility.)

Item 80 #1c

Administration	**FY26-27**	**FY27-28**	
Virginia Information Technologies Agency	$2,600,000	$800,000	NGF

Language:

Page 83, line 31, strike "$25,322,123" and insert "$27,922,123".
Page 83, line 31, strike "$25,389,125" and insert "$26,189,125".
Page 83, strike lines 48 through 52 and insert:
"C.1. The Virginia IT Agency (VITA), in conjunction with the Office of Data Governance and Analytics (ODGA), has procured a cloud-based data analytics platform that collects, analyzes, interprets, and shares all opioid related data from relevant agencies across the Commonwealth. The data collected is managed securely and in compliance with all VITA and ODGA policies and regulations. This platform provides the comprehensive capture of de-identified substance use disorder and opioid public data across the Commonwealth, utilizing common methodologies, metrics, and indicators to implement a statewide substance use disorder abatement enterprise data platform.

2. VITA and ODGA shall enhance, maintain, and support the Commonwealth Substance Use Disorder and Analytics Platform (SUDA) that receives, maintains, and visualizes the SUDA data from the following agencies: Department of Medical Assistance Services, Department of Health, Opioid Abatement Authority (OAA), Department of Criminal Justice Services, Department of Behavioral Health and Developmental Services, Department of Social Services, Department of Corrections, Health Professions, and any other state agency that may house opioid related data or programs. VITA and ODGA shall solicit stakeholder involvement for future requirements from organizations that represent local governments and addiction service providers such as Virginia Association of Counties, Virginia Municipal League, Virginia Community Services Boards, and Virginia Association of Recovery Residences.

3. Out of this appropriation, $1,340,053 the first year and $1,407,55 the second year from the Commonwealth Opioid Abatement and Remediation (COAR) Fund is provided for the continued operation and maintenance of the SUDA platform, and $2,600,000 the first year and $800,000 the second year from the COAR Fund is provided for the procurement of services to expand and enhance the cloud-based data analytics platform. In this expansion, VITA shall integrate additional datasets relevant to substance use disorder and opioid public health concerns, including population social, economic, and environmental factors, VITA shall also develop advanced and predictive analytics tools within the platform to inform evidence-based

policy, intervention strategies, and support services. VITA shall facilitate the deployment of these data and analytical capabilities to authorized Commonwealth agencies and local and community service organizations to enhance statewide effectiveness in addressing and abating the opioid crisis."
Page 84, strike lines 1 through 16.

Explanation:

(This amendment provides $2.6 million the first year and $800,000 the second year in nongeneral fund appropriation to expand the capabilities of the Substance Use Disorder and Analytics Platform that is administered by VITA in concert with the state's mental health organizations to foster the sharing of opioid related data. Revenue to support this appropriation comes from the Commonwealth Opioid Abatement and Remediation (COAR) Fund.)

Item 84 #1c

Agriculture and Forestry	**FY26-27**	**FY27-28**	
Department of Agriculture and Consumer Services	$4,000,000	$0	GF

Language:

Page 89, line 12, strike "$8,794,330" and insert "$12,794,330".
Page 89, line 17, before "Out" insert "A."
Page 89, line 17, strike the first "$1,600,000" and insert "$4,600,000".
Page 89, after line 21, insert:
"B. Out of the amounts in this item, $1,000,000 the first year from the general fund to implement Virginia Fresh Match to grow the network of farmers markets and local food retailers that double the value of SNAP food assistance spent on fruits and vegetables for food insecure families."

Explanation:

(This amendment provides an additional $4 million the first year from the general fund to support the Virginia Agricultural Food Assistance Program and the implementation of Virginia Fresh Match.)

Item 85 #1c

Agriculture and Forestry	
Department of Agriculture and Consumer Services	Language

Language:

Page 89, line 35, after "Code of Virginia.", insert "Any funding remaining at the end of the fiscal year shall carryforward to the next fiscal year and be reappropriated for the same purpose."

Explanation:

(This amendment provides that general fund support for the Large Animal Veterinary Grant Program will carryforward to simplify administration of reimbursable grant agreements.)

Item 91 #1c

Agriculture and Forestry	**FY26-27**	**FY27-28**	
Department of Agriculture and Consumer Services	$412,296 4.00	$549,728 4.00	GF FTE

Language:

Page 92, line 26, strike "$4,355,741" and insert "$4,768,037".
Page 92, line 26, strike "$4,355,741" and insert "$4,905,469".

Explanation:

(This amendment provides $412,000 GF in the first year and 4.0 positions and $550,000 GF in the second year and 4.0 positions to support workload increases for the Department's Office of Weights and Measures related to the creation of an adult-use retail cannabis market.)

Item 92 #1c

Agriculture and Forestry	**FY26-27**	**FY27-28**	
Department of Agriculture and Consumer Services	$236,728 3.00	$315,637 3.00	GF FTE

Language:

Page 92, line 49, strike "$18,297,875" and insert "$18,534,603".
Page 92, line 49, strike "$18,297,875" and insert "$18,613,512".

Explanation:

(This amendment provides $237,000 GF in the first year and 3.0 positions and $316,000 GF in the second year and 3.0 positions to support workload increases for the Department's Food Safety and Security program related to the creation of an adult-use retail cannabis market.)

Item 99 #1c

Agriculture and Forestry	**FY26-27**	**FY27-28**	
Virginia Racing Commission	$1,000,000	$1,000,000	GF

Language:

Page 96, line 31, strike "$4,724,579" and insert "$5,724,579".
Page 96, line 31, strike "$4,724,579" and insert "$5,724,579".
Page 97, after line 44, insert:
"H. Out of the amounts in this Item, $1,000,000 the first year and $1,000,000 the second year from the general fund shall be distributed to support racing and equine events. Of that amount, $500,000 each year shall be provided to the Shenandoah Agricultural Foundation for harness racing at the Shenandoah County Fairgrounds and $500,000 each year shall be provided to the Great Meadow Foundation for steeplechase and other events."

Explanation:

(This amendment provides $1.0 million GF each year to support the Shenandoah Agricultural Foundation and the Great Meadow Foundation horse racing and equine events.)

Item 101 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Economic Development Incentive Payments	$1,500,000	$0	GF

Language:

Page 99, line 21, strike "$79,409,579" and insert "$80,909,579".
Page 102, after line 20, insert:
"S. Out of the appropriation in this Item, $1,500,000 the first year from the general fund is provided to the Virginia Economic Development Partnership Authority (the Authority) to continue support for a non-profit operating a pharmaceutical manufacturing facility in developing a fast-acting insulin. Prior to any funds being disbursed, pursuant to the existing Memorandum of Understanding (MOU) between the non-profit and the Authority, the company shall demonstrate a match of non-state funds equal to the amount provided in this paragraph. At the conclusion of the project, the company shall be required to report to the Authority on the: (i) jobs created as a result of the investment; (ii) estimated savings to residents of the Commonwealth from the purchase of low-cost insulin; and, (iii) estimated potential savings to the Commonwealth as a self-insured employer from the availability of affordable insulin manufactured at a non-profit facility in Virginia. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $1.5 million in fiscal year 2027 from the general fund for the Virginia Economic Development Partnership Authority to partner with a non-profit entity for the continued development of a fast-acting insulin. This funding would be in addition to $3.0 million provided from state resources for this purpose in fiscal year 2025.)

Item 101 #2c

Commerce and Trade	**FY26-27**	**FY27-28**	
Economic Development Incentive Payments	$0	($4,066,405)	GF

Language:

Page 99, line 21, strike "$100,427,863" and insert "$96,361,458".
Page 101, line 48, after "deposited" strike remainder of the line.
Page 101, strike lines 49 through 51, and insert:
"to the Precision Plastic Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.41, Code of Virginia."
Page 101, line 53, after "deposited" strike remainder of the line.
Page 101, strike line 54.
Page 102, strike lines 1 and 2, and insert:
"to the Active Pharmaceutical Ingredient Manufacturing Grant Fund for grants to be paid in accordance with Chapters 804 and 822, 2026 Acts of Assembly."
Page 102, line 4, after "deposited" strike remainder of the line.
Page 102, strike lines 5 through 7, and insert:
"to the Power Transformer Manufacturing Grant Fund for grants to be paid in accordance with Chapters 803 and 821, 2026 Acts of Assembly."
Page 102, line 9, after "deposited" strike remainder of the line.
Page 102, strike lines 10 through 12, and insert:
"to the Pharmaceutical Substance Manufacturing Grant Fund for grants to be paid in accordance with Chapters 808 and 809, 2026 Acts of Assembly."
Page 102, strike lines 13 through 16.
Page 102, line 17, strike "R." and insert "Q."
Page 102, line 18, after “deposited” strike remainder of the line.
Page 102, strike lines 19 through 20, and insert:
“to the Solid Rocket Motor Manufacturing Grant Fund for grants to be paid in accordance with Chapters 326 and 349, 2026 Acts of Assembly.”

Explanation:

(This amendment is technical in nature, and updates the references for several economic development incentive payments. It also removes funding provided in the second year for a previously anticipated economic development project that was recently announced for another state.)

Item 101 #3c

Commerce and Trade

Economic Development Incentive Payments Language

Language:

Page 101, after line 3, insert:
"3. Notwithstanding the provisions of § 2.2-2320.1, Code of Virginia, guidance, or criteria to the contrary, an airline providing international service at least twice a week to an international destination from a Virginia airport may receive an incentive not to exceed $500,000 if such service is year round, or not to exceed $300,000 if such service is seasonal."

Explanation:

(This amendment increases the maximum grant awards from the Governor's New Airline Service Incentive Fund to increase the number of international flights that originate from Virginia airports.)

Item 101 #4c

Commerce and Trade

Economic Development Incentive Payments Language

Language:

Page 102, after line 20, insert:
"S.1. The Secretary of Finance shall approve a 20-year, interest-free, state-supported treasury loan in an amount up to $40,000,000 to the City of Newport News to support a capital investment from the United States Navy related to housing infrastructure.

2. The Secretary of Finance shall approve and release the loan under the following conditions: (i) the United States Navy has committed sufficient resources to fund the project; (ii) the City has committed matching funds of cash or in-kind infrastructure improvements for the project equal to the treasury loan amount utilized up to $40,000,000; and (iii) that the proceeds from the treasury loan be drawn down at amounts equal to the in-kind or cash expenditures made by Newport News in support of this project.

3. Contingent upon the completion of the housing infrastructure project, a member of the General Assembly may request the cancelation of any remaining balance owed by the City of Newport News on the treasury loan through an amendment to the appropriations act."

Explanation:

(This amendment authorizes the Secretary of Finance to approve a treasury loan of up to $40.0 million for the City of Newport News to support a capital investment by the U.S. Navy.)

Item 101 #5c

Commerce and Trade	**FY26-27**	**FY27-28**	
Economic Development Incentive Payments	$5,000,000	$0	GF

Language:

Page 99, line 21, strike "$79,409,579" and insert "$84,409,579".
Page 102, after line 20, insert:
"S. Out of the appropriation in this Item, $5,000,000 the first year from the general fund shall be transferred to the Secretary of Commerce and Trade for disbursement to the City of Virginia Beach for the development of Atlantic Park. Such funding shall be contingent upon the execution of a Memorandum of Understanding between the Secretary of Commerce and Trade and the City of Virginia Beach. The funding may be applied to engineering, infrastructure, maintenance, and other related costs to facilitate development and expansion activities. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated. The funds provided in this paragraph shall not be used to supplant any existing appropriations from local, state, or federal entities for the development of Atlantic Park."

Explanation:

(This amendment provides $5.0 million in fiscal year 2027 from the general fund to the City of Virginia Beach for the continued development of Atlantic Park. Atlantic Park is a year-round district that includes a live entertainment and events venue, office space, housing, shopping and dining.)

Item 102 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$11,500,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$322,662,101".
Page 104, line 20, strike the first "$3,450,000" and insert:
"$14,950,000".

Page 104, line 25, after "Department." insert:
"The Department shall expand the program to underserved regions of the state including Northern Virginia. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides an additional $11.5 million in fiscal year 2027 from the general fund to the Virginia Eviction Reduction Program (VERP), which provides funding to local and regional eviction prevention programs to cover expenses for households facing eviction.)

Item 102 #2c

Commerce and Trade

Department of Housing and Community Development Language

Language:

Page 104, line 55, after “P.” insert “1.”

Page 105, after line 4, insert:

“2. Notwithstanding the provisions of Item 102, paragraph Q.2., Chapter 725, 2025 Acts of Assembly, guidance, or criteria to the contrary, the department in making grants to projects aligned with the purpose of paragraph Q.2., Item 102, Paragraph Q.2., Chapter 725, 2025 Acts of Assembly shall prioritize applications that are consistent with state floodplain management standards for state-owned buildings or local floodplain standards.”

Explanation:

(This amendment directs the Department of Housing and Community Development to prioritize applications that are consistent with state floodplain standards when awarding grants from the resiliency focused portion of the Virginia Disaster Assistance Fund authorized in the previous budget.)

Item 102 #3c

Commerce and Trade

Department of Housing and Community Development Language

Language:

Page 104, line 49, after "authorization." insert:
"Notwithstanding the provisions of Item 102, paragraph M.1. through M.7., Chapter 725, 2025 Acts of Assembly, guidance, or criteria to the contrary, the department may use up to $750,000

of the funds provided for the Manufactured Home Park Acquisitions Pilot Program to award grants to eligible groups as defined in Item 102, paragraph M.2., Chapter 725, 2025 Acts of Assembly to complete any necessary due diligence work necessary prior to making an offer on a manufactured home park."

Explanation:

(This amendment allows resources in the Manufactured Home Park Acquisitions Pilot Program to be used to fund due diligence work.)

Item 102 #4c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$161,000 1.00	$161,000 1.00	GF FTE

Language:

Page 102, line 31, strike "$311,162,101" and insert "$311,323,101".
Page 102, line 31, strike "$311,162,101" and insert "$311,323,101".
Page 105, after line 7, insert:
"R. Out of this appropriation, $161,000 the first year and $161,000 the second year from the general fund is provided for the Department of Housing and Community Development to create and maintain a registry of manufactured home park owners in the Commonwealth. The department shall develop a reporting document posted on its website that shall be submitted electronically by all manufactured home community owners or their registered agents to be kept by the department as proof of operations within the Commonwealth. The application shall contain the following information: (i) manufactured home community name; (ii) manufactured home community address; (iii) number of lots in the manufactured home community; (iv) individual or business name of the owner or onsite emergency contact of the manufactured home community; and (v) name of registered agent representing the owner in the Commonwealth, if any. Any manufactured home community operating in the Commonwealth shall register with the department. Should a registered owner seek to sell their community pursuant to § 55.1-1308.1 or 55.1-1308.2, Code of Virginia, the owner shall disclose the need to register the community under the new ownership at time of transfer of title to the manufactured home community. Should a registered owner seek to change the use of the manufactured home community as permitted in § 55.1-1308, Code of Virginia, the registered owner shall provide notice to the department of their intention to change the use of the property 180 days before the community ceases operations. Manufactured home communities currently operational in the Commonwealth on July 1, 2026 shall have 180 days to register with the Department of Housing and Community Development pursuant to the provisions of this paragraph. On or before, November 1, 2026, the department shall report to the General Assembly on: (i) the necessity of assessing a fee for the submission of applications to cover the department's administrative and storage costs associated with maintaining the manufactured home park registry; (ii) if

appropriate, a recommended registration fee amount; (iii) the necessity of a fine for manufactured home park operators that fail to register with the department to ensure compliance with this paragraph; and (iv) if appropriate, a recommended fine amount."

Explanation:

(This amendment provides $161,000 in each year from the general fund and authorization for the Department of Housing and Community Development to hire an employee to manage the registration of manufactured home park owners with the department.)

Item 102 #5c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$60,000,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$371,162,101".

Page 103, line 38, strike the first "$87,500,000" and insert "$127,500,000".

Page 103, after line 56, insert:

“4. The department shall convene a stakeholder workgroup to review and make recommendations regarding the administration of the Virginia Housing Trust Fund (the Trust Fund), including the allocation of funds across Trust Fund programs. The workgroup shall develop recommendations to support the Trust Fund's continued growth and optimization, including consideration of potential dedicated funding sources and innovative programs to address the evolving affordable housing needs across the Commonwealth. The department shall submit the workgroup's findings and recommendations to the General Assembly no later than November 1, 2026. The stakeholder workgroup shall include representatives of the following, to the extent practicable: awardees of all Virginia Housing Trust Fund programs; affordable housing developers; homeless service providers; tenants, with priority for those in housing supported by the Trust Fund; affordable housing advocates, including the Virginia Housing Alliance; relevant state agencies; staff to the House Appropriations and Senate Finance and Appropriations Committees; and other stakeholders as identified by the department.”

Page 105, after line 7, insert:

"R. Out of this appropriation, $20,000,000 the first year from the general fund is provided to effectuate the provisions of Chapters 1012, 1072, and 1037 of the 2026 Acts of Assembly. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment directs the Department of Housing and Community Development to convene a workgroup to examine the current uses of the Virginia Housing Trust Fund and provide recommendations on how best to optimize the resources in the Fund to address housing affordability, supply issues, and homelessness. It also provides an additional $40 million in fiscal year 2027 for deposit into the Fund, bringing total biennial support to $215 million. It also provides $20 million in fiscal year 2027 from the general fund for a two-year pilot program that will provide loan origination and servicing activities for mixed income housing.)

Item 102 #6c

Commerce and Trade

Department of Housing and Community Development — Language

Language:

Page 105, after line 7 insert:
"R. Notwithstanding the provisions of § 10.1 - 1330, Code of Virginia, the Department shall utilize $25,000,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) to support the implementation of weatherization projects consistent with the recommendations of the Income Qualified Energy Efficiency and Weatherization Task Force. It is the intent of the General Assembly that funds authorized for this purpose can be used until June 30, 2030."

Explanation:

(This amendment authorizes $25.0 million in unobligated balances in the Low-Income Energy Efficiency Program Fund to support weatherization projects consistent with the recommendations of the Income Qualified Energy Efficiency and Weatherization Task Force and extends such authorization through June 30, 2030.)

Item 102 #7c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$25,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$311,187,101".
Page 105, after line 7, insert:
"R. Out of this appropriation, $25,000 the first year from the general fund is provided to effectuate the provisions of Chapters 540 and 541, 2026 Acts of Assembly."

Explanation:

(This amendment provides $25,000 in fiscal year 2027 from the general fund to the Department of Housing and Community Development to support the work of the Income-Qualified Energy Efficiency and Weatherization Task Force created by Chapters 540 and 541, 2026 Acts of Assembly.)

Item 102 #8c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$261,000 2.00	$261,000 2.00	GF FTE

Language:

Page 102, line 31, strike "$311,162,101" and insert "$311,423,101".
Page 102, line 31, strike "$311,162,101" and insert "$311,423,101".

Explanation:

(This amendment provides $261,000 each year from the general fund and 2.0 positions for the fiscal impact of Chapter 1023, 2026 Acts of Assembly, which makes data available on new and existing housing developments in each locality.)

Item 102 #9c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$14,000,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$325,162,101".
Page 103, line 15, after "C." insert "1.".
Page 103, line 15, strike the first "$1,100,000" and insert:
"$14,100,000".
Page 103, after line 25, insert:
"2. Out of the amounts in this paragraph, $7,000,000 the first year is provided to the City of Charlottesville for the development of a transitional housing and life skills training facility to increase capacity to serve individuals and families experiencing homelessness in the community."
Page 103, line 26, strike the first "$675,000" and insert:
"$1,675,000".

Explanation:

(This amendment provides, from the general fund, an additional $6.0 million in the first year for

rapid rehousing efforts and an additional $1.0 million the first year of the biennium to Continuum of Care lead agencies to support their organizational capacity to serve the growing population of Virginians at risk of or experiencing homelessness. It also directs $7.0 million the first year to the City of Charlottesville for development of a transitional housing and life skills training facility for individuals and families.)

Item 102 #10c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$5,000,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$316,162,101".
Page 105, after line 7, insert:
"R. Out of this appropriation, $5,000,000 the first year from the general fund is provided to Prince William County to support the County's Affordable Housing Fund."

Explanation:

(This amendment provides $5.0 million in fiscal year 2027 from the general fund to support Prince William County's Affordable Housing Fund.)

Item 102 #11c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$200,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$311,362,101".
Page 105, after line 7, insert:
"R. Out of this appropriation, $200,000 the first year from the general fund is provided to the County of Fairfax for a partnership with the Herndon-Reston FISH program to offer rapid, flexible emergency assistance to individuals facing eviction."

Explanation:

(This amendment provides $200,000 in fiscal year 2027 from the general fund to Fairfax County to partner with the Herndon-Reston FISH program that works directly with families to avoid eviction.)

Item 102 #12c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$250,000	$0	GF

Language:

Page 102, line 31, strike "$311,162,101" and insert "$311,412,101".
Page 105, after line 7, insert:
"R. Out of this appropriation, $250,000 the first year from the general fund is provided to the City of Richmond for Housing Opportunities Made Equal to provide statewide education and outreach about the protected classes covered under Virginia's Fair Housing Law, and to investigate and enforce allegations of housing discrimination."

Explanation:

(This amendment provides $250,000 in fiscal year 2027 from the general fund to Housing Opportunities Made Equal to support education, outreach, and enforcement of Virginia's Fair Housing Law.)

Item 102 #13c

Commerce and Trade

Department of Housing and Community Development — Language

Language:

Page 104, line 55, after “P.” insert “1.”
Page 105, after line 4, insert:
“2. The department shall issue a contract for the purpose stated in Item 102, Paragraph Q.2.c., Chapter 725, 2025 Acts of Assembly by August 1, 2026.
3. As authorized in Item 102, Paragraph Q.2.c., Chapter 725, 2025 Acts of Assembly, an additional $200,000 in the first year shall be provided to extend the pilot program through June 30, 2027. An interim report detailing the pilot program launch will be submitted to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by November 1, 2026.”

Explanation:

(This amendment increases the amount allocated from the Disaster Assistance Fund for the pilot emergency communications program and extends the program through June 30, 2027.)

Item 102 #14c

Commerce and Trade

Department of Housing and Community Development — Language

Language:

Page 105, strike lines 5 through 7.

Explanation:

(This amendment removes language that diverts funding from the Low-Income Energy Efficiency Program Fund to the Department of Emergency Management. A companion amendment removes language receiving these funds under Item 399.)

Item 103 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	($140,000)	($140,000)	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$77,547,403".
Page 105, line 8, strike "$77,687,403" and insert "$77,547,403".
Page 107, line 41, strike "$1,139,000" and "$1,139,000" and insert:
"$999,000" and "$999,000".
Page 107, line 42, after "Program." insert:
"The Department is authorized to use up to forty percent of the funds provided in this paragraph each year to administer the program."
Page 107, line 43, strike "the Virginia Main Street program,".

Explanation:

(This amendment adjusts funding for the Virginia Main Street Program in each year of the biennium to ensure the state retains its accreditation with the Main Street America program.)

Item 103 #2c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$1,350,000	$0	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$79,037,403".

Page 112, after line 12, insert:
"X. Out of this appropriation, $1,350,000 the first year from the general fund is provided to the City of Petersburg to work with Petersburg City Public Schools, Virginia State University, and other community and non-profit partners to develop a state-of-the-art aquaponics food production, education, and research facility. The funding provided in this paragraph may be used for site selection, community engagement, master plan development, design, staffing, and launching aquaponics pilot programs with three public schools in the City of Petersburg. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $1.4 million in one-time funding to support the development of an aquaponics food production, education, and research facility in Petersburg.)

Item 103 #3c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$190,000	$190,000	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$77,877,403".
Page 105, line 8, strike "$77,687,403" and insert "$77,877,403".
Page 106, line 22, strike “$190,943” and insert “$380,943”.
Page 106, line 23, strike “$190,943” and insert “$380,943”.

Explanation:

(This amendment provides an additional $190,000 each year from the general fund for the Hampton Roads Planning District. The district serves as the hub for regional cooperation in Hampton Roads and provides services and promotes collaborations that result in cost savings and return on investment for the region.)

Item 103 #4c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$7,000,000	$0	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$84,687,403".

Page 112, after line 12, insert:
“X. Out of this appropriation, $7,000,000 the first year from the general fund is provided to the City of Portsmouth to support the Prentis Street transmission water main improvements project.”

Explanation:

(This amendment provides $7.0 million from the general fund the first year to the City of Portsmouth to support transmission water main improvements to increase reliability in the city's water distribution system, make the system more resilient, and eliminate risk for downtown Suffolk.)

Item 103 #5c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$25,000	$0	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$77,712,403".
Page 112, after line 12, insert:
"X. Out of this appropriation, $25,000 the first year from the general fund is provided to Loudoun County to support the work of the Sterling Foundation."

Explanation:

(This amendment provides $25,000 in fiscal year 2027 from the general fund for the Sterling Foundation that promotes and engages in community development activities.)

Item 103 #6c

Commerce and Trade

Department of Housing and Community Development — Language

Language:

Page 112, after line 12, insert:
“X. Notwithstanding the provisions of § 10.1 - 1330, Code of Virginia, the department shall utilize $1,480,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for Albemarle County to design and construct an accessible walking trail to connect Biscuit Run Park to the Monacan Indian Nation Tribute Park within the Southwood Mobile Home Park Redevelopment Project.”

Explanation:

(This amendment provides $1.5 million from the unobligated balances in the Low-Income Energy Efficiency Program Fund the first year to Albemarle County for a one-mile, accessible trail from the state-owned and locally-developed Biscuit Run Park to the newly-opened Monacan Indian Nation Tribute Park within the Southwood Mobile Home Park redevelopment project, a nonprofit-led, inclusive, mixed-income community.)

Item 103 #7c

Commerce and Trade

Department of Housing and Community Development Language

Language:

Page 108, line 1, strike "102" and insert "103".
Page 108, after line 49, insert:
"7. Out of the unobligated amounts in this paragraph, the Department may utilize up to $20,000,000 for the following purposes in paragraphs a. through c., listed in order of priority below:

a.1) The Department may establish a program to provide grants for unexpected costs incurred by broadband providers related to the expansion of broadband throughout the Commonwealth. Such “Broadband Deployment Awards” are intended for reimbursement of unexpected make ready costs incurred by providers of broadband service expanding service to unserved areas pursuant to a state or federal grant. For purposes of this paragraph “unexpected make ready costs” shall be limited to related utility pole replacements and mid-span pole installations; railroad crossings; and, where cost-effective, undergrounding of broadband lines.

2) The Department shall establish an application process for broadband providers to apply for such Broadband Deployment Awards. The intent of such awards is to mitigate broadband deployment-related costs that applicants have already paid or committed to paying, rather than making deployment contingent on receipt of a Broadband Deployment Award. Applicants shall be required to submit the following information: (i) the amount of the requested funding; (ii) documentation sufficient to establish that the applicant has already paid or committed to spending the money necessary to complete the broadband deployment; (iii) an explanation as to why the actual make ready costs were higher than anticipated when the provider sought state or federal grant funding; and (iv) any other information, protections, or criteria determined by the Department as necessary to effectuate the provisions of this subparagraph 7. In evaluating applications for Broadband Deployment Awards, the Department shall ensure that such Broadband Deployment Awards are not awarded to providers that unreasonably underestimated or underbid their make ready costs when seeking state or federal grants.

b. The Department may restore telecommunications infrastructure damaged by a storm that was

subsequently approved for a major disaster, as defined in § 44-146.16, Code of Virginia. This authorization shall only be permitted as a last resort and until such time that federal or additional state funds are available for such purpose.

c.1) The Department may establish a program to reimburse broadband providers for costs associated with relocating facilities located in public rights-of-way when such relocation is mandated by the Commonwealth or the federal government and such relocation includes infrastructure supported by a state general fund grant from the Virginia Telecommunications Intiative or federal funds. For purposes of this subparagraph 7, relocation expenses shall include, without limitation, relocation of broadband-related lines and facilities located along or across rights of way controlled by the Virginia Department of Transportation. This paragraph does not confer or imply a right to reimbursement of relocation expenses, only that such expenses are eligible for reimbursement at the Department's discretion.

2) The Department may develop and establish criteria and an application process for broadband providers to seek discretionary reimbursement for relocation expenses. The intent of such reimbursement is to ensure that reliable broadband service remains available throughout the Commonwealth and that providers are incentivized to maintain such service even in high-cost, low-customer density areas. Applicants for reimbursement shall be required to submit the following information: (i) information regarding the estimated or actual costs associated with the mandated re-location; (ii) the amount of broadband service locations that rely on the broadband facilities for service; (iii) the value of the facilities to be relocated; (iv) the age of the facilities to be relocated; and (v) any other information, protections, or criteria determined by the Department as necessary to effectuate the provisions of this subparagraph.

d. The Department shall work with the Virginia Department of Transportation to develop and implement an annual process identifying recently approved Virginia Telecommunications Initiative and Broadband Equity, Access and Deployment program projects against transportation projects in the annual Six-Year Improvement Program. The process is intended to help broadband providers avoid potential right of way conflicts as part of broadband project planning and pre- engineering activities. The annual process shall be completed no later than 90 days following adoption of the annual Six-Year Improvement Program, and to the best of its ability, the Department shall make grantees aware of its annual findings."

Explanation:

(This amendment authorizes the Department of Housing and Community Development to use up to $20.0 million in Virginia Telecommunications Initiative Funds for costs related to Make Ready work, forced relocation of broadband infrastructure, and destruction of broadband lines by a natural disaster.)

Item 103 #8c

Commerce and Trade	**FY26-27**	**FY27-28**

Department of Housing and Community Development	$7,000,000	$0	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$84,687,403".
Page 112, after line 12, insert:
"X. Out of this appropriation, $7,000,000 the first year from the general fund is provided to the Town of Dumfries to support the development of the U.S. Route 1 corridor. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $7.0 million the first year from the general fund for the Town of Dumfries to support redevelopment projects along the U.S. Route 1 corridor including pedestrian safety improvements, placemaking, and historic preservation activities.)

Item 103 #9c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Housing and Community Development	$15,000,000	$0	GF

Language:

Page 105, line 8, strike "$77,687,403" and insert "$92,687,403".
Page 112, after line 12, insert:
"X. Out of this appropriation, $15,000,000 the first year from the general fund is provided to the City of Richmond to support the demolition of the Richmond Coliseum."

Explanation:

(This amendment provides $15.0 million in fiscal year 2027 from the general fund for the City of Richmond to demolish the Richmond Coliseum.)

Item 109 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Energy	$2,000,000	$0	GF

Language:

Page 114, line 2, strike "$4,931,922" and insert "$6,931,922".
Page 114, after line 35, insert:
"F. Out of this appropriation, $2,000,000 the first year from the general fund is provided for the

Solar Interconnection Grant Program as established in Chapters 659 and 660, 2026 Acts of Assembly. The department may use up to fifteen percent of the funds provided in the paragraph for staffing in each year."

Explanation:

(This amendment provides $2.0 million the first year from the general fund to capitalize the Solar Interconnection Grant Program established by Chapters 659 and 660, 2026 Acts of Assembly. This program will provide competitive grants to localities to connect solar facilities to the grid.)

Item 109 #2c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Energy	$150,000	$150,000	GF

Language:

Page 114, line 2, strike "$4,931,922" and insert "$5,081,922".
Page 114, line 2, strike "$4,931,922" and insert "$5,081,922".
Page 114, after line 35, insert:
"F. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund is provided to support Chapters 361 and 362, 2026 Acts of Assembly."

Explanation:

(This amendment provides $150,000 in each year of the biennium from the general fund to support costs incurred by the Department of Energy for identifying and developing training resources for Virginia's offshore wind workforce pursuant to Chapters 361 and 362, 2026 Acts of Assembly.)

Item 109 #3c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Energy	$465,000	$465,000	GF

Language:

Page 114, line 2, strike "$4,931,922" and insert "$5,396,922".
Page 114, line 2, strike "$4,931,922" and insert "$5,396,922".
Page 114, after line 35, insert:
"F. Out of this appropriation, $465,000 the first year and $465,000 the second year from the general fund is provided to support Chapters 633 and 634, 2026 Acts of Assembly."

Explanation:

(This amendment provides funding for the Department of Energy to establish, launch, and administer the Smart Solar Permitting Platform by July 1, 2027, as required in Chapters 633 and 634, 2026 Acts of Assembly.)

Item 109 #4c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Energy	$625,000	$100,000	GF

Language:

Page 114, line 2, strike "$4,931,922" and insert "$5,556,922".
Page 114, line 2, strike "$4,931,922" and insert "$5,031,922".
Page 114, after line 35, insert:
"F. Out of this appropriation, $625,000 the first year and $100,000 the second year from the general fund is provided to support Chapters 694, 695, 874, 997, and 1042, 2026 Acts of Assembly and updates to the Virginia Energy Plan."

Explanation:

(This amendment provides $625,000 GF the first year and $100,000 GF the second year for the Department of Energy to update the Virginia Energy Plan and support the additional workload for the agency resulting from Chapters 694, 695, 874, 997, and 1042, 2026 Acts of Assembly.)

Item 109 #5c

Commerce and Trade	**FY26-27**	**FY27-28**	
Department of Energy	$5,000,000	$5,000,000	GF

Language:

Page 114, line 2, strike "$4,931,922" and insert "$9,931,922".
Page 114, line 2, strike "$4,931,922" and insert "$9,931,922".
Page 114, after line 35, insert:
“F. Out of this appropriation, $5,000,000 the first year and $5,000,000 the second year from the general fund is provided to capitalize the Virginia Clean Energy Bank established in Chapters 1125 and 1126, 2026 Acts of Assembly. Out of the amounts in this paragraph, the Department may use up to $923,000 in each year for staffing and administration of the Clean Energy Innovation Bank. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.”

Explanation:

(This amendment provides $5.0 million in each year from the general fund to effectuate the provisions of Chapters 1125 and 1126, 2026 Acts of Assembly creating the Clean Energy Innovation Bank. These funds are in addition to nongeneral funds the Department received from the sale of Renewable Energy Certificates.)

Item 113 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Economic Development Partnership	$500,000	$500,000	GF

Language:

Page 117, line 29, strike "$60,413,402" and insert "$60,913,402".
Page 117, line 29, strike "$60,413,402" and insert "$60,913,402".
Page 119, strike lines 29 through 55.
Page 120, strike lines 1 through 20, and insert:
"S.1. Out of this appropriation, $6,500,000 the first year and $6,500,000 the second year from the general fund is provided to support employer-focused activities that further the goal of providing all postsecondary students in Virginia with one or more paid internships during their undergraduate course of study. These activities include: (i) administering the matching grant program for certain employers of higher education related student interns as provided in S.2.; (ii) coordinating with regional partners to support employers seeking to initiate or expand employment of higher education related student interns in a region; and (iii) measuring and reporting program participation and progress toward identified goals through the Virginia Office of Education and Labor Market Alignment. The Authority, in coordination with the State Council of Higher Education for Virginia, shall convene a stakeholder group from business, industry, education, economic and workforce development, and government, including the following primary partners for employer engagement: Virginia Chamber of Commerce; Virginia Business Higher Education Council; and other statewide local government and non-profit education partners to design these activities. At the recommendation of the stakeholder group, the Authority may enter into a Memorandum of Understanding (MOU) with Virginia Works to carry out the activities listed in this paragraph; however, the Authority shall remain the fiscal agent for these activities. Such amounts to be authorized will be subject to annual approval by the Board of the Virginia Economic Development Partnership Authority.
2. The Authority shall provide for implementation of a program of matching grants for small and midsize Virginia-based employers that hire undergraduate student interns and shall establish criteria for the grants in consultation with the partners identified in paragraph S.1. of this Item. Such criteria shall include: (i) a limitation of eligibility to for-profit business, nonprofit organizations, and local governments excluding institutions of higher education, with physical operations and facilities in Virginia and 150 or fewer Virginia-based employees; (ii) certification of employer eligibility by the Authority following a training program of reasonable duration and agreement by the employer to reasonable mentoring and reporting obligations; (iii)

a limitation of grant awards to reimbursement, not to exceed $7,500 per higher education related internship, for a maximum of one-half of wages, including FICA, and workplace subsidies, including transportation, housing, and other internship-related expenses, paid to or for the benefit of a student participating in a qualifying internship; (iv) the minimum and maximum number of hours required to ensure the student gains valuable work experience; (v) a limitation of the qualifying number of higher education related internships per employer; and (vi) the maximum timeframe for employers to be eligible to receive the grants. Prioritization of grant awards may consider employers of 50 or fewer employees, for private and non-profit employers. Priority shall be given to smaller units of local government; however, the 50 employee threshold shall not apply to them. Local governments shall be exempt from the employee requirement of clause (i.) of this paragraph. The Authority may provide other services to employers, including arranging for one or more staffing agencies to provide services related to higher education related intern recruitment and placement, but eligibility for matching grants shall not be conditioned on an employer's engagement with or use of such staffing agency or other services. Local government awards shall be limited to ten percent of total funding set aside by the Authority for employer matching grants.

3. The Authority may employ a program administrator, contract for professional services related to marketing and communications, and take such other actions within its existing authority as it deems appropriate to accomplish the purposes of this paragraph and facilitate the partnerships and collaboration described herein. All activities and amounts are subject to annual approval by the Board of the Virginia Economic Development Partnership Authority.

4. The Authority shall cooperate with the State Council of Higher Education for Virginia and identified partners in carrying out the responsibilities of the Council identified in Item 133 I. of this act and shall formalize this cooperation through a MOU.

5. Notwithstanding any provision of law, the senior leader responsible for the internship program identified in Item 113 S. may serve as a designee for the President of the Virginia Economic Development Partnership as specified in § 23.1-200 C, Code of Virginia.

6. Out of the amounts in this paragraph, $500,000 the first year is provided for the MOVE Chamber, in partnership with the Authority and the Virginia Community College System, to develop and implement a pilot program to provide internship and apprenticeship opportunities with existing Virginia businesses for at least 1,000 students and recent graduates of the Virginia Community College System in Artificial Intelligence, Data Science, and Cybersecurity over the next three years. This program will be delivered by the MOVE Chamber of Tysons, Virginia."

Explanation:

(This amendment provides an additional $1.0 million over the biennium for the Internship Virginia program managed by the Virginia Economic Development Partnership Authority and allows local governments to apply for matching grants to help offset the costs of providing internship opportunities to college students.)

Item 113 #2c

Commerce and Trade

Virginia Economic Development Partnership — Language

Language:

Page 120, after line 20, insert:
"T.1. Notwithstanding § 2.2-2240 of the Code of Virginia, the Virginia Economic Development Partnership Authority shall report quarterly to the General Assembly on any nonstock corporation established by the Board pursuant to § 2.2-2240. The report shall include, but not be limited, to the following:
a. All planned and actual revenue, budgeted expenditures, and actual expenditures along with funding sources;
b. Expenditures by activity, including program administration compared to budgeted activities;
c. Cash balances by funding source, and a report, by activity, of available, committed and projected expenditures of all cash balances; and,
d. Authority staff time utilized for the nonstock corporation, included amounts reimbursed from the nonstock corporation for staff work and state funds contributed to the annual salary and benefits of each Authority staff member working for the nonstock corporation.
2. This report shall be submitted no later than one month after the close of each calendar quarter."

Explanation:

(This amendment directs the Virginia Economic Development Partnership Authority to report quarterly on the activities of any nonstock corporation established pursuant to the Board of the Authority.)

Item 114 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Tourism Authority	$100,000	$0	GF

Language:

Page 120, line 25, strike "$31,385,719" and insert "$31,485,719".
Page 121, line 1, strike the first "$4,250,000" and insert:
"$4,350,000".
Page 121, line 7, after "Virginia," insert:
"$100,000 the first year to the Blue Highway Festival".
Page 121, after line 21, insert:
"4. It is the intent of the General Assembly that the amounts in this paragraph provided for the Blue Highway Festival shall be provided in its entirety in the first quarter of the fiscal year."

Explanation:

(This amendment provides $100,000 in fiscal year 2027 from the general fund to support the Blue Highway Festival, held annually in Big Stone Gap, Virginia.)

Item 114 #2c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Tourism Authority	$200,000	$0	GF

Language:

Page 120, line 25, strike "$31,385,719" and insert "$31,585,719".
Page 121, line 1, strike the first "$4,250,000" and insert:
"$4,450,000".
Page 121, line 7, after "Virginia," insert:
"$200,000 the first year to the Virginia Sports Hall of Fame".
Page 121, after line 21, insert:
"4. It is the intent of the General Assembly that the amounts in this paragraph provided for the Virginia Sports Hall of Fame shall be provided in its entirety in the first quarter of the fiscal year."

Explanation:

(This amendment provides $200,000 in fiscal year 2027 from the general fund to support the Virginia Sports Hall of Fame.)

Item 114 #3c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Tourism Authority	$1,500,000	$1,500,000	GF

Language:

Page 120, line 25, strike "$31,385,719" and insert "$32,885,719".
Page 120, line 25, strike "$26,385,719" and insert "$27,885,719".
Page 122, after line 17, insert:
"Q. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided for the Virginia Tourism Authority to develop a marketing campaign to attract out of state visitors from Black, Indigenous, and Hispanic communities."

Explanation:

(This amendment provides $3.0 million over the biennium from the general fund for the Virginia Tourism Authority to launch a media campaign to bring travelers from Black,

Indigenous, and Hispanic communities to the state.)

Item 114 #4c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Tourism Authority	$1,000,000	$0	GF

Language:

Page 120, line 25, strike "$31,385,719" and insert "$32,385,719".
Page 121, line 1, strike the first "$4,250,000" and insert:
"$5,250,000".
Page 121, line 7, after "Virginia," insert:
"$1,000,000 the first year to the Museum of Black Women Innovators".
Page 121, after line 21, insert:
"4. It is the intent of the General Assembly that the amounts in this paragraph provided for the Museum of Black Women Innovators shall be provided in its entirety in the first quarter of the fiscal year."

Explanation:

(This amendment provides $1.0 million in fiscal year 2027 from the general fund to support the Museum of Black Women Innovators.)

Item 114 #5c

Commerce and Trade	
Virginia Tourism Authority	Language

Language:

Page 122, line 15, after "P." insert "1."
Page 122, line 17, after "Virginia." insert:
"It is the intent of the General Assembly that the amounts in this paragraph provided for the Virginia Sports Incentive Grant Program be provided in its entirety in the first quarter of the fiscal year."
Page 122, after line 17, insert:
"2. Out of the amounts in this paragraph, $3,000,000 the first year from the general fund is provided for sponsorship and partnership with and promotion of the 2027 LIV Golf Tournament hosted in Gainesville, Virginia at the Robert Trent Jones Golf Club. Out of the amounts in this paragraph, $500,000 the first year is provided for sponsorship and promotion of a globally broadcasted golf tournament held in GO Virginia Regions 1, 2, or 8 in 2026."

Explanation:

(This amendment maintains $5.0 million the first year from the general fund for the Virginia Sports Incentive Grant Program from the introduced budget and directs $3.5 million of these funds to support two golf tournaments in the Commonwealth.)

Item 115 #1c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Innovation Partnership Authority	($32,000,000)	$0	GF

Language:

Page 122, line 21, strike "$76,786,965" and insert "$44,786,965".
Page 127, line 19, after "reappropriated." insert:
"Notwithstanding Item 115, paragraph P., Chapter 725, 2025 Acts of Assembly, the University of Virginia may revise its MOU with the Authority to direct unobligated resources provided by paragraph P. of Item 115, Chapter 725, 2025 Acts of Assembly, to the completion of the physical structure that will serve as the Virginia Institute for Biotechnology. The updated MOU shall include a provision that requires the University of Virginia to offset any state funds used to complete the Virginia Institute for Biotechnology building with private philanthropic, university, or nonstate funds directed to the recruitment of research faculty for the Institute in equal amounts."
Page 127, line 20, strike "$35,000,000" and insert "$3,000,000".
Page 127, line 22, after "development" insert:
", which may include completion of the physical structure that will serve as the Virginia Institute for Biotechnology".
Page 127, line 25, after "funding" strike “, which shall equal at least $70,000,000”.
Page 127, line 27, after "sciences." insert:
"The University of Virginia and the Authority may amend an existing MOU to satisfy the requirements of this paragraph."
Page 127, line 34, after "balances." insert:
"The MOU shall include a provision that requires the University of Virginia to offset any state funds used to complete the Virginia Institute for Biotechnology building with private philanthropic, university, or nonstate funds directed to the recruitment of research faculty for the Institute in equal amounts."

Explanation:

(This amendment provides $3.0 million GF for the continued development of the Virginia Institute for Biotechnology in Charlottesville, Virginia, bringing total general fund support for the effort to $85.5 million.)

Item 115 #2c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Innovation Partnership Authority	$6,000,000	$0	GF

Language:

Page 122, line 21, strike "$76,786,965" and insert "$82,786,965".
Page 127, line 35, after "Q." insert "1."
Page 127, after line 44, insert:
"2. Out of the appropriation in this Item, $6,000,000 the first year from the general fund is provided for Virginia Polytechnic Institute and State University's Patient Research Center. Virginia Polytechnic Institute and State University shall enter into a Memorandum of Understanding (MOU) with the Virginia Innovation Partnership Authority (VIPA) that includes (i) performance metrics for the state's investments; (ii) sources of private philanthropic, university, and other funding; (iii) the research specialization of the initiative; (iv) opportunities for joint research projects and clinical trials; and (v) commitments to non-competition for research in life sciences. Virginia Polytechnic Institute and State University and the Authority may amend an existing MOU to satisfy the requirements of this paragraph. These amounts shall remain unallotted by the Director of the Department of Planning and Budget until such time as an executed MOU has been received from VIPA. On or before August 1 of each year, upon the signature of the MOU, Virginia Polytechnic Institute and State University shall submit information on the financial performance of the initiative to the Virginia Innovation Partnership Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances."

Explanation:

(This amendment provides $6.0 million in fiscal year 2027 from the general fund to support Virginia Tech's Patient Research Center, bringing total general fund support to $32.5 million.)

Item 115 #3c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Innovation Partnership Authority	$3,000,000	$0	GF

Language:

Page 122, line 21, strike "$76,786,965" and insert "$79,786,965".
Page 127, line 45, after "R." insert "1."
Page 127, after line 54, insert:
"2. Out of the appropriation in this Item, $3,000,000 the first year from the general fund is provided for Virginia Commonwealth University's Medicines for All Institute. Virginia

Commonwealth University shall enter into a Memorandum of Understanding (MOU) with the Virginia Innovation Partnership Authority (VIPA) that includes (i) performance metrics for the state's investments; (ii) sources of private philanthropic, university, and other funding; (iii) the research specialization of the initiative; (iv) opportunities for joint research projects and clinical trials; and (v) commitments to non-competition for research in life sciences. Virginia Commonwealth University and the Authority may amend an existing MOU to satisfy the requirements of this paragraph. These amounts shall remain unallotted by the Director of the Department of Planning and Budget until such time as an executed MOU has been received from VIPA. On or before August 1 of each year, upon the signature of the MOU, Virginia Commonwealth University shall submit information on the financial performance of the initiative to the Virginia Innovation Partnership Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances."

Explanation:

(This amendment provides $3.0 million in fiscal year 2027 from the general fund for Virginia Commonwealth University's Medicines for All Institute, bringing total general fund support to $16.0 million.)

Item 115 #4c

Commerce and Trade	**FY26-27**	**FY27-28**	
Virginia Innovation Partnership Authority	$125,000	$0	GF

Language:

Page 122, line 21, strike "$76,786,965" and insert "$76,911,965".
Page 127, line 10, strike the first "$125,000" and insert "$250,000".

Explanation:

(This amendment provides additional funding for the Virginia Academy of Engineering, Science, and Medicine to expand the Commonwealth of Virginia Engineering and Science Fellowship program and to produce scientific briefs.)

Item 115 #5c

Commerce and Trade	
Virginia Innovation Partnership Authority	Language

Language:

Page 128, strike lines 9 through 14.

Page 128, line 15, strike "U." and insert "T."

Explanation:

(This amendment removes the authorization of the Authority to coordinate artificial intelligence development among institutions of higher education.)

Item 118 #1c

Education: Elementary and Secondary

Department of Education, Central Office Operations — Language

Language:

Page 135, after line 1, insert:
"K. The Department of Education shall, after consultation with the local schools currently utilizing Children's Services Act (CSA) funds for transitional services, as defined in § 2.2-5211 of the Code of Virginia, issue guidance regarding how local school divisions can utilize CSA funds for transition services. Such guidance shall be issued by July 1, 2027.
L. The Department of Education shall, no later than December 1, 2026, make recommendations to the Chairs of the Senate Finance and Appropriations Committee, Health and Human Resources Subcommittee, and the House Appropriations Health and Human Resources Subcommittee on (i) removing barriers to using funds provided for Students with Intensive Support Needs including additional recommended uses of Students with Intensive Support Needs funds that would allow children to remain in their public school and (ii) how the department will make the Students with Intensive Support Needs application process less cumbersome. Such recommendations shall address concerns raised by local education agencies as noted in the department's report to the Office of Children's Services."

Explanation:

(This amendment provides language ensuring that the Department of Education (i) issues guidance on how localities can use existing authority to transition students back to public schools from private day placements and (ii) recommend how the Students with Intensive Support Needs funding and application process could be more flexible and used to keep students at risk of private day placements in their public school setting.)

Item 118 #2c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Department of Education, Central Office Operations	$190,000	$0	GF

Language:

Page 132, line 45, strike "$22,572,909" and insert "$22,762,909".

Explanation:

(This amendment provides $190,000 the first year from the general fund to support the cost of legislation passed during the 2026 General Assembly session, including Chapters 586, 855, 869, and 936.)

Item 120 #1c

Education: Elementary and Secondary

Department of Education, Central Office Operations — Language

Language:

Page 136, after line 21, insert:
"D. The Department of Education shall develop and submit a detailed plan for the state's school improvement program by November 15, 2026 to the Board of Education and the chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees.

E. The Department of Education shall annually develop a status report that includes updates on key school improvement program activities, available and needed resources, program performance, and student and school outcomes. This report shall be submitted annually to the Board of Education and the chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees no later than December 1 each year."

Explanation:

(This amendment implements recommendation 10 from the December 2025 JLARC Report, *Virginia's K-12 Accountability System*.)

Item 120 #2c

Education: Elementary and Secondary

Department of Education, Central Office Operations — Language

Language:

Page 136, after line 21, insert:
"D. The Department of Education, in collaboration with school divisions, shall review participation in the Community Eligibility Provision statewide, including (i) reasons for non-participation among schools with Identified Student Percentages between 25.0 and 40.0 percent with a focus on those with an Identified Student Percentage between 35.0 and 40.0 percent, (ii)

a summary of the financial benefits that schools or divisions participating in the Community Eligibility Provision have realized, and (iii) recommendations for encouraging participation, including cost estimates for each option. The Department shall report to the Chairs of the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance and Appropriations by March 1, 2027."

Explanation:

(This amendment directs the Department of Education to review participation in the Community Eligibility Provision statewide and provide a report by March 1, 2027.)

Item 121 #1c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Department of Education, Central Office Operations	$5,138,000	$0	GF

Language:

Page 136, line 22, strike "$18,993,043" and insert "$24,131,043".
Page 137, after line 3, insert:
"6.a. Out of this appropriation, $5,138,000 the first year from the general fund is provided for the continued implementation of a statewide learning management system (LMS) and resources. b. The Department of Education shall establish a workgroup to explore long-term funding options to support school division usage, Virtual Virginia activities, and professional learning support. The workgroup should consist of representatives from participating school divisions, Virtual Virginia, and the Virginia Community College System to review impacts to dual enrollment and two-year matriculation, equitable access to high school and college credit courses along with viable funding possibilities. The workgroup shall consider a funding model whereby a fee schedule is developed for school divisions to subscribe to LMS services through a statewide contract administered through Virtual Virginia. The workgroup shall report to the Chairs of the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance and Appropriations by December 1, 2026."

Explanation:

(This amendment provides $5.1 million GF the first year to support a statewide learning management system. Language directs the Department of Education to establish a workgroup to explore long-term funding options and report by December 1, 2026.)

Item 123 #1c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**

Department of Education, Central Office Operations	($1,500,000)	($500,000)	GF

Language:

Page 137, line 41, strike "$31,040,859" and insert "$29,540,859".
Page 137, line 41, strike "$30,040,859" and insert "$29,540,859".
Page 139, strike lines 18 through 28.

Explanation:

(This amendment saves $1.5 million the first year and $500,000 the second year in general funds by eliminating an early childhood initiative proposed in the introduced budget and redirects funds to other initiatives.)

Item 123 #2c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Department of Education, Central Office Operations	$974,530 3.50	$514,360 3.50	GF FTE

Language:

Page 137, line 41, strike "$31,040,859" and insert "$32,015,389".
Page 137, line 41, strike "$30,040,859" and insert "$30,555,219".

Explanation:

(This amendment provides $974,530 the first year and $514,360 the second year from the general fund and 3.5 positions each year to support the cost of legislation passed during the 2026 General Assembly session, including Chapters 287, 288, 347, 545, 546, 573, 574, 891, 917, 943, and 1110.)

Item 123 #3c

Education: Elementary and Secondary

Department of Education, Central Office Operations — Language

Language:

Page 139, after line 28, insert:
"N. The Department of Education shall review funding for regional career and technical education schools, including (i) identifying funding sources and amounts for such schools and (ii) proposing recommendations and estimated costs for alternative funding mechanisms, including but not limited to a similar mechanism as Academic Year Governor's Schools. The Department shall report on the findings of the review to the Chairs of the House Appropriations

Committee and the Senate Finance and Appropriations Committee by December 1, 2026."

Explanation:

(This amendment provides language directing the Department of Education to report on the funding sources and amounts for regional career and technical education schools and propose recommendations and estimated costs for alternate funding models, including but not limited to a mechanism similar to Academic Year Governor's Schools. A report to the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee is due by December 1, 2026.)

Item 123 #4c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Department of Education, Central Office Operations	$1,000,000	$250,000	GF

Language:

Page 137, line 41, strike "$31,040,859" and insert "$32,040,859".
Page 137, line 41, strike "$30,040,859" and insert "$30,290,859".
Page 139, after line 28, insert:
"N. Out of this appropriation, $1,000,000 the first year and $250,000 the second year from the general fund is provided to support the Joint Subcommittee on Elementary and Secondary Education Funding. The Superintendent of Public Instruction shall issue a Request for Proposals (RFP) for a contractor to support the development of a new funding formula. The RFP shall be subject to the approval of a majority of the House members and a majority of the Senate members of the Joint Subcommittee on Elementary and Secondary Education Funding. The Superintendent shall ensure continued collaboration between the contractor, the Joint Subcommittee, and the Department of Planning and Budget."

Explanation:

(This amendment provides $1.0 million the first year and $250,000 the second year from the general fund for the Joint Subcommittee on Elementary and Secondary Education Funding's continued work on JLARC recommendations. Language allows the funding to be used for a contractor to support the work of the Joint Subcommittee.)

Item 123 #5c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Department of Education, Central Office Operations	$56,611	$61,551	GF

Language:

Page 137, line 41, strike "$31,040,859" and insert "$31,097,470".
Page 137, line 41, strike "$30,040,859" and insert "$30,102,410".
Page 138, line 7, strike the first instance of “$79,000” and insert “$135,611”.
Page 138, line 7, strike the second instance of "$79,000” and insert “$140,551”.

Explanation:

(This amendment provides additional funding for membership dues for the Department to participate in the Interstate Compact on Educational Opportunity for Military Children.)

Item 124 #1c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$300,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,293,467".
Page 141, after line 27 insert:
"Big Free Bookstore $300,000 $0".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $300,000 the first year from the general fund is provided to support the Big Free Bookstore operated by REACH, Inc. in Norfolk."

Explanation:

(This amendment provides $300,000 the first year from the general fund to support the Big Free Bookstore program operated by REACH to provide new books, school supplies, and resources for at-risk and homeless children in Coastal Virginia.)

Item 124 #2c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$1,500,000	$1,500,000	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$54,493,467".
Page 139, line 41, strike "$52,235,967" and insert "$53,735,967".
Page 141, line 13, strike each instance of "$2,281,000” and insert "$3,781,000”.
Page 142, line 31, strike "$2,281,000 the first year and $2,281,000 the second year" and insert "$3,781,000 the first year and $3,781,000 the second year".
Page 142, line 34, strike “$708,000 the first year and $708,000 the second year” and insert “$2,208,000 the first year and $2,208,000 the second year”.

Page 142, line 53, after “hours.” insert: "Scholarships may be used to assist with expenses incurred during the supervised clinical practice required for licensure."

Explanation:

(This amendment provides an additional $1.5 million each year from the general fund to support teaching scholarship loans. Language specifies that scholarship money may be used to assist with expenses during the supervised clinical practice required for licensure.)

Item 124 #3c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$300,000	$300,000	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,293,467".
Page 139, line 41, strike "$52,235,967" and insert "$52,535,967".
Page 141, after line 27, insert: "Virginia Museum of History and Culture $300,000 $300,000”.
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided to the Virginia Museum of History and Culture to support the Civics Connects program for middle school-aged children in the Commonwealth.”

Explanation:

(This amendment provides $300,000 each year from the general fund for the Virginia Museum of History and Culture to support the Civics Connects program to improve civics education in alignment with the civics and economics Standards of Learning (SOLs).)

Item 124 #4c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$500,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,493,467".
Page 140, after line 3, insert: "AED/CERP Grants $500,000 $0”.
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $500,000 the first year from the general fund is provided for grants, administered by the Department of Education, to high-need public elementary and secondary schools to assist such schools with the purchase of Automated External Defibrillators for the development and/or implementation of a cardiac emergency response plan (CERP) to

further promote CERP preparedness.”

Explanation:

(This amendment provides $500,000 the first year from the general fund to support grants, administered by the Department of Education, to high-need public elementary and secondary schools to assist in the purchase of Automated External Defibrillators (AED) for the development or implementation of Cardiac Emergency Response Plans (CERP) to further promote CERP preparedness.)

Item 124 #5c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$2,000,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$54,993,467".
Page 140, after line 3, insert: "AI Innovation in Education Pilot Program $2,000,000 $0”.
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $2,000,000 the first year from the general fund is provided to support the AI Innovation in Education Pilot Program. The Department shall administer the Program and develop guidelines. Funding may be used to support the adoption of artificial intelligence software, programs, and training. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for the same purpose in fiscal year 2028."

Explanation:

(This amendment provides $2.0 million the first year from the general fund to support the AI Innovation in Education Pilot Program, pursuant to Chapters 937 and 943, 2026 Acts of Assembly. Language requires the Department of Education to administer the programs and establish guidelines, and specifies that funds may be used to support the adoption of artificial intelligence software, programs, and training.)

Item 124 #6c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$193,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,186,467".
Page 141, after line 20, insert: "Virginia Girl Scout Legislative Coalition $193,000 $0”.
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $193,000 the first year from the general fund is provided to the

Virginia Girl Scout Legislative Coalition to support youth mental wellness programs for girl scouts in the Nation's Capital Council, Colonial Coast Council, Commonwealth of Virginia Council, and Virginia's Skyline Council. Each council shall receive $43,250 to develop “patch” programs and hold mental health summits.”

Explanation:

(This amendment provides $193,000 the first year from the general fund to the Virginia Girl Scout Legislative Coalition to support youth mental wellness programs.)

Item 124 #7c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$300,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,293,467".
Page 141, line 27, strike the first "$1,300,000" and insert "$1,600,000".
Page 146, line 24, strike the first "$1,300,000" and insert "$1,600,000".

Explanation:

(This amendment provides $300,000 the first year from the general fund for a one-time supplement for the Wolf Trap Foundation for the Performing Arts, for total support of $1.6 million in the first year.)

Item 124 #8c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$900,000	$900,000	GF

Language:

Page 139, line 40, strike "$52,993,467" and insert "$53,893,467".
Page 139, line 40, strike "$52,235,967" and insert "$53,135,967".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $900,000 the first year and $900,000 the second year from the general fund is provided to support the Diplomas for All Program at the Goodwill Industries of the Valley's Excel Center to help adults earn high school diplomas and workforce credentials."

Explanation:

(This amendment provides $900,000 GF each year to support the Diplomas for All Program at the Goodwill Industries of the Valley's Excel Center to help adults earn high school diplomas and workforce credentials.)

Item 124 #9c

Education: Elementary and Secondary

Direct Aid to Public Education — Language

Language:

Page 152, line 15, strike "Pilot".

Explanation:

(This language amendment removes the "pilot" status of the Community Builders Program consistent with legislation passed during the 2026 General Assembly Session.)

Item 124 #10c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$250,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,243,467".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $250,000 the first year from the general fund is provided to the Boys and Girls Club of the Northern Neck to support the Northumberland Youth and Teen Clubhouse."

Explanation:

(This amendment provides $250,000 GF the first year to the Boys and Girls Club of the Northern Neck to support the Northumberland Youth and Teen Clubhouse.)

Item 124 #11c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$500,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,493,467".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $500,000 the first year from the general fund is provided to DonorsChoose to administer a grant program consisting of individual grants of supplies valued at no more than $750 per grant for Virginia public school teachers, within their first two years

of service, to obtain supplies and materials for their classrooms or school operations."

Explanation:

(This amendment provides $500,000 GF the second year to DonorsChoose to administer a grant program for Virginia public school teachers within their first two years of service to obtain supplies and materials for their classrooms or school operations.)

Item 124 #12c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$350,000	$350,000	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,343,467".
Page 139, line 41, strike "$52,235,967" and insert "$52,585,967".
Page 140, line 9, strike "$850,000" and "$850,000" and insert:
"$1,200,000" and "$1,200,000".
Page 149, line 5, strike "$850,000" and "$850,000" and insert:
"$1,200,000" and "$1,200,000".

Explanation:

(This amendment provides $350,000 each year from the general fund to increase support for Blue Ridge PBS to $1.2 million annually.)

Item 124 #13c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$500,000	$0	GF

Language:

Page 139, line 40, strike "$52,993,467" and insert "$53,493,467".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $500,000 the first year from the general fund is provided to the Virginia Alliance of YMCAs to support the continuation of the partnership between the YMCA of South Hampton and Virginia Beach Public Schools. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for the same purpose in fiscal year 2028."

Explanation:

(This amendment provides $500,000 GF the first year to the Virginia Alliance of YMCAs to continue the partnership between the YMCA of South Hampton and Virginia Beach Public

Schools.)

Item 124 #14c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$250,000	$0	GF

Language:

Page 139, line 40, strike "$52,993,467" and insert "$53,243,467".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $250,000 the first year from the general fund is provided to the Blue Ridge Partnership for Health Science Careers to support the cost of a feasibility study for the establishment of a Regional Public Biomedical Sciences High School."

Explanation:

(This amendment provides $250,000 GF the first year for the Blue Ridge Partnership for Health Science Careers to conduct a feasibility study for the establishment of a Regional Public Biomedical Sciences High School, embedded in a K–12 education-to-employment pipeline, located on the Virginia Tech Carilion Riverside medical campus.)

Item 124 #15c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$4,100,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$57,093,467".
Page 152, after line 32, insert:
“EEE. Out of this appropriation, $4,100,000 the first year from the general fund is provided to Rockingham County Public Schools to support career and technical education programs, including equipment.”

Explanation:

(This amendment provides $4.1 million GF the first year to support career and technical education programs in Rockingham County Public Schools.)

Item 124 #16c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$100,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,093,467".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $100,000 the first year from the general fund is provided for Virginia Outdoor Education Program grants. These grants are provided by the Department to assist school divisions seeking to develop outdoor learning spaces to enhance student learning about the environment. The Department of Education shall establish guidelines for implementation of the program including the application process and award criteria."

Explanation:

(This amendment provides $100,000 GF the first year for grants to school divisions to develop outdoor learning spaces.)

Item 124 #17c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$750,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,743,467".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $750,000 the first year from the general fund is provided to Hanover County Public Schools for the Hanover Center for Trades and Technology to purchase equipment."

Explanation:

(This amendment provides $750,000 GF the first year to support the purchase of equipment for a career and technical education facility in Hanover County.)

Item 124 #18c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$5,000,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$57,993,467".
Page 140, line 21, strike the first "$2,500,000" and insert "$7,500,000".
Page 151, line 41, strike "$2,500,000 the first year and insert "$7,500,000 the first year".
Page 151, line 47, after "practices." insert:
"These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be

reappropriated for expenditure for the same purpose in fiscal year 2028."

Explanation:

(This amendment provides an additional $5.0 million the first year from the general fund for Community Schools Development and Implementation Planning Grants, bringing the total appropriation to $7.5 million GF the first year.)

Item 124 #19c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$200,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,193,467".
Page 141, after line 27 insert:
"New Chesapeake Men for Progress Education Foundation $200,000 $0".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $200,000 the first year from the general fund is provided to support the New Chesapeake Men for Progress Education Foundation to provide mentoring for young men in the community and enhanced services for underserved youth."

Explanation:

(This amendment provides $200,000 the first year from the general fund to support the New Chesapeake Men for Progress Education Foundation to provide mentoring for young men in the community and enhanced services for underserved youth.)

Item 124 #20c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$950,000	$950,000	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,943,467".
Page 139, line 41, strike "$52,235,967" and insert "$53,185,967".
Page 140, line 41, strike "$250,000" and "$250,000" and insert:
"$1,200,000" and "$1,200,000".
Page 151, line 5, strike "$250,000" and "$250,000" and insert:
"$1,200,000" and "$1,200,000".

Explanation:

(This amendment provides $950,000 each year from the general fund to increase support for

PBS Appalachia to $1.2 million annually. This additional support aligns PBS Appalachia with support provided for other Virginia PBS stations and supports its role as the production arm for southwest Virginia.)

Item 124 #21c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$500,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,493,467".
Page 141, after line 27, insert "REACH Virginia $500,000 $0."
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $500,000 the first year from the general fund is provided for REACH Virginia to provide teacher retention services to Virginia public school divisions."

Explanation:

(This amendment provides $500,000 the first year from the general fund to support REACH Virginia to provide teacher retention and mentorship services.)

Item 124 #22c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$342,935	$342,935	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,336,402".
Page 139, line 41, strike "$52,235,967" and insert "$52,578,902".
Page 140, line 27, strike "$1,157,065" and "$1,157,065" and insert:
"$1,500,000" and "$1,500,000".
Page 149, line 45, strike "$1,157,065" and "$1,157,065" and insert:
"$1,500,000" and "$1,500,000".

Explanation:

(This amendment provides $342,935 each year from the general fund to increase support for the Dolly Parton Imagination Library to $1.5 million annually.)

Item 124 #23c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**

Direct Aid to Public Education	$200,000	$0	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,193,467".
Page 141, after line 27, insert:
RFK Outreach - Cyber Bus $200,000 $0".
Page 152, after line 32, insert:
"EEE. Out of this appropriation, $200,000 the first year from the general fund is provided to RFK Outreach to support the purchase of equipment for a mobile cyber education bus."

Explanation:

(This amendment provides $200,000 in fiscal year 2027 from the general fund to RFK Outreach to support the purchase of mobile cyber education bus equipment to expand access to cybersecurity, AI literacy, and digital safety training in Hampton Roads.)

Item 124 #24c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$100,000	$100,000	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,093,467".
Page 139, line 41, strike "$52,235,967" and insert "$52,335,967".
Page 140, line 53, strike each instance of "$150,000" and insert "$250,000".
Page 151, line 24, strike "$150,000 the first year and $150,000 the second year" and insert "$250,000 the first year and $250,000 the second year".

Explanation:

(This amendment provides an additional $100,000 each year from the general fund for Reck League, bringing the total appropriation to $250,000 GF each year.)

Item 124 #25c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$750,000	$750,000	GF

Language:

Page 139, line 41, strike "$52,993,467" and insert "$53,743,467".
Page 139, line 41, strike "$52,235,967" and insert "$52,985,967".
Page 141, line 15, strike each instance of "$2,850,000" and insert "$3,600,000".
Page 146, line 41, strike "$2,850,000 the first year and $2,850,000 the second year" and insert

"$3,600,000 the first year and $3,600,000 the second year".
Page 146, line 50, strike “$1,100,000 the first year and $1,100,000 the second year” and insert “$1,850,000 the first year and $1,850,000 the second year”.

Explanation:

(This amendment provides an additional $750,000 each year from the general fund to support the Richmond Teacher Residency Program to sustain essential operational costs and ensure the continued preparation of highly effective teachers for Virginia's hard-to-staff schools. This brings the total appropriation for the Richmond program to $1.85 million GF each year.)

Item 125 #1c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$9,999,998	$0	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,405,866,093".
Page 154, line 12, strike "Regional Tuition" and insert:
"Students with Intensive Support Needs Application".
Page 154, line 12, strike "$102,686,265" and insert "$112,686,265".

Page 176, line 20, strike "b." and insert "b.1)"
Page 176, line 22, strike "$102,686,265" and insert "$112,686,265".
Page 176, line 23, strike "tuition rates for approved public Special Education".
Page 176, line 24, strike “Regional Tuition school programs” and insert: “eligible costs reported for services to students qualifying through the Students with Intensive Support Needs Application (SISNA)”.
Page 176, line 25, strike “the tuition rates” and insert “these costs”.
Page 176, after line 25, insert:
"2) (i) The Department of Education is directed to expand the disability categories eligible for payments through this program. To select expanded disability categories, the Department shall consider students with complex behavioral needs that otherwise would be referred to private day school placements.
(ii) Of this amount, $10,000,000 the first year shall be prioritized for payments to serve students through the expanded disability categories. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for expenditure for the same purpose in fiscal year 2028.
3) The Department of Education shall annually report for the SISNA program the total and per pupil local and state costs for the program and the number of students served, disaggregated by school division and primary disability category. For the purpose of this report, the number of students and per pupil costs shall be adjusted to reflect length of enrollment in the program.

Such report shall be posted to the Department's website annually beginning no later than December 1, 2026."

Explanation:

(This amendment provides $10.0 million the first year from the general fund to serve additional special education students in public school settings by expanding the disability categories eligible for tuition reimbursement through the Department of Education’s Student with Intensive Support Needs Application (SISNA) program, with a goal to reduce the number of students referred to CSA-funded private day school programs. The amendment also updates the name of the program from Special Education Regional Tuition to SISNA and establishes annual reporting requirements for students served through the program. A companion amendment in the Office of Children’s Services establishes a similar report.)

Item 125 #2c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$127,226,801	$260,688,253	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,523,092,896".
Page 152, line 33, strike "$11,253,671,960" and insert "$11,514,360,213".
Page 168, line 21, strike "$382,547" and insert "$765,060".
Page 168, line 22, strike "$772,166" and insert "$1,560,466".

Page 168, line 23, strike each instance of "2.0" and insert "4.0".
Page 179, line 38, strike "$605,964" and insert "$1,211,938".
Page 179, line 39, strike "$1,237,529" and insert "$2,499,538".

Page 179, line 41, strike each instance of "2.0" and insert "4.0".
Page 184, line 27, strike "$126,238,320" and insert "$252,476,642".
Page 184, line 27, strike "$253,615,840" and insert "$512,253,786".
Page 184, line 30, strike "2.0" and insert "4.0".

Page 184, line 32, strike "2.0" and insert "4.0".
Page 184, line 36, strike "2.0" and insert "4.0".
Page 184, line 37, strike "2.0" and insert "4.0".
Page 184, line 39, strike "2.0" and insert "4.0".
Page 184, line 44, strike "2.0" and insert "4.0".
Page 184, line 45, strike "2.0" and insert "4.0".
Page 184, line 50, strike "$605,964" and insert "$1,211,938".
Page 184, line 50, strike "$1,237,529" and insert "$2,499,538".
Page 184, line 52, strike "$382,547" and insert "$765,060".

Page 184, line 52, strike "$772,166" and insert "$1,560,466".
Page 185, line 2, strike "2.0" and insert "4.0".
Page 185, line 3, strike "2.0" and insert "4.0".
Page 185, line 3, strike "4.04" and insert "8.16".

Explanation:

(This amendment provides $127.2 million GF the first year and $260.7 million GF the second year to increase teacher salaries by 2.0 in each year of the biennium, bringing the total teacher salary increase to 4.0 percent each year when combined with the Governor's introduced budget.)

Item 125 #3c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$9,783,542	$7,773,227	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,405,649,637".
Page 152, line 33, strike "$11,253,671,960" and insert "$11,261,445,187".
Page 153, line 12, strike "$5,093,805,805" and insert "$5,081,689,347".
Page 153, line 12, strike "$5,026,924,454" and insert "$5,017,297,681".
Page 153, line 13, strike "$1,858,500,000" and insert "$1,880,400,000".
Page 153, line 13, strike "$1,905,700,000" and insert "$1,923,100,000".

Explanation:

(This amendment provides $9.8 million GF the first year and $7.8 million GF the second year to reflect the net impact of reforecast sales tax revenues and a corresponding offset to basic aid. An additional $21.9 million in the first year and $17.4 million in the second year in K-12 dedicated sales tax revenues are projected, resulting in a corresponding reduction of basic aid of $12.4 million the first year and $9.6 million in the second year.)

Item 125 #4c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$0	$2,546,401	GF

Language:

Page 152, line 33, strike "$11,253,671,960" and insert "$11,256,218,361".
Page 153, line 12, strike "$5,026,924,454" and insert "$5,023,770,855".
Page 153, line 13, strike "$1,905,700,000" and insert "$1,911,400,000".

Explanation:

(This amendment provides $2.5 million GF the second year to reflect the net impact of anticipated sales tax revenues resulting from legislation authorizing the retail sale of cannabis and a corresponding offset to basic aid. An additional $5.7 million in the second year in K-12 dedicated sales tax revenues are projected from cannabis sales, resulting in a corresponding reduction of basic aid of $3.2 million the second year.)

Item 125 #5c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$74,375,111	$74,011,971	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,470,241,206".
Page 152, line 33, strike "$11,253,671,960" and insert "$11,327,683,931".
Page 153, line 18, strike "$61,969,181" and "$61,681,332", and insert:
"$136,344,292" and "$135,693,303".
Page 166, line 42, strike "4.75" and "5.25" and insert:
"9.25" and "17.5".

Explanation:

(This amendment provides $74.4 million the first year and $74.0 million the second year from the general fund to increase the add-on rates applied to basic aid for special education students from (i) 4.75 percent to 9.25 percent for Level I students and (ii) 5.25 percent to 17.5 percent for Level II students. This increases the total amount of the add-on from $62.0 million to $136.3 million in fiscal year 2027 and from $61.7 million to $135.7 million in fiscal year 2028.)

Item 125 #6c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$60,000,000	$0	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,455,866,095".
Page 183, line 14, strike "$276,361,277" and insert "$336,361,282".
Page 183, line 16, strike "$419.83" and insert "$510.98".

Explanation:

(This amendment provides an additional $60.0 million GF the first year to infrastructure and operations per pupil funding.)

Item 125 #7c

Education: Elementary and Secondary

Direct Aid to Public Education — Language

Language:

Page 156, line 12, after “d.” insert: “If a local school division determines that a substantial error exists in a constituent index element used to calculate the local composite index for the upcoming biennium, the division shall notify the Department of Education no later than December 31 of the year that the Department of Education published the local composite index values for the upcoming biennium.”
Page 156, line 12, strike “When it is determined” and insert “If the Department of Education confirms”.
Page 156, line 13, strike “for the current school year”.

Explanation:

(This amendment provides clarity on when a local school division may request corrections to data used to calculate the local composite index.)

Item 125 #8c

Education: Elementary and Secondary

Direct Aid to Public Education — Language

Language:

Page 168, line 30, after "formula." insert:
"The Department of Education shall take this desired number of student slots into account when determining the approved number of slots."

Explanation:

(This amendment directs the Department of Education to consider the number of slots each school division applied for when distributing slots for Regional Alternative Education.)

Item 125 #9c

Education: Elementary and Secondary

Direct Aid to Public Education — Language

Language:

Page 167, line 18, after "training" strike "and".
Page 167, line 19, after "absenteeism" insert:
"; and initiatives to support both the physical and mental health of students in public schools, including the hiring of licensed practical nurses, registered nurses, and advanced practice registered nurses".

Explanation:

(This amendment expands the permitted uses for At-Risk Add-On funds to include initiatives to support both the physical and mental health of students as provided in Chapters 49 and 50, 2026 Acts of Assembly.)

Item 125 #10c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$8,613,646	$8,971,319	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,404,479,741".
Page 152, line 33, strike "$11,253,671,960" and insert "$11,262,643,279".
Page 180, line 4, strike “$10,962,824” and insert “$19,576,470”.
Page 180, line 4, strike “$11,418,036” and insert “$20,389,355”.
Page 180, line 9, strike “$0.28” and insert “$0.50”.
Page 181, after line 3, insert:
“d. Divisions and individual schools are encouraged to use funds provided in this section to explore participation in the Community Eligibility Provision."

Explanation:

(This amendment provides $8.6 million GF the first year and $9.0 million GF the second year to increase the per meal reimbursement amount for school breakfast from $0.28 to $0.50 to increase participation in the school breakfast program. A companion language amendment directs the Department of Education to review participation in the Community Eligibility Provision statewide.)

Item 125 #11c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	($9,999,998)	$0	GF
	$9,999,998	$0	NGF

Language:

Page 161, line 53, strike "$885,725,168" and insert "$895,725,168".

Page 161, at the end of line 54, insert "Of the amounts in the first year, $10,000,000 are residual profits from fiscal year 2026."

Explanation:

(This amendment supplants $10.0 million from the general fund the first year with $10.0 million from the Lottery Proceeds Fund to reflect estimated fiscal year 2026 residual profits.)

Item 125 #12c

Education: Elementary and Secondary

Direct Aid to Public Education — Language

Language:

Page 179, after line 53, insert:
“j. Notwithstanding § 22.1-26, Code of Virginia, or any other provision of law, any academic year Governor's School established pursuant to § 22.1-26, Code of Virginia, shall be subject to approval by the General Assembly, and shall be included in the introduced budget bill pursuant to § 2.2-1509, Code of Virginia."

Explanation:

(This language amendment provides that the creation of any new Governor's Schools will be subject to General Assembly approval.)

Item 125 #13c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$14,474,824	$14,376,767	GF

Language:

Page 152, line 33, strike "$11,395,866,095" and insert "$11,410,340,919".
Page 152, line 33, strike "$11,253,671,960" and insert "$11,268,048,727".
Page 166, line 45, strike "$785,857,850" and insert "$800,332,674".
Page 166, line 45, strike "$792,497,223" and insert "$806,873,990".
Page 167, line 3, strike "37.0" and insert "37.85".

Explanation:

(This amendment provides $14.5 million GF the first year and $14.4 million GF the second year to increase the maximum At-Risk Add-On to 48.85 percent each year.)

Item 126 #1c

Education: Elementary and Secondary

Direct Aid to Public Education — Language

Language:

Page 194, after line 25, insert:
“G. Notwithstanding 8VAC-20-780, or any other requirement in state law or regulation, the Superintendent of Public Instruction shall have the authority to alter staff-to-child ratios and group sizes for licensed child day centers and child day centers that participate in the Child Care Subsidy Program or Mixed Delivery Grant Program by increasing the number of children per staff by (1) one child for groups of children from birth to the age of eligibility to attend public school, and (2) two children for groups of children from the age of eligibility to attend public school through 12 years. Child day centers that take advantage of this flexibility must notify families in writing of the temporary increase in ratios and group size. This authority and any resultant waiver of state law or regulation shall expire June 30, 2028. The Superintendent of Public Instruction shall ensure that any action taken under this provision is permissible under federal requirements.”

Explanation:

(This amendment provides language allowing the Superintendent of Public Instruction to alter staff-to-child ratios to provide additional flexibility when necessary.)

Item 126 #2c

Education: Elementary and Secondary	**FY26-27**	**FY27-28**	
Direct Aid to Public Education	$25,000,000	$0	GF

Language:

Page 187, line 17, strike "$691,911,494" and insert "$716,911,494".
Page 187, after line 47, insert
”**Employee Child Care Assistance Pilot Program**
General Fund $25,000,000 $0".

Page 194, after line 25, insert:
"G. Funds are provided for the Employee Child Care Assistance Pilot Program administered by the Virginia Early Childhood Foundation (Foundation).
1. In establishing guidelines for the Program, the Foundation shall: (i) limit eligibility for state contributions for slots serving households with income at or below 100 percent of the state

median income; (ii) establish a schedule of expected family copayments not to exceed 5 percent of household income for households with income at or below 300 percent of the federal poverty level and between 5 percent and 7 percent of family income for households with incomes between 85 percent and 100 percent of the state median income; and (iii) provide that the state match does not exceed 40 percent of the cost of the slot remaining after application of family copayments. Upon approval of the Early Childhood Care and Education Commission, income eligibility and family copayment rates may be adjusted for areas of the state where the area median income exceeds the state median income; however in no case shall income eligibility requirements in such areas exceed the area median income.
2. Program funds shall be provided on a first-come, first-served basis. The Foundation is encouraged to prioritize participation of small businesses and serving a variety of employers and employees representing each Ready Region.
3. For the purpose of the Program, "Eligible mixed delivery provider" means a child day center or family day home that has been selected or identified to deliver mixed delivery services through a local agreement with the relevant regional entity established pursuant to subsection D of § 22.1-289.05 of the Code of Virginia, "Employer" means an employer with at least one employee who works in the Commonwealth in each of 20 or more calendar weeks in the current or preceding calendar year, and "Small business" means an employer with fewer than 50 employees.
4. The Foundation shall provide an initial progress report to the General Assembly by December 1, 2026.
5. Program reporting shall include anticipated expenditures for the Program through June 30, 2030 based on projected demands and costs and detail on additional payors."

Explanation:

(This amendment provides $25.0 million GF the first year to support the Employee Child Care Assistance Program, as established in Chapters 545 and 546, 2026 Acts of Assembly.)

Item 131 #1c

Education: Higher Education

State Council of Higher Education for Virginia — Language

Language:

Page 201, line 19, strike "November 1" and insert "December 15".
Page 201, line 19, after "programs", insert "as of November 15".

Page 201, after line 24, insert:
"K. 1. The State Council of Higher Education for Virginia (SCHEV), in collaboration with the Department of Veterans Services (DVS) and public colleges and universities, shall collect and

report by December 15 of each year data related to the Virginia Military Survivors and Dependents Education Program (VMSDEP) as follows:
a. Approved and active beneficiaries by eligibility category:

1) Veterans with 90 percent disability

2) Veterans with 100 percent disability

3) Gold star beneficiaries

b. Beneficiary classification, reported as aggregate institutional totals:

1) Spouses and dependents

2) Combat and noncombat qualifying service

3) Eligibility pathway, including qualification through DD-214 or through 5 year VA residency

4) Residency status at eligibility determination

c. Enrollment and academic utilization:

1) Total number of people approved for VMSDEP Eligibility

2) Total number of enrolled VMSDEP beneficiaries

3) Aggregate counts of full and part time students

4) Aggregate counts of enrolled beneficiaries by remaining semesters of eligibility

5) Major upon graduation-what degree was conferred

d. For each public college and university:

1) Total VMSDEP funding allocation

2) Distribution of said allocation

2. As part of the data collection, SCHEV will ensure an audit of the data is conducted by the Auditor of Public Accounts and include in the annual report the result of the audits for the previous two years.

3. SCHEV and DVS will prepare a glossary of terms for the financial aid offices at each public college and university.

4. DVS and all public colleges and universities shall cooperate with SCHEV in the execution of its responsibilities under this item."

Explanation:

(This amendment establishes a new reporting requirement for the State Council of Higher Education for Virginia, the Department of Veterans Services, and public universities related to the Virginia Military Survivors and Dependents Education Program (VMSDEP). It specifies

required data to be reported and requires an APA audit of the data. It also changes the date of an existing VMSDEP reporting requirement from November 1 to December 15.)

Item 131 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	($75,000,000)	($75,000,000)	NGF

Language:

Page 196, line 46, strike "$373,888,512" and insert "$298,888,512".
Page 196, line 46, strike "$376,358,512" and insert "$301,358,512".
Page 201, line 11, after "fund" strike the remainder of the line.
Page 201, line 12, strike "second year from nongeneral funds"
Page 201, strike lines 21-24

Explanation:

(This amendment removes authorization for the use of nongeneral fund resources to support tuition waiver programs. The introduced budget proposed nongeneral fund support for these tuition waiver programs from actuarial surplus amounts of the Defined Benefit 529 Programs under the Commonwealth Savers Plan.)

Item 131 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	$75,000	$75,000	GF

Language:

Page 196, line 46, strike "$373,888,512" and insert "$373,963,512".
Page 196, line 46, strike "$376,358,512" and insert "$376,433,512".
Page 197, after line 28, insert:
"d. Out of the amounts included in this item, $75,000 the first year and $75,000 the second year from the general fund is designated to expand and create new certificate and academic pathways to address workforce gaps for skilled technical workers in aerospace related fields through the Virginia Space Grant Consortium."

Explanation:

(This amendment increases funding for Virginia Space Grant Consortium scholarships for skilled technical workers.)

Item 131 #4c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	$9,450,000	$2,650,000	GF

Language:

Page 196, line 46, strike "$373,888,512" and insert "$383,338,512".
Page 196, line 46, strike "$376,358,512" and insert "$379,008,512".
Page 200, line 11, strike "$23,750,000" and insert "$33,200,000".
Page 200, line 11, strike "$37,350,000" and insert "$40,000,000".
Page 200, line 15 after "institutions.", insert "Data should be collected on currently eligible programs and all other short-term, career-focused training programs
offered at comprehensive community colleges, excluding employer-sponsored workforce training, in the same manner as currently collected for eligible programs. Data will be provided to the Office of Labor Market Alignment annually for analysis".
Page 200, after line 23, insert:
"6. To the greatest extent possible, institutions shall submit reimbursement requests within 60 days of program completion by the student; credential reimbursement shall be submitted within 90 days of program completion unless otherwise excepted by the Council. All annual data must be submitted by November 1 of the following fiscal year to ensure the annual report can be written and validated ahead of the start of the General Assembly session in January.

7. By August 1 of each year, the participating institutions shall each submit to SCHEV a projection plan for the awarding of program funds, including a list of new program offerings, which programs from the prior year will not be offered, and institution plans for instances where funds are projected to be exhausted prior to end of the fiscal year."

Explanation:

(This amendment increases funding for the New Economy Workforce Credential Grant Program and establishes additional requirements for participating institutions. Additional funding is needed to maintain the participating institutions' current programs and begin addressing the backlog of high demand programs.)

Item 131 #5c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	$9,500,000	$9,500,000	GF

Language:

Page 196, line 46, strike "$373,888,512" and insert "$383,388,512".

Page 196, line 46, strike "$376,358,512" and insert "$385,858,512".
Page 197, line 13, strike the first "$112,325,881" and insert "$121,825,881".
Page 197, line 13, strike the second "$112,325,881" and insert "$121,825,881".
Page 198, line 41, after "11.", strike "All" and insert:
"Out of this appropriation, $6,750,000 the first year and $6,750,000 the second year from the general fund is designated such that all".
Page 198, after line 44, insert:
"12. Out of this appropriation $1,800,000 the first year and $1,800,000 the second year from the general fund is designated for an additional award of up to $2,000 for all students eligible and receiving an award under this program and enrolled into a TAG-eligible private not-for-profit Virginia institution, whose Hispanic-identifying students represent a three-year average of at least 25 percent of total undergraduate enrollment, and accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)."

Explanation:

(This amendment provides additional funding for the Tuition Assistance Grant (TAG) Program and establishes specific amounts for additional awards to eligible students.)

Item 131 #6c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	$500,000	$0	GF

Language:

Page 196, line 46, strike "$373,888,512" and insert "$374,388,512".
Page 201, after line 24, insert:
"K. Out of this appropriation, $500,000 the first year from the general fund is designated to support grants to in-state undergraduate students attending Virginia University of Lynchburg to provide collegiate education and not to provide religious training or theological education."

Explanation:

(This amendment provides increased funding to support grants for in-state undergraduate students attending Virginia University of Lynchburg to provide collegiate education and not to provide religious training or theological education.)

Item 133 #1c

Education: Higher Education

State Council of Higher Education for Virginia — Language

Language:

Page 205, after line 36, insert:
"T. The State Council of Higher Education for Virginia (SCHEV) shall conduct a study and impact analysis of the decline in international student enrollment at four-year colleges and universities in the Commonwealth and to develop recommendations to address such impacts. In conducting the study, SCHEV shall work in coordination with public institutions of higher education and shall (i) identify public colleges and universities exhibiting sustained declines in international student enrollment, as well as those experiencing a significant decline during the 2025–2026 academic year; (ii) compare enrollment trends between public and private four-year institutions to determine whether declines are consistent statewide or disproportionately affecting specific categories of institutions; and (iii) evaluate international student enrollment trends in graduate programs and assess whether graduate-level enrollment is declining at a similar or higher rate than undergraduate enrollment. SCHEV shall further assess the institutional, academic, financial, economic, societal, and workforce impacts associated with declining international student enrollment, including but not limited to impacts on tuition revenue, research capacity, graduate education, workforce pipelines, and the Commonwealth's long-term economic competitiveness. As part of this analysis, SCHEV shall examine the extent to which current federal administration policies, including visa, immigration, and related regulatory actions, have contributed to observed enrollment trends. SCHEV shall submit its findings and any recommendations in a report to the Chairs of the House Committee on Education and the Senate Committee on Education and Health, the Secretary of Education, and the Governor no later than December 1, 2026."

Explanation:

(This amendment directs a study and impact analysis of the decline in international student enrollment at four-year colleges and universities in the Commonwealth and the development of recommendations to address such impacts.)

Item 133 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	($1,175,224)	($1,175,224)	GF

Language:

Page 201, line 38, strike "$32,923,956" and insert "$31,748,732".
Page 201, line 38, strike "$33,238,021" and insert "$32,062,797".
Page 203, strike lines 5 through 59 and insert:
"I.1. a. As a condition of this appropriation, $7,324,776 the first year and $7,324,776 the second year from the general fund is designated to support the goals of the Innovative Internship Fund and Program, § 23.1-903.4, Code of Virginia, which shall be implemented and identified as the Internships Virginia (InVA) initiative. The funding is designed to expand paid or credit-bearing student internships in collaboration with Virginia employers. In furtherance of the goal of

providing all postsecondary students in Virginia with one or more paid internships during their undergraduate course of study, funding shall be used for: (a) institutional grants to enhance engagement with employers related to internship placement and to assist students in securing and successfully completing internships, including students that traditionally do not participate in such programs; (b) administrative and other expenditures to accomplish the purposes of the Innovative Internship Fund and Program and this paragraph.

b. The Council and partners previously identified as the Virginia Talent and Opportunity Partnership (V-TOP) shall adopt the Internships Virginia (InVA) brand implemented by the Virginia Economic Development Partnership, and all programs and grants funded through this item shall be identified by reference to that brand. Funding provided in this item, including any previous or future balances from this initiative, shall be expended exclusively to promote or facilitate paid or credit-bearing internships pursuant to subparagraph 2.

2. Institutional grants shall be awarded to support initiatives that establish or enhance an on-campus internship center or similar one-stop service to assist students and employers with intern placement and that are expected to produce a demonstrated increase in student participation in paid or credit-bearing internship programs. Institutions shall be eligible for grants upon demonstrating that it is a key priority of the institution and its senior academic and administrative leadership to have a coordinated plan to expand internship participation by students, to incorporate internships in curricula, to report completion of internships and courses that include internships on student transcripts, and to remove administrative and financial barriers to internship opportunities. The plan shall include: (i) an implementation timeline, (ii) the allocation of resources and funding strategies to support internships, (iii) the assignment of dedicated personnel to facilitate placement of students in internships and engage with employers, (iv) the identification of how the institution will support students that are less likely to participate in internships, to be employed in an occupation related to their major upon completion of their certificate or degree, or to earn at or above the average earnings of graduates in their program major; (v) opportunities to align existing student employment opportunities on campus to include best practices of an internship program; and (vi) metrics for measuring, reporting, and regularly reviewing progress on the plan. Institutions that have not developed a plan may be eligible for planning grants as long as the planning grants are led by senior academic and administrative leadership. In determining the amount of grant awards, the Council shall consider the number of undergraduate students enrolled at the institution, the number of students at the institution who participate in internships, and the numerical and percentage increase in internship participation expected to result from the initiative. In addition, the Council shall increase grant awards based upon the following factors: (i) an institution's emphasis on internships that are part of pathways to full-time employment with Virginia-based employers; (ii) the institutional initiative's alignment with specific state or regional programs or partnerships related to economic growth and diversification or workforce development in Virginia; (iii) an institution's strength of commitment as reflected in its reallocation of institutional funds or solicitation of philanthropic support or business partnerships to support the initiative. This funding is intended to be recurring for institutions that demonstrate substantial yearly progress in achieving the objectives of the initiative as measured by the number of

internships successfully completed by students.

3. In administering the program authorized in this paragraph, the Council shall cooperate with the Virginia Economic Development Partnership and identified partners in carrying out the authority's responsibilities under Item 113 S. of this act for employer-focused activities that expand availability of and access to paid or credit-bearing internships and corresponding pathways leading to full-time Virginia-based employment. In cooperation with the Virginia Economic Development Partnership and identified partners, the Council shall (i) engage stakeholders from business and industry, secondary and higher education, economic development, and state agencies and entities that are successfully engaging employers or successfully operating internship programs; (ii) explore strategies in Virginia and elsewhere on successful institutional, regional, statewide or sector-based internship programs; (iii) gather and report consistent data across institutions regarding current institutional internship practices, scale, and outcomes; (iv) develop internship readiness educational resources, delivery methods, and outreach and awareness activities for students and institutional career development personnel; and (v) pursue shared services or other efficiency initiatives, including technological solutions. The Council and VEDP, in consultation with partners, shall establish goals and metrics for internships for employers, students, and institutions that support an increased number of students and employers participating in internships while ensuring the quality of the program. Institutions shall set goals and progress measures aligned with the metrics established by the Council and VEDP related to increasing the number of students participating in internships and shall develop a plan to ensure that existing programs and any new programs developed include internships where appropriate. Institutions shall report to the Council annually regarding progress on these goals. Beginning in fiscal year 2027, the Council and VEDP shall submit an annual report to the Governor and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations on progress meeting the goals and metrics, including institutional progress, and expenses incurred for the activities outlined in this item by November 1 of each year."
Page 204, strike lines 1 through 17.

Explanation:

(This amendment makes technical changes to the internship program to align spending and goals with the VEDP Internships Virginia program and transfers a portion of the funding to support an internship coordinator at DHRM per Chapter 786, 2026 Acts of Assembly.)

Item 133 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
State Council of Higher Education for Virginia	($250,000)	($250,000)	GF

Language:

Page 201, line 38, strike "$32,923,956" and insert "$32,673,956".
Page 201, line 38, strike "$33,238,021" and insert "$32,988,021".
Page 205, strike lines 30 through 36.

Explanation:

(This amendment defers a proposed initiative in the introduced budget.)

Item 133 #4c

Education: Higher Education

State Council of Higher Education for Virginia — Language

Language:

Page 205, line 3, strike "pilot" and insert "program".
Page 205, line 4, strike "pilot" and insert "program".
Page 205, line 8, strike "pilot" and insert "program".

Explanation:

(This amendment clarifies that the mental health workforce program is ongoing.)

Item 137 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Christopher Newport University	$737,900	$1,475,800	GF

Language:

Page 206, line 22, strike "$117,767,350" and insert "$118,505,250".
Page 206, line 22, strike "$117,029,450" and insert "$118,505,250".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 137 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Christopher Newport University	$1,059,252	$1,226,994	GF
	11.00	11.00	FTE

Language:

Page 206, line 22, strike "$117,767,350" and insert "$118,826,602".
Page 206, line 22, strike "$117,029,450" and insert "$118,256,444".

Explanation:

(This amendment provides funding and positions for the operation and maintenance of the Science and Engineering Research Center at Christopher Newport University.)

Item 141 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
The College of William and Mary in Virginia	$1,038,950	$2,077,900	GF

Language:

Page 208, line 12, strike "$301,698,112" and insert "$302,737,062".
Page 208, line 12, strike "$300,659,162" and insert "$302,737,062".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 141 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
The College of William and Mary in Virginia	$327,000 2.30	$327,000 2.30	GF FTE

Language:

Page 208, line 12, strike "$301,698,112" and insert "$302,025,112".
Page 208, line 12, strike "$300,659,162" and insert "$300,986,162".

Explanation:

(This amendment provides $327,000 GF each year and 2.3 positions to continue the Community Law Clinic at the William and Mary Law School, which serves community members in matters of housing, family law, public benefits, consumer protection, and other general litigation issues. Funds are expected to provide pro bono legal services to support underrepresented members of the greater Hampton Roads community in civil legal matters and provide law students with the opportunity to be a part of a clinical program to gain the experience they need to become effective legal advocates.)

Item 141 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
The College of William and Mary in Virginia	$260,000 1.50	$260,000 1.50	GF FTE

Language:

Page 208, line 12, strike "$301,698,112" and insert "$301,958,112".
Page 208, line 12, strike "$300,659,162" and insert "$300,919,162".

Explanation:

(This amendment provides funding to maintain and continue the Troops to Teachers program as provided in Chapter 725. The program supports the transition of service members and veterans to new careers as K-12 teachers in Virginia public schools.)

Item 141 #4c

Education: Higher Education	**FY26-27**	**FY27-28**	
The College of William and Mary in Virginia	$150,000 1.00	$150,000 1.00	GF FTE

Language:

Page 208, line 12, strike "$301,698,112" and insert "$301,848,112".
Page 208, line 12, strike "$300,659,162" and insert "$300,809,162".

Explanation:

(This amendment provides funding to maintain and continue the Office of Student Veteran Engagement (OSVE) provided in Chapter 725.)

Item 143.10 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
The College of William and Mary in Virginia	$400,000 1.00	$400,000 1.00	GF FTE

Language:

Page 210, after line 29, insert:

"143.10 James Monroe's Highland		$400,000	$400,000
Fund Sources:	General	$400,000	$400,000 "

Page 210, after line 29, insert:
"The amounts provided in this appropriation are designated for the support of James Monroe's Highland."

Explanation:

(This amendment provides funding for ongoing operations and maintenance of the 466-acre Highland property along with furthering research that engages K-12 students and public visitors in the story of discovery, and for marketing to help increase visitation levels and share the story of James Monroe and Highland. This amendment will be enrolled to Program 502.)

Item 145 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Institute of Marine Science	$225,000	$225,000	GF

Language:

Page 211, line 5, strike "$36,218,471" and insert "$36,443,471".
Page 211, line 5, strike "$36,012,305" and insert "$36,237,305".
Page 212, after line 41, insert:
"Q. Out of this appropriation, $225,000 the first year and $225,000 the second year from the general fund is designated to enhance Virginia Sea Grant's workforce and professional development programming, and the Commonwealth's capacity to address Chesapeake Bay restoration goals through fellowships with state agencies. Funding will boost capacity and competitiveness of the Virginia Sea Grant program to pursue new federal resources, advance a statewide platform for resilience and expand core workforce development and research in the Commonwealth."

Explanation:

(This amendment provides funds for the Virginia Sea Grant program to address Chesapeake Bay restoration goals.)

Item 145 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Institute of Marine Science	($402,400)	($314,209)	GF
	-2.34	-2.34	FTE

Language:

Page 211, line 5, strike "$36,218,471" and insert "$35,816,071".

Page 211, line 5, strike "$36,012,305" and insert "$35,698,096".
Page 212, strike lines 40 through 41.

Explanation:

(This amendment eliminates proposed funding and positions for monitoring and forecasting of harmful algal blooms.)

Item 148 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
George Mason University	$3,716,000	$7,432,000	GF

Language:

Page 213, line 22, strike "$856,112,781" and insert "$859,828,781".
Page 213, line 22, strike "$841,978,378" and insert "$849,410,378".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 148 #2c

Education: Higher Education

George Mason University — Language

Language:

Page 215, after line 22, insert:
"L. George Mason University is authorized to host the State Climate Office to develop and deliver data, analyses, assessments and expertise about Virginia's weather and climate related impacts, risks and risk management options to state and local government agencies, businesses, and communities of place or practice in the Commonwealth. The State Climate Office will serve as a representative to national meteorological, climatological, and hydrological associations to better leverage federal agency partnerships and interstate collaboration to address real-time weather and climate challenges."

Explanation:

(This amendment provides authorization for George Mason University to host the State Climate Office.)

Item 148 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
George Mason University	$250,000	$50,000	GF

Language:

Page 213, line 22, strike "$856,112,781" and insert "$856,362,781".
Page 213, line 22, strike "$841,978,378" and insert "$842,028,378".

Explanation:

(This amendment provides funding for the development of a Civics Education Program at the Schar School.)

Item 148 #4c

Education: Higher Education	**FY26-27**	**FY27-28**	
George Mason University	$2,200,000	$2,200,000	GF

Language:

Page 213, line 22, strike "$856,112,781" and insert "$858,312,781".
Page 213, line 22, strike "$841,978,378" and insert "$844,178,378".

Explanation:

(This amendment provides funding to continue partial support provided in Chapter 725, 2025 Session, for general operating costs and the Small Business Development Centers (SBDC).)

Item 148 #5c

Education: Higher Education

George Mason University — Language

Language:

Page 215, after line 22, insert:
"L. Notwithstanding any other provision of law, George Mason University is authorized to explore, negotiate, and if deemed appropriate, enter into a public-private partnership with Averett University or a successor entity for the purpose of meeting the demands of a rapidly growing economy in Southern Virginia, by increasing access to both undergraduate and graduate level higher education, enhancing workforce training and career pathways, and supporting economic development in Southern Virginia. This authorization is contingent upon the availability of resources, including funding from one or more of the following sources, individually or in combination from (a) GO Virginia Region 3 (Southern Virginia) or other regions of Go Virginia; (b) the Virginia Tobacco Region Revitalization Commission; (c) the

Virginia Economic Development Partnership Authority (VEDP); (d) Danville Regional Foundation; (e) Future of the Piedmont Foundation; (f) Southern Virginia Regional Alliance (SVRA); or (g) any other trusts, foundations, philanthropic organizations, local governments, or private entities or businesses."

Explanation:

(This amendment authorizes GMU to enter into a public-private partnership with Averett University.)

Item 148 #6c

Education: Higher Education	**FY26-27**	**FY27-28**	
George Mason University	$500,000	$0	GF

Language:

Page 213, line 22, strike "$856,112,781" and insert "$856,612,781".
Page 215, after line 22, insert:
"L. Out of this appropriation, $500,000 the first year from the general fund is provided for the development and scaling of the AI Innovation Nexus. George Mason University shall coordinate with efforts taken by other Virginia universities, the Commonwealth Artificial Intelligence Institute, and existing public-private partnerships, such as the Spark Institute of the Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC, the Commonwealth Cyber Initiative, and the Monarch Sphere Partnership."

Explanation:

(This amendment provides funding to develop and scale the AI Innovation Nexus, a strategic initiative integrating education, research, workforce development and public service.)

Item 152 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
James Madison University	$1,969,450	$3,938,900	GF

Language:

Page 216, line 42, strike "$456,126,379" and insert "$458,095,829".
Page 216, line 42, strike "$457,060,106" and insert "$460,999,006".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025

Session for affordable access and tuition moderation not included in the introduced budget.)

Item 152 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
James Madison University	$0	$1,000,000	GF
	0.00	14.69	FTE

Language:

Page 216, line 42, strike "$457,060,106" and insert "$458,060,106".
Page 218, after line 6, insert:
"F. As part of the six year plan process, James Madison University shall develop a phased transition to direct admission for the undergraduate nursing program. The transition plan shall be reported as part of the August 2026 six year plan submission."

Explanation:

(This amendment provides funding to continue the program provided for in Chapter 725 to increase the number of nursing graduates by 30 each year through the JMU "Fast Flex" Nursing Program. The program will allow students to complete their core nursing course work in one calendar year, as opposed to two academic years, getting nurses in the field quicker. Classes, which will be delivered in a hybrid of on-campus and online formats, as well as clinical placements will take place on nights and weekends. The program will be open to anyone who has earned 36 credit hours, completed certain prerequisite courses, and met other criteria. Resources requested to launch this program will cover expenses related to program faculty, support staff, supplies, technology needs, and student scholarships.)

Item 152 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
James Madison University	$500,000	$500,000	GF
	2.00	2.00	FTE

Language:

Page 216, line 42, strike "$456,126,379" and insert "$456,626,379".
Page 216, line 42, strike "$457,060,106" and insert "$457,560,106".

Explanation:

(This amendment provides funding for the operation and maintenance of the newly renovated and expanded Carrier Library.)

Item 156 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Longwood University	$590,950	$1,181,900	GF

Language:

Page 219, line 5, strike "$96,884,253" and insert "$97,475,203".
Page 219, line 5, strike "$96,293,303" and insert "$97,475,203".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 160 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Norfolk State University	$658,100	$1,316,200	GF

Language:

Page 220, line 46, strike "$158,218,457" and insert "$158,876,557".
Page 220, line 46, strike "$157,560,357" and insert "$158,876,557".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 160 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Norfolk State University	$12,500,000	$12,500,000	GF

Language:

Page 220, line 46, strike "$158,218,457" and insert "$170,718,457".
Page 220, line 46, strike "$157,560,357" and insert "$170,060,357".
Page 222, strike lines 15 through 27 and insert:
"H. Out of this appropriation, $12,500,000 the first year and $12,500,000 the second year from the general fund is designated for Norfolk State University, in partnership with Virginia State University, to collaborate with Virginia Union University and Hampton University and various localities throughout the Commonwealth to (a) create Minority Small Business Launch and Innovation Centers that support entrepreneurship customized to minority community needs, (b)

improve health outcomes of vulnerable and marginalized populations in their surrounding localities through research, education, workforce development and outreach, (c) expand and upgrade broadband and technology in order to close the digital divide and provide students with additional tech job training, (d) actively engage with local public school districts to provide opportunities and awareness of post-secondary programs and curriculum, (e) initiate a pilot program to provide workforce credentials in the healthcare and trade sectors, and (f) support the creation of an HBCU NoVA Campus by establishing an off-campus instruction site at Northern Virginia Community College in order to provide an opportunity to expand the HBCU presence in Northern Virginia, and access and opportunity to an increasing population of students seeking a four-year degree."

Explanation:

(This amendment provides funding to continue the initiative provided for in Chapter 725, 2025 Session, to expand the ongoing HBCU collaboration that includes Norfolk State University, Virginia State University, Hampton University, and Virginia Union University. The language also authorizes the creation of a pilot program to provide workforce credentials in the healthcare and trade sectors.)

Item 160 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
Norfolk State University	$2,000,000	$0	GF

Language:

Page 220, line 46, strike "$158,218,457" and insert "$160,218,457".

Explanation:

(This amendment provides funding to continue the replacement of existing finance, human resources and student information systems.)

Item 164 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Old Dominion University	$2,380,100	$4,760,200	GF

Language:

Page 224, line 7, strike "$410,198,286" and insert "$412,578,386".
Page 224, line 7, strike "$407,818,186" and insert "$412,578,386".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025

Session for affordable access and tuition moderation not included in the introduced budget.)

Item 164 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Old Dominion University	$5,000,000	$5,000,000	GF

Language:

Page 224, line 7, strike "$410,198,286" and insert "$415,198,286".
Page 224, line 7, strike "$407,818,186" and insert "$412,818,186".

Explanation:

(This amendment provides funding to continue partial support provided in Chapter 725, 2025 Session, for general operating costs.)

Item 171 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Radford University	$900,050	$1,800,100	GF

Language:

Page 230, line 2, strike "$194,696,050" and insert "$195,596,100".
Page 230, line 2, strike "$191,712,884" and insert "$193,512,984".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 171 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Radford University	$0	$2,083,000	GF

Language:

Page 230, line 2, strike "$191,712,884" and insert "$193,795,884".

Explanation:

(This amendment provides continuation of Chapter 725 funding to support the nursing program faculty to educate the increase in nursing students at the university.)

Item 175 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Richard Bland College	$154,350	$308,700	GF

Language:

Page 232, line 8, strike "$22,247,541" and insert "$22,401,891".
Page 232, line 8, strike "$22,093,191" and insert "$22,401,891".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 179 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Mary Washington	$585,650	$1,171,300	GF

Language:

Page 234, line 16, strike "$109,984,774" and insert "$110,570,424".
Page 234, line 16, strike "$108,659,124" and insert "$109,830,424".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 179 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Mary Washington	$0	$740,000	GF
	0.00	2.00	FTE

Language:

Page 234, line 16, strike "$108,659,124" and insert "$109,399,124".

Explanation:

(This amendment provides continuation of Chapter 725 funding to support a Master's of Science in Nursing (MSN) with tracks for both Nursing Educators and Nurse Practitioners.)

Item 179 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Mary Washington	$1,700,000	$0	GF

Language:

Page 234, line 16, strike "$109,984,774" and insert "$111,684,774".
Page 235, after line 26, insert:
"G. Out of this appropriation, $1,700,000 the first year from the general fund is designated to support planning for the establishment of the Mary Washington College of Medicine through a public-private partnership between the University of Mary Washington and Mary Washington Healthcare. The funding will support:

(i) development of an innovative, cost-efficient medical education model that evaluates opportunities to shorten time to degree, reduce student cost, leverage existing public and private assets, and emphasize early and sustained clinical education, with the goal of minimizing long-term financial exposure to the Commonwealth while maximizing workforce return on investment and prioritizing the recruitment and retention of Virginia students;

(ii) program and curriculum development necessary to meet SCHEV, SACSCOC, and LCME requirements, with a specific focus on training primary care physicians and expanding primary care/obstetrics pathways to improve maternal health outcomes in rural and underserved areas, establishing a diverse, Virginia-centered pipeline that engages students from the community beginning in high school, through undergraduate education, partnering with other higher education institutions in underserved areas and/or with underserved students, medical schools, and in-state residency training, and evaluating strategies to incentivize graduates to remain in Virginia to practice, including loan repayment, tuition assistance, and service-based commitment models;

(iii) creation of the governance, legal, and regulatory framework required for a public-private medical school, including accreditation strategy, academic affiliation agreements, faculty and residency alignment, and operational policies;

(iv) early accreditation preparation and institutional readiness activities to position the school for enrollment by fall 2029;

(v) independent financial review to validate the long-term feasibility and sustainability of a high-value, workforce-oriented medical school model and to ensure that upfront planning reduces future costs to the Commonwealth;

(vi) architectural and capital asset review to assess modifications and space needs across existing facilities to support a clinically integrated educational approach;

(vii) evaluation and expansion planning for learning resources, including medical library collections; and

(viii) project management and operating support to coordinate planning activities across both

institutions and regional partners."

Explanation:

(This amendment provides funding to plan for the establishment of the Mary Washington College of Medicine through a public-private partnership between the University of Mary Washington and Mary Washington Healthcare.)

Item 179 #4c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Mary Washington	$2,000,000	$0	GF

Language:

Page 234, line 16, strike "$109,984,774" and insert "$111,984,774".

Explanation:

(This amendment provides funding to continue the replacement of existing finance, human resources and student information systems.)

Item 186 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Virginia	$2,988,350	$5,976,700	GF

Language:

Page 236, line 47, strike "$1,482,015,341" and insert "$1,485,003,691".
Page 236, line 47, strike "$1,479,026,991" and insert "$1,485,003,691".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 188 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Virginia	$500,000	$0	GF

Language:

Page 239, line 42, strike "$635,777,634" and insert "$636,277,634".
Page 240, after line 22, insert:

“F. Out of this appropriation, $500,000 the first year from the general fund is provided to coordinate the planning and development of the Commonwealth Artificial Intelligence Institute. The coordination of the plan shall involve Virginia universities and public-private stakeholders. To avoid duplication of effort involving state funding, the plan shall take into consideration existing research and research infrastructure, and public and private partnerships, such as the Spark Institute of the Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC, the Commonwealth Cyber Initiative, and the Monarch Sphere Partnership. The plan shall be submitted for review to the Virginia Innovative Partnership Authority and the chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by July 1, 2027."

Explanation:

(This amendment provides one-time funding for planning and startup costs for the University of Virginia to develop the Commonwealth Artificial Intelligence Institute to coordinate with other universities and stakeholders to develop a statewide ecosystem in AI.)

Item 193 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Virginia's College at Wise	$240,900	$481,800	GF

Language:

Page 241, line 48, strike "$49,537,942" and insert "$49,778,842".
Page 241, line 48, strike "$49,297,042" and insert "$49,778,842".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 193 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
University of Virginia's College at Wise	$500,000	$500,000	GF

Language:

Page 241, line 48, strike "$49,537,942" and insert "$50,037,942".
Page 241, line 48, strike "$49,297,042" and insert "$49,797,042".

Explanation:

(This amendment provides funding to support cost increases for enrollment growth, retention and tuition moderation.)

Item 197 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Commonwealth University	$3,631,600	$7,263,200	GF

Language:

Page 243, line 33, strike "$807,664,839" and insert "$811,296,439".
Page 243, line 33, strike "$804,033,239" and insert "$811,296,439".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 197 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Commonwealth University	$300,000	$300,000	GF

Language:

Page 243, line 33, strike "$807,664,839" and insert "$807,964,839".
Page 243, line 33, strike "$804,033,239" and insert "$804,333,239".
Page 244, after line 34 insert:
"4. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is designated for the operation of the Virginia Memory Project for the purposes established in § 23.1-2311.1, Code of Virginia."

Explanation:

(This amendment provides funding to support the work of the Virginia Memory Project at VCU's Center on Aging.)

Item 197 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Commonwealth University	($1,900,000)	($1,900,000)	GF

Language:

Page 243, line 33, strike "$807,664,839" and insert "$805,764,839".

Page 243, line 33, strike "$804,033,239" and insert "$802,133,239".

Explanation:

(This amendment repurposes proposed new funding in the introduced budget.)

Item 199 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Commonwealth University	$1,000,000	$1,000,000	GF

Language:

Page 247, line 3, strike "$470,740,036" and insert "$471,740,036".
Page 247, line 3, strike "$470,740,036" and insert "$471,740,036".

Explanation:

(This amendment provides funding for increased research and training at the Pauley Heart Center to include cardiac sonographer training, critical care and heart failure management training, clinical and translational research, and continuing education for urban and rural providers.)

Item 203 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Community College System	$3,821,050	$7,642,100	GF

Language:

Page 248, line 38, strike "$1,133,102,657" and insert "$1,136,923,707".
Page 248, line 38, strike "$1,129,281,607" and insert "$1,136,923,707".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 203 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Community College System	$250,000	$250,000	GF

Language:

Page 248, line 38, strike "$1,133,102,657" and insert "$1,133,352,657".

Page 248, line 38, strike "$1,129,281,607" and insert "$1,129,531,607".
Page 251, line 45, strike the first "$250,000" and insert "$500,000".
Page 251, line 45, strike the second "$250,000" and insert "$500,000".

Explanation:

(This amendment provides funding to the existing skilled-trades workforce program at Northern Virginia Community College.)

Item 203 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Community College System	$1,611,000	$1,611,000	GF

Language:

Page 248, line 38, strike "$1,133,102,657" and insert "$1,134,713,657".
Page 248, line 38, strike "$1,129,281,607" and insert "$1,130,892,607".
Page 251, line 29, strike the first "$1,500,000" and insert "$3,111,000".
Page 251, line 29, strike the second "$1,500,000" and insert "$3,111,000".

Explanation:

(This amendment provides funding to implement and expand the Aviation Maintenance Technician (AMT) Program at Blue Ridge (BRCC) and Danville (DCC) Community Colleges.)

Item 203 #4c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Community College System	$20,000,000	$0	GF

Language:

Page 248, line 38, strike "$1,133,102,657" and insert "$1,153,102,657".
Page 252, line 5, strike "$13,600,000" and insert "$4,150.000".
Page 252, after line 9 insert:
"FF. Out of this appropriation $20,000,000 the first year from the general fund is designated for the expansion of career technical education programs and workforce development across the Virginia Community College System (VCCS). The funding is expected to serve an additional 900 students in Nursing, Dental Hygiene, Radiography/Sonography, EMT/Paramedics, Medical Laboratory Technician, Respiratory Therapy, Licensed Practical Nursing, Medical Assisting, Surgical Technology, Patient Care Technology, Behavioral Health Technology, MRI Technician, and Physical Therapy. In addition, the funding will allow for the expansion of capacity to serve an addition 1,000 students in workforce development programs for heavy equipment operators, diesel technicians, industrial maintenance, marine pipefitting, welding,

marine electrical, power line workers, diesel repair, HVAC, fiber technicians, and commercial driving licenses."

Explanation:

(This amendment provides funding to support the expansion of career technical education and workforce development programs in the VCCS.)

Item 209 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Military Institute	$290,050	$580,100	GF

Language:

Page 260, line 13, strike "$62,224,290" and insert "$62,514,340".
Page 260, line 13, strike "$61,934,240" and insert "$62,514,340".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 209 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Military Institute	$500,000	$500,000	GF

Language:

Page 260, line 13, strike "$62,224,290" and insert "$62,724,290".
Page 260, line 13, strike "$61,934,240" and insert "$62,434,240".

Explanation:

(This amendment provides funding to support operation and maintenance in buildings on Post.)

Item 214 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Polytechnic Institute and State University	$3,191,500	$6,383,000	GF

Language:

Page 262, line 29, strike "$1,134,711,020" and insert "$1,137,902,520".

Page 262, line 29, strike "$1,131,519,520" and insert "$1,137,902,520".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 214 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Polytechnic Institute and State University	($1,900,000)	($1,900,000)	GF

Language:

Page 262, line 29, strike "$1,134,711,020" and insert "$1,132,811,020".
Page 262, line 29, strike "$1,131,519,520" and insert "$1,129,619,520".

Explanation:

(This amendment repurposes proposed new funding in the introduced budget.)

Item 214 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Polytechnic Institute and State University	$6,500,000	$6,500,000	GF

Language:

Page 262, line 29, strike "$1,134,711,020" and insert "$1,141,211,020".
Page 262, line 29, strike "$1,131,519,520" and insert "$1,138,019,520".
Page 264, after line 24, insert:
"L. Out of this appropriation, $6,500,000 the first year and $6,500,000 the second year from the general fund is designated to support enrollment growth at the Virginia Tech Carilion School of Medicine (VTCSOM) to include the expansion of faculty and support staff, development of accelerated pathways to completion, and ability to provide for lower tuition for in-state students."

Explanation:

(This amendment provides funding to support enrollment growth at the Virginia Tech Carilion School of Medicine (VTCSOM). Funding will support expansion of faculty and support staff, development of accelerated pathways to completion, and ability to provide for lower tuition for in-state students.)

Item 214 #4c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Polytechnic Institute and State University	$550,000	$550,000	GF

Language:

Page 262, line 29, strike "$1,134,711,020" and insert "$1,135,261,020".
Page 262, line 29, strike "$1,131,519,520" and insert "$1,132,069,520".
Page 264, after line 24, insert:
"L. Out of this appropriation, $550,000 the first year and $550,000 the second year from the general fund is designated to increase the number of slots from 50 to 60 for Virginia students applying for admission for the Class of 2031 based on a recommendation from House Joint 43 (2024 General Assembly) to address the large animal veterinarians shortage."

Explanation:

(This amendment provides funding to increase the number of slots from 50 to 60 for Virginia students applying for admission for the Class of 2031 based on a recommendation from House Joint Resolution 43 (2024 General Assembly) to address the large animal veterinarians shortage.)

Item 219 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Cooperative Extension and Agricultural Experiment Station	$300,000	$300,000	GF

Language:

Page 266, line 28, strike "$116,561,722" and insert "$116,861,722".
Page 266, line 28, strike "$116,561,722" and insert "$116,861,722".

Explanation:

(This amendment provides additional funding each year to support the establishment of an agricultural business innovation cohort including Area Specialized Agents and a state specialist in Agricultural Business Innovation. The team will have expertise in economics and business with backgrounds in precision agriculture, automation and connectivity, data analytics, workforce training, or controlled environment agriculture, and it will facilitate innovative agricultural approaches through the implementation of technologies such as smart sensors, autonomous systems for crop and animal management, precision farm equipment, and other analytical tools.)

Item 220 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia State University	$605,050	$1,210,100	GF

Language:

Page 267, line 25, strike "$129,008,555" and insert "$129,613,605".
Page 267, line 25, strike "$128,403,505" and insert "$129,613,605".

Explanation:

(This amendment provides funding to restore funding provided in Chapter 725 of the 2025 Session for affordable access and tuition moderation not included in the introduced budget.)

Item 220 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia State University	$12,500,000	$12,500,000	GF

Language:

Page 267, line 25, strike "$129,008,555" and insert "$141,508,555".
Page 267, line 25, strike "$128,403,505" and insert "$140,903,505".
Page 269, strike lines 2 through 14 and insert:
"I. Out of this appropriation, $12,500,000 the first year and $12,500,000 the second year from the general fund is designated for Virginia State University, in partnership with Norfolk State University, to collaborate with Virginia Union University and Hampton University and various localities throughout the Commonwealth to (a) create Minority Small Business Launch and Innovation Centers that support entrepreneurship customized to minority community needs, (b) improve health outcomes of vulnerable and marginalized populations in their surrounding localities through research, education, workforce development and outreach, (c) expand and upgrade broadband and technology in order to close the digital divide and provide students with additional tech job training, (d) actively engage with local public school districts to provide opportunities and awareness of post-secondary programs and curriculum, (e) initiate a pilot program to provide workforce credentials in the healthcare and trade sectors, and (f) support the creation of an HBCU NoVA Campus by establishing an off-campus instruction site at Northern Virginia Community College in order to provide an opportunity to expand the HBCU presence in Northern Virginia, and access and opportunity to an increasing population of students seeking a four-year degree."

Explanation:

(This amendment provides funding to continue the initiative provided for in Chapter 725, 2025 Session, to expand the ongoing HBCU collaboration that includes Norfolk State University,

Virginia State University, Hampton University, and Virginia Union University. The language also authorizes the creation of a pilot program to provide workforce credentials in the healthcare and trade sectors.)

Item 220 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia State University	$2,000,000	$0	GF

Language:

Page 267, line 25, strike "$129,008,555" and insert "$131,008,555".

Explanation:

(This amendment provides funding to continue the replacement of existing finance, human resources and student information systems.)

Item 224 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Cooperative Extension and Agricultural Research Services	$500,000	$500,000	GF

Language:

Page 270, line 20, strike "$21,296,772" and insert "$21,796,772".
Page 270, line 20, strike "$21,296,772" and insert "$21,796,772".

Explanation:

(This amendment requests funding to strengthen statewide cooperative extension, applied research programs and the Small Farm Outreach Program.)

Item 225 #1c

Education: Other Education	**FY26-27**	**FY27-28**	
Frontier Culture Museum of Virginia	$150,000	$150,000	GF

Language:

Page 271, line 5, strike "$3,901,103" and insert "$4,051,103".
Page 271, line 5, strike "$3,901,103" and insert "$4,051,103".

Explanation:

(This amendment provides $150,000 GF each year to support operating expenses at the Frontier Culture Museum.)

Item 226 #1c

Education: Other Education

Gunston Hall — Language

Language:

Page 271, after line 33, insert:
"Notwithstanding any other provision of law, any revenue generated by Gunston Hall from the development of its properties to support wireless communication infrastructure may be retained by the agency to support agency operations. Such revenues shall be deposited into a special fund. Amounts in this fund shall be appropriated consistent with the provisions of this act."

Explanation:

(This amendment authorizes Gunston Hall to retain revenues generated from the development of its properties to support wireless communication infrastructure.)

Item 226 #2c

Education: Other Education	**FY26-27**	**FY27-28**	
Gunston Hall	$150,000	$150,000	GF

Language:

Page 271, line 28, strike "$1,638,907" and insert "$1,788,907".
Page 271, line 28, strike "$1,638,907" and insert "$1,788,907".

Explanation:

(This amendment provides $150,000 GF each year to support operating expenses at Gunston Hall.)

Item 227 #1c

Education: Other Education	**FY26-27**	**FY27-28**	
Jamestown-Yorktown Foundation	$150,000	$150,000	GF

Language:

Page 271, line 41, strike "$23,456,456" and insert "$23,606,456".
Page 271, line 41, strike "$23,456,456" and insert "$23,606,456".

Explanation:

(This amendment provides $150,000 GF each year to support operating expenses at the Jamestown-Yorktown Foundation.)

Item 230 #1c

Education: Other Education	**FY26-27**	**FY27-28**	
The Library Of Virginia	$1,000,000	$1,000,000	GF

Language:

Page 273, line 9, strike "$27,429,726" and insert "$28,429,726".
Page 273, line 9, strike "$27,429,726" and insert "$28,429,726".

Explanation:

(This amendment provides $1.0 million GF each year to support state aid to local public libraries.)

Item 232 #1c

Education: Other Education	**FY26-27**	**FY27-28**	
The Science Museum of Virginia	$200,000	$200,000	GF

Language:

Page 274, line 1, strike "$17,097,822" and insert "$17,297,822".
Page 274, line 1, strike "$17,497,822" and insert "$17,697,822".

Explanation:

(This amendment provides $200,000 each year from the general fund to support operating expenses at the Science Museum of Virginia.)

Item 237 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
New College Institute	$0	$3,185,419	GF

Language:

Page 276, line 24, strike "$1,597,035" and insert "$4,782,454".
Page 276, line 29, strike "New College Institute" and insert "West Piedmont Higher Education Center".

Page 276, line 37, strike "New College Institute" and insert "West Piedmont Higher Education Center".
Page 276, strike lines 40 through 50 and insert:
"D. That at the completion of the reconstitution of New College Institute as West Piedmont Higher Education Center (the Center), the board of directors of the Center, in collaboration with representatives of GO Virginia Region 3, the Institute for Advanced Learning and Research, Patrick & Henry Community College, local school boards, and major regional employers, shall develop a sustainability plan, including a comprehensive strategic plan and customer recruitment and expansion strategy, to provide higher education degree and certification programs in accordance with its mission. The board of directors of the Center shall review options to achieve the goals stated in such plan and shall report on such options to the Governor, the Chair of the Senate Committee on Finance and Appropriations, and the Chair of the House Committee on Appropriations no later than August 1, 2027."
Page 277, strike lines 1 through 10.

Explanation:

(This amendment restores $3.2 million GF the second year to continue general fund support for the West Piedmont Higher Education Center during completion and consideration of the sustainability plan and, pursuant to Chapters 609 and 610, 2026 Acts of Assembly, updates the agency name and aligns reporting requirements.)

Item 238 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Institute for Advanced Learning and Research	($4,670,000)	($4,670,000)	GF

Language:

Page 277, line 18, strike "$12,916,322" and insert "$8,246,322".
Page 277, line 18, strike "$12,916,322" and insert "$8,246,322".

Explanation:

(This amendment defers adding support for the Great Opportunities in Technology and Engineering Careers initiative.)

Item 239 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Roanoke Higher Education Authority	$140,000	$140,000	GF

Language:

Page 277, line 37, strike "$2,903,651" and insert "$3,043,651".
Page 277, line 37, strike "$2,903,651" and insert "$3,043,651".

Explanation:

(This amendment provides the continuation of funding provided in Chapter 725 for hiring a security guard as the Center continues to grow and increase programming. In addition, the funding will allow for additional hours for contracted security services.)

Item 239 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Roanoke Higher Education Authority	$80,000	$80,000	GF

Language:

Page 277, line 37, strike "$2,903,651" and insert "$2,983,651".
Page 277, line 37, strike "$2,903,651" and insert "$2,983,651".

Explanation:

(This amendment provides the continuation of funding provided in Chapter 725 to support a day porter that is needed to properly maintain facilities and provide the best customer service possible for students, staff, and visitors.)

Item 240 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Southern Virginia Higher Education Center	$250,000 2.50	$250,000 2.50	GF FTE

Language:

Page 278, line 2, strike "$7,622,330" and insert "$7,872,330".
Page 278, line 2, strike "$7,622,330" and insert "$7,872,330".

Explanation:

(This amendment provides additional general fund each year and 2.5 positions to support instructors in high demand programs, including automation and robotics, HVAC, industrial and technical, information technology, and welding.)

Item 241 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Southwest Virginia Higher Education Center	$200,000 1.00	$200,000 1.00	GF FTE

Language:

Page 279, line 2, strike "$5,756,152" and insert "$5,956,152".
Page 279, line 2, strike "$5,756,152" and insert "$5,956,152".

Explanation:

(This amendment provides $200,000 GF each year and 1.0 position to support a full-time healthcare simulation technologist position and operating costs. The Center has secured grant and philanthropic funds to develop the Regional Simulation Lab for Nursing and Allied Health.)

Item 243 #1c

Education: Higher Education

Maintain Affordable Access — Language

Language:

Page 280, strike lines 3 through 12,

Explanation:

(This amendment removes proposed language that established an annual cap on tuition growth.)

Item 243 #2c

Education: Higher Education	**FY26-27**	**FY27-28**	
Maintain Affordable Access	$0	$50,000,000	GF

Language:

Page 280, line 2, strike "$0" and insert "$50,000,000".
Page 280, after line 12, insert:

C. Out of this appropriation, $50,000,000 the second year from the general fund is designated to support undergraduate need-based financial aid. For the purposes of budget execution and base budget development, these appropriated funds shall be transferred to the individual institutions. Allocations from this item are as follows:

Institution	**FY 2028**

Christopher Newport University	$1,100,000
College of William and Mary	$553,333
George Mason University	$6,613,333
James Madison University	$3,226,667
Longwood University	$1,170,000
Norfolk State University	$2,456,667
Old Dominion University	$7,116,667
Radford University	$2,030,000
University of Mary Washington	$780,000
University of Virginia	$1,040,000
University of Virginia - College at Wise	$470,000
Virginia Commonwealth University	$7,050,000
Virginia Military Institute	$216,667
Virginia State University	$2,090,333
Virginia Polytechnic and State University	$4,456,667
Richard Bland College	$173,333
Virginia Community College System	$9,456,333
Total	$50,000,000"

Explanation:

(This amendment provides $50.0 million general fund the second year to continue and enhance support included in the introduced budget bill for undergraduate need-based financial aid.)

Item 243 #3c

Education: Higher Education	**FY26-27**	**FY27-28**	
Maintain Affordable Access	$20,000,000	$0	GF

Language:

Page 280, line 2, strike "$0" and insert "$20,000,000".
Page 280, after line 2, insert:
"A. Out of this appropriation, $20,000,000 the first year from the general fund is designated to support public higher education institutions with efforts to align operations with enrollment projections. The State Council of Higher Education for Virginia shall solicit proposals from institutions for one-time funding to support consolidation and restructuring efforts. The Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the Executive Director of the Council, the Staff Director of the House Committee

on Appropriations, and the Staff Director of the Senate Committee on Finance and Appropriations, or their designees, shall review each proposal and determine the allocation of this funding."

Explanation:

(This amendment provides $20.0 million GF the first year to support consolidation and restructuring efforts that align higher education institutions' operations with enrollment projections.)

Item 249 #1c

Finance

Department of Accounts — Language

Language:

Page 286, after line 15, insert:
"C. A working capital advance (WCA) of up to $8,500,000 is provided to the Cardinal program to expand the current Cardinal Human Capital Management (HCM) System. The funding may be used to develop business requirements, implement a new module, and to make technical adjustments to current Cardinal HCM functionality. No funds shall be drawn or expended from this WCA without the approval of the Secretary of Finance and upon submission of a report to the Cardinal Governance Committee that details the planned system expansions and affiliated costs."

Explanation:

(This amendment authorizes a working capital advance of up to $8.5 million to expand the current Cardinal Financials system functionality.)

Item 257 #1c

Finance

Department of Accounts Transfer Payments — Language

Language:

Page 288, line 23, before "The", insert "A."
Page 288, after line 25, insert:
"B. On or before August 1, 2026, the Director, Department of Planning and Budget, shall transfer balances from fund 09006 in Agency 162 to fund 09006 in Agency 236. Transferred amounts shall be utilized to support the Florence Neal Cooper Smith Sickle Cell Research Endowed Chair."

Explanation:

(This technical language amendment authorizes a one-time transfer in FY 2027.)

Item 259 #1c

Finance

Department of Planning and Budget — Language

Language:

Page 290, after line 37, insert:
"F. The Department of Planning and Budget (DPB) shall offer a budget monitoring and training program for all state agencies of the Commonwealth. DPB shall offer training on agency budget monitoring for state agency fiscal and budget staff, which shall include expenditure tracking compared to appropriations and recognition of early signs of a potential budget shortfall. The training shall be offered annually and may be conducted virtually."

Explanation:

(This amendment establishes a budget monitoring and training program for state agencies.)

Item 260 #1c

Finance

Department of Taxation — Language

Language:

Page 291, after line 13, insert:
"D. The Department of Taxation shall conduct a work group to review the cost of mandatory property tax exemptions for disabled veterans and their spouses. The workgroup shall consist of local government representatives and any other stakeholders deemed necessary by the Secretary of Finance and the Secretary of Veterans and Defense Affairs. The workgroup shall: (i) review and collect data on the cost of the exemption and implications to localities; (ii) detail changes to the exemption and the impact of those changes to localities; (iii) evaluate legislation previously introduced by the General Assembly on these exemptions; and, (v) provide any recommendations to the General Assembly on these mandatory property tax exemptions. The Department shall submit a report with any findings and recommendations by November 15, 2026 to the Chairs of House Finance, House Appropriations, and Senate Finance and Appropriations Committees."

Explanation:

(This language amendment establishes a workgroup to analyze the rising cost on local governments of mandatory property tax exemptions for disabled veterans and their families.)

Item 264 #1c

Finance	**FY26-27**	**FY27-28**	
Department of the Treasury	$1,312,810	$0	GF

Language:

Page 297, line 9, strike "$65,927,279" and insert "$67,240,089".
Page 297, after line 43, insert:
"F. Out of this appropriation, $1,312,810 the first year from the general fund is provided to make a payment to Mr. Messiah Johnson in accordance with § 8.01-195.11, Code of Virginia, and Chapter 472, 2026 Acts of Assembly. Notwithstanding subsection D. of § 8.01-195.11 of the Code of Virginia, no amounts shall be deducted for transition grants received."

Explanation:

(This amendment provides $1.3 million in the first year from the general fund for a payment to Mr. Messiah Johnson pursuant to Chapter 472 (House Bill 1472).)

Item 264 #2c

Finance	
Department of the Treasury	Language

Language:

Page 297, after line 43, insert:
"F. All remaining balances owed to Mr. Victor Burnette by the insurer in the annuity originally provided in accordance with Chapter 618, 2010 Acts of Assembly, shall be paid to Mr. Burnette in full no later than June 30, 2027 by the insurer. The payment shall be a single lump-sum payment. Upon payment of the lump sum required by this act, the insurer's obligations to make any further payments under the annuity are terminated, fully satisfied, and discharged, and no additional amounts shall be due to Mr. Burnette under that annuity. The amount paid shall reflect discounting to the date's value as of the date of disbursement."

Explanation:

(This language amendment directs a full payout of remaining annuity amounts owed to Mr. Victor Burnette. Mr. Burnette was awarded a wrongful incarceration claim in 2010 in accordance with the provisions of Chapter 618, 2010 Acts of Assembly. This language directs payment of the remaining balance to Mr. Burnette in accordance with current policy whereby

wrongful incarceration claims are paid as single lump sum amounts. There is no cost to the state for this amendment.)

Item 265 #1c

Finance

Department of the Treasury — Language

Language:

Page 298, after line 43, insert:
"H. The Department of the Treasury shall review the current Virginia Energy Leasing Program (VELP) to determine its effectiveness in promoting and financing energy efficiency improvements in state agencies. The report shall include: (i) a historical review of projects financed through the program including projected and actual energy savings, operational savings, and facility performance improvements associated with financed projects; (ii) project payback periods and cost-effectiveness metrics; (iii) as part of its review, the department shall consider alternative financing arrangements that may further facilitate and encourage state agencies to pursue energy efficiency projects; (iv) any recommendations for improving program efficiency and participation. The report shall be submitted by October 1, 2026, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees."

Explanation:

(This amendment directs the Department of the Treasury to review the current Virginia Energy Leasing Program (VELP) to determine its effectiveness in promoting and financing energy efficiency improvements in state agencies.)

Item 265 #2c

Finance	**FY26-27**	**FY27-28**	
Department of the Treasury	$0	$120,000	NGF

Language:

Page 297, line 44, strike "$18,457,046" and insert "$18,577,046".

Explanation:

(This amendment provides $120,000 the second year in nongeneral fund appropriation for the Department of the Treasury to implement the provisions of Chapter 669 (House Bill 798), dealing with the disposition of unclaimed property in the form of digital assets.)

Item 270 #1c

Health and Human Resources

Secretary of Health and Human Resources — Language

Language:

Page 306, after line 52, insert:
"C. The Secretary of Health and Human Resources and the Secretary of Labor shall coordinate efforts to ensure applicants and individuals enrolled in the Medicaid expansion program pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act who are subject to work requirements pursuant to House Resolution 1 (H.R. 1), Public Law 119-21, 119th Congress (2025-2026), are connected to work opportunities, including job search, job training, education, job placement assistance, employment, and community service opportunities. Coordination shall include agency data sharing to the extent allowed by federal and state laws to identify and provide outreach and assistance to affected individuals. In addition, agencies in the Health and Human Resources and Labor Secretariat shall make efforts to work with community providers to assist in these efforts. The Secretaries of Health and Human Resources and Labor shall provide a progress report on these efforts to the House Appropriations and Senate Finance and Appropriation Committees by December 1, 2026."

Explanation:

(This amendment adds language requiring coordination by the Secretaries of Health and Human Resources and Labor in connecting applicants and enrollees in Medicaid expansion to work opportunities. These individuals will be subject to work requirements beginning January 1, 2027, and eligibility redeterminations every six months, rather than annually under current law. These changes are required pursuant to the federal legislation passed by Congress, July 2025.)

Item 270 #2c

Health and Human Resources

Secretary of Health and Human Resources — Language

Language:

Page 306, after line 52, insert:

"C.1. The Secretary of Health and Human Resources shall establish a Task Force on the Supplemental Nutrition Assistance Program (SNAP) error rate reduction status and implementation of Community Engagement requirements in the Medicaid program to ensure that the Commonwealth addresses the SNAP error rate in the most prudent manner possible and receives implementation updates for the Medicaid Community Engagement requirements. The Task Force shall include representatives from the Department of Medical Assistance Services, the Department of Social Services, the Department of Planning and Budget, and staff from the

House Appropriations and Senate Finance and Appropriations Committees.

2. The Task Force shall: (i) assess the most recent SNAP error rate, including payment error trends, quality control results, and the major policy and operational drivers contributing to the error rate; (ii) evaluate the current corrective action plan to reduce and sustain a lower SNAP error rate; (iii) assess the resources and operational capabilities of the Department of Social Services and local departments to effectively lower the error rate; and (iv) make recommendations to improve the SNAP benefits administration processes.

3. The Task Force shall also: (i) review the status, federal approvals, and implementation timeline of Medicaid Community Engagement requirements; (ii) provide regular enrollment, exemption, and compliance updates; and (iii) recommend strategies to modernize and streamline the eligibility determination and case management system to improve administrative efficiency.

4. The Secretary shall provide an update to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2026, and every 90 days thereafter through the end of fiscal year 2028, on the efforts, progress, and challenges related to decreasing the SNAP error rate and implementing Medicaid Community Engagement Requirements."

Explanation:

(This amendment requires the Secretary of Health and Human Resources to establish a Task Force on the Supplemental Nutrition Assistance Program (SNAP) error rate and implementation of Community Engagement requirements in the Medicaid program to ensure that the Commonwealth addresses the SNAP error rate in the most prudent manner possible and receives implementation updates for the Medicaid Community Engagement requirements.)

Item 271 #1c

Health and Human Resources

Children's Services Act — Language

Language:

Page 310, strikes lines 31 through 32, and insert:
"the rate of reimbursement to localities for private day educational services for the per student/per diem tuition rates shall not increase more than 2.5 percent over the per student/per diem tuition rates for such services provided in the previous year. The 2.5 percent increase shall be based on the maximum allowable amount for fiscal year 2026."

Explanation:

(This amendment clarifies that the rate cap for reimbursement to localities for private day educational services is associated with the per student/per diem tuition rates. The base amount is

the maximum allowable amount for fiscal year 2026, and can increase 2.5 percent from the base amount year over year.)

Item 271 #2c

Health and Human Resources

Children's Services Act — Language

Language:

Page 307, line 36, strike "as defined in the".
Page 307, line 37, strike "Children's Services Act policy manual" and insert "who otherwise meet one of the criteria pursuant to § 2.2-5211, Code of Virginia."

Explanation:

(This amendment clarifies that in order to be eligible for special education wrap-around services under the Children's Services Act, individuals must meet one of the criteria outlined in § 2.2-5211, Code of Virginia.)

Item 272 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Children's Services Act	($100,000)	($100,000)	GF

Language:

Page 310, line 36, strike "$3,100,312" and insert "$3,000,312".
Page 310, line 36, strike "$3,100,312" and insert "$3,000,312".
Page 310, line 42, strike "Out of this appropriation, $100,000 the first year and $100,000 the second year from the".
Page 310, strike lines 43 through 45.
Page 310, line 46, strike "placements and make recommendations to the local education agency."
Page 310, line 46, strike "OCS" and insert "The Office of Children's Services".

Explanation:

(This amendment removes funding provided to the Office of Children's Services (OCS) to contract with the Virginia Department of Education's Office of Special Education to conduct a review of private day placement decisions in those localities with a higher-than-average number of placements and make recommendations to the local education agency. The review was done last year and OCS indicates another study would be duplicative and not provide significant new information. OCS will still be required to publish on its website private day placements data.)

Item 272 #2c

Health and Human Resources

Children's Services Act — Language

Language:

Page 311, after line 8, insert:
"3. The Office shall annually report for private day school placements the total and per pupil local and state costs and the number of students served, disaggregated by school division and primary disability category. The report shall also include local match rates. For the purposes of this report, the number of students and per pupil costs shall be adjusted to reflect length of enrollment in the program. The Office shall collaborate with the Department of Education to ensure that the data from this report is comparable and aligned with the annual report produced for the Students with Intensive Supports Needs Application (SISNA). Such report shall be posted to the Office's website annually no later than December 1, 2026."

Explanation:

(This amendment provides an annual report on CSA-funded private day school placement costs, aligned in a manner to be comparable to a report on SISNA funded student costs produced by the Department of Education. The SISNA report is established in a companion amendment in Item 125.)

Item 274 #1c

Health and Human Resources

Department of Health — Language

Language:

Page 312, strike lines 25 through 51.
Page 313, strike lines 1 through 56.
Page 314, strike lines 1 through 45.
Page 314, after line 45, insert:
"A. This appropriation shall only be used for the provision of loans or scholarships in accordance with regulations promulgated by the Board of Health and the Virginia Health Workforce Development Authority, or for the administration, management, and reporting thereof.

B. Any unexpended balance in this Item at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated.

C.1. Out of this appropriation, $7,350,000 the first year and $7,350,000 the second year from the general fund shall be provided to the Virginia Department of Health for the Virginia Behavioral Health Loan Repayment Program. Eligible practitioners include: psychiatrists, licensed clinical psychologists, licensed clinical social workers, licensed professional counselors, child and adolescent psychiatrists, child and adolescent psychiatry Fellows, psychiatric physician assistants, psychiatric pharmacists, psychiatric registered nurses, and psychiatric nurse practitioners. The program shall include a tiered incentive system as follows: (i) Tier I providers: child and adolescent psychiatrists, child and adolescent psychiatry Fellows, psychiatric nurse practitioners, psychiatric registered nurses, and psychiatrists; (ii) Tier II providers: licensed clinical psychologists, licensed clinical social workers, and licensed professional counselors; and (iii) Tier III providers: mental health service professionals defined in § 54.1-2400.1 of the Code of Virginia who are not set forth in C.1. as Tier I or Tier II providers.

2. For each eligible year of service provided, the practitioner shall receive a year of applicable loan repayment award in return. Loan repayment checks will be submitted at the end of each year of service. Payments will be made directly to the lender. Practitioners must agree to a minimum of two years of practice for the behavioral health provider with the ability for two one-year renewals. The program shall require preference be given to applicants choosing to practice in underserved areas which must be a federally designated mental Health Professional Shortage Area or Medically Underserved Area within the Commonwealth. Practitioners are required to practice at Community Services Boards, behavioral health authorities, state mental health facilities, free clinics, federally qualified health centers, academic medical centers, stand-alone inpatient psychiatric facilities that serve uninsured or medically underserved populations and/or communities, and other similar health safety net organizations in order to be eligible for the program. The award amount is up to 25 percent of student loan debt, not to exceed $50,000 per year for Tier I professionals or $20,000 per year for Tier II professionals. In no instance shall the loan repayment exceed the total student loan debt.

3. No match contribution from practice sites or the community is required. Loan repayment awards shall be tax exempt.

4. The program shall have an Advisory Board, composed of representatives from stakeholder organizations and community members as determined by the department. The Advisory Board will meet annually and provide guidance regarding effective outreach and feedback on both programmatic processes and impact. The department shall provide an annual report to the Advisory Board on successes, challenges, and opportunities with the program.

5. The Board of Health shall develop regulations consistent with this language in order for the department to administer the program.

D.1. Out of this appropriation, $9,571,000 the first year and $9,571,000 the second year shall be provided to the Virginia Health Workforce Development Authority for the administration of nursing scholarship and loan programs pursuant to [SB 405; pending legislation; §§ 23.1-614 and 32.1-122.6:01 through 32.1-122.6:02 once amended through such legislation]. The

Authority may move appropriation between scholarship or loan repayment programs as long as the scholarship or loan repayment is in accordance with promulgated regulations.

2. Out of the appropriation in D.1., $3,600,000 the first year and $3,600,000 the second year from the general fund shall be provided for the Nursing Preceptor Incentive Program. The Authority shall collaborate with the advisory board to the Virginia Nursing Workforce Center pursuant to [SB 405; pending legislation; § 32.122.7:2 once amended], and other relevant stakeholders on a nursing student preceptor grant program. The program shall offer up to a $5,000 incentive for any Virginia licensed physician, physician's assistant, licensed practical nurse, registered nurse, or advanced practice registered nurse (APRN) who, in conjunction with a licensed and accredited Virginia public or private not-for-profit school of nursing, provides a clinical education rotation of 250 hours, which is certified as having been completed by the school. The amount of the incentive may be adjusted based on the actual number of hours completed during the clinical education rotation. The program shall seek to reduce the shortage of registered nurse clinical education opportunities especially in high demand fields such as psychiatry and anesthesiology.

3. Out of the appropriation in D.1., $35,000 the first year and $35,000 the second year from the general fund is provided for the Nurse Loan Repayment Program to provide loan repayments for certified nurse aides. The total loan repayment allowed per certified nurse aide is limited to no more than $1,000.

4. Out of the appropriation in D.1., $1,936,000 the first year and $1,936,000 the second year from the general fund shall be used to fund nursing scholarship and loan repayment programs to recruit and retain nurses and nurse faculty, consistent with § 32.1-122.6:01 of the Code of Virginia, the Nursing Preceptor Incentive Program established in Chapter 552, 2021 Acts of Assembly, Special Session I, the Virginia Nurse Practitioner/Nurse Midwife scholarship program, the Nurse Educator Scholarship Program pursuant to 12VAC5-545-10, the Nurse Loan Repayment Program authorized in § 32.1-122.6:04, Code of Virginia, and the Long-Term Facility Nursing Scholarship Program, authorized in § 54.1-3011.2, Code of Virginia.

a. Out of the appropriation in paragraph D.4., $64,000 the first year and $64,000 the second year from the general fund shall be provided to fund the Long-Term Facility Nursing Scholarship, authorized in § 54.1-3011.2, Code of Virginia. The program shall offer a scholarship for any Virginia student accepted for enrollment or enrolled in an approved education program in the Commonwealth of Virginia to become a certified nurse aide, licensed practical nurse, or registered nurse, and who commits to work in a long-term care facility after graduation. For each year of scholarship money received, the participant agrees to engage in the equivalent of one year of full-time nursing practice in a long-term care facility in the Commonwealth.

b. Out of the appropriation in paragraph D.4., $936,000 the first year and $936,000 the second year from the general fund shall be provided for nursing scholarship, loan repayment, and incentive programs based on priorities as identified by the Virginia Health Workforce Authority and the ability of the Authority to expedite funding to recipients.

c. Out of the appropriation in paragraph D.4., $300,000 the first year and $300,000 the second year from the general fund may be provided to create a scholarship to support licensed practical nurses serving as a school nurse or school nurse assistant to become a registered nurse, as funds are available. The Authority shall collaborate with the Department of Education in developing

the scholarship program in accordance with the recommendations from the 2021 "Report of the Department of Education on School Health Personnel in Virginia Public Schools: Recommendations for Qualifications and Training". The program shall offer a scholarship, not greater than $10,000, for any licensed practical nurse currently serving as a Virginia school nurse to complete the training and education requirements to become a registered nurse in an approved education program in the Commonwealth of Virginia. For each year of the scholarship money received, the student must maintain employment as a school nurse and agree to engage in the equivalent of one year of full-time employment as a school nurse after graduation. Full-time employment during school is not required and does not count towards the required one-year service obligation.

5. Out of the appropriation in D.1., $4,000,000 the first year and $4,000,000 the second year from the general fund shall be provided to the Earn to Learn Nursing Education Acceleration program. The Authority shall establish criteria for making grants from the program, including application guidelines and metrics for evaluation. Grants shall be awarded for the purpose of forming collaborative clinical training arrangements between high schools, colleges and universities, hospitals, and health providers, increasing the number of nursing students receiving necessary clinical training to achieve certification, and creating and ensuring employment opportunities for nursing students. To be eligible for grants, applicants must provide employment opportunities to students at each student's current certification level with compensation consistent with other employees at identical certification levels and must demonstrate that the grant application will increase on a net basis the number of nursing graduates achieving sufficient clinical hours to achieve higher nursing certifications when compared to averages over the past five years.

E. The Virginia Department of Health and the Virginia Health Workforce Development Authority shall each publish and regularly update on their websites information about respective incentive programs in this appropriation so that information is readily available to the public. In addition, the Authority shall notify nursing schools and nursing programs throughout the Commonwealth of the availability of nursing scholarship and loan repayment program funding, including information about the Nursing Preceptor Incentive Program, prior to each academic year in a timely manner to accept applications and process them.

F. The Virginia Health Workforce Development Authority shall expand the Mary Marshall Scholarship Program to include humanitarian parolees as eligible participants. In addition, the Authority shall expand the program to provide scholarships of up to 100 percent of the fees required to obtain a Credential Service Evaluation Profession Report and the English Language Proficiency Report for those individuals who graduated from a nursing education program in a foreign country prior to admission for licensure.

G. The Virginia Health Workforce Development Authority shall submit an annual report, for

the prior fiscal year, by October 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees for the programs funded in this item to include: (i) total awards by grant program for the prior fiscal year; (ii) total expenditures by grant program for the prior fiscal year; (iii) any remaining funding not expended by the end of the fiscal year; (iv) total administrative costs attributable specifically to the nursing scholarship and loan repayment programs; (v) total administrative expenditures of the Authority, itemized by personnel, contractual services, information technology, facilities, travel, and other overhead; and (vi) program performance and accountability metrics for each scholarship and loan program.

H. The Virginia Health Workforce Development Authority shall submit its audited annual financial report for the prior fiscal year within 30 days of it being completed to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. In addition, to the annual financial report, the Authority shall include any audit findings and resulting corrective actions and report on the total compensation of the three highest-compensated employees of the Authority for the prior fiscal year. If the audited annual financial report and other required information of the Authority is not submitted by July 1, then no funding in this Item shall be provided to the Authority for that fiscal year until the requirements are met.

I. Notwithstanding Chapters 25 and 430, 2026 Acts of Assembly, the Authority is authorized to monitor, collect, and track data pertaining to health care delivery, training, and education from Virginia educational institutions and other entities as needed to carry out its public purpose and objectives in areas where such data efforts do not already exist. The Authority is further authorized to request and seek data for program evaluation purposes and may partner with other agencies and institutions to help manage and analyze health workforce data. The Authority shall assist in the coordination of data from various sources, including the Department of Education, to establish and maintain an annual reporting schedule requiring submission of a usable electronic data file in a standard format, which shall be either (i) a comma-separated values file or (ii) an Excel spreadsheet, containing record-level, health workforce data necessary for program evaluation and workforce forecasting. Such data shall include academic enrollment and graduation information, health professional licensure and renewal data, residency and fellowship program data, and health workforce incentive program data. The State Council of Higher Education for Virginia, the Department of Health Professions, the Department of Health, the Virginia Office of Education Economics, the Workforce Data Trust, the George Mason University Center for Health Workforce the Virginia Community College System, and any other state agencies or institutions that maintain data relevant to the health workforce shall be required to submit such information to the Authority on an annual basis. The Authority shall analyze and publish this data to inform statewide health workforce planning, policy development, and program evaluation."

Explanation:

(This amendment transfers the administrative oversight of nursing scholarship and loan repayment programs from the Department of Health to the Virginia Health Workforce Development Authority (VHWDA) in accordance with the provisions of Chapters 25 and 430, 2026 Acts of Assembly. It further amends these chapters to provide broader authority for the VHWDA health workforce data to collect usable electronic health workforce data necessary for program evaluation and workforce forecasting.)

Item 274 #2c

Health and Human Resources

Department of Health — Language

Language:

Page 314, after line 45, insert:
"J. The Director, Department of Planning and Budget, shall, on or before August 1, 2026, unallot $5,000,000 from the general fund in this item, which reflects unused balances in the Behavioral Health Loan Repayment Program."

Explanation:

(This amendment captures $5.0 million GF in prior year balances the first year in the Behavioral Health Loan Repayment Program at the Virginia Department of Health.)

Item 275 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$500,000	$0	GF

Language:

Page 314, line 46, strike "$51,635,927" and insert "$52,135,927".
Page 316, line 3, strike "$500,000" and insert "$1,000,000".

Explanation:

(This amendment provides an additional $500,000 GF the first year for the Northern Virginia Firefighter Occupational Cancer Screening Pilot Program.)

Item 276 #1c

Health and Human Resources	**FY26-27**	**FY27-28**

Department of Health	$142,671	$142,671	GF
	1.00	1.00	FTE

Language:

Page 316, line 22, strike "$21,555,698" and insert "$21,698,369".
Page 316, line 22, strike "$21,555,698" and insert "$21,698,369".
Page 316, after line 28, insert:
"Out of this appropriation, $142,671 the first year and $142,671 the second year from the general fund shall be provided to the Office of the Chief Medical Examiner for any case involving a manner of death consistent with Sudden Unexpected Death in Epilepsy (SUDEP) to: (i) in addition to other information it deems appropriate, disclose its investigation into the cause of death in a full report, which shall include written findings pursuant to § 32.1-283, and (ii) within 30 days of such findings refer the case to a public or private institution, which shall provide to the decedent's next of kin, if known, information regarding the benefits of and process for submitting the deceased's medical information, including information about the deceased's history of epilepsy and seizures, to the North American SUDEP Registry.
B. The Office of the Chief Medical Examiner shall publish resources with information on SUDEP and a SUDEP death investigation form on its website."

Explanation:

(This amendment provides $142,671 GF and 1.0 position each year for the Office of the Chief Medical Examiner (OCME) to investigate any case involving a manner of death consistent with Sudden Unexpected Death in Epilepsy (SUDEP) and provide a full report to a public or private institution. It also requires OCME to publish resources with information on SUDEP and a SUDEP death investigation form on its website.)

Item 277 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$4,752,920	$4,752,920	NGF

Language:

Page 316, line 29, strike "$9,602,885" and insert "$14,355,805".
Page 316, line 29, strike "$9,602,885" and insert "$14,355,805".
Page 316, line 36, strike "$12.00" and insert "$15.00".
Page 316, line 39, strike "birth, marriage, or divorce records" and insert: "vital records".
Page 316, line 39, after "records", strike "state administered".
Page 316, line 40, strike "Division" and insert "Office".
Page 316, line 41, strike "will be split with 65" and insert: "shall be split with 85".
Page 316, line 42, strike "35 percent to be transferred to the Division of Vital Records" and insert:
"15 percent to be transferred to the Office of Vital Records".

Explanation:

(This amendment appropriates $4.8 million each year from nongeneral funds generated from the increase in the fee for vital records from $12.00 to $15.00 pursuant to the provisions of Chapter 616 (House Bill 450), 2026 Acts of Assembly. It changes budget language to conform the budget to the provisions of the legislation. Further, it changes the portion of the fee revenue provided to all health districts from 65.0 percent to 85.0 percent and the portion going to the Office of Vital Records from 35.0 percent to 15.0 percent and allows for the fee revenue to be provided to all health districts, not just state administered health districts.)

Item 277 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$95,197	$95,197	GF

Language:

Page 316, line 29, strike "$9,602,885" and insert "$9,698,082".
Page 316, line 29, strike "$9,602,885" and insert "$9,698,082".

Explanation:

(This amendment adds $95,197 the first year and $95,197 the second year from the general fund in the Virginia Department of Health (VDH) for the State Registrar to update its transmission of death data to the Department of Elections pursuant to the provisions of Chapter 1120 (House Bill 972), 2026 Acts of Assembly. This update would require changes to the transmission of a decedent's place of birth and death and the Department of Motor Vehicles (DMV) customer identifier number from the existing semi-monthly transmission of data to weekly, through an updated data sharing agreement and an annual data match with the Social Security Administration of deceased persons.)

Item 278 #1c

Health and Human Resources

Department of Health — Language

Language:

Page 318, after line 23, insert:

"M.1. The Department of Health shall establish a workgroup on childhood immunization

schedules and immunizations for public health emergencies. The workgroup shall include representatives from practitioner groups, including pediatricians, family medicine doctors, pharmacists, and other stakeholders to review Virginia's statutes and regulations governing childhood immunizations associated with public health emergencies to ensure evidence-based vaccines are included to protect public health. The Commissioner of the Department of Health shall make recommendations to improve Virginians' access to vaccines approved by the FDA and other organizations that review scientific evidence.

2. The Department of Health shall also collaborate with the Department of Medical Assistance, the Bureau of Insurance, and the Association of Health Plans, and create recommendations to improve the availability and affordability of vaccines with respect to insurance coverage.

3. The Department of Health shall submit a report of recommendations to the Chairs of the House Appropriations Committee, Senate Finance and Appropriations Committee, House Health and Human Services Committee, and Senate Education and Health Committee by November 1, 2026. "

Explanation:

(This amendment directs the Department of Health to establish a workgroup on childhood immunization schedules and immunizations for public health emergencies and collaborate with the Department of Medical Assistance, the Bureau of Insurance, and the Association of Health Plans to create recommendations to improve the availability and affordability of vaccines with respect to insurance coverage. The workgroup will report to the General Assembly by November 1, 2026.)

Item 278 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$105,115	$105,115	NGF

Language:

Page 316, line 48, strike "$132,907,252" and insert "$133,012,367".
Page 316, line 48, strike "$121,585,668" and insert "$121,690,783".
Page 318, after line 23, insert:
"M. Out of this appropriation, $105,115 the first year and $105,115 the second year from the Commonwealth Opioid Abatement and Remediation fund shall be provided to fund the fiscal impact of Chapters 667 and 668, 2026 Acts of Assembly which requires the development of a strategic plan for opioid response."

Explanation:

(This amendment provides the Virginia Department of Health (VDH) with $105,115 each year from the Commonwealth Opioid Abatement and Remediation Fund for the development of a strategic plan for opioid response to reduce rates of drug overdose and drug overdose deaths in the Commonwealth pursuant to the provisions of Chapters 667 and 668 (House Bill 794/Senate Bill 308), 2026 Acts of Assembly.)

Item 278 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$14,937,705	$16,908,844	GF
	$578,702	$578,702	NGF
	14.00	14.00	FTE

Language:

Page 316, line 48, strike "$132,907,252" and insert "$148,423,659".
Page 316, line 48, strike "$121,585,668" and insert "$139,073,214".
Page 318, after line 23, insert:
"M.1. Out of this appropriation, $14,937,705 the first year and $16,908,844 the second year from the general fund and $578,702 the first year and $578,702 the second year from nongeneral funds is provided to support core public health services, maintain epidemiological response capacity and preparedness, and maintain public health systems, cloud infrastructure, and cybersecurity.
2. Of the amounts in paragraph M.1., $4,642,403 the first year and $4,642,403 the second year from the general fund is provided to support state epidemiology positions, strengthening Virginia's ability to identify, track, and stop HIV/AIDS, measles, and other infectious disease outbreaks.
3. Of the amounts in paragraph M.1., $750,373 the first year and $750,373 the second year from the general fund is provided for six Medical Facility Inspector positions to address the nursing home complaint backlog.
4. Out of the amounts in paragraph M.1., $2,159,836 the first year and $2,159,836 the second year from the general fund and $578,702 the first year and $578,702 the second year from nongeneral funds shall be provided for eight community health services positions."

Explanation:

(This amendment provides $14.9 million GF the first year, $16.9 million GF the second year, and $578,702 NGF each year to provide core public health services, maintain epidemiological response capacity and preparedness, and maintain public health systems, cloud infrastructure, and cybersecurity. Funding includes $4.6 million in both years to support state epidemiology positions, strengthening Virginia's ability to identify, track, and stop HIV/AIDS, measles, and other infectious disease outbreaks. It includes $750,373 GF in both years for six Medical Facility Inspector positions to address the nursing home complaint backlog. This amendment also includes $2.2 million GF and $578,702 NGF each year for eight community health services

positions. It is the intent upon the enrolling of the bill that funding will be distributed to the appropriate items.)

Item 278 #4c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$6,600,000	$6,600,000	GF

Language:

Page 316, line 49, strike "$132,907,252" and insert "$139,507,252".
Page 316, line 49, strike "$121,585,668" and insert "$128,185,668".
Page 318, after line 23, insert:
"M.1. Out of this appropriation, $6,600,000 the first year and $6,600,000 the second year from the general fund shall be provided to the Virginia Department of Health for the purposes of funding the Ryan White HIV/AIDS Program Part B for HIV care services to persons living with HIV/AIDS.
2. The department shall submit an annual report to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by December 1 detailing the expenditure and use of funds appropriated pursuant to this item.
3. The department shall submit a final report to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee no later than June 30, 2028, that: (i) identifies the causes of recent revenue shortfalls; (ii) assesses internal controls and compliance with applicable federal grant requirements; (iii) evaluates the administration and financial management of the Ryan White HIV/AIDS Program Part B; and (iv) describes actions taken, or planned, to address financial instability associated with declines in rebate revenue."

Explanation:

(This amendment provides $6.6 million GF each year to backfill the anticipated loss of funding for the Ryan White HIV/AIDS Part B for Grant Year 2026 (April 1, 2026 to March 1, 2027) and 2027 (April 1, 2027 to March 1, 2028). Funds will restore critical HIV-related medical and supportive services, and prevent disruptions in access to life-saving medications for Virginians living with HIV. Language requires the Department of Health to report on program funding annually by December 1 and submit a final report by June 30, 2028.)

Item 278 #5c

Health and Human Resources	
Department of Health	Language

Language:

Page 318, after line 23, insert:
"M. Notwithstanding § 54.1-3303.1, a pharmacist may administer an influenza vaccine or COVID-19 vaccine approved by the United States Food and Drug Administration to persons three years of age or older in accordance with the manufacturer's directions. A pharmacist may also delegate the administration of the influenza vaccine or COVID-19 vaccine to a pharmacy technician or intern under the supervision of a pharmacist. This authority shall expire June 30, 2027."

Explanation:

(This amendment is a temporary measure to ensure pharmacists can administer new influenza and COVID-19 vaccines approved by the United States Food and Drug Administration.)

Item 279 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$250,000	$0	GF

Language:

Page 318, line 25, strike "$25,832,137" and insert "$26,082,137".

Explanation:

(This amendment adds $250,000 the first year from the general fund to effectuate the provisions of Chapters 414 and 415 (House Bill 717/Senate Bill 247), 2026 Acts of Assembly, which requires an application by a nursing home to the Commissioner of Health for a change of operator license when a change of ownership or control of daily operations and management occurs. One-time funding would allow the Virginia Department of Health Office of Licensure and Certification to update an existing portal to receive applications for change of ownership licenses.)

Item 280 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$300,000	$900,000	GF
	$900,000	$2,700,000	NGF

Language:

Page 319, line 28, strike "$180,469,119" and insert "$181,669,119".
Page 319, line 28, strike "$180,469,119" and insert "$184,069,119".
Page 320, line 24, strike the first "$500,000" and insert "$800,000".

Page 320, line 24, strike the second "$500,000" and insert "$1,400,000".

Explanation:

(This amendment adds $300,000 the first year and $900,000 the second year from the general fund and $900,000 the first year and $2.7 million the second year from nongeneral funds for the Maternal Infant Early Childhood Home Visiting program. This evidence-based program provides critical home-based services for expectant and new parents in at-risk communities throughout Virginia. The federal program requires a 25 percent match to access Virginia's formula-based allocation of federal funding in the 2026-28 biennium to support expansion of services in localities with the greatest need.)

Item 280 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$0	$1,815,358	GF

Language:

Page 319, line 28, strike "$180,469,119" and insert "$182,284,477".

Explanation:

(This amendment provides $1.8 million the second year from the general fund for the Virginia Department of Health to establish and maintain the Sickle Cell Coordinated Access Network, pursuant to the provisions of Chapters 838 and 839 (House Bill 1391/Senate Bill 813), 2026 Acts of Assembly. Funding will enable the Network to ensure that sickle cell specialists are available for extended periods of time to provide telehealth consultations with health care providers treating individuals with sickle cell trait and sickle cell disease across the Commonwealth.)

Item 280 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$382,230	$372,230	GF
	1.00	1.00	FTE

Language:

Page 319, line 28, strike "$180,469,119" and insert "$180,851,349".
Page 319, line 28, strike "$180,469,119" and insert "$180,841,349".

Explanation:

(This amendment adds $328,230 the first year and $372,230 the second year from the general fund and one position to effectuate the provisions of Chapter 846 (House Bill 1418), 2026 Session of the General Assembly, which directs the Virginia Department of Health to establish the Sickle Cell Trait Awareness and Education Program to raise public awareness of and education on sickle cell trait.)

Item 280 #4c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$260,840	$313,000	GF

Language:

Page 319, line 28, strike "$180,469,119" and insert "$180,729,959".
Page 319, line 28, strike "$180,469,119" and insert "$180,782,119".

Explanation:

(This amendment adds $260,840 the first year and $313,000 the second year from the general fund to effectuate the provisions of Chapter 842 (House Bill 1403), 2026 Acts of Assembly, which directs the Virginia Department of Health to establish the Severe Maternal Morbidity Surveillance and Review Program for the purpose of identifying, analyzing, and reviewing instances of severe maternal morbidity.)

Item 280 #5c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$440,000	$440,000	GF

Language:

Page 319, line 28, strike "$180,469,119" and insert "$180,909,119".
Page 319, line 28, strike "$180,469,119" and insert "$180,909,119".
Page 320, line 4, strike "$880,000" and insert "$1,320,000".
Page 320, line 4, strike "$880,000" and insert "$1,320,000".

Explanation:

(This amendment provides an additional $440,000 GF each year for the comprehensive adult program for sickle cell disease.)

Item 280 #6c

Health and Human Resources	**FY26-27**	**FY27-28**

Department of Health	$450,000	$450,000	GF

Language:

Page 319, line 28, strike "$180,469,119" and insert "$180,919,119".
Page 319, line 28, strike "$180,469,119" and insert "$180,919,119".
Page 319, line 51, strike "450,000" and insert "900,000".
Page 319, line 51, strike "450,000" and insert "900,000".

Explanation:

(This amendment provides an additional $450,000 GF each year for the Department of Health's pediatric sickle cell program.)

Item 280 #7c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$2,500,000	$0	GF

Language:

Page 319, line 28, strike "$180,469,119" and insert "$182,969,119".
Page 320, after line 42, insert:
"J.1. Out of this appropriation, $2,500,000 the first year from the general fund shall be provided to pilot perinatal health hub programs throughout the Commonwealth. The Virginia Department of Health, in collaboration with the Virginia Neonatal Perinatal Collaborative, shall provide one-year grant awards for community-based providers (hubs) to improve perinatal outcomes and to reduce maternal and infant mortality in their communities.
2. The Virginia Department of Health, in collaboration with the Virginia Neonatal Perinatal Collaborative, and in consultation with the Department of Medical Assistance Services, shall establish grant application selection and award criteria. Essential elements shall include: (i) a description of how the funds will be utilized and a description of the services to be provided; (ii) a description of the populations who will be served; (iii) a requirement for collaboration with local and regional stakeholders; (iv) a required physical presence in the region in which a hub will be located; (v) a contractual collaboration with a regional birthing hospital and/or obstetrical clinic for pregnant and postpartum families in the region which the hub is located; (vi) partnerships and/or contracts with Medicaid managed care organizations for the purpose of sharing data and collaboration; (vii) the use of evidence based quality standards as defined by the Virginia Neonatal Perinatal Collaborative and the federal Health Resources Services Administration; (viii) an evaluation of program impacts on populations served; and (ix) a plan for future sustainability.
3. The Virginia Department of Health, in collaboration with the Virginia Neonatal Perinatal Collaborative, shall develop a report that includes, but is not limited to, a listing of participating community providers and award amounts, a description of services provided, a description of populations served, the number of individuals served, and an assessment of health outcomes and

program effectiveness. This report shall be provided to the Governor, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually on or before June 30. Any unexpended balance at the close of business on June 30, 2027, associated with perinatal hubs shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $2.5 million GF in the first year for the perinatal health hubs pilot development. This amendment reverses the action in the introduced budget to remove the one-time funding of $2.5 million GF each year allocated for the perinatal health hubs pilot development and extends the pilot program into the first year of the biennium.)

Item 281 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$4,600,000	$4,600,000	GF
	($4,000,000)	($4,000,000)	NGF

Language:

Page 320, line 43, strike "$338,600,566" and insert "$339,200,566".
Page 320, line 43, strike "$338,600,566" and insert "$339,200,566".
Page 322, line 38, strike "federal Temporary Assistance for Needy Families block grant" and insert "general fund".
Page 323, line 3, strike "federal Temporary Assistance for Needy Families block grant" and insert "general fund".
Page 323, after line 51, insert:
"K. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund is provided to the Department of Health to provide grants to organizations offering preventative care, including STI testing and cancer screening."

Explanation:

(This amendment provides an additional $4.0 million each year from the general fund in lieu of federal Temporary Assistance to Needy Families block grant funds to maintaining access to long-acting reversible contraceptives and other contraceptives and $600,000 general fund each year to support health care providers offering preventative services.)

Item 282 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$600,000	$0	GF

Language:

Page 323, line 53, strike "$33,179,983" and insert "$33,779,983".
Page 329, line 1, strike the first "$300,000" and insert "$900,000".

Explanation:

(This amendment adds $600,000 the first year from the general fund for the Adler Inpatient Hospice Center in Aldie, Virginia, which is one of five inpatient hospice centers in Virginia. The funding will enable the center to provide additional critical hospice and palliative services to terminally ill Virginians, both adults and children who cannot be served in a home setting.)

Item 282 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$5,000,000	$5,000,000	GF

Language:

Page 323, line 53, strike "$33,179,983" and insert "$38,179,983".
Page 323, line 53, strike "$33,179,983" and insert "$38,179,983".
Page 325, after line 53, insert:
"4. Out of this appropriation, $5,000,000 the first year and $5,000,000 the second year from the general fund shall be used to contract with the Virginia Association of Free and Charitable Clinics (VAFCC) to support the clinics' delivery of medical, dental, vision, speech, hearing, and behavioral health care as well as prescription medications and substance use disorder services."

Explanation:

(This amendment adds $5.0 million from the general fund each year to support operating costs of free clinics that are members of the Virginia Association of Free and Charitable Clinics. Funding will be used to meet increasing high demand for medical, dental, vision, speech, hearing, and behavioral health care services, as well as prescription medication and substance use disorder services.)

Item 282 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$50,000	$50,000	GF

Language:

Page 323, line 53, strike "$33,179,983" and insert "$33,229,983".
Page 323, line 53, strike "$33,179,983" and insert "$33,229,983".
Page 326, line 24, strike the first "$5,180,571" and insert "$5,230,571".
Page 326, line 24, strike the second "$5,180,571" and insert "$5,230,571".

Page 326, line 51, strike "$205,000" and insert "$255,000".
Page 326, line 52, strike "$205,000" and insert "$255,000".

Explanation:

(This amendment adds $50,000 from the general fund each year for the Virginia Health Care Foundation to contract with the Rx Partnership to improve access to medications for low-income Virginians. Funding will help efforts to minimize the loss of access to key brand medications and cover the increasing cost of generic medications.)

Item 282 #4c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$5,000,000	$0	GF

Language:

Page 323, line 53, strike "$33,179,983" and insert "$38,179,983".
Page 325, line 22, strike "$500,000" and insert "$5,500,000".

Explanation:

(This amendment provides an additional $5.0 million GF the first year for Virginia Federally Qualified Health Clinics to continue providing comprehensive medical, dental, maternal, and mental health services for the most vulnerable and uninsured Virginians, primarily in rural and urban settings.)

Item 282 #5c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$326,700	$326,700	NGF

Language:

Page 323, line 53, strike "$33,179,983" and insert "$33,506,683".
Page 323, line 53, strike "$33,179,983" and insert "$33,506,683".
Page 328, line 31, after "general fund" insert "and $326,700 the first year and $326,700 the second year from nongeneral funds".
Page 328, line 37, after "telehealth." insert "The Department of Medical Assistance Services is authorized to draw down federal matching funds for this appropriation."

Explanation:

(This amendment provides $326,700 from nongeneral funds each year for the Virginia Center for Health Innovation to facilitate and run the Virginia Task Force on Primary Care. Currently,

the Department of Health (VDH) receives $816,750 from the general fund each year to contract with the Virginia Center for Health Innovation, which qualifies for federal matching funds. This amendment would grant the Department of Medical Assistance Services the authority to modify the existing interagency agreement with VDH to match eligible funds from current appropriations for the Task Force on Primary Care.)

Item 282 #6c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$3,075,000	$3,075,000	NGF

Language:

Page 323, line 52, strike "$33,179,983" and insert "$36,254,983".
Page 323, line 52, strike "$33,179,983" and insert "$36,254,983".
Page 327, line 23, after "fund" insert "and $3,075,000 the first year and $3,075,000 the second year from nongeneral funds"
Page 327, line 24, after "Database." insert:
"Funding shall be limited to only Medicaid eligible costs."

Explanation:

(This amendment provides $3.1 million NGF each year by allowing $1.0 million of existing appropriations for Virginia's All Payer Claims Database to draw down federal matching dollars for Medicaid. Additional dollars generated will cover increased vendor costs and additional analytic support for state agency and private users and shall be limited to only Medicaid eligible costs.)

Item 282 #7c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$500,000	$500,000	GF

Language:

Page 323, line 52, strike "$33,179,983" and insert "$33,679,983".
Page 323, line 52, strike "$33,179,983" and insert "$33,679,983".
Page 328, line 51, strike "$500,000" and insert "$1,000,000"
Page 328, line 51, strike "$500,000" and insert "$1,000,000"
Page 328, line 52, after "Healthier757", insert "and HealthierRVA".
Page 328, line 53, after "Hampton Roads" insert "and the City of Richmond".

Explanation:

(This amendment provides $500,000 GF each year to expand the Healthier757 initiative and

launch the HealthierRVA initiative.)

Item 282 #8c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$50,000	$50,000	GF

Language:

Page 323, line 53, strike "$33,179,983" and insert "$33,229,983".
Page 323, line 53, strike "$33,179,983" and insert "$33,229,983".
Page 329, after line 8, insert:
"CC. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be provided to contract with the ETSI Health Clinic for healthcare services."

Explanation:

(This amendment provides $50,000 GF each year for the ETSI Health Clinic in Portsmouth, Virginia.)

Item 283 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$50,000,000	$0	GF

Language:

Page 329, line 9, strike "$89,697,000" and insert "$139,697,000".
Page 329, after line 41, insert:

"G.1. The unexpended balance remaining at the close of business on June 30, 2026, in the appropriation made in Item 280 I., Chapter 725, 2025 Acts of Assembly, shall not revert to the general fund but shall be carried forward and reappropriated for this purpose consistent with the funding offers made by December 1, 2025.

2. Out of this appropriation, $50,000,000 the first year from the general fund shall be provided for the Virginia Department of Health to provide one-time grants to localities to upgrade or replace existing drinking water infrastructure. The Department shall use existing guidelines established pursuant to Item 280 I., Chapter 725, 2025 Acts of Assembly. The Department may consider previous applications submitted pursuant to Item 280 I., Chapter 725, 2025 Acts of Assembly, as well as new applications.

3. To receive a grant, localities must provide proof of at least a 25 percent match for the cost of a project. No grant to a locality shall fully fund a drinking water project.

4. The Department shall report to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees on the number of applications received for grants, the total grants and grant amounts awarded, the localities to which grants will be awarded, and the description of drinking water infrastructure projects for which the grants will be used no later than December 1, 2026.

5. After allocating funds for H.1., priority consideration shall be given to the Town of Orange, Town of Jarratt, and Town of Blackstone. Priority consideration shall also be given to Fairfax County only for the purposes of providing assistance for local governments and well owners to connect to the public surface water systems when reasonably available.

6. The Department may use up to $500,000 of the funds in paragraph G.2. for administration costs of providing drinking water infrastructure grants to localities.

7. Any unexpended balances in paragraph G.2. at the close of business on June 30, 2027, shall not revert to the general fund but shall be carried forward and reappropriated for this purpose.

H.1. Out of the amounts in G.2. the Department shall allocate no less than $20,000,000 to the City of Richmond which shall be designated for the purposes of capital improvements and repairs to the City of Richmond's Water Treatment Plant as set forth in the Virginia Department of Health's Comprehensive Waterworks Evaluation and Cost Estimate report dated April 8, 2025, and pursuant to recommendations of the Richmond Regional Water Workgroup established in this Item. Funding for the capital improvements and repairs is contingent upon the execution of a memorandum of understanding among the City of Richmond and the Virginia Department of Health. In the event the Virginia Department of Health issues a grant agreement covering the same roles and obligations, execution of a separate memorandum of understanding shall be optional and the grant agreement shall serve as the governing instrument. The memorandum of understanding and any associated grant agreement must be executed by August 31, 2026, and such agreement shall include the process and conditions related to the disbursement of funds from the Virginia Department of Health to the City of Richmond. The agreement shall also include provisions pertaining to the maintenance of effort by the City related to capital improvements and repairs to and the operations and maintenance of its water treatment plant. These funds may not be used to supplant other local, state, or federal funds dedicated for capital improvements and repairs to and operations and maintenance of the City of

Richmond's Water Treatment Plant.

2. The Richmond Regional Water Workgroup shall be established and shall include ten members: the Secretary of Health and Human Resources, or a designee, who shall be chair of the Workgroup; the Director of the Department of General Services or a designee, who shall be a full-time employee of the Department of General Services; the chief administrative officer and director of public utilities of the City of Richmond or a designee; the chief administrative officer and director of public utilities of the County of Chesterfield or a designee; the chief administrative officer and director of public utilities of the County of Hanover or a designee; and the chief administrative officer and director of public utilities of the County of Henrico or a designee. Additional members may be appointed at the discretion of the Secretary of Health and Human Resources based on expertise or service area. A quorum of the Workgroup shall consist of six members, with at least one member from three of the four participating localities present. At its first meeting to be held in or before August, 2026, the Workgroup shall elect from among its members a vice-chair. Meetings of the Workgroup shall be held at the call of the chair, and no fewer than six meetings shall be held each year. The Secretary of Health and Human Resources shall staff the Workgroup.

3. The Richmond Regional Water Workgroup shall: (i) review and make recommendations concerning the program for maintenance of and capital improvements and repairs to the City of Richmond's Water Treatment Plant to ensure its reliability as a supplier of drinking water; (ii) review and make recommendations concerning the staffing, operations, and long term sustainability of the City of Richmond's Water Treatment Plant to ensure its reliability as a supplier of drinking water; (iii) review and identify compliance concerns for any party to a wholesale water contractual agreement for the provision of drinking water; and (iv) prepare, publish, and deliver a report of its findings, recommendations, and use of funding in this Item to the Governor, the Chair of the Senate Finance and Appropriations Committee and the Chair of the House Appropriations Committee, and the chief elected officers of the City of Richmond, and the counties of Chesterfield, Hanover, and Henrico each year by November 1. The Workgroup shall continue to monitor compliance with the grant agreement until all funds provided in this Item have been disbursed and the projects for which the funds were provided have been completed, or until such time as any other state funds appropriated or granted for the Richmond Water Treatment Plant are similarly disbursed and executed."

Explanation:

(This amendment provides language ensuring the carry forward of $25.0 million GF from Item 280 I., Chapter 725, 2025 Acts of Assembly, provided for the Virginia Department of Health to provide one-time grants to localities to upgrade or replace existing drinking water infrastructure. Language also requires funding distribution levels to remain consistent with original offers made, which included $6.2 million GF to the Town of Bowling Green, $12.0 million GF to Greene County, and $6.8 million GF to Fauquier County. This amendment also creates a new grant of $50.0 million GF, subject to similar criteria as defined in the previous grant from Item 280 I., Chapter 725, 2025 Acts of Assembly and will allocate no less than $20.0 million to the City of Richmond, and with the remaining funds, give priority consideration to the Town of Orange, Town of Jarratt, and Town of Blackstone. Priority consideration will also be given to

Fairfax County only for the purposes of providing assistance for local governments and well owners to connect to the public surface water systems when reasonably available. This amendment also establishes the Richmond Regional Water Workgroup to oversee drinking water grants in the City of Richmond.)

Item 286 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health	$75,000	$75,000	GF

Language:

Page 330, line 17, strike "$47,665,967" and insert "$47,740,967".
Page 330, line 17, strike "$46,232,620" and insert "$46,307,620".
Page 331, after line 47, insert:
"K. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund shall be used to match funding from the Outdoors Advertising Association of Virginia (OAAV) for the purpose of initiating a public advertising campaign to promote childhood immunizations and other critical health issues. The Virginia Department of Health is authorized to enter into a contract with the OAAV, which shall include the leverage of OAAV matching funds equal to $225,000 each year and specific details on the type of advertising that will be used, the duration of the public advertising campaign, and the public health issues that will be covered in the campaign."

Explanation:

(This amendment provides $75,000 from the general fund each year as the state match for $225,000 each year from the Outdoor Advertising Association of Virginia (OAAV) for the purpose of initiating a public advertising campaign to promote childhood immunizations and other critical health issues. The funds provided by the OAAV represent a 3-for-1 discount for different types of advertising: traditional billboards, poster signage, and digital billboards. Run times can vary depending on options selected by the Virginia Department of Health.)

Item 286 #2c

Health and Human Resources

Department of Health — Language

Language:

Page 331, after line 47, insert:
"K. The Board of Health shall adopt regulations establishing a permitting process and food safety requirements applicable to out-of-state entities for the sale or service of food that has been prepared outside of the Commonwealth. The Department of Health shall grant such permit

to any entity that meets the requirements established by such regulations. A permit granted pursuant to such regulations shall only allow out-of-state entities to serve food at temporary, short-term events or from a mobile food unit permitted to operate in the Commonwealth, or for distribution to persons of the same business operation or of a related business operation in a restaurant, as defined in § 35.1-1. Nothing in this paragraph shall be construed to allow an out-of-state entity to operate a permanent, fixed food service establishment in the Commonwealth without obtaining the appropriate permit from the Department."

Explanation:

(This amendment directs the Board of Health to develop out-of-state food preparation regulations.)

Item 288 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health Professions	($153,850)	($176,620)	NGF
	-1.00	-1.00	FTE

Language:

Page 332, line 8, strike "$53,010,551" and insert "$52,856,701".
Page 332, line 8, strike "$53,033,321" and insert "$52,856,701".
Page 332, strike lines 48 through 51.
Page 333, strike lines 1 through 10.

Explanation:

(This amendment removes $153,850 from nongeneral funds the first year and $176,620 from nongeneral funds the second year and one position, including language establishing the "Virginia Center for the Nursing Workforce" within the Department of Health Professions. The Virginia Nursing Workforce Center was created by the Virginia Health Workforce Development Authority in 2025 and serves this purpose.)

Item 288 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Health Professions	$254,900	$254,900	NGF
	2.00	2.00	FTE

Language:

Page 332, line 8, strike "$53,010,551" and insert "$53,265,451".
Page 332, line 8, strike "$53,033,321" and insert "$53,288,221".

Page 333, after line 10, insert:
"E. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds and one position shall be used to implement the provisions of Chapters 439 and 440, 2026 Session of the General Assembly.
F. Out of this appropriation, $154,900 the first year and $154,900 the second year from nongeneral funds and one position shall be used to implement the provisions of Chapters 450 and 451, 2026 Session of the General Assembly."

Explanation:

(This amendment provides $254,900 in fiscal year 2027 and $254,900 in fiscal year 2028 from nongeneral funds (NGF) and two positions to fund the fiscal impact of legislation passed during the 2026 Session of the General Assembly. Funding of $100,000 NGF annually and one position is provided to implement the provisions of Chapters 439 and 440 (House Bill 970/Senate Bill 178), which provide that any dental assistant or dental assistant II with a minimum amount of clinical experience may obtain certification to provide additional treatment provided they meet certain educational and certification requirements. Funding of $154,900 NGF annually and one position is provided to implement the provisions of Chapters 450 and 451 (House Bill 1147/Senate Bill 22), which direct the Boards of Medicine and Nursing to require all practitioners licensed by the Boards to complete continuing education related to bias reduction in health care as a condition for license renewal.)

Item 288 #3c

Health and Human Resources

Department of Health Professions — Language

Language:

Page 333, after line 10, insert:
"E. The Department of Health Professions shall convene a stakeholder workgroup to review the structure and purpose of the Committee of the Joint Boards of Nursing and Medicine. The workgroup shall consider pathways to modernize the Joint Boards' structure and governance of advanced practice registered nurses. The workgroup shall consist of representatives from the Virginia Council of Nurse Practitioners, Virginia Nurses Association, Virginia Association of Nurse Anesthetists, Medical Society of Virginia, and other stakeholders deemed appropriate by the Department. The workgroup shall report its findings to the Governor and General Assembly by November 1, 2026."

Explanation:

(This amendment is a language only amendment directing the Department of Health Professions to convene a stakeholder workgroup to review the structure and purpose of the Committee of

the Joint Boards of Nursing and Medicine. The workgroup will report its findings to the Governor and General Assembly by November 1, 2026.)

Item 288 #4c

Health and Human Resources

Department of Health Professions Language

Language:

Page 333, after line 10, insert:
"E. The workgroup established pursuant to Chapter 590 of the 2025 Acts of Assembly shall be continued. The workgroup shall report its findings to the Chairs of the House Committee on Health and Human Services and the Senate Committee on Education and Health by November 1, 2026."

Explanation:

(This amendment adds language continuing the workgroup established in Chapter 590 of the 2025 Acts of Assembly and extends the reporting requirement to November 1, 2026. The workgroup requires the Boards of Psychology and Medicine to jointly convene a workgroup to include two representatives of the Board of Psychology who are licensed clinical psychologists, two representatives of the Board of Medicine who are physicians, one representative of the Board of Pharmacy, two licensed clinical psychologists who are faculty at accredited institutions of higher education in the Commonwealth, two representatives from departments of psychiatry at schools of medicine located in the Commonwealth, a representative of the Virginia Academy of Clinical Psychologists, a representative of the Psychiatric Society of Virginia, and other stakeholders as deemed necessary to study the education, training, and qualifications of clinical psychologists licensed in the Commonwealth, including the level of education and training clinical psychologists receive in the area of pharmacology, and assess under what conditions it may be appropriate for clinical psychologists to be granted prescriptive authority. The workgroup will report its findings to the Chairs of the House Committee on Health and Human Services and the Senate Committee on Education and Health by November 1, 2026.)

Item 288 #5c

Health and Human Resources

Department of Health Professions Language

Language:

Page 333, after line 10, insert:
“E. In the event that expenses for operating health regulatory boards exceed current fees collected by the Boards, a treasury loan, not to exceed $3,500,000, shall be provided to the

Department of Health Professions to finance these costs. This treasury loan shall be repaid by no later than June 30, 2030, with the proceeds collected from an increase in health regulatory board fees based on a four-year plan developed by the Department of Health Professions to determine the appropriate fee structure to ensure the sustainability of agency operations."

Explanation:

(This amendment provides authority for a Treasury Loan to the Department of Health Professions to cover the increased costs of operating health regulatory boards and minimize the impact of fee increases until a plan to adjust the fee structure of health regulatory boards can be implemented.)

Item 290 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$13,209,963 $21,432,904	$16,276,704 $26,161,845	GF NGF

Language:

Page 333, line 36, strike "$469,647,232" and insert "$504,290,099".
Page 333, line 36, strike "$493,185,700" and insert "$535,624,249".
Page 334, strikes lines 36 through 44, and insert:
"H. The Department of Medical Assistance Services shall amend the Virginia Family Access to Medical Insurance Security (FAMIS) State Plan to allow for the payment of prenatal, labor and delivery, and postpartum care pursuant to provisions in Title XXI of the federal 2009 CHIP Reauthorization Act that includes care of all children who upon birth will be U.S. citizens, U.S. nationals, or qualified aliens. The Department shall have the authority to implement this change effective July 1, 2021, or consistent with the effective date in the State Plan Amendment approved by the Centers for Medicare and Medicaid Services (CMS), and prior to completion of any regulatory process."

Explanation:

(This amendment provides $13.2 million from the general fund and $21.4 million in nongeneral funds the first year and $16.3 million from the general fund and $26.2 million in nongeneral funds the second year to restore the FAMIS Prenatal Coverage Program that was proposed to be eliminated in the introduced budget.)

Item 290 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$252,000 $468,000	$252,000 $468,000	GF NGF

Language:

Page 333, line 36, strike "$469,647,232" and insert "$470,367,232".
Page 333, line 36, strike "$493,185,700" and insert "$493,905,700".
Page 334, after line 47, insert:
"J. Out of this appropriation, $252,000 from the general fund and $468,000 from nongeneral funds the first year and $252,000 from the general fund and $468,000 from nongeneral funds the second year shall be provided to contract with Reach Out and Read to implement a pilot program of their evidence-based model that promotes early literacy and parental bonding as part of routine pediatric primary care visits in select underserved localities. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to amend the Children's Health Insurance Program (CHIP)/Title XXI State Plan to establish a Health Services Initiative (HSI) to authorize and fund this project as allowed by Section 2105(a)(1)(D)(ii)) of the Social Security Act and 42 CFR 457.10. Funding of the project is contingent on approval of the CHIP State Plan Amendments and on the availability of CHIP federal funds. The department shall assess the implementation of the pilot program and provide an interim report on its findings by December 1, 2028."

Explanation:

(This amendment provides $252,000 GF and $468,000 NGF each year to contract with Reach Out and Read to implement a pilot program in select underserved localities of their evidence-based model that promotes early literacy and parental bonding as part of routine pediatric primary care visits. Language requires the Department of Medical Assistance Services to assess the implementation of the pilot program and provide an interim report on its findings by December 1, 2028)

Item 291 #1c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 370, after line 8, insert:
"QQQQQ. The Department of Medical Assistance Services shall update its reimbursement methodology for rehabilitation hospitals to provide more equitable reimbursement rates for each rehabilitation hospital relative to its total cost of services provided to Medicaid recipients. Any such change shall be budget neutral."

Explanation:

(This amendment directs the Department of Medical Assistance Services to update its Medicaid reimbursement methodology for rehabilitation hospitals to provide more equitable reimbursement rates for each hospital relative to its total cost of services provided to Medicaid

recipients.)

Item 291 #2c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 351, after line 32, insert:
"13. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to make supplemental payments through an adjustment to the formula for indirect medical education (IME) reimbursement, using managed care discharge days, for an acute care hospital chain with a level two trauma center in the Peninsula EMS region in 2023, upon the execution of affiliation agreements with public entities that are capable of transferring funds to the department for purposes of covering the non-federal share of the authorized payments. The level of these additional IME supplemental payments may be up to the amounts supported by the formula applicable to Type One hospitals. Such public entities would enter into an Interagency Agreement with the department for this purpose. Public entities are authorized to use general fund dollars to accomplish this transfer. The funds to be transferred must comply with 42 CFR 433.51 and 433.54. As part of the Interagency Agreements the department shall require the public entities to attest to compliance with applicable CMS criteria. The department shall also require any private hospital and related health systems receiving payments under this Item to attest to compliance with applicable CMS criteria. In addition, the non-federal share of the agency's administrative costs directly related to administration of the programs authorized in this paragraph, including staff and contractors, shall be funded by participating public entities. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change."
Page 351, line 33, strike "13" and insert "14".

Explanation:

(This amendment authorizes the Department of Medical Assistance Services (DMAS) to implement enhanced Medicaid indirect medical education (IME) payments for Riverside Regional Medical Center, reflecting the size and strategic importance of their medical intern and resident teaching program to the region as a level two trauma center in the Peninsula EMS Region. This amendment does not require any general fund as the non-federal share of enhanced IME payments must be covered by a public entity capable of transferring funds to DMAS for the purposes of covering the non-federal share of the authorized payments.)

Item 291 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	($13,698,140) ($28,004,172)	($16,644,387) ($33,546,378)	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$28,892,650,277".
Page 334, line 48, strike "$30,476,743,886" and insert "$30,426,553,121".
Page 370, after line 8, insert:
"QQQQQ. In developing capitation rates for the Cardinal Care Managed Care program, the department shall limit the assumed underwriting gain (margin for risk and cost of capital) to one percent of Medicaid adjusted premium revenue on average across all covered populations and rating cells. The department shall ensure that capitation rates are developed in a manner that is actuarially sound while reflecting this one percent underwriting gain assumption. The department shall not incorporate an assumed underwriting gain in excess of one percent in the actuarial rate certification for any contract period unless otherwise expressly authorized by the General Assembly."

Explanation:

(This amendment lowers the assumed underwriting gain from 1.25 percent to 1.0 percent of Medicaid adjusted premium revenue in the development of capitations rates for the Medicaid Cardinal Care Managed Care program. Changes to the profit caps for the program beginning in fiscal year 2026, increased costs to the Medicaid program due to an increase the underwriting gain from 1.0 to 1.25 percent, contrary to provisions in the Appropriations Act (Ch. 725, 2025 Session of the General Assembly). This amendment would reverse that action and maintain the profit caps in place prior to this change.)

Item 291 #4c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$250,000 $250,000	$250,000 $250,000	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$28,934,852,589".
Page 334, line 48, strike "$30,476,743,886" and insert "$30,477,243,886".
Page 370, after line 8, insert:
"QQQQQ. Out of this appropriation, $250,000 from the general fund and $250,000 from nongeneral funds the first year and $250,000 from the general fund and $250,000 from nongeneral funds the second year is provided to the Department of Medical Assistance Services

(DMAS) to expand Medicaid/FAMIS outreach and enrollment services provided under its contract with the Virginia Health Care Foundation (VHCF). These amounts are in addition to the current outreach and enrollment funding allocated to VHCF by DMAS and shall be used to grow VHCF's outreach and enrollment capacity and reach. Effective July 1, 2026, DMAS shall continue to contract with VHCF to provide Medicaid/FAMIS outreach and enrollment services on an ongoing basis. Where allowable, DMAS shall fund the program with Children's Health Insurance Program Administrative funds and access the applicable federal match."

Explanation:

(This amendment provides funding and language to expand the Virginia Health Care Foundation's (VHCF) Project Connect, which conducts outreach and enrollment services for the Medicaid programs. This expansion will ensure eligible Virginians can navigate the new federal Medicaid requirements, pursuant to H.R.1, Public Law No. 119-21, H.R. 1, 119th Cong. (2025-2026). This will fund up to six additional outreach workers, along with additional training resources. VHCF has contracted with DMAS for more than 25 years, helping to navigate every major change in the Virginia Medicaid program, enrolling more than 165,000 Virginians and training more than 20,000 community, health care, and social services staff.)

Item 291 #5c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 351, line 45, after “community.”, strike:
“DMAS shall have the authority to require all”
Page 351, line 40, strike "3-5.15" and insert "3-5.14".
Page 351, line 45, strike "DMAS shall have the authority to require all".
Page 351, strike line 46.
Page 351, line 47, strike:
“of this act, to contract with the network of each Medicaid managed care organization.”

Explanation:

(This amendment removes the provision contained in the introduced budget requiring hospitals to contract with all Medicaid managed care organizations to continue to be eligible for the provider rate assessment payments and corrects the reference to the item which authorizes the private hospital enhanced payments.)

Item 291 #6c

Health and Human Resources **FY26-27** **FY27-28**

Department of Medical Assistance Services	$2,700,000 $2,700,000	$2,700,000 $2,700,000	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$28,939,752,589".
Page 334, line 48, strike "$30,476,743,886" and insert "$30,482,143,886".
Page 353, line 28, after "appropriation,", strike "$5,850,000", and insert "$8,550,000".
Page 353, line 28, after "first year and", strike "$5,850,000", and insert "$8,550,000".
Page 353, line 29, after "general fund and", strike "$5,850,000", and insert "$8,550,000".
Page 353, line 29, after "first year and", strike "$5,850,000", and insert "$8,550,000".
Page 353, line 48, strike "$100,000", and insert "$145,000".
Page 353, line 53, strike "$50,000", and insert: "$72,500".
Page 353, strike line 57.
Page 354, strikes lines 1 through 7.

Explanation:

(This amendment provides $2.7 million GF and $2.7 million NGF each year to fund graduate medical education for 40 residents who began their residencies in July 2024, 55 residents who began their residencies in July 2025, and 35 residents who begin their residencies in July 2026, and 30 residents who begin their residencies in July 2027. It also increases the supplemental payment to hospitals for each qualifying residency slot from $100,000 to $145,000.)

Item 291 #7c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$0 $0	$44,269,979 $49,589,719	GF NGF

Language:

Page 334, line 48, strike "$30,476,743,886" and insert "$30,570,603,584".
Page 370, after line 8, insert:
"QQQQQ. Effective January 1, 2028, the Department of Medical Assistance Services shall increase the rates for agency and consumer-directed personal care, respite and companion services in the home and community based services waivers and Early Periodic Screening, and Diagnosis and Treatment (EPSDT) program by 8.1 percent. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change."

Explanation:

(This amendment provides $44.3 million GF and $49.6 million NGF the second year to provide an 8.1 percent rate increase for consumer and agency-directed personal care services on January 1, 2028, to reflect the impact from the increase in the state minimum wage.)

Item 291 #8c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$10,621,679 $10,621,679	$11,835,816 $11,835,816	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$28,955,595,947".
Page 334, line 48, strike "$30,476,743,886" and insert "$30,500,415,518".
Page 369, strike lines 4 through 16, and insert:
"JJJJJ.1. Out of this appropriation, $38,646,266 the first year and $43,063,826 the second year from the general fund and $43,137,525 the first year and $46,860,081 the second year from nongeneral funds is provided to increase Medicaid state plan or waiver rates as set forth in the following paragraphs.
2. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to update the rates for Developmental Disability waiver services using the 2025 DD Waiver Rate Study conducted pursuant to the Permanent Injunction (Civil Action No. 3:12CV59-JAG). Rates shall be increased according to the methodology included in the rate study for the following services: Community Coaching (T2013), Community Engagement (T2021), Independent Living Supports (T2032), In-Home Support Services (H2014), Therapeutic Consultation (97139 and 97530), and Workplace Assistance (H2025). The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such change.
3. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to increase the rates by two percent for the following services: Group Day Support (97150), Group Day Support Customized Rate (T2025), Community Guide (H2015), Peer Monitoring (H0038), Supported Employment Individual (H2023), Supported Employment Enclave (H2024), Group Home Residential 4 or fewer (H2022-UA), Group Home Residential 5 or more (H2022), Group Home Customized Rate (T2016), Sponsored Residential (T2033), Supported Living Residential (H0043), Shared Living (T1020), and Benefits Planning (T1023). The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such change.
4. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to increase the rates for the following services: 3.8 percent for Skilled Nursing RN (S9123), 4.5 percent for Skilled Nursing, LPN (S9124), 5.0 percent for Private Duty Nursing, RN (T1002), and 5.0 percent for Private Duty Nursing, LPN (T1003). The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such change."

Explanation:

(This amendment provides $10.7 million GF and $10.7 million NGF the first year and $11.8

million GF and $11.8 million NGF the second year for the Department of Medical Assistance Services to increase the rates for State Plan, Developmental Disability, and other waiver services. This amendment adds additional services that were not included in the introduced budget.)

Item 291 #9c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 356, line 29, strike "January" and insert "July".

Explanation:

(This amendment delays the implementation of new Medicaid redesigned behavioral health services by six additional months from January 1, 2027, to July 1, 2027.)

Item 291 #10c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 351, line 18, after "criteria.", insert:
"In addition to funds transferred from the public entity, the agency may utilize qualified charitable contributions as a source for the non-federal share."

Explanation:

(This amendment modifies the indirect medical education supplemental payment arrangement with teaching hospitals affiliated with Virginia Tech Carilion School of Medicine to allow qualified charitable contributions as a source for the non-federal share.)

Item 291 #11c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$35,000,000 $35,000,000	$0 $0	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$29,004,352,589".

Page 360, line 18, after "1." insert "a.".
Page 360, after line 26, insert:
"b. Out of this appropriation, $35,000,000 the first year from the general fund and $35,000,000 the first year from nongeneral funds is provided to increase nursing home and specialized care per diem rates effective until June 30, 2027. The Department of Medical Assistance Services shall have the authority to distribute the funding as an add-on payment to the per diem rates in effect as of June 30, 2026. This add-on payment shall be effective until June 30, 2027. Such adjustment shall be made through existing managed care capitation rates as a mandated specified rate increase. DMAS shall adjust capitation rates to account for the nursing facility rate increase. The department shall have the authority to file all necessary regulatory authorities without delay, make any necessary contract changes, and implement these reimbursement changes without regard to existing regulations. The specified rate increase in this paragraph applies across fee-for-service and Medicaid managed care."

Explanation:

(This amendment adds $35.0 million GF and $35.0 million NGF to increase Medicaid nursing home reimbursement rates in fiscal year 2027. Language provides the Department of Medical Assistance Services with the authority to implement the rate increase as an added amount to the current per diem amount received by a nursing home or specialized care facility in the Cardinal Managed Care and fee-for-service programs.)

Item 291 #12c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 370, after line 8, insert:
"QQQQQ.1. Notwithstanding regulations established at 12VAC30-90-44, the Department of Medical Assistance Services shall submit any required state plan or waiver amendments to defer the next scheduled nursing facility price rebasing, which would have changed rates as of July 1, 2027, with the normal rebasing cycle resuming for rates effective July 1, 2030. Beginning upon enactment of this act through the period of the deferral, the department shall work with stakeholders, to include the Virginia Health Care Association and any others as deemed relevant by the department, to identify and examine methodological concerns with the current nursing facility reimbursement system and to the extent necessary, propose modifications to address any concerns identified for which solutions can be found. Additionally, the group shall review and recommend quality improvement initiatives to be incentivized within the payment rate as appropriate. This process is not intended to increase nursing facility reimbursement in the aggregate, but rather to correct methodological concerns within aggregate reimbursement levels already established as adjusted annually for utilization and inflation while also promoting improved quality. Nothing herein shall preclude separate budget action affecting aggregate

reimbursement levels.

2. The department shall report annually each December 1, beginning with 2026 through the deferral period on the identified methodological issues and progress toward solutions. This report shall include an assessment from the department and stakeholders, including dissenting opinions of any stakeholder group, if necessary, on the practicality of any proposed solutions and feasibility and potential timeline for implementing such solutions. The annual report is intended to inform the Governor and General Assembly of the need to continue the deferral or when implementation of the rebasing could take place as defined in regulations albeit with any approved modifications in place. This report shall be provided to the Governor, Senate Finance and Appropriations and Education and Health Committees, and the House Appropriations and Health and Human Services Committees.

3. This item does not authorize any changes to the reimbursement system as currently defined; subsequent authority must be granted to implement any specific recommended modifications."

Explanation:

(This amendment adds language requiring the Department of Medical Assistance Services to defer schedule nursing facility rebasing and examine the methodology used to rebase Medicaid rates for nursing facilities. Language requires the agency to work with stakeholders to identify and address methodological concerns and to propose modifications which address those concerns. It also requires that the agency and stakeholders review and recommend quality improvement initiatives to be incentivized within the payment rate as appropriate. Language requires the agency to report annually beginning December 1, 2026 through the deferral period to the Governor, the Senate Finance and Appropriations and Education and Health Committees, and the House Appropriations and Health and Human Services Committees. No authority is provided to make changes to the reimbursement system, but requires the next rebasing of nursing facility rates to be resumed for rates effective July 1, 2030.)

Item 291 #13c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 358, after line 4, insert:
"3. The Department of Medical Assistance Services (DMAS) shall convene an ABA benefit Utilization Workgroup for the purpose of examining Medicaid expenditures and utilization trends for this service and identifying strategies to control costs while still preserving access to care for those in need of the therapy. The workgroup shall: (i) identify utilization trends, including trends among those with different diagnosis acuity levels; (ii) examine different delivery methods of ABA services and their impact on utilization; (iii) review utilization and

service authorization criteria including standard assessment tools and diagnostic criteria taking into account differing service intensity and duration requirements; (iv) evaluate utilization management tools that align with national clinic practice guidelines promulgated by independent national nonprofit organizations; (v) define medical necessity criteria taking into account behavioral factors, ability to learn, age and development, and skills development including clear criteria for eligibility, scope of services and documentation requirements; (vi) review provider qualification recommendations related to ABA practitioner certification and licensing; and current supervision requirements and standards to help ensure appropriate clinical oversight; (vii) evaluate the appropriateness of ABA services for children with diagnoses other than ASD; and (viii) review the MCO annual reporting data to identify any areas of potential improvement to the delivery of services and any needed changes in regulations or policies from DMAS. The workgroup shall include stakeholders, including ABA service providers, including center-based models and home-based models, representatives from managed care organizations serving Medicaid patients, Virginia licensed behavioral analysts, and a child or adolescent psychiatrist. The workgroup meetings shall be open to the public and offer opportunities for public input."

Explanation:

(This amendment establishes a workgroup to evaluate utilization and best practices regarding for Medicaid Applied Behavioral Analysis services.)

Item 291 #14c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 370, after line 8, insert:

"QQQQQ.1. Each 340B covered entity that dispenses a 340B drug to a Medicaid enrollee shall report such information to the Department of Medical Assistance Services (DMAS), on a quarterly basis and in a format prescribed by DMAS, the following data for each 340B drug dispensed to a Medicaid enrollee during the reporting period: (i) the National Drug Code (NDC) of the drug dispensed; (ii) the date of dispense; (iii) the quantity dispensed; (iv) the 340B acquisition cost of the drug; (v) the amount billed to Medicaid or to a Medicaid managed care organization; (vi) the amount reimbursed by Medicaid or by a Medicaid managed care organization; (vii) whether the claim was submitted through an in-house pharmacy, a contract pharmacy, or a virtual inventory arrangement; and (viii) the identity of any contract pharmacy through which the drug was dispensed.

2. DMAS shall use data collected pursuant to this paragraph to: (i) identify claims for 340B drugs submitted to the Medicaid program that may give rise to a duplicate discount under 42 U.S.C. § 1396r-8(a)(5)(C); (ii) exclude 340B drug claims from Medicaid rebate invoices

submitted to manufacturers where required by federal law; and (iii) quantify the aggregate value of 340B discounts received by covered entities on drugs dispensed to Medicaid enrollees and report such findings to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees by December 1 of each year.

3. DMAS shall incorporate the reporting requirements of this paragraph into provider enrollment agreements and Medicaid managed care organization contracts as a condition of participation. DMAS shall have the authority to pursue any federal waiver or state plan amendment necessary to implement this paragraph.

4. Data collected pursuant to this paragraph shall be confidential and used only for program integrity, rebate administration, and policy evaluation purposes."

Explanation:

(This amendment sets out 340B data reporting requirements of covered entities.)

Item 291 #15c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 355, after line 19, insert:
"7.a. The Virginia Health Workforce Development Authority shall require all sponsoring institution hospitals receiving state supplemental Graduate Medical Education funding to participate in an annual data collection and reporting process designed to evaluate the effectiveness, geographic distribution, and workforce outcomes of state-supported residency and fellowship training.

b. Required reporting shall include, at a minimum, the number and name of residents supported with state funds, by specialty and training year, including the medical school each resident attended and their primary state of residence prior to medical school, the number of first year positions created or sustained with state support, identification of rural and underserved training locations and annual duration of training at such sites, program accreditation status, and total approved compared to filled positions by post-graduate year. The report shall also include the amount of Medicare Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME) funding submitted for the most recently completed Medicare cost reporting year, including an attestation that state funding does not supplant existing Medicare funding under the institution's approved DGME cap. The report shall further include the institution's Per Resident Amount (PRA), if established; the number of resident full-time equivalents (FTEs)

claimed for DGME; the number of resident positions exceeding the institution's DGME cap for programs beyond the five-year cap-building period; and an annual budget reconciliation for supplemental funding. Additional data may be requested as deemed necessary by the Authority to assess workforce alignment of state health needs and facilitate physician workforce forecasting.

c. The Authority shall compile the submitted information into a biennial statewide Graduate Medical Education Impact Report and shall use the reported data to inform funding recommendations, program eligibility and future appropriations. The Impact Report shall be submitted to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

8. The Department of Medical Assistance Service shall provide the Virginia Health Workforce Development Authority with quarterly reports detailing the occurrences of supplemental federal and state Medicaid payments made for Graduate Medical Education. Such reports shall include completed and pending aggregate payment amounts by sponsoring institutions and residency programs, as necessary to support statewide supplemental Graduate Medical Education oversight and reporting.

9. The Virginia Health Workforce Development Authority shall create and manage a Graduate Medical Education (GME) technical assistance program to provide residency and fellowship programs with technical support, guidance on program development and accreditation, and opportunities for networking and collaboration. The program shall facilitate data analysis and forecasting on residency supply and demand, assist programs in securing funding, and partner with academic and clinical institutions to expand training opportunities, particularly in rural and underserved regions. The Authority shall also monitor program outcomes and issue an annual report with findings and recommendations to inform statewide GME planning and policy."

Explanation:

(This amendment establishes an annual data reporting process to evaluate the state-supported residency and fellowship training programs outlined in the budget. The Virginia Health Workforce Development Authority shall collect the information to be submitted. This amendment also requires DMAS to provide quarterly payment reports and for the Authority to report findings in its biennial report. This amendment also authorizes the Authority to create a technical assistance program and offer support services to residency and fellowship programs as a function of the Graduate Medical Education (GME) program for primary care and high-need specialties targeting rural and underserved areas. The Authority will report annually on program outcomes.)

Item 291 #16c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 368, line 30, after "authority for a" strike "demonstration".
Page 368, line 31, after "disorders", strike "by".
Page 368, line 32, strike "January 1, 2026".

Explanation:

(This amendment strikes language requiring the Department of Medical Assistance Services to seek the appropriate waiver authority for a demonstration project to add neurobehavioral and neurorehabilitation facilities to support 20 individuals with traumatic brain injuries and neurocognitive disorders by January 1, 2026. The department has been in negotiations with the federal Centers for Medicare and Medicaid (CMS) and will now have to modify the type of waiver it seeks to provide Medicaid coverage for these services. Language strikes the type of waiver, providing more flexibility to the department as it continues discussions with CMS on the waiver and eliminates the date of January 1, 2026 by which the department was required to seek the demonstration waiver.)

Item 291 #17c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 370, after line 8, insert:
"QQQQQ. The Department of Medical Assistance Services shall amend existing contracts with Medicaid managed care organizations (MCOs) to require the MCOs to adopt performance metrics for Medicaid Non-Emergency Medical Transportation (NEMT) brokers consistent with performance metrics implemented for the Fee-for-Service NEMT program and require such MCOs to report annually, by no later than November 1, to the Department regarding the performance of the NEMT brokers on such metrics."

Explanation:

(This amendment adds language directing the Department of Medical Assistance Services to amend its existing contracts with Medicaid MCOs to require them to adopt performance metrics for Medicaid NEMT brokers consistent with those in the Medicaid Fee-for-Service program and report annually to the department regarding their performance. Currently, metrics collected by MCOs and reported to DMAS regarding their NEMT programs lack specificity and limit insight into the quality or performance gaps among NEMT programs operating in the Commonwealth.)

Item 291 #18c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$4,361,275 $4,563,297	$5,200,887 $5,427,466	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$28,943,277,161".
Page 334, line 48, strike "$30,476,743,886" and insert "$30,487,372,239".
Page 357, line 49, after "services" insert:
"however, children age 5 and younger may receive a provisional diagnosis for one year utilizing a protocol designated by DMAS."

Explanation:

(This amendment restores funding and modifies language in the introduced budget to allow for a provisional diagnosis of autism spectrum disorder for children age 5 or younger for one year using a protocol designated by the Department of Medical Assistance Services in order to receive Applied Behavioral Analysis (ABA) services. The introduced budget included language requiring a diagnosis of autism spectrum disorder in order to receive ABA services. A final diagnosis of autism spectrum in young children is often difficult. However, services are critical in assisting with communication, social interaction, daily routines, and managing challenging behaviors at a time when foundational skills are forming and the brain is developing rapidly. These services can have a major impact on later development.)

Item 291 #19c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 358, line 45, after, "change." insert:
"It is the intent of the General Assembly that the Department of Medical Assistance Services continue reimbursing the 15 percent reimbursement rate add on authorized in Item 306, paragraph CCC 7 (Chapter 780, 2016 Acts of Assembly), and the additional 10.4% reimbursement rate add on authorized in Item 313, paragraph KKKK of the 2020 Appropriation Act (Chapter 56, 2020 Special Session I Acts of Assembly). The department shall promulgate emergency regulations to properly reflect these reimbursement policies within 280 days or less from the enactment of this act."

Explanation:

(This amendment clarifies the intent of the General Assembly that the Department of Medical Assistance Services recognize prior year increases authorized in the 2016 and 2020 Appropriation Acts that impact the Virginia Home, a unique nursing facility serving a resident

population of individuals with quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy.)

Item 291 #20c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$3,496,496 $3,940,205	$3,490,689 $3,871,012	GF NGF

Language:

Page 334, line 48, strike "$28,934,352,589" and insert "$28,941,789,290".
Page 334, line 48, strike "$30,476,743,886" and insert "$30,484,105,587".
Page 370, after line 8, insert:
"QQQQQ.1. Effective July 1, 2026, the Department of Medical Assistance Services shall seek any necessary waivers and/or State Plan for Medical Assistance amendments under Titles XIX and XXI of the Social Security Act to provide coverage for sickle cell treatments for Medicaid enrollees through the Cell and Gene Therapy Access Model in partnership with the federal Centers for Medicare and Medicaid. The department shall have the authority to implement these changes upon federal approval and prior to completion of any regulatory process undertaken in order to effect such change.
2. The Department of Medical Assistance Services shall have the authority to separate the cost of a sickle cell disease drug from the cost to administer the drug for the purposes of participating in the Cell and Gene Therapy Access Model."

Explanation:

(This amendment adds funding and language to provide Medicaid, Medicaid Children's Health Insurance Program (M-CHIP) and Family Access to Medical Insurance Security (FAMIS) coverage for sickle cell treatments through a specific model of care in partnership with the federal Centers for Medicare and Medicaid (CMS). In 2025, CMS announced that 33 states, along with the District of Columbia and Puerto Rico, will be participating in the Cell and Gene Therapy (CGT) Access Model, including Virginia. The initial focus of the model is on access to gene therapy treatments for people living with sickle cell disease, a genetic blood disorder. The Cell and Gene Therapy (CGT) Access Model aims to improve the lives of people living with rare and severe diseases by increasing access to potentially transformative treatments. It is a multi-year, voluntary model for states and manufacturers to test whether a CMS-led approach to developing and administering outcomes-based agreements (OBAs) for cell and gene therapies increases access to innovative treatment, improves health outcomes, and reduces health care costs and burden to state Medicaid programs. Language also provides the agency with authority to unbundle the cost of the drugs from the cost of administer the drugs.)

Item 291 #21c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 352, line 20, strike "2024" and insert "2026".
Page 352, line 22, strike "$16,000,000" and insert: "the DSH formula effective in fiscal year 2026".
Page 352, line 22, after "annually", strike the remainder of the line.
Page 352, line 23, strike:
"prior to Medicaid expansion without regard to the uncompensated care cost limit."
Page 352, line 25, strike:
"If the federal regulation is voided, DMAS shall continue DSH payments".
Page 352, line 26, strike:
"to the impacted hospitals and adjust the additional hospital supplemental payments authorized".
Page 352, line 27, strike:
"in this paragraph accordingly."

Explanation:

(This amendment modifies the formula for providing additional Medicaid supplemental payment funding to the Children's Hospital of the King's Daughters (CHKD) to stabilize funding and prevent future dramatic financial fluctuations. This supplemental payment is in lieu of Disproportionate Share Hospital (DSH) payments for which CHKD is no longer eligible after 2017 federal changes to the DSH limit. Payments remain tied to the State Plan formula for CHKD's DSH, calculated as eligible days multiplied by three times the DSH per diem for most hospitals (Type Two hospitals) not including the state's teaching hospitals (Type One hospitals). This language change would establish a funding floor at the fiscal year 2026 level of state support, with no impact on state general fund dollars.)

Item 291 #22c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 351, after line 5, insert:
"11.a. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to make supplemental indirect medical education payments for managed care services for private teaching hospitals that have executed affiliation agreements with public entities that are capable of transferring funds to the Department for purposes of covering the non-federal share of the authorized payments. Such public entities would enter into an

Interagency Agreement with the department for this purpose. Public entities are authorized to use general fund dollars to accomplish this transfer. The funds to be transferred must comply with 42 CFR 433.51 and 433.54. As part of the Interagency Agreements the department shall require the public entities to attest to compliance with applicable CMS criteria. The department shall also require any private hospital and related health systems receiving payments under this Item to attest to compliance with applicable CMS criteria. In addition, the non-federal share of the agency's administrative costs directly related to administration of the programs authorized in this paragraph, including staff and contractors, shall be funded by participating public entities. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

b. The supplemental indirect medical education payments for managed care services shall be based on the Medicare formula using total residents reported to the Department annually by the hospital prior to the beginning of the fiscal year for the resident to bed ratio applied to managed care hospital payments reported to the Department through the encounter system adjusted to cost minus IME payments for managed care services currently authorized. The Department shall calculate these supplemental indirect medical education payments prior to the beginning of the fiscal year based on the most recently available data and these payments shall be final."

Page 351, line 6, strike "11" and insert "12".

Page 351, line 21, strike "12" and insert "13".

Page 351, line 33, strike "13" and insert "14".

Explanation:

(This amendment adds language to allow private hospitals with smaller teaching training operations, to qualify for increased indirect medical education (IME) funding. Qualifying hospitals will have public partners capable of providing the non-federal share of the enhanced funding.)

Item 291 #23c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 365, strike lines 9 through 32, and insert:

"2. The Department of Medical Assistance Services (DMAS) shall evaluate pharmaceutical manufacturer programs and other contracting arrangements available to state Medicaid programs that are intended to reduce the costs of glucagon-like peptide-1 (GLP-1) receptor agonists and related therapies. The evaluation shall include: (i) a review of manufacturer-sponsored programs, any arrangements negotiated with the federal government on behalf of state Medicaid programs, and any other contractual arrangements offered to state Medicaid

programs; and (ii) an assessment of the fiscal impact and feasibility associated with participation in such programs or arrangements. DMAS shall project cost savings for such programs or contracting arrangements and shall be authorized to implement the program or arrangement with the greatest projected savings to the Medicaid program which results in a price per unit of $245 or less to the Medicaid program and achieves the assumed savings included in the Item.

3. If DMAS determines that the BALANCE (Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth) Model negotiated with the federal government has the greatest cost savings, then, effective upon such determination, pursuant to the authority granted in 42 USC 1396r-8 Payment for Covered Outpatient Drugs, DMAS shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover weight loss medications when prescribed for weight loss where: (i) the individual meets the coverage criteria established under the BALANCE Model as negotiated with the federal government, or (ii) if it is a traditional weight loss medication prescribed for weight loss as FDA approved. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act. The department shall have authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

4. If DMAS determines that another contracting arrangement has the greatest cost savings, then, effective upon such determination, pursuant to the authority granted in 42 USC 1396r-8 Payment for Covered Outpatient Drugs, DMAS shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover weight loss medications in accordance with the specific provisions of such contracting arrangement. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act. The department shall have authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

5.If DMAS determines that no pharmaceutical manufacturer program or other contracting arrangement available to state Medicaid programs for GLP-1 receptor agonist medications would result in a net price per one-month supply of $245 or less to the Medicaid program and also achieve the assumed savings included in this Item, then pursuant to the authority granted in 42 USC 1396r-8 Payment for Covered Outpatient Drugs, DMAS shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover weight loss medications when prescribed for weight loss where: (i) in those instances where an individual has a body mass index (BMI) greater than 40; (ii) in those instances where an individual has a BMI greater than 37 and has at least one of the following weight-related comorbid conditions: hypertension, Type II Diabetes Mellitus, or Dyslipidemia; or (iii) if it is a traditional weight loss medication prescribed for weight loss as FDA approved, excluding Glucagon-like peptide-1 drugs and any other newer weight loss medications. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act. The department shall have authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

6. DMAS is authorized to make a change pursuant to this paragraph related to reimbursement policies for GLP-1 receptor agonists with 30 days prior notice to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, unless either Chair raises an objection within five days of being notified.
7. DMAS is authorized to seek federal authority through the necessary waiver(s) and/or State Plan Amendment(s) under Titles XIX and XXI of the Social Security Act and make pharmacy benefit manager (PBM) contract changes, as needed, to enable the use of any rebate negotiated directly between the Commonwealth and a manufacturer of GLP-1 receptor agonist medications, if the negotiated net price (the gross price minus all applicable rebates) is lower than the net price obtained under the existing rebate agreement through the program's PBM."

Explanation:

(This amendment directs the Department of Medical Assistance Services (DMAS) to evaluate pharmaceutical manufacturer programs and other contracting arrangements available to state Medicaid programs that are intended to reduce the costs of glucagon-like peptide-1 (GLP-1) receptor agonists and related therapies. DMAS must project cost savings for such programs or contracting arrangements and is authorized to implement the program or arrangement with the greatest projected savings to the Medicaid program.)

Item 295 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$2,174,667	$0	GF
	$7,521,333	$0	NGF

Language:

Page 371, line 1, strike "$452,717,516" and insert "$462,413,516".
Page 379, after line 22, insert:
"RR. Notwithstanding § 32.1-325.5 of the Code of Virginia, the Department of Medical Assistance Services shall issue a request for proposals (RFP) for a single third-party administrator to serve as the state pharmacy benefits manager (PBM) to administer all pharmacy benefits for Medicaid recipients, including those enrolled in a managed care organization with whom the Department contracts for the delivery of Medicaid services by January 1, 2028. The RFP for the Medicaid single Pharmacy Benefits Manager shall require that a qualified bidder is one that shares no ownership with any Medicaid managed care organization (excluding a prepaid Ambulatory Health Plan). Furthermore, a qualified bidder must maintain no direct or indirect financial arrangements with drug manufacturers or labelers that create incentives for formulary decisions, drug substitution, or utilization management, including rebates, discounts, chargebacks, claw backs, or data sales. The department shall review and incorporate provisions of PBM legislation considered during the 2026 Session of the General

Assembly in developing the RFP, as appropriate, including provisions that ensure network adequacy for Medicaid patients and address transparency. The department shall issue the RFP by January 1, 2027 and award a contract to the single third party administrator by July 1, 2027."

Explanation:

(This amendment adds $2.2 million from the general fund and $7.5 million from federal matching funds the first year to reflect the initial costs of implementing a single Medicaid Pharmacy Benefit Manager (PBM), pursuant to Chapter 701, 2025 Acts of Assembly. The amendment delays the implementation of a single pharmacy benefits manager contract for Medicaid until January 1, 2028. This allows the appropriate amount of time for the Department of Medical Assistance Services to complete the procurement process and take the appropriate steps for a successful implementation.)

Item 295 #2c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 379, after line 22, insert:
"RR. The Department of Medical Assistance Services (DMAS) in collaboration with the Department of Behavioral Health and Developmental Services shall identify the steps necessary for Virginia to transition to a prospective payment system (PPS) as required to fully adopt the Certified Community Behavioral Health Clinic (CCBHC) model including any estimated fiscal impact to the state and to Community Services Boards (CSBs), and report findings to the Chairs of House Appropriations and Senate Finance and Appropriations Committees, and the Behavioral Health Commission by December 1, 2026."

Explanation:

(This amendment directs the Department of Medical Assistance Services to identify the steps necessary for Virginia to potentially transition to a prospective payment system (PPS), as designed to support the Certified Community Behavioral Health Clinic model.)

Item 295 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	($2,614,200)	$0	GF
	($2,939,892)	$0	NGF

Language:

Page 371, line 1, strike "$452,717,516" and insert "$447,163,424".

Explanation:

(This amendment redirects $2.6 million from the general fund and $2.9 million from the nongeneral fund the first year from administrative costs in the Department of Medical Assistance Services provided in the introduced budget.)

Item 295 #4c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 379, after line 22, insert:
"RR. The Department of Medical Assistance Services (DMAS) and the Department of Social Services (DSS) shall collaborate on methods to ensure that applicants for and recipients of medical assistance are aware of (i) assistance available for verifying eligibility information and (ii) how to contact the appropriate person if an applicant or recipient receives eligibility information after a due date or experiences difficulty securing eligibility verifications. DMAS and DSS shall make recommendations to the Governor and Secretary of Health and Human Resources by October 1, 2026, if changes are needed that cannot be remedied administratively. DMAS and DSS shall post information in a prominent place on their websites and other social media platforms they regularly use informing recipients of medical assistance about how to receive assistance on eligibility, applications, and eligibility appeals. Such information shall include how applicants and recipients can ensure the agencies receive timely information on eligibility applications and requests to appeal eligibility decisions, as well as U.S. Postal Service recommendations to customers to ensure that postmarks applied to mail match the date of mailing."

Explanation:

(This amendment requires the Department of Medical Assistance Services (DMAS) and the Department of Social Services (DSS) to collaborate on methods to ensure applicants and recipients are aware of assistance for verifying medical assistance eligibility information. Language requires the agencies to make recommendations on any changes needed to assist applicants and recipients in verifying eligibility that cannot be made administratively. Language also requires DMAS and DSS to post this information on their websites and inform applicants and recipients of medical assistance on how to ensure timely receipt of information.)

Item 295 #5c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 379, after line 22, insert:
"RR. The Department of Medical Assistance Services shall issue a Request for Proposals (RFP) for entities interested in a Program of All-Inclusive Care for the Elderly (PACE) program in the Augusta/Rockingham/Harrisonburg area and may make an award to an appropriate entity interested in administering a program in the area."

Explanation:

(This amendment directs the Department of Medical Assistance Services to expand to the Augusta/Rockingham/Harrisonburg area with a PACE program and to issue a Request for Proposals from entities interested in administering the program in the area. This region was previously opened up for PACE, although the awarded provider did not move forward with development.)

Item 295 #6c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 379, after line 22, insert:
"RR. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers, procurements, and contract modifications thereof, to implement requirements of federal H.R. 1 – 119th Congress (2025-2026). The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change."

Explanation:

(This amendment provides emergency authority to facilitate the implementation of H.R.1.)

Item 295 #7c

Health and Human Resources

Department of Medical Assistance Services — Language

Language:

Page 379, after line 22, insert:
"RR.1. The Director, Department of Medical Assistance Services shall convene a Medicaid

Financial Sustainability Workgroup for the purpose of analyzing Medicaid expenditure trends and identifying strategies to moderate the rate of spending growth while preserving access to care, quality, and compliance with state and federal law and policy. The workgroup shall examine historical and projected Medicaid spending growth, including key cost drivers such as enrollment, utilization, provider reimbursement, managed care expenditures, behavioral health spending, pharmacy spending, long-term services and supports, and administrative costs. The workgroup shall evaluate opportunities for improved utilization management, program integrity, payment reform, service delivery redesign, and administrative efficiencies. The workgroup shall include representatives from the Department of Medical Assistance Services, the Department of Planning and Budget, staff of the House Appropriations and Senate Finance and Appropriations Committees, the Virginia Hospital and Healthcare Association, the Virginia Health Care Association, the Medicaid Society of Virginia, the Virginia Association of Health Plans, at least one of the contracted Medicaid managed care organizations, and other provider representatives as deemed appropriate by the Director, Department of Medical Assistance Services.
2. The department shall submit a report to the Governor and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by November 1, 2027. The report shall include findings, options for cost containment, and budget and policy recommendations."

Explanation:

(This amendment directs the Department of Medical Assistance Services to convene a Medicaid Financial Sustainability Workgroup for the purpose of analyzing Medicaid expenditure trends and identifying strategies to moderate the rate of spending growth while preserving access to care, quality, and compliance with state and federal law and policy.)

Item 295 #8c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$111,841	$0	GF

Language:

Page 371, line 1, strike "$452,717,516" and insert "$452,829,357".

Page 379, after line 22, insert:

"RR. The Department of Medical Assistance Services and the Virginia Department of Health shall convene a workgroup to address the barriers that prevent certain licensed midwives (CPMs) and licensed certified midwives (CMs) and licensed certified nurse midwives (CNMs) from contracting with managed care organizations (MCOs) through Cardinal Care. The workgroup shall include MCOs in Cardinal Care, the Virginia Midwives Alliance, an Insurance Broker, Virginia Chapter of the American College of Nurse Midwives, Virginia Birth Center Alliance, Virginia Rural Health Association, Virginia Interfaith Center for Public Policy, March of Dimes, the Diverse Birth Collective, a Medicaid-eligible mom impacted by lack of access,

and other relevant stakeholder groups. The work group shall include two CPMs and two CNM/CMs. Of the four midwives, one should be a CPM who currently bills Medicaid and a CPM who does not and one CNM or CM who is employed at a health system and a CNM or CM who works in the community. The workgroup shall present solutions to address those barriers along with budget requests to the GeneralAssembly by December 1, 2027."

Explanation:

(This amendment provides $111,841 general fund the first year for the Department of Medical Assistance Services and the Virginia Department of Health to convene a workgroup to identify the barriers that prevent certain midwives licensed by the Commonwealth of Virginia from contracting with managed care organizations (MCOs) through the Medicaid Cardinal Care Program. The purpose of the amendment is to find solutions to remove those barriers so that members can access a midwife and stay in their MCO.)

Item 295 #9c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Medical Assistance Services	$1,000,000	$0	GF
	$1,000,000	$0	NGF

Language:

Page 371, line 1, strike "$452,717,516" and insert "$454,717,516".
Page 379, after line 22, insert:
"RR. Out of this appropriation, $1,000,000 from the general fund and $1,000,000 from nongeneral funds the first year shall be provided to the Department of Medical Assistance Services (DMAS) to contract with a vendor to review and assess program integrity efforts at DMAS and its contracted managed care organizations (MCOs). This review and assessment shall include: (i) detection of fraud, waste and abuse including use of data analytics, auditing, and how suspected fraud is reported; (ii) how referrals are made to the Medicaid Fraud Control Unit and the follow-up on such investigations; (iii) enforcement capabilities; and (iv) how DMAS prevents fraud, waste and abuse through training, education, provider credentialing and enrollment, utilization management, and system edits. The vendor shall review the contractual requirements DMAS has with the MCOs and shall review the program integrity efforts of each MCO. The vendor shall also review and evaluate how the Medicaid program can use Centers for Medicare & Medicaid Services' data, such as the Medicaid Provider Spending by HCPCS dataset, to improve its Medicaid program integrity efforts. The Director, Department of Planning and Budget shall unallot this appropriation until DMAS provides documentation of the contract's cost and shall only allot the amount contracted for with such vendor. DMAS shall report on the review and assessment along with any findings and recommendations to improve program integrity efforts to the Governor, and the Chairs of the House Appropriations and Senate Finance Committees by December 1, 2026. If the vendor has not completed its review by this date, DMAS shall provide an interim report and within 30 days of the vendor completing

its work, DMAS shall submit a final report."

Explanation:

(This amendment provides $1.0 million GF and $1.0 million NGF the first year for the Department of Medical Assistance to contract with a vendor to review the department's program integrity efforts, including such efforts within contracted managed care organizations.)

Item 295 #10c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 379, after line 22, insert:
"RR. The Department of Medical Assistance Services (DMAS) shall seek federal authority through the necessary state plan or 1915(c) waiver amendments submitted to the Centers for Medicare and Medicaid Services under Titles XIX and XXI of the Social Security Act to modify the program rules for consumer-directed services available through certain 1915(c) Home and Community-Based Services Medicaid Waivers to allow an individual receiving services to serve as the employer of record (EOR) for his own service delivery and designate another individual to perform all or a portion of the duties of the EOR on the individual's behalf when the individual receiving services is unable to perform such duties or direct his own care. In seeking federal authority to modify such rules, DMAS shall ensure that the employer identification number (EIN) shall be assigned to the individual receiving services and shall not be transferred to another individual except when an individual: (i) has not yet reached the age of majority; (ii) is ineligible to use his existing EIN to facilitate the taxation of benefits; or (iii) is otherwise determined to be ineligible by DMAS by administrative rule. DMAS shall have the authority to limit such state plan or 1915(c) waiver amendments to specify that an individual receiving services may make such designation no more than twice per calendar year."

Explanation:

(This amendment directs the Department of Medical Assistance Services (DMAS) to update Medicaid waiver rules to allow individuals receiving consumer-directed services to serve as their own employer of record (EOR) and to designate another person to perform EOR duties when they are unable. It also requires assignment of an employer identification number to the individual receiving services in specified circumstances and limits its transfer to other individuals to no more than twice per calendar year.)

Item 296 #1c

Health and Human Resources

Department of Medical Assistance Services Language

Language:

Page 379, line 27, before "Out", insert "A.1.".
Page 379, after line 34, insert:
"2. The Department of Medical Assistance Services shall submit an annual report on the status of the Commonwealth's Rural Health Transformation Program. Such report shall include, at a minimum: (i) the total amount of federal funds received from the Centers for Medicare and Medicaid Services (CMS) for the Rural Health Transformation Program for each program year since program inception, including any carryforward balances if applicable; (ii) the total amount of funds appropriated or otherwise expended in support of the program for each program year; (iii) a detailed accounting of how all federal funds have been obligated and expended, including amounts distributed to participating hospitals, health systems, community partners, or other entities, and amounts retained for administrative or programmatic purposes; (iv) a description of each Rural Health Transformation initiative implemented; (v) performance metrics; and (vi) and policy recommendations to improve rural health access and quality. The Department shall submit the report by November 1, 2026, and annually thereafter, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1 of each year.
3. Upon any revision by CMS to the approved annual award amount of $189,544,888 for the Rural Health Transformation Program, whether upward or downward, DMAS shall, within 30 days, notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees."

Explanation:

(This amendment adds a reporting requirement for the Rural Health Transformation Program.)

Item 298 #1c

Health and Human Resources

Department of Behavioral Health and Developmental Services Language

Language:

Page 381, after line 8, insert:
"D.1. Any funds appropriated in this act for the purpose of complying with the Permanent Injunction entered in United States v. Virginia, civil action no. 3:12-cv-00059-JAG (E.D. Va.), that remain unspent at the end of each fiscal year shall be reported by the Department of Behavioral Health and Developmental Services to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 after the close of each fiscal year. The Department shall include in its report each item and the amount of funding for such item that remains unspent, with an explanation for the remaining balance at year end.

2. The Department of Behavioral Health and Developmental Services shall report on the status of compliance with the provisions of the Permanent Injunction entered in United States v. Virginia, civil action no. 3:12-cv-00059-JAG (E.D. Va.), and shall: (i) list each noncompliant provision; (ii) the status of meeting the provision; (iii) the Department's planned actions to achieve compliance; and (iv) the date the Department expects to achieve compliance with the provision. The Department shall report such information to the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 of each year."

Explanation:

(This amendment provides legislative oversight of Virginia's compliance with the Permanent Injunction entered in United States v. Virginia, civil action no. 3:12-cv-00059-JAG (E.D. Va.).)

Item 299 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Behavioral Health and Developmental Services	$120,000 1.00	$455,000 2.00	GF FTE

Language:

Page 381, line 9, strike "$175,337,986" and insert "$175,457,986".
Page 381, line 9, strike "$175,087,986" and insert "$175,542,986".
Page 386, after line 40, insert:
"QQ. Out of this appropriation, $120,000 the first year and $455,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services to create statewide standards for recovery residences, develop a complaint process, and collect necessary data regarding recovery residences."

Explanation:

(This amendment provides necessary funding and positions for DBHDS to adopt regulations for recovery residences and monitor credentialing agencies pursuant to the provisions in Chapters 1079 and 1000 (HB 931/SB 270) of the 2026 Acts of Assembly.)

Item 299 #2c

Health and Human Resources

Department of Behavioral Health and Developmental Services — Language

Language:

Page 385, line 8, after "telehealth" insert "or in person".
Page 385, line 8, after "provider" insert:

"or direct funding to cover costs of current contractual agreements with a mental telehealth provider".

Explanation:

(This amendment adds language to clarify that school divisions may use available funding to support services provided by in-person therapists and providers, not just mental telehealth providers. Language is also added to clarify that localities that have already contracted with a mental telehealth provider can apply to reimburse those costs through this grant program.)

Item 299 #3c

Health and Human Resources

Department of Behavioral Health and Developmental Services Language

Language:

Page 386, after line 40, insert:
"QQ. The Department of Behavioral Health and Developmental Services (DBHDS) shall identify strategies to incentivize Community Services Boards (CSBs) to serve more individuals subject to an Emergency Custody Order (ECO) or Temporary Detention Order (TDO) in Crisis Receiving Centers (CRCs) and Crisis Stabilization Units (CSUs) that currently exist or that are under development/consideration. In conducting its work, DBHDS shall consider what changes to training, staffing, infrastructure, operational protocols, and other capabilities may be necessary for crisis facilities to serve individuals under an ECO or TDO by modeling a “no-barrier” approach to crisis services. For purposes of this evaluation, “no-barrier” facilities should be able to support rapid law-enforcement drop-off; admit individuals regardless of voluntary or involuntary status; safely serve individuals with high-acuity symptoms, including those exhibiting aggressive behaviors; and provide medical clearance for most individuals. No-barrier facilities may include a Crisis Intervention Team Assessment Center as part of their operation but must be capable of admitting individuals under an ECO or TDO directly to their CRC or CSU. DBHDS shall also: (i) assess the extent to which existing CRCs and CSUs can be retrofitted or modified to safely adopt a no-barrier approach to crisis services; (ii) estimate the cost of retrofitting or upgrading existing facilities and compare to the estimated cost of building new facilities capable of supporting a no-barrier model; (iii) evaluate the need for additional personnel and/or enhanced staff training required to safely operate a no-barrier facility; (iv) estimate the cost of any required staffing increases or training enhancements; (v) estimate the number of ECOs and TDOs that could be appropriately served in CRCs and CSUs operating under a no-barrier model; and (vi) determine any additional capacity that may be required to safely and appropriately serve individuals under an ECO or TDO while maintaining adequate access for voluntary patients. DBHDS shall submit its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Behavioral Health Commission no later than December 1, 2027."

Explanation:

(This amendment directs the Department of Behavioral Health and Developmental Services to identify strategies to serve more individuals subject to an ECO or TDO in crisis facilities by incentivizing existing CRCs and CSUs to follow a no-barrier approach, which entails accepting all individuals regardless of acuity or voluntary/involuntary status, and to offer a rapid drop-off option for law enforcement ("no barrier" approach). Although CSBs could be simply required to admit higher-acuity, involuntary patients in Crisis Receiving Centers and Crisis Stabilization Units, emphasis is being placed on identifying incentives that could be provided to help secure the buy-in of CSBs and ensure that desired outcomes are achieved.)

Item 299 #4c

Health and Human Resources

Department of Behavioral Health and Developmental Services Language

Language:

Page 386, after line 40, insert:
"QQ. The Department of Behavioral Health and Developmental Services (DBHDS) shall examine alternatives to the current 10 percent local match requirement created by §§ 37.2-509 and 37.2-611, Code of Virginia, and create recommendations for: (i) a formula for calculating the required annual local match amount, which accounts for regional funds; the timing mismatch between state and local budgeting; the variation in localities' fiscal situations, and any other characteristics that may result in inequitable matching requirements among localities; (ii) a standardized formula for dividing contributions between localities within a multi-jurisdictional Community Services Board; (iii) enforcement mechanisms to be used by DBHDS or other state entities when the required match is not met by a locality; and (iv) an estimate of the budget impact of adopting the department's recommendations on the state and local governments. DBHDS shall report its recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2027."

Explanation:

(This amendment directs the Department of Behavioral Health and Developmental Services to examine alternatives to the current 10 percent local match requirement on state Community Services Board funding and to report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2027.)

Item 299 #5c

Health and Human Resources **FY26-27** **FY27-28**

Department of Behavioral Health and Developmental Services	$1,500,000	$0	GF

Language:

Page 381, line 9, strike "$175,337,986" and insert "$176,837,986".
Page 386, after line 40, insert:
"QQ. Out of this appropriation, $1,500,000 the first year from the general fund shall be provided to contract with Bennett's Village to support the development of a regional all-abilities playground in Charlottesville."

Explanation:

(This amendment provides $1.5 million GF the first year to support phase two of Bennett's Village, a regional all-abilities playground in Charlottesville.)

Item 299 #6c

Health and Human Resources

Department of Behavioral Health and Developmental Services — Language

Language:

Page 386, after line 40, insert:
"QQ. The Department of Behavioral Health and Developmental Services shall include in the annual performance contracts with Community Services Boards (CSBs) and Behavioral Health Authorities (BHAs) a requirement that each CSB and BHA shall maximize billing of Medicaid services provided to Medicaid-eligible clients and report to the department on total Medicaid revenue each year. The department shall monitor the Medicaid revenue of each CSB and BHA on at least an annual basis to assess whether or not the CSB or BHA is meeting the contractual terms."

Explanation:

(This amendment requires the Department of Behavioral Health and Developmental Services to include in the annual performance contracts with Community Services Boards (CSBs) and Behavioral Health Authorities (BHAs) a requirement that each CSB and BHA shall maximize billing of Medicaid services provided to Medicaid-eligible clients and report to the department on total Medicaid revenue each year.)

Item 299 #7c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Behavioral Health and Developmental Services	$2,500,000	$0	GF

Language:

Page 381, line 9, strike "$175,337,986" and insert "$177,837,986".
Page 386, after line 40, insert:
"QQ. Out of this appropriation, $2,500,000 the first year from the general fund is provided to the Department of Behavioral Health and Developmental Services to support comprehensive psychiatric emergency programs or similar models of psychiatric care. Projects may include public-private partnerships to include contracts with private entities. Notwithstanding any other provision of law, contracts entered into pursuant to this paragraph shall be exempt from competition as otherwise required by the Virginia Public Procurement Act, pursuant to § 2.2-4300, Code of Virginia."

Explanation:

(This amendment provides $2.5 million GF the first year to the Department of Behavioral Health and Developmental Services for comprehensive psychiatric emergency programs or similar models of psychiatric care. Projects may include public-private partnerships to include contracts with private entities.)

Item 299 #8c

Health and Human Resources

Department of Behavioral Health and Developmental Services — Language

Language:

Page 386, line 39, after "in order to", strike the remainder of the line.
Page 386, strike line 40, and insert:
"support the development of a dedicated training center to increase the capacity to provide service dogs for individuals with disabilities."

Explanation:

(This amendment clarifies that the $250,000 GF the first year provided in the introduced budget for Service Dogs of Virginia will be used for the purposes of developing a new training facility in order to expand services.)

Item 300 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Behavioral Health and Developmental Services	$250,000	$250,000	GF

Language:

Page 386, line 42, strike "$155,879,465" and insert "$156,129,465".
Page 386, line 42, strike "$155,879,465" and insert "$156,129,465".
Page 390, line 19, strike "$250,000" and "$250,000" and insert "$500,000" and "$500,000".

Explanation:

(This amendment provides $250,000 each year from the general fund to increase funding for Specially Adapted Resources Clubs (SPARC) to support current operations serving adults with developmental disabilities in integrated community settings. SPARC operates as a participant-directed day program.)

Item 300 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Behavioral Health and Developmental Services	$500,000	$500,000	GF

Language:

Page 386, line 42, strike "$155,879,465" and insert "$156,379,465".
Page 386, line 42, strike "$155,879,465" and insert "$156,379,465".
Page 390, after line 37, insert:
"X. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the Department of Behavioral Health and Development Services to contract with Mile High Kids and Community Development, Inc. to support mental health services for children."

Explanation:

(This amendment provides $500,000 GF each year to support Mile High Kids and Community Development, Inc. in providing mental health services for children.)

Item 300 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Behavioral Health and Developmental Services	$1,500,000	$1,500,000	GF

Language:

Page 386, line 41, strike "$155,879,465" and insert "$157,379,465".
Page 386, line 41, strike "$155,879,465" and insert "$157,379,465".
Page 390, after line 37, insert:
"X. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the

general fund is provided for the Department of Behavioral Health and Developmental Services to provide funding for private hospitals to support the needs of patients with significant discharge planning needs. These funds are designed to reduce the barriers and promote timely discharge to increase state hospital capacity. The Department of Behavioral Health and Developmental Services shall report each year by December 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the use and outcomes of this funding."

Explanation:

(This amendment provides $1.5 million GF each year for the Department of Behavioral Health and Developmental Services to provide funding for private hospitals to support the needs of patients with significant discharge planning needs. These funds are designed to reduce barriers and promote timely discharge to increase state hospital capacity.)

Item 300 #4c

Health and Human Resources

Department of Behavioral Health and Developmental Services — Language

Language:

Page 390, after line 37, insert:
"X. The Department of Behavioral Health and Developmental Services shall report on provider capacity for Developmental Disability Waiver services across the Commonwealth, including service and geographic gaps, workforce challenges, and trends affecting access to services. The Department shall submit its report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1, 2026."

Explanation:

(This amendment directs the Department of Behavioral Health and Developmental Services to report on provider capacity for Developmental Disability Waiver services across the Commonwealth, including service and geographic gaps, workforce challenges, and trends affecting access to services.)

Item 301 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Grants to Localities	$3,600,000	$7,800,000	GF

Language:

Page 390, line 48, strike "$816,747,052" and insert "$820,347,052".
Page 390, line 48, strike "$816,747,052" and insert "$824,547,052".

Page 395, line 40, strike the first "$16,200,000" and insert "$19,800,000
Page 395, line 40, strike the second "$16,200,000" and insert "$24,000,000".

Explanation:

(This amendment provides $3.6 million the first year and $7.8 million the second year from the general fund to support statewide implementation of Marcus Alert programs, the statewide framework for providing a behavioral health, rather than public safety, response to a behavioral health crisis.)

Item 301 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Grants to Localities	$100,000	$0	GF

Language:

Page 390, line 48, strike "$816,747,052" and insert "$816,847,052".
Page 397, after line 2, insert:
"TT. Out of this appropriation, $100,000 the first year from the general fund is provided to contract with the Healing Station Counseling Center to strengthen the behavioral health workforce."

Explanation:

(This amendment provides $100,000 the first year from the general fund to support the Healing Station Counseling Center to strengthen the behavioral health workforce through no-cost clinical supervision for pre-licensed clinicians and to expand the free outpatient mental health services for low-income and uninsured individuals in Planning District 16, increasing the availability of licensed providers and improving access to timely, quality, behavioral health care.)

Item 301 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Grants to Localities	$250,000	$0	GF

Language:

Page 390, line 48, strike "$816,747,052" and insert "$816,997,052".
Page 397, after line 2, insert:
"TT. Out of this appropriation, $250,000 the first year from the general fund is provided to Henrico County to support the Autism Society of Central Virginia in building an autism community hub."

Explanation:

(This amendment provides $250,000 the first year from the general fund to Henrico County to support the building of an inclusive center for autism, neurodiverse, and medically complex families in Central Virginia.)

Item 301 #4c

Health and Human Resources	**FY26-27**	**FY27-28**	
Grants to Localities	$1,000,000	$1,000,000	GF

Language:

Page 390, line 48, strike "$816,747,052" and insert "$817,747,052".
Page 390, line 48, strike "$816,747,052" and insert "$817,747,052".
Page 394, line 13, strike "$17,185,533" and "$17,185,533" and insert "$18,185,533" and "$18,185,533".

Explanation:

(This amendment provides $1.0 million each year from the general fund to support the State Rental Assistance Program, which provides rental subsidies for individuals with intellectual or developmental disabilities.)

Item 301 #5c

Health and Human Resources

Grants to Localities — Language

Language:

Page 395, after line 39, and insert:

"16. The Department of Behavioral Health and Developmental Services shall require each community services board or behavioral health authority to report annually, by September 1 of each year, on their expenditures on STEP-VA services for the prior fiscal year. The report shall include: (i) the amount expended broken out by service and the amount such funding increased or decreased as compared to the year prior; (ii) the number of individuals served by each service in the fiscal year; and (iii) their expected allocation for the fiscal year in which the report is due. The department shall submit the report by October 1, of each year to the Governor, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and provide recommendations as to whether flexibility to allow Community Services Boards to move funding between services should be considered."

Explanation:

(This amendment directs the Department of Behavioral Health and Developmental Services (DBHDS) to collect data on STEP-VA services and to assess whether flexibility may be necessary to reallocate funds among STEPs to match community needs.)

Item 306 #1c

Health and Human Resources

Mental Health Treatment Centers — Language

Language:

Page 398, after line 40, insert:

"G. The Department of Behavioral Health and Developmental Services shall have the authority to use $150,000 from the general fund the first year from carryforward balances reappropriated from fiscal year 2026, if approved by the Governor, to conduct a comprehensive feasibility study to evaluate potential archival locations, renovation needs, operational requirements, and long-term preservation considerations for historic records at Central State Hospital. The findings shall inform any necessary future budget requests and support discussions regarding potential public and private funding opportunities."

Explanation:

(This amendment directs the Department of Behavioral Health and Developmental Services to use $150,000 GF the first year from carryforward balances reappropriated from fiscal year 2026, if approved by the Governor, to conduct a comprehensive feasibility study to evaluate preservation considerations for historic records at Central State Hospital.)

Item 318 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department for Aging and Rehabilitative Services	$750,000	$750,000	GF

Language:

Page 401, line 25, strike "$123,960,176" and insert "$124,710,176".
Page 401, line 25, strike "$123,960,176" and insert "$124,710,176".
Page 403, line 18, after "appropriation," strike "$10,396,719" and insert "$11,146,719".
Page 403, line 18, after "and" strike "$10,396,719" and insert "$11,146,719".

Explanation:

(This amendment modifies language and provides an additional $750,000 from the general fund each year for community services for individuals with brain injury. Community service providers continue to have waiting lists for services and struggle to meet existing service needs of this population that requires specialized supports. This funding would support the existing state-contracted safety net brain injury services system to provide for increased statewide coverage of critical services and strengthen existing programs to include: hiring additional case managers and clinical professional staff, equipment and information technology modernization, statewide awareness/education efforts, and other critical supports to meet the growing demands for brain injury services across the state. Of this amount, up to $125,000 each year would be used to support the operating expenses for an additional 22 supportive housing units for persons with brain injury.)

Item 318 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department for Aging and Rehabilitative Services	$750,000	$750,000	GF

Language:

Page 401, line 25, strike "$123,960,176" and insert "$124,710,176".
Page 401, line 25, strike "$123,960,176" and insert "$124,710,176".
Page 403, line 18, after "appropriation," strike "$10,396,719" and insert "$11,146,719".
age 403, line 18, after "and" strike "$10,396,719" and insert "$11,146,719".
Page 403, line 35, after "amount," strike "$775,000" and insert "$1,525,000".
Page 403, line 35, after "first year and" strike "$775,000" and insert "$1,525,000".

Explanation:

(This amendment provides an additional $750,000 GF each year for workforce retention for brain injury services providers. The increase is to address workforce retention, increasing costs, and to ensure quality accessible services for people living with brain injuries.)

Item 319 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department for Aging and Rehabilitative Services	$2,500,000	$2,500,000	GF

Language:

Page 404, line 12, strike "$41,964,449" and insert "$44,464,449".
Page 404, line 12, strike "$41,964,449" and insert "$44,464,449".

Explanation:

(This amendment provides $2.5 million from the general fund each year to increase support for Area Agencies on Aging and address both increased costs for current services and increased demand for home care services, transportation, nutritional services, and other critical services that allow elderly individuals to age in place.)

Item 319 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department for Aging and Rehabilitative Services	$400,000	$0	GF

Language:

Page 404, line 12, strike "$41,964,449" and insert "$42,364,449".
Page 406, after line 10, insert:
"P. Out of this appropriation, $400,000 the first year shall be provided to the County of Fairfax to continue support to the Washington Area Villages Exchange for a pilot program to reduce the public health risk of social isolation among older Virginians by expanding the availability of Villages statewide. The Washington Area Villages Exchange shall report on the results of the pilot program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1, 2027."

Explanation:

(This amendment provides $400,000 the first year from the general fund to the County of Fairfax to continue support to the Washington Area Villages Exchange pilot program to reduce the public health risk of social isolation among older Virginians by expanding the availability of Villages statewide. Villages are a proven means of combating isolation while enabling older adults to age in place and live safely and independently in their homes. Language requires the Washington Area Villages Exchange to report on the results of the pilot program by September 1, 2027.)

Item 319 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department for Aging and Rehabilitative Services	$50,000	$50,000	GF

Language:

Page 404, line 12, strike "$41,964,449" and insert "$42,014,449".

Page 404, line 12, strike "$41,964,449" and insert "$42,014,449".
Page 406, after line 10, insert:
"P. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be provided to support Senior Services of Southeastern Virginia."

Explanation:

(This amendment provides $50,000 GF each year to support Senior Services of Southeastern Virginia.)

Item 328 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$300,000	$300,000	GF
	1.00	1.00	FTE

Language:

Page 409, line 38, strike "$69,848,812" and insert "$70,148,812".
Page 409, line 38, strike "$72,568,002" and insert "$72,868,002".
Page 411, after line 9, insert:
"K. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided for the Department of Social Services to create a new statewide program to support the well-being and improve the retention of local department of social services workers."

Explanation:

(This amendment provides $300,000 each year from the general fund and one position to implement evidence-based recommendations for a statewide program to provide better support the well-being of local department of social services workers and improve the retention of the state's child welfare workforce. Key components of this program are a confidential peer support hotline, implementation of the Community Resilience Model, and on-site response to support DSS workers after critical incidents.)

Item 328 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$1,000,000	$1,000,000	GF
	$1,000,000	$1,000,000	NGF

Language:

Page 409, line 38, strike "$69,848,812" and insert "$71,848,812".
Page 409, line 38, strike "$72,568,002" and insert "$74,568,002".

Page 411, after line 9, insert:
"K. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund and $1,000,000 the first year and $1,000,000 the second year from nongeneral funds shall be provided as one-time funds for the Department of Social Services to contract with a vendor to assist with the Supplemental Nutrition Assistance Program error rate reduction efforts. The Director, Department of Planning and Budget, shall unallot this appropriation until the Department of Social Services provides documentation of the contract's cost and shall only allot the contracted amount."

Explanation:

(This amendment provides $1.0 million GF and $1.0 million NGF each year for the Department of Social Services to contract with a vendor to assist in efforts to decrease the Supplemental Nutrition Assistance Program error rate.)

Item 328 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$1,500,000	$1,500,000	GF

Language:

Page 409, line 38, strike "$69,848,812" and insert "$71,348,812".
Page 409, line 38, strike "$72,568,002" and insert "$74,068,002".
Page 411, after line 9, insert:
"K. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided to connect individuals newly subject to Supplemental Nutrition Assistance Program (SNAP) or Medicaid work requirements to qualifying employment or volunteer activities and resources."

Explanation:

(This amendment provides $1.5 million each year from the general fund to connect individuals subject to SNAP and Medicaid work requirements to qualifying employment and activities.)

Item 328 #4c

Health and Human Resources

Department of Social Services — Language

Language:

Page 411, line 9, after "services." insert:
"The department shall provide a quarterly report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the expenditures, implementation progress,

and performance outcomes associated with the centralized training academy model."

Explanation:

(This amendment requires the Department of Social Services to submit a quarterly report on the centralized training academy model.)

Item 329 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$0	$135,000,000	GF

Language:

Page 411, line 11, strike "$250,214,827" and insert "$385,214,827".
Page 412, after line 55, insert:
"L. Out of this appropriation, $135,000,000 the second year from the general fund shall be provided to the Department of Social Services for Supplemental Nutrition Assistance Program (SNAP) benefits cost sharing pursuant to Public Law No: 119-21. The general fund in this paragraph shall remain unallotted until the United States Department of Agriculture Food and Nutrition Service releases the federal fiscal year 2026 SNAP error rates. The Director, Department of Planning and Budget, shall allot this appropriation if the Commonwealth's federal fiscal year 2026 error rate results in a benefits cost share for the Commonwealth, and shall allot only the amount necessary to support the benefits cost share based on the identified error rate. The Department of Planning and Budget shall revert any unallotted amounts to the general fund on or before June 30, 2028."

Explanation:

(This amendment provides $135.0 million the second year from the general fund for the potential Supplemental Nutrition Assistance Program (SNAP) benefits cost share pursuant to Public Law No: 119-21.)

Item 329 #2c

Health and Human Resources	
Department of Social Services	Language

Language:

Page 411, line 29, after "A.", insert "1.".
Page 411, after line 36, insert:
"2. The Department of Social Services shall not initiate, expand, or modify the use of Temporary Assistance for Needy Families (TANF) funds beyond the programs and services expressly authorized and funded in this act, except as specifically authorized by an act of the

General Assembly or as required by federal law."

Explanation:

(This amendment clarifies the authority for use of Temporary Assistance for Needy Families block grant funds to only those programs and services authorized in the Appropriation Act, authorized by the General Assembly, or required by federal law.)

Item 330 #1c

Health and Human Resources

Department of Social Services Language

Language:

Page 413, line 9, after "A.", insert "1.".
Page 413, after line 14, insert:
"2. The Department of Social Services shall not alter local match rates, methodologies, or policies in any manner that would increase the state share of program costs, except as authorized by an act of the General Assembly or as required by federal law."

Explanation:

(This amendment clarifies that local match rates cannot be altered unless authorized by the General Assembly or required by federal law.)

Item 330 #2c

Health and Human Resources

Department of Social Services Language

Language:

Page 414, after line 2, insert:
"J.1. The Department of Social Services (DSS) shall establish and maintain a quality control methodology for determining each local department of social services' (LDSS) Supplemental Nutrition Assistance Program (SNAP) payment error rate. This metric shall utilize data, standards, and methodologies employed by the federal United States Department of Agriculture Food and Nutrition Service (USDA FNS) in calculating the federal SNAP payment error rate.
2. DSS shall publish local error rates for the previous federal fiscal year on its website by June 30 of each year. This publication shall include the statewide SNAP payment error rate as reported to the USDA FNS for the preceding federal fiscal year, as well as each locally determined SNAP payment error rate by LDSS."

Explanation:

(This amendment requires the Department of Social Services to establish and maintain a quality control methodology for determining each local department of social services' (LDSS) Supplemental Nutrition Assistance Program (SNAP) payment error rate and publish local error rates on its website alongside the state error rate by June 30 of each year.)

Item 330 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$258,516	$323,165	GF

Language:

Page 413, line 2, strike "$686,348,033" and insert "$686,606,549".
Page 413, line 2, strike "$686,348,033" and insert "$686,671,198".

Explanation:

(This amendment provides $258,516 the first year and $323,165 the second year from the general fund to address the increased workloads at local departments of social services associated with effectuating the provisions of Chapter 845 (House Bill 1414) of the 2026 Acts of Assembly. The legislation expands the list of mandatory reporters of child abuse and neglect which will likely result in additional reports of child abuse to local departments of social services.)

Item 330 #4c

Health and Human Resources

Department of Social Services — Language

Language:

Page 414, after line 2, insert:
"J. The Department of Social Services shall submit an annual report for each fiscal year on the allocation and use of state and federal funds distributed to local departments of social services. The report shall include, for each local department of social services: (i) the amount of state funding received; (ii) the amount of federal funding received and federal grant source; (iii) the programs and services supported by such funding; and (iv) the amount of local funds required and contributed to satisfy applicable matching requirements for such state and federal funding. The report shall be submitted to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than September 1 of each year."

Explanation:

(This amendment requires the Department of Social Services to report on funding provided to local departments of social services.)

Item 331 #1c

Health and Human Resources

Department of Social Services — Language

Language:

Page 414, line 48, after "system", insert:
"The department shall provide a quarterly report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the expenditures and implementation progress associated with the child support technology system."

Explanation:

(This amendment requires the Department of Social Services to submit a quarterly report on the child support technology system.)

Item 332 #1c

Health and Human Resources

Department of Social Services — Language

Language:

Page 416, after line 4, insert:
"F. The Director, Department of Planning and Budget, shall, on or before August 1, 2026, unallot $2,000,000 from the general fund in this Item, which reflects unused balances in the auxiliary grants program."

Explanation:

(This amendment captures $2.0 million in general fund balances the first year in the Auxiliary Grant program at the Department of Social Services.)

Item 333 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$375,000	$363,450	GF
	$125,000	$121,150	NGF

Language:

Page 416, line 5, strike "$295,640,555" and insert "$296,140,555".
Page 416, line 5, strike "$301,084,270" and insert "$301,568,870".
Page 419, after line 5, insert:
"Y.1. Out of this appropriation, $375,000 the first year and $363,450 the second year from the general fund and $125,000 the first year and $121,150 the second year from nongeneral funds shall be used to establish a pilot multidisciplinary law office for parents in child dependency matters in Roanoke City, pursuant to the second enactment of Chapter 428, 2024 Acts of Assembly. The local Roanoke entity establishing such multidisciplinary law office will be the Qualified Legal Services Provider previously approved by the Virginia State Bar, and will enter into an agreement with a local department of social services or the Department of Social Services to receive Title IV-E funding for eligible administrative costs of providing legal representation for a parent or guardian of a child who is a candidate for or in Title IV-E foster care to prepare for and participate in all stages of foster care legal proceedings.
2. The Department of Social Services shall report each year by December 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the implementation and outcomes of the multidisciplinary law office pilot established in Roanoke City pursuant to this act. The report shall include, at a minimum, the number of parents and guardians served, services provided, utilization of Title IV-E reimbursement for eligible administrative costs, program expenditures, any available data regarding child welfare and court outcomes, and recommendations for program improvement."

Explanation:

(This amendment provides $375,000 from the general fund and $125,000 from nongeneral funds the first year and $363,450 from the general fund and $121,250 from nongeneral funds the second year to establish a pilot multidisciplinary law office for parents in child dependency (foster care) matters in Roanoke City, pursuant to the second enactment of Chapter 428, 2024 Acts of Assembly, which states that up to two multidisciplinary law offices or programs may be established for the purpose of representing parents in child dependency court proceedings pursuant to a child protective services assessment or investigation in localities, jurisdictions, or judicial districts that affirm they have met criteria developed by the workgroup established under Chapter 305, 2022 Acts of Assembly. Language also requires the Department of Social Services to submit a report on program outcomes.)

Item 333 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	($13,596,414)	($15,626,848)	GF
	$1,000,000	$0	NGF
	-132.00	-90.00	FTE

Language:

Page 416, line 5, strike "$295,640,555" and insert "$283,044,141".

Page 416, line 5, strike "$301,084,270" and insert "$285,457,422".
Page 419, strike lines 1 through 5.
Page 419, after line 5, insert:
"X.1. Out of this appropriation, $2,453,852 the second year from the general fund is provided to support initial implementation costs of creating a centralized child protective services intake system to collect and triage child abuse and neglect reports, pursuant to Chapter 900, 2026 Acts of Assembly.
2. Out of this appropriation, $1,000,000 the first year from the general fund and $1,000,000 the first year from nongeneral funds is provided to support third-party contract costs pursuant to Chapter 900, 2026 Acts of Assembly. The Department of Social Services (DSS) shall contract with a third party by August 1, 2026, to conduct a comprehensive study and review of the screening process used for child protective services complaints across Virginia. The Director, Department of Planning and Budget, shall unallot this appropriation until DSS provides documentation of contract costs and shall allot only the amount necessary to satisfy the contract."

Explanation:

(This amendment removes $14.6 million GF and 132.0 positions the first year, and $15.6 million GF and 90.0 positions the second year to reflect the fiscal impact of Chapter 900, 2026 Acts of Assembly, which directs the Department of Social Services to phase-in implementation of a centralized intake system for child abuse and neglect reports. This amendment also provides $1.0 million GF and $1.0 million NGF the first year to support third-party contract costs pursuant to Chapter 900, including the cost of a comprehensive study and review of the screening process used for child protective services complaints across Virginia.)

Item 335 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$1,500,000	$1,500,000	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$74,913,045".
Page 419, line 42, strike "$73,413,045" and insert "$74,913,045".
Page 421, line 1, strike "$4,736,500" and "$4,736,500" and insert "$6,236,500" and "$6,236,500".

Explanation:

(This amendment provides $1.5 million each year from the Temporary Assistance for Needy Families (TANF) block grant to increase funding for child advocacy centers.)

Item 335 #2c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$100,000	$0	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,513,045".
Page 423, after line 53, insert:
"CC. Out of this appropriation, $100,000 the first year from the Temporary Assistance for Needy Families block grant is provided to the Northern Virginia Food Rescue to increase the amount of food rescued and distributed by the organization, enhance the quality and diversity of the food rescue by adding more fresh produce, and improve efficiency by investing in technology, equipment, and training."

Explanation:

(This amendment provides $100,000 the first year from the Temporary Assistance for Needy Families block grant to the Northern Virginia Food Rescue, located in Prince William County, to increase the amount of food rescued and distributed by the organization by 25.0 percent by the end of FY 2027, enhance the quality and diversity of the food rescued by adding more fresh produce, and to improve efficiency by investing in technology, equipment, and training.)

Item 335 #3c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$500,000	$500,000	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,913,045".
Page 419, line 42, strike "$73,413,045" and insert "$73,913,045".
Page 423, line 22, strike "$500,000" and "$500,000" and insert "$1,000,000" and "$1,000,000".

Explanation:

(This amendment provides an additional $500,000 each year from the Temporary Assistance for Needy Families block grant to the Lighthouse Community Center, which provides housing assistance and other supportive services for eligible individuals served by the organization.)

Item 335 #4c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$500,000	$500,000	GF

Language:

Page 419, line 41, strike "$73,413,045" and insert "$73,913,045".
Page 419, line 41, strike "$73,413,045" and insert "$73,913,045".
Page 423, after line 53, insert:
"CC.1. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be used to contract with the Virginia Children's Partnership (VCP). The contract with the VCP shall require that the general fund moneys be leveraged with gifts, grants, and other resources, whether public or private, and shall be used to improve and transform Virginia's child welfare system through innovative service delivery models with particular focus on achieving positive outcomes for children and families who engage with various aspects of the child welfare system.
2. VCP shall report on the expenditure of these funds to the Governor, the Secretary of Health and Human Resources, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Commissioner of Social Services with an audit and report on the Partnership's initiatives and results no later than November 1 of each year for the preceding fiscal year."

Explanation:

(This amendment provides $500,000 GF each year to contract with the Virginia Children's Partnership (VCP) for the purpose of improving and transforming Virginia's child welfare system through VCP's innovative service delivery model focused on achieving positive outcomes for Virginia's children and families.)

Item 335 #5c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	($200,000)	($200,000)	GF
	($300,000)	($300,000)	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$72,913,045".
Page 419, line 42, strike "$73,413,045" and insert "$72,913,045".
Page 422, strike lines 10 through line 23.

Explanation:

(This amendment removes $200,000 GF and $300,000 NGF each year from funding for Youth for Tomorrow.)

Item 335 #6c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	($100,000)	($100,000)	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,313,045".
Page 419, line 42, strike "$73,413,045" and insert "$73,313,045".
Page 420, strike lines 33-36.

Explanation:

(This amendment removes obsolete language allocating $100,000 NGF each year for Hugs & Kisses, a child abuse prevention play, administered by Virginia Repertory Theatre, which was eliminated in Spring of 2024 and no longer is an active play.)

Item 335 #7c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$750,000	$0	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$74,163,045".
Page 423, line 27, after "appropriation" strike "$1,000,000" and insert "$1,750,000".

Explanation:

(This amendment provides an additional $750,000 the first year from the Temporary Assistance for Needy Families (TANF) block grant funding for Cornerstones to provide food assistance for individuals in need.)

Item 335 #8c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$250,000	$0	GF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,663,045".
Page 423, line 51, after "appropriation," strike the first "$200,000" and insert "$450,000".

Explanation:

(This amendment provides an additional $250,000 the first year from the general fund to support Lorton Community Action Center, bringing total support in the first year to $450,000. Lorton Community Action Center delivers housing stabilization, food assistance, and

wraparound services to low-income individuals and families in Fairfax County.)

Item 335 #9c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$100,000	$0	GF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,513,045".
Page 423, after line 53, insert:
"CC. Out of this appropriation, $100,000 the first year from the general fund is provided to the City of Richmond to support Sacred Heart Center to provide services and legal support to the immigrant and refugee population in South Richmond and North Chesterfield."

Explanation:

(This amendment provides $100,000 the first year from the general fund to the City of Richmond to support the Sacred Heart Center, which provides adult and youth education programs and legal services for immigrant and refugee populations in South Richmond and North Chesterfield.)

Item 335 #10c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$500,000	$0	GF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,913,045".
Page 423, after line 53, insert:
"CC. Out of this appropriation, $500,000 the first year from the general fund is provided to the City of Virginia Beach to support the YMCA of South Hampton Roads and the YMCA of the Virginia Peninsula to jointly administer a safety around water program in their service areas."

Explanation:

(This amendment provides $500,000 the first year from the general fund to the City of Virginia Beach to support a swim safety program that will be jointly administered by two YMCAs in the Hampton Roads area.)

Item 335 #11c

Health and Human Resources	**FY26-27**	**FY27-28**

Department of Social Services	$1,125,000	$1,125,000	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$74,538,045".
Page 419, line 42, strike "$73,413,045" and insert "$74,538,045".
Page 420, after line 22, insert:
"4. Out of this appropriation, $1,125,000 the first year and $1,125,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided for competitive grants to Community Action Agencies for a Two Generation/Whole Family Project and for the evaluation of the program. Applicants selected for the project shall provide a match of no less than 20 percent of the grant, including in-kind services. The Department of Social Services shall report to the General Assembly annually on the progress of the program and shall complete a final report no later than six years after the commencement of the program."

Explanation:

(This amendment provides $1.1 million each year from the Temporary Assistance for Needy Families block grant to restore funding for the Two Generation/Whole Family Project, which supports the nationally recognized efforts of Community Action Agencies to help families move into self-sufficiency.)

Item 335 #12c

Health and Human Resources

Department of Social Services — Language

Language:

Page 423, line 43, strike "the City of Chesapeake to support" and insert "contract with".

Explanation:

(This amendment revises language to allow the Department of Social Services to contract directly with Buffalow Family and Friends instead of the City of Chesapeake to provide access to food, clothing, and basic living essentials.)

Item 335 #13c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$2,275,000	$2,275,000	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$75,688,045".
Page 419, line 42, strike "$73,413,045" and insert "$75,688,045".

Page 420, line 17, strike "$11,250,000" and "$11,250,000" and insert "$13,525,000" and "$13,525,000".

Explanation:

(This amendment provides an additional $2.3 million each year from the Temporary Assistance for Needy Families block grant to increase support for Community Action Agencies, which provide an array of services to meet the needs of low-income individuals and families.)

Item 335 #14c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$1,500,000	$0	GF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$74,913,045".
Page 423, after line 53, insert:
"CC. Out of this appropriation, $1,500,000 the first year from the general fund shall be provided to Fairfax County and Prince William County to enhance workforce development programs, support ongoing renovations and operations, add accessibility features, and create new training spaces for members of the immigrant community. Each county shall receive $750,000 for these purposes."

Explanation:

(This amendment provides $1.5 million the first year from the general fund to Fairfax County and Prince William County to enhance workforce development programs, support ongoing renovations and operations, add accessibility features, and create new training spaces for members of the immigrant community.)

Item 335 #15c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department of Social Services	$100,000	$100,000	NGF

Language:

Page 419, line 42, strike "$73,413,045" and insert "$73,513,045".
Page 419, line 42, strike "$73,413,045" and insert "$73,513,045".
Page 422, line 24, strike "$350,000" and "$350,000" and insert:
"$450,000" and "$450,000".

Explanation:

(This amendment provides an additional $100,000 each year from the Temporary Assistance for

Needy Families (TANF) block grant to the Visions of Truth Community Development Corporation. Visions of Truth currently receives $350,000 annually in TANF block grant funding.)

Item 338 #1c

Health and Human Resources

Department of Social Services — Language

Language:

Page 426, line 31, strike "G." and insert "G.1."
Page 426, line 36, after "purpose." insert:
"Funding is not authorized for any purpose other than the design, development, and implementation of the new CommonHelp Portal."
Page 426, after line 36, insert:
"2. The appropriation made in Item 334 G., Chapter 2, 2024 Acts of Assembly, shall only be used for the design, development, and implementation of the new CommonHelp Portal."

Explanation:

(This amendment clarifies that all appropriated amounts for the CommonHelp Portal are only authorized for the design, development, and implementation of the new CommonHelp Portal and are not to be used for other technology infrastructure projects.)

Item 345 #1c

Health and Human Resources	**FY26-27**	**FY27-28**	
Department for the Blind and Vision Impaired	$500,000 $1,847,418	$500,000 $1,847,418	GF NGF

Language:

Page 429, line 3, strike "$16,563,353" and insert "$18,910,771".
Page 429, line 3, strike "$16,563,353" and insert "$18,910,771".
Page 429, line 20, strike the first "$12,420,492" and insert “$14,267,910”.
Page 429, line 20, strike the second "$12,420,492" and insert "$14,267,910".
Page 429, line 24, strike "$3,902,878" and insert “$4,402,878”.
Page 429, line 25, strike "$3,902,878" and insert “$4,402,878”.

Explanation:

(This amendment adds $500,000 from the general fund and $1.8 million from federal vocational rehabilitation grants each year to expand vocational rehabilitation services provided through the Department for the Blind and Vision Impaired.)

Item 352 #1c

Labor	**FY26-27**	**FY27-28**	
Department of Labor and Industry	$6,500,000	$3,635,000	GF
	25.00	25.00	FTE

Language:

Page 432, line 12, strike "$2,392,677" and insert "$8,892,677".
Page 432, line 12, strike "$2,392,677" and insert "$6,027,677".
Page 433, after line 3, insert:
"D. Out of this appropriation, $6,500,000 the first year and $3,635,000 the second year from the general fund is provided for the Department to hire additional personnel for labor law enforcement activities and to develop a comprehensive case management system. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated. The Secretary of Labor in collaboration with the Department shall develop an implementation plan that includes: (i) reorganization of the labor law divisions' current responsibilities; (ii) a hiring strategy; (iii) space considerations to accommodate new personnel; and (iv) additional resources needed for Fiscal Year 2028. The Secretary of Labor shall submit this report to the General Assembly on or before September 15, 2026. The Department of Planning and Budget may transfer necessary amounts and positions from this Item to Item 353 to effectuate the provisions of Chapters 731 and 732, 2026 Acts of Assembly."

Explanation:

(This amendment provides $10.1 million over the biennium for the Department of Labor and Industry to hire 25 additional employees for enforcement of Virginia's labor laws, including prevailing wage, paid sick leave and to develop a comprehensive wage, leave, and non-compete case management system. This amendment also includes language allowing the Department of Planning and Budget to transfer funding and positions from Item 352 to 353 to effectuate the provisions of Chapters 731 and 732, 2026 Acts of Assembly, which may have costs in fiscal year 2028 for regulation development and two months of enforcement.)

Item 357 #1c

Labor	**FY26-27**	**FY27-28**	
Department of Workforce Development and Advancement	$500,000	$0	GF

Language:

Page 434, line 41, strike "$47,153,983" and insert "$47,653,983".

Page 435, after line 19, insert:
"E. Out of this appropriation, $500,000 the first year from the general fund is provided for workforce development programming through the Greater Roanoke Workforce Development Board in partnership with the Blue Ridge Partnership for Health Science Careers. The initiative will work to mitigate ongoing chronic healthcare labor challenges by increasing the flow of trained healthcare professionals who enter the field. Programs will be developed in collaboration with employers using verified health workforce data and will include but are not limited to the attraction and retention of skilled workers, and upskilling of incumbent workers. Funds will also assist employers with increased costs of required clinical instruction related to training programs in this initiative. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $500,000 over the biennium from the general fund to the Greater Roanoke Workforce Development Board to support talent development for the health and biomedical sciences industry in the Roanoke Valley and Alleghany Highlands.)

Item 357 #2c

Labor	**FY26-27**	**FY27-28**	
Department of Workforce Development and Advancement	$200,000	$0	GF

Language:

Page 434, line 41, strike "$47,153,983" and insert "$47,353,983".
Page 435, after line 19, insert:
"E. Out of this appropriation, $200,000 the first year from the general fund is provided for the Metropolitan Washington Council of Governments to serve as Virginia's contribution to maintain and buildout the Talent Capital Initiative. The funding is contingent on the District of Columbia and Maryland committing a like amount to maintain this initiative through the end of calendar year 2027."

Explanation:

(This amendment provides $200,000 in fiscal year 2027 from the general fund to the Metropolitan Washington Council of Governments to serve as Virginia’s share for maintaining and building the Talent Capital Initiative, which was established in 2025 to support both jobseekers and employers, including displaced federal employees and contractors.)

Item 357 #3c

Labor	**FY26-27**	**FY27-28**	
Department of Workforce Development and Advancement	$1,000,000	$0	GF

Language:

Page 434, line 41, strike "$47,153,983" and insert "$48,153,983".
Page 435, after line 19, insert:
“E. Out of this appropriation, $1,000,000 the first year from the general fund shall be deposited to the Virginia Health Care Career and Technical Training and Education Fund established in § 2.2-2040.1, Code of Virginia. The funding shall be used as matching funds for the Dental Hygienist Funding Pool. These funds shall be matched by private sector funds and administered by the Department in coordination with the Virginia Health Workforce Development Authority. The Department shall collaborate with the Virginia Community College System and private sector contributors to the Fund in the distribution of funds to dental hygiene programs in order to increase the number of graduates from such programs.”

Explanation:

(This amendment provides $1.0 million from the general fund the first year for the Virginia Health Care Career and Technical Training and Education Fund established in § 2.2-2040.1, Code of Virginia, as matching funds for the Dental Hygienist Funding Pool.)

Item 359 #1c

Labor

Virginia Employment Commission — Language

Language:

Page 437, after line 44, insert:
"M. The Virginia Employment Commission is hereby authorized to request and receive a treasury loan to fund the necessary start-up costs associated with the implementation of a Paid Family and Medical Leave Program established in Chapters 981 and 1093, 2026 Acts of Assembly. The treasury loan shall be repaid from revenues received from premiums assessed to employers and employees beginning in 2028, and shall be repaid no later than January 1, 2034."

Explanation:

(This amendment authorizes a treasury loan for the implementation of Chapters 981 and 1093, 2026 Acts of Assembly that requires the Virginia Employment Commission to establish and administer a Paid Family and Medical Leave program with benefits beginning January 1, 2029. Funding for the program is provided through premiums assessed to employers and employees beginning in 2028. Start-up costs for the program are expected to be $116.5 million.)

Item 361 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Secretary of Natural Resources	$1,500,000	$0	GF

Language:

Page 439, line 3, strike "$1,395,227" and insert "$2,895,227".
Page 440, after line 25, insert:
"F. Out of the appropriation in this item, $1,500,000 the first year from the general fund is provided for the nonfederal match for a United States Army Corps of Engineers study of the causes of and potential solutions to widening in Chincoteague Inlet."

Explanation:

(This amendment provides $1.5 million from the general fund in fiscal year 2027 as the nonfederal match for a U.S. Army Corps of Engineers study of the widening of Chincoteague Inlet.)

Item 362 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$30,000	$30,000	GF

Language:

Page 440, line 32, strike "$434,875,166" and insert "$434,905,166".
Page 440, line 32, strike "$146,870,581" and insert "$146,900,581".
Page 444, after line 42, insert:
"W. Out of the amounts in this item, $30,000 the first year and $30,000 the second year from the general fund is provided to support buoy maintenance and hydrilla mitigation activities at Lake Anna."

Explanation:

(This amendment provides $30,000 from the general fund each year for buoy maintenance and hydrilla mitigation at Lake Anna.)

Item 362 #2c

Natural and Historic Resources	**FY26-27**	**FY27-28**

Department of Conservation and Recreation	$0	$500,000	GF

Language:

Page 440, line 32, strike "$146,870,581" and insert "$147,370,581".
Page 443, line 50, after "year" insert "and $500,000 the second year".

Explanation:

(This amendment provides $500,000 from the general fund the second year to support cyanobacteria mitigation and remediation efforts at Lake Anna in Louisa County, bringing funding to $1.3 million over the biennium.)

Item 362 #3c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$25,000,000	$0	GF

Language:

Page 440, line 32, strike "$434,875,166" and insert "$459,875,166".
Page 440, line 51, strike the first “$15,044,091” and insert “$40,044,091”
Page 441, line 8, strike the first $1,500,000” and insert “$26,500,000”

Explanation:

(This amendment provides one-time funding for deposit to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. Previously, this amount was transferred from the Fund to the general fund.)

Item 362 #4c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$1,497,500	$0	GF

Language:

Page 440, line 32, strike "$434,875,166" and insert "$436,372,666".
Page 444, after line 42, insert:
"W. Out of the amounts in this Item, $1,497,500 the first year from the general fund is provided to the Lake Barcroft Watershed Improvement District for engineering and construction costs related to the Lake Barcroft Dam Flood Mitigation Project."

Explanation:

(This amendment provides $1.5 million the first year from the general fund to complete engineering and support construction of the Lake Barcroft Dam Flood Mitigation Project in Fairfax County. The Lake Barcroft Watershed Improvement District is a political subdivision of the Commonwealth.)

Item 362 #5c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$1,000,000	$0	GF

Language:

Page 440, line 32, strike "$434,875,166" and insert "$435,875,166".
Page 443, line 52, strike “$144,121,142” and insert “$145,121,142”.
Page 444, line 1, strike “$6,950,000” and insert “7,950,000”.
Page 444, line 4, after “Suite;” insert “$500,000 to the Department of Forestry for the Virginia Trees for Clean Water program; $500,000 to the Department of Forestry for water quality grants;”

Explanation:

(This amendment provides additional one-time funding for deposit to the Virginia Water Quality Improvement Fund, of which $500,000 is to support the Virginia Trees for Clean Water Program and $500,000 is for water quality grants administered by the Department of Forestry.)

Item 362 #6c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$4,000,000	$0	GF

Language:

Page 440, line 32, strike "$434,875,166" and insert "$438,875,166".
Page 444, after line 42, insert:
"W. Out of the appropriation in this item, $4,000,000 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund for the Virginia Conservation Assistance Program administered by the Association of Soil and Water Conservation Districts."

Explanation:

(This amendment provides $4.0 million from the general fund in fiscal year 2027 to support the Virginia Conservation Assistance Program (VCAP). VCAP is an urban cost share program administered by the Virginia Association of Soil and Water Conservation Districts to provide

financial incentives and technical and educational assistance to property owners installing eligible best management practices.)

Item 362 #7c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$8,548,333	$0	GF

Language:

Page 440, line 32, strike "$434,875,166" and insert "$443,423,499".
Page 443, line 52, strike "$144,121,142" and insert "$152,669,475".
Page 444, line 8, strike "$137,171,142" and insert "$145,719,475".
Page 444, line 13, strike "$83,537,226" and insert "$88,743,160".
Page 444, line 15, strike "$35,801,668" and insert "$38,032,783".
Page 444, line 17, strike "$17,832,248" and insert "$18,943,532".

Explanation:

(This amendment provides an additional $8.5 million in the first year from the general fund to fully-fund the agricultural best management practices needs assessment for fiscal year 2027.)

Item 363 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$300,000	$0	GF

Language:

Page 444, line 43, strike "$107,506,363" and insert "$107,806,363".
Page 446, after line 23, insert:
"K. Out of the amounts appropriated in this Item, $300,000 the first year from the general fund is provided for remediation of the breach at Jones Pond in Caledon State Park."

Explanation:

(This amendment provides $300,000 the first year from the general fund for the department to repair the breach at Jones Pond in Caledon State Park.)

Item 363 #2c

Natural and Historic Resources

Department of Conservation and Recreation — Language

Language:

Page 445, line 41, after “in” strike “Item C-25, Chapter 725 Acts of Assembly" and insert “Item C-15.2 of this act”
Page 445, line 43, after “in” strike “Item C-25, Chapter 725 Acts of Assembly" and insert “Item C-15.2 of this act”

Explanation:

(This amendment updates language to cross-reference the appropriate capital item associated with state park acquisitions.)

Item 363 #3c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$215,240 1.00	$89,640 1.00	GF FTE

Language:

Page 444, line 43, strike "$107,506,363" and insert "$107,721,603".
Page 444, line 43, strike "$107,584,095" and insert "$107,673,735".
Page 445, at the beginning of line 18, strike "$560,000" and insert "$775,240".
Page 445, line 18, after "and" strike "$560,000" and insert "$649,640".

Explanation:

(This amendment provides $215,240 GF the first year and 1.0 position and $89,640 GF the second year and 1.0 position for operational support of Breaks Interstate Park in response to increasing visitation at the park.)

Item 365 #1c

Natural and Historic Resources

Department of Environmental Quality — Language

Language:

Page 447, after line 11, insert:
“C. The Department shall revise the Virginia Waste Management Board's Financial Assurance Regulations for Solid Wate Disposal, Transfer and Treatment Facilities, 9VAC20-70. The regulations shall ensure that financial assurance is sufficient for design, construction, and operation of: i) a landfill cap, ii) leachate management, iii) gas collection and management and iv) other activities necessary to maintain the landfill in a manner that protects human health and

the environment. The regulations shall also ensure that financial assurance is sufficient to address the possibility of an elevated temperature landfill. The regulations shall allow the Department to review any facility's financial assurance to ensure compliance and shall include enforcement provisions sufficient to enable the Department to achieve compliance. The regulatory actions necessary to effectuate the requirements of this item are hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). The Department shall complete such regulatory actions without further action by the Virginia Waste Management Board."

Explanation:

(This language amendment directs the department to amend waste management regulations to ensure environmental and health protection.)

Item 366 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$300,000	$300,000	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$60,696,062".
Page 447, line 12, strike "$60,397,686" and insert "$60,697,686".

Explanation:

(This amendment provides $300,000 each year from the general fund to support Hazardous Substances Storage Tank program activities.)

Item 366 #2c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$200,000	$0	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$60,596,062".
Page 448, after line 45, insert:
"M. The Department of Environmental Quality (the Department) shall study the threats and challenges to the groundwater supply in western Loudoun and Fauquier Counties. In conducting such study, the Department shall (i) provide historical and current data and trends relating to groundwater levels and groundwater quality; (ii) include future projections for groundwater levels and groundwater quality; (iii) evaluate potential future impacts to the groundwater supply as a result of increasing groundwater withdrawals; (iv) evaluate whether a groundwater management area should be established for the region pursuant to Chapter 25 (§ 62.1-254 et

seq.) of Title 62.1 of the Code of Virginia; and (v) recommend any statutory or regulatory restrictions to ensure that future development in the region does not endanger the health and safety of the region's residents nor the water needs of existing commercial enterprises. Technical assistance shall be provided to the Department by the State Water Control Board. All agencies of the Commonwealth shall provide assistance to the Department for this study, upon request. The Department shall complete its meetings by November 30, 2026, and shall submit to the Chairs of the House Committee on Agriculture, Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources a report of its findings and recommendations no later than December 31, 2026. Out of the amounts in this item, $200,000 the first year is provided to support the activities required by this paragraph."

Explanation:

(This amendment provides $200,000 the first year from the general fund to support a study of challenges to the groundwater supply in western Loudoun and Fauquier Counties.)

Item 366 #3c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$1,625,000	$1,125,000	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$62,021,062".
Page 447, line 12, strike "$60,397,686" and insert "$61,522,686".

Explanation:

(This amendment provides $1.6 million the first year and $1.1 million the second year from the general fund for the fiscal impact of Chapter 710, 2026 Acts of Assembly, which requires monitoring and reporting of per- and polyfluoroalkyl substances (PFAS) discharged by industrial users of publicly owned treatment works.)

Item 366 #4c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$750,000	$750,000	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$61,146,062".
Page 447, line 12, strike "$60,397,686" and insert "$61,147,686".

Page 448, line 15, strike both instances of “$231,000” and insert “$981,000” and “$981,000”.

Explanation:

(This amendment provides $750,000 of additional annual state support from the general fund each year for water supply planning activities of the 25 regional planning units, including resource mapping, risk assessment and mitigation, community engagement, and local plan approval. The Code of Virginia requires that regional water supply plans be submitted by October 2029.)

Item 366 #5c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$300,000	$200,000	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$60,696,062".
Page 447, line 12, strike "$60,397,686" and insert "$60,597,686".

Page 448, after line 45, insert:

"M. Included in the appropriation for this Item is $300,000 in the first year and $200,000 in the second year from the general fund for the Department of Environmental Quality, in consultation with Virginia Tech, to evaluate the feasibility and cost of aquifer recharge at wastewater treatment facilities in the Eastern Virginia Groundwater Management Area in addition to those facilities already included in the Hampton Roads Sanitation District's Sustainable Water Initiative for Tomorrow (SWIFT) project, as well as an assessment of other beneficial uses of treated wastewater such as for cooling, irrigation, industry, or other gray water uses. The analysis shall be provided to the Chairs of the State Water Commission, House Committee on Agriculture, Chesapeake, and Natural Resources, and Senate Committee on Agriculture, Conservation, and Natural Resources by July 1, 2027."

Explanation:

(This amendment provides $300,000 the first year and $200,000 the second year from the general fund for a study of feasibility and cost of aquifer recharge at wastewater treatment facilities in the Eastern Virginia Groundwater Management Area.)

Item 366 #6c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$500,000	$0	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$60,896,062".

Page 448, after line 45, insert:

"M. The Department shall conduct a statewide PFAS disposal analysis, including consideration and estimates, as appropriate, of available landfill capacity, future landfill or monofill capacity, incineration or other available and innovative PFAS destruction technologies, environmental impacts of alternatives, costs estimated at the state, locality or utility, and household levels, and loss of biosolids land applications benefits to farmers. The Department shall engage the services of a qualified consulting engineering firm with significant experience in disposal alternatives and shall oversee the analysis with the assistance of the PFAS Advisory Committee. Out of the amounts in this item, $500,000 the first year from the general fund is provided to effectuate the provisions of this paragraph."

Explanation:

(This amendment provides $500,000 from the general fund in fiscal year 2027 for the Department of Environmental Quality to conduct an analysis of PFAS disposal alternatives.)

Item 366 #7c

Natural and Historic Resources

Department of Environmental Quality Language

Language:

Page 448, after line 45, insert:

"M.1. The Department of Environmental Quality (Department) shall amend 9VAC25-780, Local and Regional Water Supply Planning, no later than July 1, 2027, to establish criteria for the Department to determine "Cooling Water Scarcity Areas" where the evaporation of water for cooling purposes could have detrimental reductions in the quality or quantity of water available for other beneficial uses, with a particular focus on the Eastern Virginia Groundwater Management Area, as that term is defined in 9VAC25-600-20(A). The initial promulgation of such regulations is hereby exempted from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) and the Department shall complete such regulatory action without further action by the State Water Control Board.

2. In a Cooling Water Scarcity Area, prior to July 1, 2032, a data center, as that term is defined in subdivision A 43 of § 58.1-3506, Code of Virginia, must certify to the Department that for cooling purposes it will use air cooling, closed loop cooling systems, or more efficient cooling systems that become available, to the maximum extent practicable, as determined by the Department, to minimize the use of any type of water for cooling purposes. In the Eastern Virginia Groundwater Management Area, all new data centers who submit a complete application for a Department of Environmental Quality air permit after January 1, 2027, shall either use air cooling systems, 100 percent recycled water and/or stormwater for cooling, or use a closed loop system. The Department, by October 15, 2026, shall conduct a study and provide

a plan on the retrofitting of existing data centers in the Eastern Virginia Groundwater Management Area to use air cooling systems, 100 percent recycled water and/or stormwater for cooling, or use a closed loop system."

Explanation:

(This amendment authorizes Department of Environmental Quality to establish criteria for determining Cooling Water Scarcity Areas.)

Item 366 #8c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$1,150,000	$0	GF

Language:

Page 447, line 12, strike "$60,396,062" and insert "$61,546,062".
Page 448, after line 45, insert:
"M. Out of the amounts in this Item, $1,150,000 the first year from the general fund is provided for the Department to install up to five additional multi-well research stations to gather additional data to study the upper portions of the Eastern Virginia Groundwater Management Area. Any funding remaining on June 30 shall be carried forward and reappropriated into the next fiscal year for the purposes described in this paragraph."

Explanation:

(This amendment provides $1.2 million GF the first year for the Department of Environmental Quality to expand ground water research in the Eastern Virginia Groundwater Management Areas.)

Item 367 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$200,000	$0	GF

Language:

Page 448, line 46, strike "$31,589,292" and insert "$31,789,292".

Explanation:

(This amendment provides $200,000 from the general fund the first year to conduct the waste-to-energy assessment directed by Chapter 901, 2026 Acts of Assembly.)

Item 367 #2c

Natural and Historic Resources

Department of Environmental Quality Language

Language:

Page 449, after line 46, insert:
"E. Notwithstanding any other provision of law, the Department shall adopt and is authorized to enforce regulations for noise at any data center, as that term is defined in subdivision A 43 of § 58.1-3506, Code of Virginia, to be effective no later than December 31, 2029. Such regulations shall: (i) be based on the Department's determination of the lowest achievable noise from a data center; (ii) establish the lowest achievable noise for a data center; (iii) provide that on or after January 1, 2030, any data center that violates such regulations shall be subject to a civil penalty of up to $32,500 per day of violation; and, (iv) authorize and provide for enforcement by the Department or the locality in which the data center is located. The initial promulgation of such regulations is hereby exempted from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). This item and such regulations shall not be construed to limit the authority of any locality to adopt a more restrictive local ordinance regulating noise."

Explanation:

(This amendment authorizes the Department of Environment Quality to adopt and enforce regulations for noise at data centers.)

Item 367 #3c

Natural and Historic Resources

Department of Environmental Quality Language

Language:

Page 449, after line 46, insert:
"E. Notwithstanding any other provision of law, beginning July 1, 2026, an amount equal to 45 percent of all revenue collected pursuant to a program established under § 10.1-1330 of the Code of Virginia, shall be remitted by the Commonwealth to any Phase I or Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, which has a rate adjustment clause petition approved or pending approval by the State Corporation Commission (the “Commission”) pursuant to subdivision A 5 e of § 56-585.1 of the Code of Virginia for recovery of the costs of emissions allowances, and the Utility shall subsequently distribute such funds received from the Commonwealth as a credit to its customers in the residential, Small General Service, and church classes in a manner approved by the Commission, including that such credit shall be reflected as a line item on the customer bill. The remaining 55 percent of the revenue collected shall be distributed consistent with § 10.1-1330 C. of the Code of Virginia."

Explanation:

(This amendment provides a credit to Phase I and Phase II Utility customers in the residential, Small General Service, and church classes in a manner approved by the State Corporation Commission from revenue collected through RGGI.)

Item 368 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$50,000,000	$0	GF

Language:

Page 449, line 47, strike "$258,956,273" and insert "$308,956,273".
Page 451, after line 39, insert:
"M. Out of the amounts in this Item, $50,000,000 the first year from the general fund is provided to the City of Richmond to pay a portion of the costs of its combined sewer overflow control project. Any balances for the purposes specified in this paragraph which are unexpended at year-end shall not revert to the general fund but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $50 million the first year from the general fund to the City of Richmond for its combined sewer overflow (CSO) control project.)

Item 368 #2c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$188,870,745	$0	GF

Language:

Page 449, line 47, strike "$258,956,273" and insert "$447,827,018".
Page 451, after line 39, insert:
"M. From amounts in this Item, $188,870,745 the first year from the general fund is provided for deposit into the Water Quality Improvement Fund for matching grants for eligible wastewater projects for Chesapeake Bay nutrient reductions under §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1-44.19:14.G.1., Code of Virginia."

Explanation:

(This amendment provides $188.9 million the first year from the general fund for deposit in the Water Quality Improvement Fund to provide matching grants for eligible wastewater treatment plant improvement projects.)

Item 368 #3c

Natural and Historic Resources

Department of Environmental Quality — Language

Language:

Page 451, line 1, strike “Boat Harbor Treatment Plant project subject to grant agreement #440-S-24-01.” and insert “Enhanced Nutrient Removal Certainty Program projects.”

Page 451, strike lines 2 through 13 and insert:

“I.1. The Department shall continue to conduct an annual WQIF needs assessment in accordance with §10.1-2134.1, Code of Virginia, to determine the expected need for WQIF grant funds for a period of five fiscal years. The Department shall complete the WQIF needs assessment no later than June 30 of each year beginning with the June 30, 2027 assessment.

2. By January 1, 2027, the Department shall establish an annual WQIF solicitation period for receipt of grant applications. The application process shall be designed to assist the Department in determining total project costs, WQIF eligible costs, estimated WQIF grant amount, other planned funding sources, project readiness, and estimated project implementation and grant disbursement schedules. Beginning with the annual WQIF solicitation in calendar year 2028, the solicitation process shall be limited to grant applications for eligible projects that were reported to the Department in the preceding calendar year or a prior year as part of the annual WQIF needs assessment pursuant to §10.1-2134.1, Code of Virginia.

3. By October 1, 2026, and annually thereafter, the Department shall report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees the amount of (a) funds expected to be requested by eligible applicants for WQIF projects, by fiscal year, for active executed grant agreements, for pending grant applications, and for anticipated grant applications based on the WQIF needs assessment, (b) the amount of previously appropriated funds that remain available to meet such requests, and (c) the amount of additional funds, by fiscal year, needed to meet such requests. For each project, the report shall identify project type and eligibility under §62.1-44.19:14 G (Enhanced Nutrient Removal Certainty Program), §10.1-1186.01 B, and §10.1-2131.”

Explanation:

(This language amendment directs the Department to continue conducting the needs assessment for the Fund and delineates a process for the Department to determine needs and timelines of qualifying projects.)

Item 368 #4c

Natural and Historic Resources	**FY26-27**	**FY27-28**

Department of Environmental Quality	$1,000,000	$0	GF

Language:

Page 449, line 47, strike "$258,956,273" and insert "$259,956,273".
Page 451, after line 39, insert:
"M. Out of the amounts in this item, $1,000,000 the first year from the general fund is provided for the County of Prince William to assist with the connection of Bristow Manor to the Prince William County wastewater collection system."

Explanation:

(This amendment provides $1.0 million from the general fund the first year to support the connection of Bristow Manor to the Prince William County wastewater collection system.)

Item 368 #5c

Natural and Historic Resources

Department of Environmental Quality — Language

Language:

Page 451, after line 39, insert:

“M. All agencies or authorities of the Commonwealth with responsibilities identified in § 10.1-1330 of the Code of Virginia, shall take all actions necessary to rejoin the Regional Greenhouse Gas Initiative, as defined in § 10.1-1329 of the Code of Virginia, and resume participation therein. Such required actions include (i) repealing or otherwise nullifying the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs, published in the Virginia Register of Regulations on July 31, 2023, no later than 90 days from the effective date of this act; (ii) reissuing or otherwise reinstating the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs, published in the Virginia Register of Regulations on August 3, 2020, including any amendments necessary to account for the time such regulation was not in effect, no later than 90 days from the effective date of this act; (iii) no later than January 1, 2027, updating, amending, or revising the regulation to align with the latest Regional Greenhouse Gas Initiative program review and revised model rule; (iv) entering into a contractual agreement with the Regional Greenhouse Gas Initiative, Inc. to rejoin the program, which the Director shall sign, and selling the allowances generated by the reissued regulatory program through auctions run by the Regional Greenhouse Gas Initiative, Inc.; (v) transferring auction proceeds, and any interest thereon, in accordance with subsection B of § 10.1-1330 of Code of Virginia with the responsible agencies disbursing such funds as expeditiously as possible; and, (vi) providing annual reporting in accordance with subsection C of § 10.1-1330 of Code of Virginia. Any regulatory actions necessary to effectuate the requirements of this item are hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). The Department of Environmental Quality shall complete such

regulatory actions without further action by the State Air Pollution Control Board."

Explanation:

(This amendment continues the requirement that that all agencies take actions necessary for the Commonwealth to rejoin the Regional Greenhouse Gas Initiative.)

Item 368 #6c

Natural and Historic Resources

Department of Environmental Quality — Language

Language:

Page 451, after line 39, insert:
"M. Any Enhanced Nutrient Removal Certainty (ENRC) Program priority project with a completion date no later than January 1, 2030, pursuant to § 62.1-44.19:14 G, Code of Virginia, or pursuant to Chapter 725 of the Acts of Assembly of 2025 may apply Water Quality Improvement Fund (WQIF) grant funds to costs to complete the ENRC Program priority project that are not WQIF eligible costs up to the amount of any American Rescue Plan Act (ARPA) grant funds that the ENRC Program priority project documents have been used to pay for WQIF eligible costs on or before December 31, 2026. The ENRC Program priority project shall not (i) charge any single expenditure to more than one grant, (ii) receive grant funds in excess of the total costs that have been incurred as of the time reimbursement is requested from the Department, (iii) receive WQIF reimbursement at any point during the project in excess of the amount of WQIF eligible costs that have been incurred at the time reimbursement is requested, or (iv) receive total reimbursement from the WQIF in excess of the total approved WQIF grant amount."

Explanation:

(This language-only amendment provides flexibility to prioritize use of funds from existing American Rescue Plan Act (ARPA) grants (to meet the 2026 federal APRA expenditure deadline) and maintain and defer Water Quality Improvement Funds use until after all ARPA funds are used for two projects with post-2026 construction completion deadlines, the South Central Wastewater Authority and the City of Fredericksburg Waste Water Treatment Facility.)

Item 368 #7c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$3,500,000	$0	GF

Language:

Page 449, line 47, strike "$258,956,273" and insert "$262,456,273".

Page 451, after line 39, insert:
"M. Of the amounts in this Item, $3,500,000 the first year from the general fund is provided to King George County Service Authority to implement the needed repairs to the Dahlgren Wastewater Treatment Plant Facility as identified in the Condition Assessment Report completed in June 2025."

Explanation:

(This amendment provides $3.5 million GF the first year to support the King George Service Authority's needed repairs to the Dahlgren Wastewater Treatment Plant Facility. The facility, within the Chesapeake Bay watershed, is unable to receive septage, and improvements will allow for sustainable water reuse solutions.)

Item 368 #8c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Environmental Quality	$10,627,000	$0	GF

Language:

Page 449, line 47, strike "$258,956,273" and insert "$269,583,273".

Page 451, after line 39, insert:

“M.1. Out of the amounts in this Item, $10,627,000 the first year from the general fund is provided to the Department to, in collaboration with Chesterfield County, assist with resolving ongoing environmental issues at the Shoosmith Landfill, including: i) supporting operations and monitoring, including leachate testing and collection, hauling, and treatment and gas management; and ii) completing closure of the facility. The Department may: disburse such funds as reimbursements to the trustee for the landfill bankruptcy estate, contract directly with any private contractor or local government to fulfill such activities, or use such funds as reimbursement for any successor entity to the bankruptcy trustee. However, the Department is not obligated to disburse such funds, and at all times such funds shall be deemed the sole property of the Department. Any balances from this amount that remain unexpended at year-end shall not revert to the general fund but shall be carried forward and reappropriated. Notwithstanding the provisions of § 10.1-2500 through 2503, Code of Virginia, the Department is authorized to transfer up to $3,000,000 the first year from the balances of the Virginia Environmental Emergency Response Fund for the purposes enumerated in this paragraph should the general fund amount provided be exhausted.
2. The Secretary of Natural Resources, in consultation with the Secretary of Finance, Department of Environmental Quality, and Department of Planning and Budget, shall evaluate options and funding mechanisms to resolve ongoing issues associated with closing the Shoosmith Landfill. The evaluation shall include (i) determining the appropriate level of state and Chesterfield County resources to address immediate and future costs associated with resolving environmental issues at Shoosmith Landfill; (ii) other funding options for response

activities to include federal funding opportunities; and, (iii) legislative and regulatory options to ensure sufficient oversight of landfills, including a formal, regulatory review of the finance assurance criteria and allowable financial mechanisms for safely closing landfills and landfill inspection criteria. The Secretary shall submit a written report detailing its evaluation and recommendations to the Chairs of the Senate Finance and Appropriation and House Appropriations Committees, and the Chairs of the Senate Agriculture, Conservation, and Natural Resources and House Agriculture, Chesapeake, and Natural Resources Committees no later than October 5, 2026."

Explanation:

(This amendment provides $10.6 million the first year from the general fund for the Department to address necessary environmental protection work at Shoosmith Landfill in collaboration with Chesterfield County. It also requires the Secretary of Natural Resources to evaluate options and funding mechanisms to resolve ongoing issues associated with closing the Shoosmith Landfill and submit a report.)

Item 372 #1c

Natural and Historic Resources

Department of Wildlife Resources — Language

Language:

Page 453, after line 31, insert:
“C. Pursuant to § 4-3.02 of this act, the Governor has authorized an operating deficit loan for the Department of up to $6,900,000.”

Explanation:

(This amendment provides disclosure of a deficit authorization approved by the Governor. Budget language requires that such loans are set out in the next biennial budget after they are approved.)

Item 372 #2c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Wildlife Resources	$1,193,696	$1,193,696	NGF

Language:

Page 453, line 20, strike "$13,833,491" and insert "$15,027,187".
Page 453, line 20, strike "$13,833,491" and insert "$15,027,187".

Explanation:

(This amendment provides appropriation for increased compensation expenses within the department. Companion amendments make a corresponding adjustment to the transfer from the general fund to the Game Protection Fund and to the language only item under the department.)

Item 373 #1c

Natural and Historic Resources

Department of Wildlife Resources — Language

Language:

Page 453, line 33, strike "$19,898,252" and insert “$21,091,948”.
Page 453, line 33, strike “$19,484,600” and insert “$20,678,296”.

Explanation:

(This amendment increases the deposit to the Game Protection Fund from revenue transferred to the Fund from the general fund by $1,193,696 in each year to reflect the costs to the Department of Wildlife Resources of providing a three percent compensation increase. Companion amendments make a corresponding adjustment to the transfer from the general fund to the Game Protection Fund in Part 3 and to appropriation levels in Item 372.

Item 374 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$500,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,968,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $500,000 the first year from the general fund is provided to the City of Virginia Beach to support the renovations and preservation of the historic Nimmo United Methodist Church."

Explanation:

(This amendment provides $500,000 from the general fund in fiscal year 2027 to support renovations and preservation of the historic Nimmo United Methodist Church, a 200-plus year old church used by Union troops as a hospital.)

Item 374 #2c

Natural and Historic Resources	**FY26-27**	**FY27-28**

Department of Historic Resources	$500,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,968,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $500,000 the first year from the general fund is provided to the County of Fairfax to support the installation of temporary heating and cooling equipment at the historic Fairfax Courthouse building."

Explanation:

(This amendment provides $500,000 from the general fund in fiscal year 2027 for the installation of temporary HVAC equipment at the historic Fairfax Courthouse.)

Item 374 #3c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$2,500,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$17,968,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $2,500,000 the first year from the general fund is provided to the County of Botetourt to support project costs related to the Fincastle Museum."

Explanation:

(This amendment provides $2.5 million from the general fund in fiscal year 2027 to support Botetourt County's Fincastle Museum project.)

Item 374 #4c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$1,000,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$16,468,942".
Page 456, after line 37, insert:
“P. Out of the amounts in this Item, $1,000,000 the first year from the general fund is provided to the Town of Vienna to support the Washington and Old Dominion Trail Visitors Center.”

Explanation:

(This amendment provides $1.0 million from the general fund the first year to the Town of

Vienna to support the Washington and Old Dominion Trail Visitors Center.)

Item 374 #5c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$1,000,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$16,468,942".
Page 456, after line 37, insert:
“P. Out of the amounts in this Item, $1,000,000 the first year from the general fund is provided to the City of Alexandria for the Freedom House Museum for preservation and accessibility improvements. The funding will be matched dollar-for-dollar.”

Explanation:

(This amendment provides $1.0 million from the general fund in fiscal year 2027 to Alexandria for improvements to the Freedom House Museum.)

Item 374 #6c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	($160,000)	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,308,942".
Page 456, strike lines 35 through 37.

Explanation:

(This amendment removes $160,000 from the general fund in fiscal year 2027 included in the introduced budget for a walkway project in Southampton County.)

Item 374 #7c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$100,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,568,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $100,000 the first year from the general fund is provided to

the City of Roanoke to support commemoration activities."

Explanation:

(This amendment provides $100,000 from the general fund in fiscal year 2027 to the City of Roanoke for commemoration activities.)

Item 374 #8c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$250,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,718,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $250,000 the first year from the general fund is provided to the County of Loudoun to support the construction of the Ethical Leadership Development Center at General George C. Marshall's Dodona Manor."

Explanation:

(This amendment provides $250,000 from the general fund in fiscal year 2027 to support construction of a leadership center at General George C. Marshall's Dodona Manor.)

Item 374 #9c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$295,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,763,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $295,000 the first year from the general fund is provided to the County of Giles to support repairs and improvements at the historic Andrew Johnston House."

Explanation:

(This amendment provides $295,000 from the general fund in fiscal year 2027 to support repairs at the historic Andrew Johnston House in Giles County.)

Item 374 #10c

Natural and Historic Resources	FY26-27	FY27-28	
Department of Historic Resources	$107,800	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,576,742".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $107,800 the first year from the general fund is provided to the County of Tazewell to support repairs and improvements at the historic Pocahontas Fuel building."

Explanation:

(This amendment provides $107,800 from the general fund in fiscal year 2027 to support repairs of the Pocahontas Fuel building in Tazewell County.)

Item 374 #11c

Natural and Historic Resources	FY26-27	FY27-28	
Department of Historic Resources	$160,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,628,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $160,000 the first year from the general fund for the County of Arlington to support the September 11th National Memorial Trail Alliance."

Explanation:

(This amendment provides $160,000 from the general fund in fiscal year 2027 to support the September 11th National Memorial Trail Alliance.)

Item 374 #12c

Natural and Historic Resources	FY26-27	FY27-28	
Department of Historic Resources	$50,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$15,518,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $50,000 the first year from the general fund is provided to the City of Richmond to support preservation of the historic Moore Street School."

Explanation:

(This amendment provides $50,000 from the general fund in fiscal year 2027 to support preservation of historic Moore Street School in Richmond.)

Item 374 #13c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$1,000,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$16,468,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $1,000,000 the first year from the general fund is provided to the County of Arlington to support the construction of a visitor education center at the National 9/11 Pentagon Memorial located in Arlington National Cemetery."

Explanation:

(This amendment provides $1.0 million from the general fund in fiscal year 2027 to Arlington County to support construction of a visitor education center at the National 9/11 Pentagon Memorial.)

Item 374 #14c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Historic Resources	$2,000,000	$0	GF

Language:

Page 454, line 3, strike "$15,468,942" and insert "$17,468,942".
Page 456, after line 37, insert:
"P. Out of the amounts in this item, $2,000,000 the first year from the general fund shall be deposited in the Virginia Black, Indigenous, and People of Color Historic Preservation Fund, as established in § 10.1-2202.5, Code of Virginia. Such funds and funding authorized in paragraph M, Item 386, Chapter 1, 2024 Acts of Assembly, Special Session I, may be used for the preservation of historic sites. Notwithstanding the provisions of § 10.1-2202.5 Paragraph F, Code of Virginia, grants from the Fund may be awarded to eligible recipients provided that the grantee provides a perpetual public benefit to be determined by the Director. The Department is authorized to expend up to five percent of the amounts allocated in this Paragraph for costs related to the administration of the Fund."

Explanation:

(This amendment provides $2 million from the general fund in fiscal year 2027 to support the

BIPOC Historic Preservation Grant Program.)

Item 374 #15c

Natural and Historic Resources

Department of Historic Resources Language

Language:

Page 454, line 47, after "Virginia." insert:
"The Department is authorized to expend up to five percent of the amounts allocated in this paragraph for costs related to the administration of the Fund."
Page 455, line 3, after "cemeteries." insert:
"The Department is authorized to expend up to five percent of the amounts allocated in this paragraph for costs related to administration of the program."

Explanation:

(This amendment authorizes the Department of Historical Resources to use up to five percent of the amounts provided for the Virginia Battlefield Preservation Fund and for care of historical African American graves and cemeteries for the costs of administering the programs.)

Item 376 #1c

Natural and Historic Resources

Marine Resources Commission Language

Language:

Page 458, after line 25, insert:
“I. 1. For purposes of Item 376, Paragraph I, "Phase I" means the following drawings: (i) "Norfolk CSRM State-Owned Bottom and Right-of-Way Map," Map Number – 68 Phase IA, dated October 8, 2025, prepared by TKY; (ii) Drawing entitled "Grandy Village Living Shoreline Preliminary Bottom Impacts WSSI #36556.01," Exhibit 1, prepared by Wetland Studies and Solutions, Inc., a Davey Company; (iii) Drawing entitled "Richmond and Surrey Crescent Shoreline State Bottom Impacts"; (iv) "Wetlands Impact Analysis Phase 1A-WS-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (v) "Wetlands Impact Analysis Phase 1A-WS-2," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (vi) "Wetlands Impact Analysis Phase 1A-PS-HP1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (vii) "Wetlands Impact Analysis Phase 1A-FD-1,"Map: Wetlands Impact Analysis (JPA)DDwithExcludedPermitAreaTable, dated August 28, 2025, revised January 22, 2026, developed by JAO; (viii) "Wetlands Impact Analysis Phase 1A-HP," Map: Wetlands Impact Analysis

(JPA)DDwithExcludedPermitAreaTable, dated August 28, 2025, revised January 27, 2026, developed by JAO; (ix) "Wetlands Impact Analysis Phase 1A-RR-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (x) "Wetlands Impact Analysis Phase 1A-PS-NC-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (xi) "Wetlands Impact Analysis Phase 1A-Sub-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (xii) "Wetlands Impact Analysis Phase 1A-Sub-2," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; and (xiii) "Wetlands Impact Analysis Phase No Impact," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO.

2. That, in consideration of the mutual promises of the parties and the payment of $1, and on terms otherwise acceptable to the Marine Resources Commission (the Commission), the Commission is hereby authorized to convey to the City of Norfolk, in locations acceptable to the Commission, the following real property interests in subaqueous land that are necessary for Phase I, as generally shown on the Phase I drawings: permanent easement interests; temporary construction easements; and fee simple interests subject to a reverter clause acceptable to the Commonwealth, pursuant to quitclaims.

3. That, in consideration of the mutual promises of the parties and the payment of $1, and on terms otherwise acceptable to the Commission, the Commission is hereby authorized to quitclaim to the City any interest that the Commonwealth may have in and to the property known as Newton Canal, a/k/a Mahone's Canal, a/k/a Brambleton Canal, which property is located within the boundaries of City of Norfolk GPIN 1437339770, subject to a reverter clause acceptable to the Commonwealth.

4. That the conveyances authorized herein shall be made in consultation with the Chief Resilience Officer of the Commonwealth and the Office of the Attorney General. The conveyances authorized herein shall be approved by the Governor and made in a form approved by the Office of the Attorney General. The appropriate officials of the Commonwealth are hereby authorized to prepare, execute, and deliver such deeds and other documents as may be necessary to accomplish the conveyances.

5. The General Assembly deems that the conveyances of the property interests, set forth in this Item 376, Paragraph I, may be undertaken without substantial impairment of the interest of the public in the waters of the Commonwealth."

Explanation:

(This amendment authorizes conveyance of real property interests in state-owned bottomlands to the City of Norfolk.)

Item 376 #2c

Natural and Historic Resources

Marine Resources Commission — Language

Language:

Page 458, after line 15, insert:
"4. Out of the amounts in this item, $2,000,000 the first year from nongeneral funds is provided to the Northern Neck Planning District Commission for emergency dredging of the Little Wicomico River."

Explanation:

(This amendment provides $2.0 million NGF the first year for emergency dredging of the Little Wicomico River.)

Item 377 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Marine Resources Commission	$0	$109,448	GF
	0.00	1.00	FTE

Language:

Page 458, line 26, strike "$2,841,296" and insert "$2,950,744".

Explanation:

(This amendment provides $109,448 in fiscal year 2028 from the general fund and one position pursuant to Chapter 908, 2026 Acts of Assembly, which directs the Marine Resources Commission to promote the beneficial uses of dredged material.)

Item 382 #1c

Public Safety and Homeland Security

Commonwealth's Attorneys' Services Council — Language

Language:

Page 460, after line 42, insert:
"A. The Commonwealth's Attorneys' Services Council shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, no later than November 15, 2026, a report with options, including associated costs and any necessary statutory changes, for establishing shared infrastructure for electronic storage and dissemination of discovery materials, including approaches and funding strategies used in the other states, with the goal of leveraging economies of scale and improving the uniformity of IT infrastructure and discovery practices in Commonwealth's Attorneys' offices across the state."

Explanation:

(This amendment directs the Commonwealth's Attorneys' Services Council to provide options and associated costs for establishing shared infrastructure for electronic storage and dissemination of discovery materials, including approaches and funding strategies used in the other states, with the goal of leveraging economies of scale and improving the uniformity of IT infrastructure in Commonwealth's Attorneys' offices across the state.)

Item 384 #1c

Public Safety and Homeland Security

Department of Corrections Language

Language:

Page 461, after line 39, insert:
"D. 1. The Department of Corrections (Department) shall determine appropriate program assignments to include, in addition to the assignments listed in § 53.1-32.1, Code of Virginia, group and individual counseling, alcohol and substance abuse recovery training, technological literacy training, socioemotional development, mental health and wellness support, health literacy, relationship skills, social capital skills development, financial literacy, and such related activities as may be necessary to assist prisoners in the successful transition and reintegration into and ability to thrive in free society and the broader community with gainful employment. The Department shall actively incorporate peer support programs, group classes, and other classes or programs provided by external organizations, to the extent that resources are available.
2. The Department shall assess, train, and enlist prisoners in developing, facilitating, mentoring, and otherwise serving in leadership roles in peer and group educational programs for which such prisoners are qualified to lead or help facilitate. The Department shall, to the extent practicable and within existing resources, ensure that such peer and group educational programs are available without a waitlist. Time spent participating in such programs, including leading such programs as described in this subsection, and participating in programs offered by external organizations, shall count toward a prisoner's required weekly participation hours under § 53.1-32.1, Code of Virginia.
3. That the Department shall convene a work group consisting of relevant stakeholders to develop practical policy and legislative recommendations in order to meet the following goals: (i) develop robust networks of external organizations to provide regular programming at Department facilities across the Commonwealth, (ii) maximize the benefits and utilization of peer and group programming led or facilitated by Department inmates, (iii) establish a robust set of programs to broaden the range of offered programming types, and (iv) develop specific guidelines to safely minimize programming disruptions. The work group shall provide an initial report of its progress and initial findings and suggestions to the General Assembly and the Governor by November 1, 2026. The work group shall report its final findings and specific legislative and policy recommendations to the General Assembly and the Governor by July 1,

2027."

Explanation:

(This amendment provides language that directs the Department of Corrections to strengthen reentry programming, including partnering with external organizations and supporting prisoners in serving in leadership roles in peer and group education programs, within existing resources. The amendment also directs the Department to convene a work group to develop recommendations in support of those goals and to provide a final report to the General Assembly and the Governor by July 1, 2027. This language is consistent with the provisions of House Bill 1280, 2026 Session of the General Assembly, as it passed the Senate Rehabilitation and Social Services Committee.)

Item 386 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$1,230,392	$0	GF

Language:

Page 463, line 30, strike "$284,851" and insert "$1,515,243".
Page 463, after line 41, insert:
"Prince William-Manassas Regional Adult Detention Center - Renovation Project -- $275,400
Western Tidewater Regional Jail - Upgrade Project -- $954,992".

Explanation:

(This amendment provides $1.2 million GF the first year to provide the 25.0 percent state share of jail renovation capital projects that were approved by the Board of Local and Regional Jails but were not included in the introduced budget. The amendment includes $275,400 for the Prince William-Manassas Regional Adult Detention Center and $954,992 for the Western Tidewater Regional Jail.)

Item 389 #1c

Public Safety and Homeland Security

Department of Corrections — Language

Language:

Page 466, line 48, after "Item.," insert:
"The workgroup shall also examine the feasibility and costs of establishing partnerships with academic medical centers to: (i) perform utilization management review for evaluating the need for specialty medical care; and (ii) provide onsite care using medical center students and residents."

Page 466, after line 50, insert:
"E. The Department shall report on potential options for medical release or secure external nursing home options for elderly or high-cost claimants, including any associated fiscal impacts and public safety considerations, including eligible offenses, as well as practices used in other states. The Department shall provide its options and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 15, 2026."

Explanation:

(This amendment provides language that directs the Department of Corrections to further examine intiatives in other states to further leverage services from academic medical centers and to provide options for medical release or external nursing home options.)

Item 390 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$2,140,000	$450,000	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$211,047,340".
Page 466, line 51, strike "$208,907,340" and insert "$209,357,340".
Page 468, after line 48, insert:
"O. The Department may not transfer appropriated amounts from program 197 (Instruction) to other programs. The Department of Planning and Budget is directed to reappropriate any unexpended balances at the end of the fiscal year so that the Department may use such balances for one-time expenditures to support correctional education, such as equipment."

Explanation:

(This amendment provides $2.1 million GF the first year and $450,000 GF the second year for a software application for the Department of Corrections (DOC)'s case management system to improve the data available to the Department as it places inmates in programs and facilities. The software would support two recommendations made by the Joint Legislative Audit and Review Commission related to correctional education, including: 1) DOC should require that principals consider inmates' assessed need for educational and vocational programming to reduce their risk of recidivism when making program enrollment decisions; and 2) DOC should develop clear criteria for using temporary transfer holds for inmates in career and technical education (CTE) programs and require staff to use these criteria to guide their CTE participant transfer decisions. The software would also help to better coordinate inmate transportation between facilities and outside the facility, such as for court dates and medical appointments. Language also prohibits amounts appropriated for inmate education to be used for a different purpose.)

Item 390 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$1,605,215	$1,186,075	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$210,512,555".
Page 466, line 51, strike "$208,907,340" and insert "$210,093,415".

Explanation:

(This amendment provides $1.6 million GF the first year and $1.2 million GF the second year to purchase additional body-worn cameras for Department of Corrections officers using a phased approach. This amount is sufficient to cover all security officers at Level 4 and Level 5 facilities, supplementing approximately 1,300 body-worn cameras that the Department currently uses.)

Item 390 #3c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$7,837,000	$0	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$216,744,340".
Page 468, after line 48, insert:
"O. Included in the appropriation for this item is $7,837,000 the first year from the general fund to provide a bonus of $1,000 for each employee assigned to a facility, with $500 per employee provided in July 2026 and $500 provided in December 2026.
P. The Department shall contract with an independent entity to conduct a comprehensive reevaluation of the Department's post audits to realign existing posts to meet the current needs, as recommended in the "Security Staff Assessment and Relief Factor Recalculation - Final Report - Staffing and Facility Space Assessment - November 2024."

Explanation:

(This amendment provides $7.8 million GF the first year for a bonus of $1,000 for each employee assigned to a facility, with the first $500 provided in July 2026 and the remaining $500 provided in December 2026. Language directs the Department to contract with an independent entity to realign its security posts to meet current needs, as recommended in the 2024 security staff assessment issued by the Department.)

Item 390 #4c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$1,100,000	$0	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$210,007,340".
Page 468, after 48, insert:
"O. Included in the appropriation for this item is $1,100,000 the first year from the general fund for the estimated net increase in the operating cost of adult correctional facilities resulting from the enactment of sentencing legislation as listed below. This amount shall be paid into the Corrections Special Reserve Fund, established pursuant to § 30-19.1:4, Code of Virginia.

1. House Bill 19 and Senate Bill 160 -- $50,000
2. House Bill 40 and Senate Bill 323 -- $50,000
3. House Bill 124 and Senate Bill 144 -- $50,000
4. House Bill 217 and Senate Bill 749 -- $50,000
5. House Bill 229 and Senate Bill 173 -- $50,000
6. House Bill 250 and Senate Bill 55 -- $50,000
7. House Bill 317 and Senate Bill 743 -- $50,000
8. House Bill 626 and Senate Bill 272 -- $50,000
9. House Bill 662 and Senate Bill 444 -- $50,000
10. House Bill 1524 and Senate Bill 727 -- $50,000
11. House Bill 238 -- $50,000
12. House Bill 629 -- $50,000
13. House Bill 1015 -- $50,000
14. House Bill 1103 -- $50,000
15. House Bill 1414 -- $50,000
16. House Bill 1492 -- $50,000
17. House Bill 1525 -- $50,000
18. Senate Bill 47 -- $50,000
19. Senate Bill 673 -- $50,000
20. Senate Bill 778 -- $50,000
21. Senate Bill 794 -- $50,000
22. Provisions of Item 4-14 of this act."

Explanation:

(This amendment provides $1.1 million from the general fund in the first year for deposit to the Corrections Special Reserve Fund to reflect the indeterminate correctional bedspace impact of legislation affecting criminal sentencing adopted by the 2026 Session of the General Assembly.)

Item 390 #5c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$86,712	$69,370	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$208,994,052".
Page 466, line 51, strike "$208,907,340" and insert "$208,976,710".

Explanation:

(This amendment provides $86,712 the first year and $69,370 the second year from the general fund pursuant to Chapter 544 (House Bill 16), which permits individuals to discharge portions of their court fines or costs by performing community service.)

Item 390 #6c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$781,275	$391,880	GF
	3.00	3.00	FTE

Language:

Page 466, line 51, strike "$208,907,340" and insert "$209,688,615".
Page 466, line 51, strike "$208,907,340" and insert "$209,299,220".

Explanation:

(This amendment provides $781,275 the first year and $391,880 the second year from the general fund to the Department of Corrections to support the implementation of the provisions of Chapter 1081 (House Bill 964).)

Item 390 #7c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$151,627	$0	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$209,058,967".

Explanation:

(This amendment provides $151,627 the first year from the general fund pursuant to Chapter 1103 (House Bill 26) and Chapter 1104 (Senate Bill 62), which establish a process by which persons convicted of certain felony offenses related to marijuana can receive an automatic hearing to consider modification of such persons' sentence.)

Item 390 #8c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$755,547	$0	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$209,662,887".

Explanation:

(This amendment provides $755,547 the first year from the general fund to the Department of Corrections to support implementation of Chapter 596 (House Bill 361).)

Item 390 #9c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Corrections	$300,000	$0	GF

Language:

Page 466, line 51, strike "$208,907,340" and insert "$209,207,340".
Page 468, after line 48, insert:
"O. Included in the appropriation for this item is $300,000 the first year from the general fund for a contract to provide law-enforcement specific recruitment and retention training to employees to improve hiring practices and strategies to increase the number of successful recruitments."

Explanation:

(This amendment provides $300,000 the first year from the general fund for the Department of Corrections to engage a vendor to provide law-enforcement specific recruitment and retention training to improve hiring practices and strategies to increase the number of successful recruitments.)

Item 391 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice	$0	$137,804	GF
Services	0.00	1.00	FTE

Language:

Page 469, line 4, strike "$6,193,054" and insert "$6,330,858".

Explanation:

(This amendment provides $137,804 the second year from the general fund and one position to support the Substantial Risk Order Training Program, pursuant to Chapter 696 (House Bill 896).)

Item 391 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$125,124 1.00	$125,124 1.00	GF FTE

Language:

Page 469, line 4, strike "$6,193,054" and insert "$6,318,178".
Page 469, line 4, strike "$6,193,054" and insert "$6,318,178".

Explanation:

(This amendment provides $125,124 each year from the general fund and one position pursuant to Chapter 270 (House Bill 1219) and Chapter 271 (Senate Bill 647).)

Item 391 #3c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$453,594 3.00	$453,594 3.00	GF FTE

Language:

Page 469, line 4, strike "$6,193,054" and insert "$6,646,648".
Page 469, line 4, strike "$6,193,054" and insert "$6,646,648".

Explanation:

(This amendment provides $453,594 each year from the general fund and three positions to support implementation of Chapter 1016 (Senate Bill 543), which relates to enforcement of marijuana laws in the Commonwealth.)

Item 392 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**

Department of Criminal Justice Services	$30,000	$0	GF

Language:

Page 470, line 17, strike "$3,805,987" and insert "$3,835,987".

Explanation:

(This amendment provides $30,000 the first year from the general fund pursuant to Chapter 858 (House Bill 1464) and Chapter 859 (Senate Bill 812), which require the Department of Criminal Justice Services to convene a work group to submit recommendations related to the reimbursement process for forensic medical examinations.)

Item 394 #1c

Public Safety and Homeland Security

Department of Criminal Justice Services — Language

Language:

Page 472, strike lines 36 to 40.
Page 474, line 33, strike each instance of "$2,000,000" and insert "$2,153,600".
Page 474, line 34, strike "continue" and insert "support".
Page 474, lines 35 through 36, strike "The number of pilot sites shall not be expanded beyond those participating in the pilot program the first year." and insert:
"The Department shall establish, in consultation with the Department of Behavioral Health and Developmental Services, criteria to select additional grantees. Current grantees of the model addiction recovery program shall receive priority consideration for funding under the jail mental health pilot program. Grantees may not be funded through this pilot for more than two years, and the Department shall ensure grantees develop a plan to sustain program operations beyond the period of state funding."

Explanation:

(This amendment discontinues the model addiction recovery program and transfers the $153,600 GF each year for the model addiction recovery program to the Jail Mental Health Pilot Program. Language also directs the Department of Criminal Justice Services to identify additional grantees in consultation with the Department of Behavioral Health and Developmental Services. Combining these two program is a recommendation of the Joint Commission on Health Care.)

Item 394 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**

Department of Criminal Justice Services	$2,050,000	$2,050,000	GF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$235,735,032".
Page 471, line 8, strike "$231,685,032" and insert "$233,735,032".
Page 478, line 1, strike each instance of "$3,000,000" and insert "$5,000,000".

Page 478, line 2, strike "$2,000,000" and insert "$3,000,000".

Page 478, line 3, strike "$2,000,000" and insert "$3,000,000".
Page 478, line 4, strike each instance of "$1,000,000" and insert "$2,000,000".
Page 478, line 6, strike each instance of "$125,000" and insert "$175,000".

Page 478, line 7, strike "to the City of Richmond".

Explanation:

(This amendment provides $2.1 million each year from the general fund to increase targeted grants to reduce commuity-based violence, including an additional $1.0 million each year for the Big Heroes of Minority in Every Society (Big H.O.M.I.E.S. program), $1.0 million each year for Cleaning Up the Streets Youth Employment Program (C.U.T.S), and $50,000 each year for the Help Me Help You program.)

Item 394 #3c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$6,200,000	$0	NGF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$239,885,032".
Page 473, line 37, after "emergency." insert:
"Out of nongeneral fund cash balances in the School Resource Officer Incentive Grants Fund, up to $6,200,000 the first year, dependent on grant applications, is designated for this purpose."
Page 473, line 51, after "ability-to-pay." insert:
"To the extent nongeneral fund cash balances are available in the School Resource Officer Incentive Grants Fund after accounting for existing commitments, projected new awards, and digital mapping grants, the Department may award one-time fifth-year continuation grants, prioritized to localities with a low local composite index."

Explanation:

(This amendment designates $6.2 million the first year from unutilized nongeneral fund cash

balances in the School Resource Officer Incentive Grants Fund to expand the state's digital mapping program to include public universities and community colleges, in addition to local school divisions. The program may award grants for technology that improves emergency response coordination. If additional nongeneral fund cash balances are available, language also authorizes the Department to provide one-time fifth-year continuation grants to localities with a low local composite index.)

Item 394 #4c

Public Safety and Homeland Security

Department of Criminal Justice Services — Language

Language:

Page 477, line 6, strike "Justices" and insert "Justice".

Page 477, line 9, strike "activates" and insert "activities".
Page 477, line 12, after "crimes," strike the remainder of line.
Page 477, line 12, after "crimes," insert:
"localities applying on behalf of or in partnership with such institutions or nonprofit organizations, and regional, multi-jurisdictional, or nonprofit entities, including planning district commissions, councils of governments, or nonprofit intermediaries, that provide security, training, technical assistance, or coordinated services to institutions or nonprofit organizations at risk of hate crimes."
Page 477, line 13, strike:
"engaged in partnership programs with such institutions or nonprofit organizations."
Page 477, line 15, strike "a biennial or" and insert "one".
Page 477, line 15, after "guidelines." insert:
"The Department may issue additional funding rounds as resources and conditions warrant."
Page 477, line 16, strike "need for the grant" and insert:
"demonstrated or anticipated risk".
Page 477, line 18, after "crimes" strike remainder of line and insert:
"Funding provided in this item may be awarded directly to an eligible grant recipient or, where appropriate, to a locality or regional entity servicing as a fiscal agent for distribution to the grant recipient, and shall not be used to supplant any other funding provided by localities to combat hate crimes. In awarding grants, the Department shall seek to ensure that funding is distributed equitably across the Commonwealth, including consideration of geographic diversity, population density, and planning district regions. In periods of heightened threat, credible risk, or following a significant hate-motivated incident, the Department is authorized to implement an expedited application and award process, including shortened timelines and accelerated fund disbursement, consistent with grant guidelines."
Page 477, strike lines 19 and 20.

Explanation:

(This amendment makes changes to administration of the existing Combating Hate Crimes Grant program administered by the Department of Criminal Justice Services.)

Item 394 #5c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$2,385,000	$2,385,000	GF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$236,070,032".
Page 471, line 8, strike "$231,685,032" and insert "$234,070,032".
Page 472, line 5, strike "$1,615,000" and insert "$4,000,000".
Page 472, line 6, strike "$1,615,000" and insert "$4,000,000".

Explanation:

(This amendment provides $2.4 million each year from the general fund to increase the total appropriation for Court Appointed Special Advocate (CASA) programs to $4.0 million each year. CASA provides judges with trained volunteers to advocate for abused and neglected children.)

Item 394 #6c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$3,000,000	$3,000,000	GF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$236,685,032".
Page 471, line 8, strike "$231,685,032" and insert "$234,685,032".
Page 474, line 6, strike "$10,068,114" and insert "$13,068,114".
Page 474, line 7, strike "$10,068,114" and insert "$13,068,114".

Explanation:

(This amendment provides an additional $3.0 million each year from the general fund to distribute as grants to local sexual assault and domestic violence victims services programs to help address increasing unmet shelter requests and other survivor needs.)

Item 394 #7c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	($4,500,000)	($4,500,000)	GF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$229,185,032".
Page 471, line 8, strike "$231,685,032" and insert "$227,185,032".
Page 473, line 20, strike each instance of "$20,362,525" and insert "$15,862,525".

Explanation:

(This amendment reduces the annual appropriation for the School Resource Officer Incentive Grant Fund from $20.4 million each year to $15.9 million each year from the general fund to better reflect utilization trends. Based on current projections, the adjusted appropriation remains sufficient to cover all existing grant award obligations and to provide more than $4.0 million in new four-year grants each year of the biennium.)

Item 394 #8c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	($2,000,000)	$0	GF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$231,685,032".
Page 478, strike lines 17 through 27.

Explanation:

(This amendment redirects $2.0 million the first year from the general fund that was proposed to continue a one-time reimbursement grant program for emergency custody order and temporary detention order transportation services provided by local law enforcement agencies.)

Item 394 #9c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$1,000,000	$0	NGF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$234,685,032".

Page 478, after line 27, insert:
"Y. Included in the appropriation for this item is $1,000,000 from the Commonwealth Opioid Abatement and Remediation Fund for deposit in the Jail-Based Substance Use Disorder Treatment and Transition Fund."

Explanation:

(This amendment provides $1.0 million NGF the first year from the Commonwealth Opioid Abatement and Remediation Fund for the Jail-Based Substance Use Disorder Treatment and Transition Fund. The Fund was previously provided a one-time appropriation of $2.0 million NGF in FY 2024. This is a recommendation of the Joint Commission on Health Care.)

Item 394 #10c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Criminal Justice Services	$5,000,000	$5,000,000	GF

Language:

Page 471, line 8, strike "$233,685,032" and insert "$238,685,032".
Page 471, line 8, strike "$231,685,032" and insert "$236,685,032".
Page 475, line 36, strike each instance of "$9,000,000" and insert "$16,000,000".
Page 475, line 40, after "youth programs." insert:
"At least $500,000 the first year from the general fund shall be provided to the City of Chesapeake and at least $500,000 the first year from the general fund shall be provided to the City of Virginia Beach. In addition, at least $6,000,000 the first year and $7,000,000 the second year shall be provided for awarding grants to local agencies and nonprofit organizations that are engaged in group violence intervention efforts.
d. The Department shall ensure that all entities that are grantees of the Operation Ceasefire program as of June 26, 2026, shall be provided sufficient funding to complete their current grant cycle."
Page 475, strike lines 41 through 57.
Page 476, strike lines 1 through 9.
Page 476, line 10, strike "3." and insert "2."
Page 476, line 13, strike "4.a." and insert "3.a."
Page 476, line 13, strike "$14,000,000" and "$14,000,000" and insert:
"$22,000,000" and "$22,000,000".
Page 476, line 20, strike "$13,000,000" and insert "$19,500,000".
Page 476, line 21, strike "$13,000,000" and insert "$19,500,000".
Page 476, line 22, after "Roanoke," insert "the City of Hampton, the City of Newport News,".
Page 476, line 23, after "$2,500,000" insert "each year".
Page 476, line 23, strike "four" and insert "six".
Page 476, line 24, after "population." insert:

"At least $1,500,000 the first year and at least $1,500,000 the second year shall be provided to the City of Danville, the City of Hopewell, and the City of Petersburg, with a minimum of $500,000 each year per locality."

Explanation:

(This amendment increases support for the Safer Communities Program by $8.0 million each year from the general fund, and expands the list of eligible localities to include the cities of Danville, Hampton, Hopewell, Newport News, and Petersburg. The minimum grant award is either $500,000 each year or $2.5 million each year based on the locality's population. This amendment also increases support for the Firearm Violence Intervention and Prevention Fund by $7.0 million each year from the general fund, including $1.0 million the first year for the cities of Chesapeake and Virginia Beach and the remainder to be provided to localities and nonprofit organizations engaged in group violence intervention efforts. In addition, this amendment remove language authorizing the Operation Ceasefire Grant Fund and associated appropriations of $10.0 million each year from the general fund, with language that ensure that current grantees will be able to complete their current grant cycle.)

Item 398 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Emergency Management	($424,000)	($288,000)	GF

Language:

Page 480, line 2, strike "$33,133,556" and insert "$32,709,556".
Page 480, line 2, strike "$33,162,078" and insert "$32,874,078".

Explanation:

(This amendment removes $424,000 the first year and $288,000 the second year from the general fund that was proposed to support a request for proposals for emergency communications equipment for rural areas. This amendment preserves language directing the Department of Emergency Management to issue the specified request for proposals.)

Item 398 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Emergency Management	$130,000	$0	GF

Language:

Page 480, line 2, strike "$33,133,556" and insert "$33,263,556".

Explanation:

(This amendment provides $130,000 the first year from the general fund to support the work group established to evaluate emergency management needs in Virginia pursuant to Chapter 569 (House Bill 169) and Chapter 570 (Senate Bill 98).)

Item 399 #1c

Public Safety and Homeland Security

Department of Emergency Management — Language

Language:

Page 482, after line 5, insert:
"The Department of General Services, in consultation with the Virginia Department of Emergency Management, shall identify options for regional storage and deployment of the Commonwealth's disaster supplies, including options for colocation with other state agencies where possible, and whether the Virginia Distribution Center can be leveraged for such storage and deployment. DGS shall submit a report with its findings to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by May 1, 2027."

Explanation:

(This amendment directs the Department of General Services, in consultation with the Department of Emergency Management, to identify options for regional storage and deployment of the Commonwealth's disaster supplies, including options for colocation with other state agencies where possible, and whether the Virginia Distribution Center can be leveraged for such storage and deployment.)

Item 399 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Emergency Management	($5,000,000)	($7,000,000)	GF
	($35,000,000)	$0	NGF

Language:

Page 481, line 3, strike "$66,722,676" and insert "$26,722,676".
Page 481, line 3, strike "$33,722,676" and insert "$26,722,676".
Page 481, strike lines 51 through 54.
Page 482, strike lines 1 through 5.

Explanation:

(This amendment defers $5.0 million GF the first year, $7.0 million GF the second year, and $35.0 million NGF the first year proposed in the introduced budget to address any potential federal restructuring of emergency management funding. The proposed source of the $35.0 million NGF was the Regional Greenhouse Gas Initiative Low-Income Energy Efficiency Fund (DHCD Allocation). Chapters 569 and 570, 2026 Acts of Assembly, direct the Secretary of Public Safety and Homeland Security to report workgroup recommendations on emergency management needs, funding sustainability, and alternative funding models by October 1, 2026.)

Item 399 #3c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Emergency Management	$225,000	$0	GF

Language:

Page 481, line 3, strike "$66,722,676" and insert "$66,947,676".

Explanation:

(This amendment provides $225,000 the first year from the general fund to support the study required by Chapter 455 (House Bill 1189).)

Item 405 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Fire Programs	($207,621)	($232,692)	NGF
	-2.00	-2.00	FTE

Language:

Page 485, line 19, strike "$11,905,518" and insert "$11,697,897".
Page 485, line 19, strike "$11,905,518" and insert "$11,672,826".
Page 485, line 37, strike "(i)".
Page 485, line 38, after "law" strike the remainder of the line and insert ".".
Page 485, strike line 39.

Explanation:

(This amendment removes the authorization proposed in the introduced budget that would have allowed the Department of Fire Programs to use Aid to Localities funding from the Fire Programs Fund to cover the costs of State Fire Marshal's Office personnel.)

Item 405 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Fire Programs	$188,100	$0	GF

Language:

Page 485, line 20, strike "$11,905,518" and insert "$12,093,618".

Explanation:

(This amendment provides a one-time appropriation of $188,100 from the general fund in the first year to support the development of standardized mental health awareness training for firefighters consistent with the provisions of Chapter 109 (House Bill 325) and Chapter 110 (Senate Bill 140).)

Item 413 #1c

Public Safety and Homeland Security

Department of Juvenile Justice — Language

Language:

Page 491, line 21, after "B.1." insert:
"The Department shall reallocate any savings from the reduced cost of operating state juvenile correctional centers to support the goals of the transformation plan that was directed in Item B., Chapter 780, 2016 Acts of Assembly, including, but not limited to: (a) increasing the number of male and female local placement options, and post-dispositional treatment programs and services; (b) ensuring that appropriate placements and treatment programs are available across all regions of the Commonwealth; and (c) providing appropriate levels of educational, career readiness, rehabilitative, and mental health services for these juveniles in state, regional, or local programs and facilities, including but not limited to, community placement programs, independent living programs, and group homes. The goals of such transformation services shall be to reduce the risks for reoffending for juveniles supervised or committed to the Department and to improve and promote the skills and resiliencies necessary for the juveniles to lead successful lives in their communities.
2."
Page 491, line 33, strike "2" and insert "3".
Page 491, line 37, strike "3" and insert "4".

Explanation:

(This amendment restores language related to the use of savings from the closures of juvenile correctional centers as part of the 2016 transformation plan.)

Item 414 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Juvenile Justice	$376,000	$0	GF

Language:

Page 491, line 50, strike "$25,775,541" and insert "$26,151,541".
Page 492, after line 6, insert:
"A. Included in the appropriation for this Item is $376,000 the first year from the general fund to provide a bonus of $1,000 for each employee assigned to Bon Air Juvenile Correctional Center, with $500 per employee provided in July 2026 and $500 provided in December 2026."

Explanation:

(This amendment provides $376,000 the first year from the general fund for a bonus of $1,000 for each employee assigned to Bon Air Juvenile Correctional Center, with the first $500 provided in July 2026 and the the remaining $500 provided in December 2026.)

Item 414 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of Juvenile Justice	$0	$96,187	GF
	0.00	1.00	FTE

Language:

Page 491, line 50, strike "$25,775,541" and insert "$25,871,728".
Page 492, after line 6, insert:
“A. Included in the appropriation for this Item is $96,187 the second year from the general fund to be used to implement recommendations in the Office of the State Inspector General audit issued on December 5, 2025, to improve records and retention processes at Bon Air Juvenile Correctional Center.”

Explanation:

(This amendment provides one position and $96,187 from the general fund in the second year to hire a Records Custodian position, which was recommended in the audit issued by the Office of the State Inspector General on December 5, 2025. The position will support the Bon Air Juvenile Correctional Center Compliance Manager and track Library of Virginia record retention schedules for relevant documentation.)

Item 415 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	$343,600	$50,000	GF

Language:

Page 492, line 17, strike "$135,665,872" and insert "$136,009,472".
Page 492, line 17, strike "$135,661,900" and insert "$135,711,900".
Page 494, after line 44, insert:
"R. The Department of State Police shall develop a mobile phone application that integrates data from multiple missing persons alerting systems and provides a centrally accessible portal to receive alerts for missing persons and review the information assocated with each alert."

Explanation:

(This amendment provides $343,600 the first year and $50,000 the second year from the general fund for a comprehensive, application-based missing persons response system with the purpose of unifying all alerts, such as AMBER, Silver, Ashanti, and Codi alerts, under one platform.)

Item 415 #2c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	$94,800	$47,400	GF

Language:

Page 492, line 17, strike "$135,665,872" and insert "$135,760,672".
Page 492, line 17, strike "$135,661,900" and insert "$135,709,300".

Explanation:

(This amendment provides $94,800 the first year and $47,400 the second year from the general fund for the Department of State Police to establish a Substantial Risk Order Reporting System, pursuant to Chapter 696 (House Bill 896).)

Item 415 #3c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	$51,288	$0	GF

Language:

Page 492, line 17, strike "$135,665,872" and insert "$135,717,160".

Explanation:

(This amendment provides $51,288 the first year from the general fund to make required changes to the Firearm Purchase Background Check System, pursuant to legislation enacted during the 2026 Session of the General Assembly.)

Item 415 #4c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	$165,000	$33,000	GF

Language:

Page 492, line 17, strike "$135,665,872" and insert "$135,830,872".
Page 492, line 17, strike "$135,661,900" and insert "$135,694,900".

Explanation:

(This amendment provides $165,000 the first year and $33,000 the second year from the general fund to support Department of State Police system changes required pursuant to Chapter 1081 (House Bill 964) and Chapter 992 (Senate Bill 162).)

Item 415 #5c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	$211,245	$199,510	GF
	2.00	2.00	FTE

Language:

Page 492, line 17, strike "$135,665,872" and insert "$135,877,117".
Page 492, line 17, strike "$135,661,900" and insert "$135,861,410".

Explanation:

(This amendment provides $211,254 from the general fund and 2.0 positions each year to support implementation of a retail cannabis market in the Commonwealth. The funding covers fingerprint technicians to address expected increases in background check workloads related to marijuana establishment applications.)

Item 415 #6c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	$112,280	$106,412	GF
	1.00	1.00	FTE

Language:

Page 492, line 17, strike "$135,665,872" and insert "$135,778,152".
Page 492, line 17, strike "$135,661,900" and insert "$135,768,312".

Explanation:

(This amendment provides $112,280 the first year and $106,412 the second year from the general fund and 1.0 position to support the fiscal impact of Chapter 613 (House Bill 438) and Chapter 614 (Senate Bill 70) related to juvenile delinquency petitions.)

Item 416 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**	
Department of State Police	($20,641,375)	$0	GF

Language:

Page 494, line 46, strike "$449,184,302" and insert "$428,542,927".
Page 494, strike lines 41 through 44.
Page 496, after line 37, insert:
"T. 1. The Department of State Police (Department) shall submit information related to its previously projected budget deficit to the Director, Department of Planning and Budget, and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, including, for each fiscal year from fiscal year 2018 through fiscal year 2025: (i) a comparison of appropriations and expenditures categorized by payroll and non-payroll including fund source; (ii) the number and rate of vacancies, noting the denominator used to calculate the vacancy rate; (iii) the average salary at the Department, categorized by sworn and civilian positions, and total amounts spent pursuant to the Workforce Transition Act; and (iv) the estimated vacancy savings, including the methodology used to calculate such savings. The Department shall submit the information required by this subparagraph no later than October 1, 2026.
2. Beginning July 1, 2026, the Department shall meet quarterly with the Director of the Department of Planning and Budget, or his designee, the Secretary of Public Safety & Homeland Security, or his designee, and the Staff Directors of the House Appropriations and Senate Finance and Appropriations Committees, or their designees, to provide updates that include the following information for the current fiscal year to date: (i) for each paragraph in the Appropriation Act that designates funding for a specific purpose, a detailed description of how the amounts are being spent; (ii) estimated vacancy savings, including the methodology used to calculate such vacancy savings; (iii) hours and amounts spent on overtime, categorized by type of event; (iv) amounts spent pursuant to the Workforce Transition Act; and (v) any remaining projected budget deficit, including actions identified to address the budget deficit, if applicable.
3. From the amounts in this Item, the Department shall transfer necessary amounts to the Department of Planning and Budget for the Department of Planning and Budget to contract with an independent entity to conduct a comprehensive audit of the Department of State Police's budget, identify the causes for the projected budget deficit for fiscal years 2026 through 2028 that was identified in fall 2025, assess current and projected agency spending to determine whether the agency is estimated to have a budget deficit over the six-year forecast, and recommend actions for improving budget execution, internal cost controls, and organizational

structure. Based on the result of the audit, the Secretary of Public Safety and Homeland Security, in consultation with the Secretary of Finance, Department of State Police, and the Department of Planning and Budget, shall submit a report describing the actions the Department plans to undertake to avoid future budget deficits to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 1, 2026. An existing audit conducted within calendar year 2026 may be submitted if such audit meets all the requirements of the audit that are listed in this subparagraph.

4. The Department may not take any action that changes the agency's pay structure, including, but not limited to, increasing compensation for a category of employees, without the approval of the Director, Department of Planning and Budget, who, before approving the requested compensation increase, shall (i) certify that the Department has sufficient funding in its ongoing appropriations to accommodate the salary increase; and (ii) notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, or their designees.

5. The Department of Planning and Budget, in consultation with the Department of Accounts and the Auditor of Public Accounts, will examine Department of State Police's spending and programmatic actions in fiscal year 2026 and assess the impact of such actions on budgetary needs for fiscal year 2027 and fiscal year 2028. The Department of Planning and Budget shall submit a report with its findings to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by August 30, 2026.

U. The Department of State Police shall conduct an analysis of its filled and authorized staffing levels and provide options for staffing levels, including an analysis of mission coverage and costs for each staffing level option, and provide the analysis and options to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 1, 2026."

Explanation:

(This amendment reduces by $20.6 million GF the first year the amount proposed in the introduced budget for the Virginia State Police (VSP), bringing the total appropriation increase for the Department to $32.3 million GF the first year and $61.5 million GF the second year. The reduction reflects changes in trooper class sizes since the introduced budget was proposed and allows time for the Department to provide additional information on personnel expenditures and staffing level options. Language establishes reporting requirements and a quarterly meeting requirement related to VSP's expenditures. The amendment also requires VSP, through the Department of Planning and Budget, to contract with an independent entity to conduct a comprehensive audit of their budget and for the Secretary of Public Safety and Homeland Security to submit a report based on the results of the audit no later than November 1, 2026. Changes shall be made upon enrolling to separate the language amendments into Items 415 and 416.)

Item 419 #1c

Public Safety and Homeland Security	**FY26-27**	**FY27-28**

Virginia Parole Board	$77,892	$103,865	GF
	1.00	1.00	FTE

Language:

Page 497, line 49, strike "$3,072,807" and insert "$3,150,699".
Page 497, line 49, strike "$3,072,807" and insert "$3,176,672".

Explanation:

(This amendment provides 1.0 position and $77,892 the first year and $103,865 the second year from the general fund pursuant to Chapter 367 (House Bill 193), which expands eligibility for parole consideration for certain individuals convicted of offenses following the *Fishback v. Commonwealth* decision in 2000.)

Item 420 #1c

Transportation

Secretary of Transportation — Language

Language:

Page 501, after line 46, insert:
"M. The Secretary of Transportation, in coordination with the Secretary of Commerce and Trade and the Department of Energy, shall identify any available federal funds eligible to assist in the development of rural electric vehicle charging infrastructure in the Commonwealth. If such federal funds are available, the appropriate agency shall submit an application for Virginia to receive funding and any such application shall reflect a priority for installing public electric vehicle infrastructure in rural areas and localities without such infrastructure. If such federal funds are received via a formula grant, the appropriate Secretary shall ensure a priority is placed on installing public electric vehicle infrastructure in rural areas and localities without such infrastructure. The Secretary shall notify the Senate Finance and Appropriations Committee and the House Appropriations Committee on or before December 31, 2026, on: (i) funding received as a result of this paragraph; (ii) the rural and underserved areas without public charging infrastructure; and (iii) total state funding needed to install sufficient public charging infrastructure in rural areas and underserved communities."

Explanation:

(This amendment directs the Secretary of Transportation to identify federal funds to support the deployment of rural electric vehicle charging infrastructure in the state of Virginia.)

Item 420 #2c

Transportation

Secretary of Transportation Language

Language:

Page 501, after line 46, insert:
"M. The Secretary of Transportation, in collaboration with the Virginia Department of Transportation and the Department of Motor Vehicles, shall work with counterparts in the District of Columbia and the State of Maryland to review issues related to ticket reciprocity and registering vehicles in Virginia for out-of-state residents. The study shall include but not be limited to: (i) an examination of how ticketing reciprocity is handled for tickets issued to Virginia drivers by the District of Columbia through automated ticket enforcement; (ii) options for how Virginia could enter into reciprocity agreements for automated tickets; (iii) options for how Virginia, Maryland, and the District of Columbia could enter reciprocity agreements for toll violations; and (iv) an examination of the issue of out-of-state drivers in Maryland and the District of Columbia being able to register their vehicles in Virginia, including the scope of this issue and options to curtail this practice with a particular emphasis on preventing drivers with a dangerous driving record from registering vehicles in Virginia. The review will be coordinated through the Metropolitan Washington Council of Governments. The Secretary of Transportation shall submit recommendations to the Chairs of the House Committees on Transportation and Appropriations and the Senate Committees on Transportation and Finance and Appropriations by November 1, 2026."

Explanation:

(This amendment directs the Secretary of Transportation, in collaboration with the Virginia Department of Transportation and the Department of Motor Vehicles, to work with their counterparts in the District of Columbia and the State of Maryland to review issues related to ticket reciprocity and registering vehicles in Virginia for out-of-state residents.)

Item 420 #3c

Transportation

Secretary of Transportation Language

Language:

Page 501, after line 5, insert:
"5. The office shall study the feasibility of imposing a tax on paid parking in private or commercial parking lots and garages, excluding residential parking, within any county or city that is a member of the Northern Virginia Transportation Commission. In consultation with the Department of Taxation, the study shall identify the number of applicable parking spaces and estimate potential revenue calculated either as a percentage of applicable parking charges or on a per-space basis. The office shall report the findings to the General Assembly no later than November 15, 2026."

Explanation:

(This amendment directs the Office of Intermodal Planning and Investments to study revenue options and estimates for a potential parking services tax in the Northern Virginia Transportation Commission.)

Item 420 #4c

Transportation

Secretary of Transportation — Language

Language:

Page 501, after line 46, insert:
"M. The Secretary of Transportation is directed to study and evaluate options for accelerating large-scale improvements to the Interstate 81 corridor. Such analysis shall include assessing the feasibility of utilizing a public-private partnership pursuant to the Public Private Transportation Act, including those options with toll financing, provided that any such analysis assumes there shall be two toll-free lanes in each direction available for continued use on Interstate 81. The Secretary shall report to the Chairs of the House Appropriations Committee, the Senate Finance and Appropriations Committee, and the House and Senate Transportation Committees by December 15, 2026, on the options identified."

Explanation:

(This amendment requires the Secretary of Transportation to evaluate options to accelerate the projects included in the Interstate 81 Corridor Improvement Program and report to the General Assembly on the options identified.)

Item 422 #1c

Transportation

Department of Aviation — Language

Language:

Page 503, after line 10, insert:
"G. Out of the appropriation for the Commonwealth Development Opportunity Fund, as established in § 2.2-115, Code of Virginia, and provided in Item 101 Paragraph A. of this act, $500,000 the first year year shall be transferred to this item to support the continued development of Advanced Air Aviation Test Sites. The Department shall utilize the funds to expand current test site programs to support Advanced Air Mobility enablement in the Commonwealth. The department shall report to the Chairs of the House Appropriations Committee, the Senate Finance and Appropriations Committee, and the House and Senate

Transportation Committees by December 1, 2026, detailing the expenditures and progress that have been made concerning Advanced Air Mobility and recommendations for the future."

Explanation:

(This amendment transfers $500,000 in fiscal year 2027 from the Commonwealth Development Opportunity Fund to the Department of Aviation to support the continued development of Advanced Air Aviation Test Sites.)

Item 428 #1c

Transportation	**FY26-27**	**FY27-28**	
Department of Motor Vehicles	$124,579	$0	NGF

Language:

Page 506, line 3, strike "$127,242,947" and insert "$127,367,526".

Explanation:

(This amendment provides $124,579 NGF the first year to fund the fiscal impact of legislation, which prohibits the licensure of a person as a driver training school instructor for driver education courses for minors if the person has been convicted of certain sex crimes or any offense that requires registration on the Sex Offender and Crimes Against Minors Registry. The bill requires the department to establish and maintain a public, searchable database of disciplinary action taken by the department against an instructor or driver training school. The bill requires driver training schools to notify students, prospective students, and guardians thereof of any such disciplinary actions taken in the preceding 24 months or while such student is enrolled.)

Item 433 #1c

Transportation	**FY26-27**	**FY27-28**	
Department of Rail and Public Transportation	$300,000	$0	GF

Language:

Page 508, line 9, strike "$862,932,848" and insert "$863,232,848".

Explanation:

(This amendment provides $300,000 general fund to support the work of the joint 13-member subcommittee established pursuant to the passage of House Joint Resolution 28 for a one-year study concerning the current status of public transit in Hampton Roads and options for the future.)

Item 433 #2c

Transportation	**FY26-27**	**FY27-28**	
Department of Rail and Public Transportation	$19,000,000	$0	GF

Language:

Page 508, line 8, strike "$862,932,848" and insert "$881,932,848".
Page 508, line 28, after "Fund" insert:
"and $19,000,000 the first year from the general fund"
Page 508, line 28, after "Assistance." insert:
"Of these amounts, $19,000,000 the first year shall be considered one-time."

Explanation:

(This amendment provides $19.0 million GF the first year for one-time transit capital investments.)

Item 433 #3c

Transportation

Department of Rail and Public Transportation — Language

Language:

Page 509, after line 26, insert:
"F. Of the amounts in the Transportation Partnership Opportunity Fund, up to $10,000,000 the first year is provided to support the demolition of a parking garage at the Huntington Metrorail Station. The funding is contingent on the commitment of local or regional resources sufficient to complete the demolition."

Explanation:

(This amendment commits $10,000,000 from the Transportation Partnership Opportunity Fund in the first year to support the demolition of a parking garage at the Huntington Metrorail Station.)

Item 433 #4c

Transportation

Department of Rail and Public Transportation — Language

Language:

Page 508, line 47, strike "estimated at" and insert "up to".
Page 508, line 47, after "and" insert "up to".
Page 508, line 49, strike "designated" and insert "prioritized".
Page 509, line 1, after "Commonwealth." insert:
"After fully funding the federally mandated state safety oversight of fixed rail guideway transit agencies located in the Commonwealth, funding may be used for other programs and initiatives to improve safety on public transportation and rail services offered in the Commonwealth."

Explanation:

(This amendment expands the authorized use of state transit safety oversight funds for broader transit safety needs, which will allow the Department of Rail and Public Transportation's new Safety and Design Division to provide enhanced programming.)

Item 433 #5c

Transportation

Department of Rail and Public Transportation — Language

Language:

Page 509, after line 26, insert:
"F. The Department of Rail and Public Transportation shall evaluate the feasibility of consolidating DASH Alexandria Transit, Fairfax Connector, ART Arlington Transit, and CUE Fairfax City into a single, unified regional bus system. As part of this evaluation, the Department shall prepare and submit a comprehensive report assessing: (i) potential cost savings and long-term financial impacts; (ii) operational efficiencies and service improvements; (iii) rider and community input, including public feedback and consumer sentiment; (iv) potential challenges, implementation considerations, and legal or governance implications associated with consolidation; and (v) a review of comparable consolidation efforts in other states or metropolitan regions. The Department shall submit a report to the Chairs of the Senate and House Transportation Committees by December 15, 2026."

Explanation:

(This amendment requires the Department of Rail and Public Transportation to evaluate the feasibility of consolidating DASH Alexandria Transit, Fairfax Connector, ART Arlington Transit, and CUE Fairfax City into a single, unified regional bus system.)

Item 433 #6c

Transportation	**FY26-27**	**FY27-28**

Department of Rail and Public Transportation	$153,000,000	$0	GF

Language:

Page 508, line 9, strike "$862,932,848" and insert "$1,015,932,848".
Page 509, after line 26, insert:
"F. Out of the amounts included in this item, $153,000,000 the first year from the general fund is provided for the state share of additional operating assistance for the Washington Metropolitan Area Transit Authority (WMATA) throughout the biennium. The unexpended appropriation at the end of the first year shall not revert but shall be carried forward into the second year."

Explanation:

(This amendment provides $153.0 million general fund to provide the state share of the increased operating support for the Washington Metropolitan Area Transit Authority over the two year biennium.)

Item 433 #7c

Transportation

Department of Rail and Public Transportation — Language

Language:

Page 509, after line 26, insert:
"F.1 The Washington Metropolitan Area Transit Authority (WMATA) shall produce and make public (i) a 20-year, conceptual capital plan every five years beginning June 30, 2027, which will include an analysis of capital investments and other opportunities to be more cost efficient, (ii) a funding/financial plan for major projects with a capital cost greater than $300.0 million (adjusted for inflation), and (iii) an annual report on the performance of WMATA and its capital program, actual prior-year and anticipated next-year cost savings and cost efficiency efforts, and the use and outcomes of additional dedicated funding, if applicable.
2. The Department of Rail and Public Transportation shall review cost savings and cost efficiency efforts of WMATA. The Department shall report and provide recommendations to the Chairs of the Senate Committees on Finance and Appropriations and Transportation and the House Committees on Appropriations and Transportation Committees by October 15, 2026. WMATA shall provide any information and assistance to the Department."

Explanation:

(This amendment requires the Washington Metropolitan Area Transit Authority (WMATA) to produce and make public a 20-year, conceptual capital plan every five years beginning June 30, 2027, a funding/financial plan for major projects with a capital cost greater than $300 million (adjusted for inflation), and an annual report on the performance of WMATA and its capital

program. This amendment also requires the Department of Rail and Public Transportation to study WMATA cost savings and cost efficiency efforts and submit a report to the General Assembly by October 15, 2026.)

Item 435 #1c

Transportation

Department of Rail and Public Transportation Language

Language:

Page 510, after line 7, insert:
"C. The Virginia Department of Rail and Public Transportation, with the assistance from the Virginia Department of Housing and Community Development, shall conduct a statewide review to plan, promote, and identify funding opportunities for transit-oriented development around existing and proposed transit and rail stations. The review also will include an analysis of potential barriers to housing production and economic development. The Department shall submit the results of the review to the Governor and the General Assembly on or before December 15, 2026."

Explanation:

(This amendment requires DRPT along with DHCD to perform a statewide review to identify opportunities for transit-oriented development around existing and proposed transit and rail stations.)

Item 437 #1c

Transportation

Department of Transportation Language

Language:

Page 510, line 35, after "needs.", insert:
"Included in the amounts in this item, $50,000 the first year and $50,000 the second year from the allocation for the Office of Intermodal Planning and Investment is provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks International) at the Washington, D.C. Auto Show."

Explanation:

(This amendment directs $50,000 NGF each year from the allocation for the Office of Intermodal Planning and Investment to support the 11th and 12th annual Public Policy Day (formerly Mobility Talks International) at the Washington, D.C. Auto Show that will take place in January 2027 and January 2028, respectively.)

Item 438 #1c

Transportation

Department of Transportation — Language

Language:

Page 512, after line 51, insert:
"L. Prior to the disbursement of the $90,000,000 allocated to the U.S. Route 220 corridor from the Priority Transportation Fund by the Commonwealth Transportation Board on November 10, 2025, the Virginia Department of Transportation, in collaboration with the Secretaries of Transportation and Commerce and Trade, shall engage with stakeholders, including members of the Blue Ridge Innovation Corridor, to discuss key priorities along the U.S. Route 220 corridor. Upon completion of engagement, the Department shall recommend to the Commonwealth Transportation Board a priority project or projects to advance with such funds."

Explanation:

(This amendment directs the Virginia Department of Transportation, in collaboration with the Secretaries of Transportation and Commerce and Trade, to engage with stakeholders, including members of the Blue Ridge Innovation Corridor, to discuss key priorities along the U.S. Route 220 corridor. Upon completion of engagement, the Department will recommend to the Commonwealth Transportation Board a priority project or projects to advance using the $90.0 million allocated for U.S. Route 220 from the Priority Transportation Fund.)

Item 438 #2c

Transportation	**FY26-27**	**FY27-28**	
Department of Transportation	$7,000,000	$0	GF

Language:

Page 510, line 48, strike "$4,157,329,117" and insert "$4,164,329,117".
Page 512, after line 51, insert:
"L. Out of this appropriation, $7,000,000 the first year from the general fund shall be provided for the Route 460 Phase IIA Finish Grade Project."

Explanation:

(This amendment provides $7.0 million from the general fund the first year for the Route 460 Phase IIA Finish Grade Project.)

Item 438 #3c

Transportation

Department of Transportation — Language

Language:

Page 512, line 37, strike "$20.0 million" and insert "$10.0 million".
Page 512, line 39, strike "$50.0 million" and insert "$25.0 million".
Page 512, line 40, after "Virginia" strike ", and the" and insert:
". The Governor shall notify each member of the MEI Project Approval Commission and Commission staff of any proposed direction of funds requiring review. Such notification shall include a written notification of the proposed expenditures hand delivered to staff of the House Appropriations and Senate Finance and Appropriations Committees. The".
Page 512, line 41, strike "21 days" and insert: "30 business days".
Page 512, line 42, strike "21" and insert "30".
Page 512, line 43, strike "21" and insert "30".
Page 512, line 43, after "directed." insert:
"The guidelines developed pursuant to § 33.2-1529.1(E), Code of Virginia, shall be revised to reflect the requirements of these provisions."

Explanation:

(This amendment updates language related to the use of the Transportation Partnership Opportunity Fund (TPOF) for economic development. The language clarifies how the Virginia Department of Transportation should provide notice to the members and staff of the MEI Commission on the proposed use of TPOF resources, and extends the duration of the MEI Commission's review.)

Item 441 #1c

Transportation	**FY26-27**	**FY27-28**	
Department of Transportation	($24,000,000)	$0	GF

Language:

Page 513, line 21, strike "$167,663,377" and insert "$143,663,377".
Page 513, line 32, strike "$24,000,000 the first year and".
Page 514, strike lines 26 through 36.
Page 514, after line 25, insert:
"8. The funds provided in paragraph C.1. of this item, to the extent available, may be used to supplement the original "ERC Toll Relief program" administered by the Department and funded by ERC. The Department shall administer the program in a manner to fully utilize ERC's contribution per Amendment 9 of the Comprehensive Agreement. If the Department projects, based on parameters as of July 1, 2025, that funding will be insufficient to fully fund the program in any one year, the amount needed shall be provided from the Eligible Drivers Toll

Relief Fund. The Department shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days of any shortfall which results in a change in the amount used from the Eligible Drivers Toll Relief Fund. The Department shall report on projected estimates and any amounts supplemented from the Eligible Drivers Toll Relief Fund by March 31 of each year to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.
9. The Department of Transportation shall assess the extent to which ongoing funding, provided in paragraph C.1., is necessary to ensure the long-term sustainability of the program. The Department shall report its findings to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee no later than December 1, 2026."

Explanation:

(This amendment removes $24.0 million GF the first year and allows the Department of Transportation (VDOT) to utilize funds from the Eligible Drivers Relief Fund if VDOT projects that funding will be insufficient to fully fund the program in any one year. This amendment also directs the Department of Transportation to report on the necessity of ongoing funding.)

Item 450 #1c

Transportation	**FY26-27**	**FY27-28**	
Virginia Port Authority	($15,000,000)	$0	GF

Language:

Page 522, line 28, strike "$121,849,136" and insert "$106,849,136".
Page 524, line 4, strike "$35,000,000" and insert "$20,0000,000".

Explanation:

(This amendment removes $15.0 million general fund the first year for the development of an inland port in Washington County, Virginia. After the amendment, $20.0 million in funding remains for project planning, design, and site development.)

Item 454 #1c

Veterans and Defense Affairs

Secretary of Veterans and Defense Affairs — Language

Language:

Page 526, strike lines 16 through 27 and insert:
"A.1. Any administrative reappropriations or other administrative appropriation increases pursuant to Item 458 of the Appropriation Act for the 2014-2016 biennium to address the encroachment of incompatible uses in localities in which the United States Navy Master Jet

Base, an auxiliary landing field, or United States Air Force Base are located shall continue to be governed by the provisions contained in the 2014-2016 Appropriation Act. The recurring, dedicated special (nongeneral) fund component of the U.S. Navy Master Jet Base and Auxiliary Landing Field encroachment mitigation program is continued through June 30, 2028.
2. In the event that dedicated special revenues generated pursuant to the provisions of the 2014-16 Appropriations Act exceed the amounts needed to fund the requirements set out in that Act, any excess dedicated special fund revenue a total of $3,000,000 is hereby appropriated as follows:
a. $1,700,000 for encroachment mitigation activities in the vicinity of Naval Auxiliary Landing Field Fentress;
b. $700,000 for encroachment mitigation activities in the vicinity of Langley Air Force Base; and
c. $600,000 for encroachment mitigation activities in the vicinity of Naval Air Station Oceana.
3. The amounts identified in paragraph A.2. of this item shall be used to provide additional assistance to the locality in which the United States Navy Master Jet Base auxiliary landing field is located for the purpose of purchasing property or development rights and otherwise converting such property to an appropriate compatible use and prohibiting new uses or development which is deemed incompatible with air operations arising from such Master Jet Base.
4. In addition to the amounts identified in paragraph A.1. of this item, $450,000 is hereby appropriated as follows:
a. $250,000 for encroachment mitigation activities in the vicinity of Naval Auxiliary Landing Field Fentress; and
b. $200,000 for encroachment mitigation activities in the vicinity of Joint Base Langley Eustis.
5. Included in this appropriation is $350,000 the first year and $350,000 the second year from the general fund for encroachment mitigation activities in the vicinity of Joint Base Langley Eustis.
6. The Secretary shall submit a report by November 1, 2026, to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee. Such report shall include: (i) a plan for how additional flexibility for encroachment mitigation program funding would be used, if provided; and (ii) a decription of the source or sources of dedicated special revenue appropriated in this section."

Explanation:

(This amendment restores language that was in Chapter 725, 2025 Session, but was proposed for amendment in the Governor's introduced budget, and directs the Secretary to report on how additional flexibility for encroachment mitigation program funding would be used, if provided.)

Item 455 #1c

Veterans and Defense Affairs	**FY26-27**	**FY27-28**

Department of Veterans Services	$0	($1,556,840)	GF

Language:

Page 527, line 1, strike "$102,995,630" and insert "$101,438,790".
Page 527, lines 14 through 15, strike "and $1,556,840 the second year".
Page 527, line 18, after "D.1.", insert:
"There is hereby established a workgroup to evaluate the business plans of Virginia's veterans care centers to identify options for repayment of the working capital advance authorized by Chapter 2, 2022 Acts of Assembly, Special Session I and ensure that the care centers are self-sustaining after start-up funds are exhausted. The workgroup shall be comprised of the Secretary of Finance, or his designee, the Secretary of Veterans and Defense Affairs, or his designee, the Director, Department of Planning and Budget, or his designee, and two experts in financial management of long-term care facilities designated by the Virginia Health Care Association. The workgroup shall report such options to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 15, 2026. The workgroup shall include in its report an analysis of the impact of operating".
Page 527, line 18, strike "The Department of Veterans Services shall operate".

Explanation:

(This amendment defers $1.6 million GF the second year proposed in the introduced budget for start-up operations at the Puller Veterans Care Center. Language establishes a workgroup to review the business plans for the veterans care centers, identify options for repayment of a previously authorized working capital advance, and analyze the impact of operating the veterans care centers as a system.)

Item 456 #1c

Veterans and Defense Affairs	**FY26-27**	**FY27-28**	
Department of Veterans Services	$25,000	$0	GF

Language:

Page 527, line 24, strike "$39,190,863" and insert "$39,215,863".
Page 528, after line 45, insert:
"I. Out of this appropriation, $25,000 the first year from the general fund is provided for the Honor Guard Grant Program established by Chapter 65, 2026 Acts of Assembly."

Explanation:

(This amendment provides $25,000 the first year from the general fund to support the Honor Guard Grant Program established by Chapter 65 (House Bill 108).)

Item 456 #2c

Veterans and Defense Affairs	**FY26-27**	**FY27-28**	
Department of Veterans Services	($100,000)	$0	GF

Language:

Page 527, line 24, strike "$39,190,863" and insert "$39,090,863".
Page 527, line 37, strike "$200,000" and insert "$100,000".

Explanation:

(This amendment redirects a proposed one-time $100,000 general fund increase in the first year for an employer incentives program, maintaining $100,000 each year for the program. The amendment maintains proposed reporting language on the number of transitioning service members hired through events hosted by the program.)

Item 463 #1c

Veterans and Defense Affairs	**FY26-27**	**FY27-28**	
Department of Military Affairs	($481,127)	($481,177)	GF
	-4.00	-4.00	FTE

Language:

Page 530, line 7, strike "$66,109,232" and insert "$65,628,105".
Page 530, line 7, strike "$66,109,282" and insert "$65,628,105".
Page 530, line 20, before "The Department" insert "A."
Page 530, after line 23, insert:
"B. The Department shall submit to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, no later than November 15, 2026, information to help identify options for ensuring sufficient fire prevention services are provided at Fort Pickett, including: (i) data on the amount of time Fort Pickett firefighters spent in the community responding to mutual aid requests from localities in recent fiscal years; and (ii) the payment structure for entities other than the Virginia National Guard that are tenants of Fort Pickett."

Explanation:

(This amendment defers $481,127 GF the first year and $481,177 GF the second year proposed in the introduced budget for four additional firefighter positions at Fort Pickett and directs the Department of Military Affairs to provide information to help identify options for ensuring sufficient fire prevention services at Fort Pickett.)

Item 465 #1c

Veterans and Defense Affairs

Department of Military Affairs — Language

Language:

Page 531, line 22, after "shall", strike the remainder of the line.
Page 531, strike line 23.
Page 531, line 24, strike through "funds." and insert:
“include historical information on (i) comparisons of appropriations and expenditures categorized by payroll and nonpayroll including fund source; (ii) the average salary at the Department, categorized by position and funding source; (iii) the number of funded positions organized by function and by funding source; and (iv) any proposed actions to balance its budget, including the use of nongeneral funds.”
Page 531, line 32, after “use”, insert “up to $500,000 of”.

Explanation:

(This amendment revises reporting requirements in a report due from the Department of Military Affairs by July 15, 2026. Language also clarifies that the Department may only use up to $500,000 from the Armory Control Board Fund to supplement personnel expenditures.)

Item 469 #1c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$200,000,000	$0	GF

Language:

Page 534, line 13, strike "$164,110,197" and insert "$364,110,197".
Page 543, after line 8, insert:
"V. Included in the appropriation for this item, $200,000,000 the first year from the general fund is provided for a lump sum deposit into the State Employee Health Insurance Fund no later than July 15, 2026."

Explanation:

(This amendment provides $200.0 million from the general fund in fiscal year 2027 to provide a lump sum deposit into the State Employee Health Insurance Fund. There has been a significant decrease in the Fund's balance over the past year.)

Item 469 #2c

Central Appropriations

Central Appropriations — Language

Language:

Page 543, after line 8, insert:
"V. The Department of Planning and Budget shall annually collect salary data for state-supported local employees. The data shall include the total salaries for full-time employees expended in the most recent fiscal year and the full-time employee count as of the last day of each fiscal year. State-supported local employee groups include.

a. Locally-elected constitutional officers;

b. General Registrars and members of local electoral boards;

c. Full-time employees of locally-elected constitutional officers; and

d. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, local pretrial services act and Comprehensive Community Corrections Act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health."

Explanation:

(This amendment directs the Department of Planning and Budget to collect full-time salary data and employee counts of state-supported local employees each year.)

Item 469 #3c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$21,561,404	$23,686,842	GF

Language:

Page 534, line 13, strike "$164,110,197" and insert "$185,671,601".
Page 534, line 13, strike "$356,513,260" and insert "$380,200,102".
Page 535, line 33, strike "$99,423,507" and insert "$120,984,911".
Page 535, line 34, strike "$144,095,199" and insert "$167,782,041".

Explanation:

(This amendment provides $21.6 million the first year and $23.7 million the second year from the general fund to fully fund the cost of the updated premiums for the state employee health insurance program.)

Item 469 #4c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$170,624	$344,652	GF

Language:

Page 534, line 13, strike "$164,110,197" and insert "$164,280,821".
Page 534, line 13, strike "$356,513,260" and insert "$356,857,912".
Page 541, line 11, strike "$92,321,275" and insert "$92,491,889".
Page 541, line 11, strike "$203,442,509" and insert "$203,787,161".
Page 542, after line 30, insert:
"7. It is the intent of the General Assembly that the Department of Planning and Budget include the personnel cost for the Institute For Advanced Learning and Research into the methodology used to calculate the cost of future salary increases.

8. It is the intent of the General Assembly that the Department of Planning and Budget include the personnel cost for the Roanoke Higher Education Authority into the methodology used to calculate the cost of future salary increases."

Explanation:

(This amendment makes a technical correction related to salary calculations for the Institute For Advanced Learning and Research and the Roanoke Higher Education Authority and includes funding for these two centers in the funding for the two percent salary increases in both years.)

Item 469 #5c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$546,761	$2,783,958	GF

Language:

Page 534, line 13, strike "$164,110,197" and insert "$164,656,958".
Page 534, line 13, strike "$356,513,260" and insert "$359,297,218".
Page 540, line 45, strike “O.” and insert “O.1.”
Page 540, line 45, strike "$392,803", insert "$939,564".
Page 540, line 46, strike "$1,357,202", insert "$3,930,718".
Page 540, after line 48, insert:
“2. Out of this appropriation, an amount estimated at $210,442 the second year from the general fund is available for transfer to the Compensation Board to fund the increases in the Virginia minimum wage scheduled for January 1, 2027 and January 1, 2028.”

Explanation:

(This amendment provides $546,761 the first year and $2.8 million the second year from the general fund to reflect the impact of the increase in the state minimum wage pursuant to Chapters 350 and 351, 2026 Acts of Assembly.)

Item 469 #6c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$93,600,000	$0	GF

Language:

Page 534, line 13, strike "$164,110,197" and insert "$257,710,197".
Page 543, after line 8, insert:
"V. On or before June 30, 2027, the State Comptroller shall deposit $93,600,000 from the general fund into the Virginia Retirement System trust fund to address the unfunded liabilities for the retiree health care plan for state employees."

Explanation:

(This amendment provides $93.6 million general fund in the first year to reduce the unfunded liability for the retiree health care plan for state employees managed by the Virginia Retirement System. The $93.6 million represents approximately 15 percent of the plan's unfunded liability as June 30, 2025.)

Item 469 #7c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$95,956,955	$215,042,704	GF

Language:

Page 534, line 13, strike "$164,110,197" and insert "$260,067,152".
Page 534, line 13, strike "$356,513,260" and insert "$571,555,964".
Page 541, line 11, strike "$92,321,275 the first year and $203,442,509" and insert:
"$163,822,578 the first year and $361,068,506".
Page 541, line 13, after "employees by", strike "two percent on July 10, 2026" and insert "three and one-half on July 25, 2026".
Page 541, line 13, after "additional", strike "two" and insert "three and one half".
Page 542, line 6, strike "two percent on July 10, 2026 and an additional two" and insert:
"three and one half percent on July 25, 2026, and an additional three and one half".
Page 542, line 25, strike "two percent no earlier than July 10, 2026 and an additional two" and insert:
"three and one half percent no earlier then July 25, 2026, and an additional three and one half".
Page 542, line 30, strike "two" insert "three and one half".

Page 542, line 32, strike "two percent on July 1, 2026 and an additional two", and insert: "three and one half percent on August 1, 2026 and an additional three and one half".
Page 542, line 44, strike "$30,427,658", insert "$51,956,892".
Page 542, line 44, strike "$64,181,140", insert "$115,037,371".
Page 542, line 46, strike "$2,670,022", insert "$4,672,550".
Page 542, line 46, strike "$5,883,756", insert "$10,373,062".
Page 542, line 47, strike "two", insert" three and one half".
Page 543, line 1, strike "10, 2026" and insert "25, 2026".
Page 543, line 1, strike "two", insert" three and one half".
Page 543, line 4, strike "$1,231,839", insert "$2,155,729".
Page 543, line 4, strike "$2,714,536", insert "$4,785,706".
Page 543, line 5, strike "two", insert" three and one half".
Page 543, line 6, strike "July 10, 2026 and an additional two", insert" July 25, 2026, and an additional three and one half".

Explanation:

(This amendment provides $96.0 million GF the first year and $215.0 million GF the second year to increase the proposed two percent salary increase to three and one half percent for state and state-supported employees included in the introduced budget. Amendment sets the effective date for the first year raises at July 25, 2026.)

Item 470 #1c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$3,170,619	$3,170,619	GF

Language:

Page 543, line 10, strike "$18,877,672" and insert "$22,048,291".
Page 543, line 10, strike "$20,522,424" and insert "$23,693,043".
Page 543, line 33, after "estimated at", strike "$2,367,806", and insert "$5,538,425".
Page 543, line 33, after "first year and", strike $2,367,806, and insert "$5,538,425".

Explanation:

(This amendment provides an additional $3.2 million each year from the general fund to assist agencies with the general fund share of an increased rent rate. A companion amendment under the Department of General Services increases the rent rate to reflect the latest occupancy and expenses.)

Item 471 #1c

Central Appropriations	**FY26-27**	**FY27-28**

Central Appropriations	$350,000,000	$0	GF

Language:

Page 544, line 4, strike "$1,300,000" and insert "$351,300,000".
Page 546, after line 18, insert:
"K. Out of this appropriation, $350,000,000 the first year from the general fund is authorized to be provided to the Department of Medical Assistance Services (DMAS) if the general fund amounts in Item 291 of this act are insufficient to pay all Medicaid costs in either the first or second year due to higher than expected program costs. The Director, Department of Planning and Budget (DPB) shall have the authority to transfer this appropriation if the Director of DMAS can demonstrate that the general fund appropriation is insufficient to meet all obligations for the fiscal year. The Director of DPB shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committee 10 days prior to any transfer of appropriation pursuant to these provisions. Any unexpended balance in this appropriation at the close of business on June 30, 2027, shall not revert to the general fund, but shall be carried forward and reappropriated."

Explanation:

(This amendment provides $350.0 million GF the first year as a Medicaid reserve contingency for higher than expected costs in the program.)

Item 471 #2c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$100,000,000	$0	GF

Language:

Page 544, line 4, strike "$1,300,000" and insert "$101,300,000".
Page 546, after line 18, insert:
"K.1. Out of this appropriation, $100,000,000 the first year shall be provided to enhance environmental monitoring in the Commonwealth. The Director, Department of Environmental Quality (DEQ) shall conduct a review and evaluation of state environmental monitoring activities and determine where improvements can be made or are necessary. The Director of DEQ, after consultation with the Secretary of Natural and Historic Resources, may request funding from this appropriation, for the costs of a comprehensive study of environmental monitoring efforts in the Commonwealth. After the comprehensive review is complete, DEQ shall submit a report with the fundings and recommendations to the Governor and the General Assembly. DEQ may request funding from this appropriation, after consultation with the Secretary of Natural and Historic Resources and the Secretary of Finance, to address critical gaps in environmental monitoring as identified in the comprehensive study. The Director, Department of Planning and Budget (DPB) shall have authority to transfer funding from this appropriation to DEQ consistent with the requirements of this paragraph and after approval of

the Secretary of Natural and Historic Resources and the Secretary of Finance. At least 10 days prior to funding being transferred, the Director of DPB shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of such transfer.
2. Any unexpended balances from funds designated under paragraph K.1. shall not revert to the general fund at the close of the fiscal year but shall be reappropriated for expenditure in the succeeding fiscal year.
3. The Director of DEQ shall report to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, no later than October 1 of each year on the expenditures of any funding provided, including the amount expended and the purpose of such expenditures."

Explanation:

(This amendment provides $100.0 million GF in the first year to fund improvements in environmental monitoring in the Commonwealth.)

Item 471 #3c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Appropriations	$225,000,000	$0	GF

Language:

Page 544, line 3, strike "$1,300,000" and insert "$226,300,000".
Page 546, after line 18, insert:

"K.1. Out of the amounts included in this appropriation, $225,000,000 the first year from the general fund shall be deposited into a special nonreverting fund to be known as the Federal Uncertainty Contingency Fund. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall accrue to the General Fund. Any moneys remaining in the Fund at the end of a fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to to address reductions in federal funding.

2.a. State agencies shall submit requests to the Department of Planning and Budget (DPB) by no later than August 1 of each fiscal year to address reductions in federal funding. DPB shall provide the agency requests to the Secretary of Finance and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

b. The Director, Department of Planning and Budget, shall, based on its review and analysis of agency requests, make recommendations by September 15 of each year to the Secretary of Finance and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The Secretary of Finance shall have the authority to approve funding requests, after receiving input from the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

3. The Director, Department of Planning and Budget shall report any amounts to be transferred out of the fund to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees 14 days prior to transferring any such funds.

4. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may authorize interest-free treasury loans to agencies experiencing cash flow issues due to timing issues in the receipt of federal grants and other related federal funding issues. The repayment period may be extended for a period longer than twelve months, not to exceed twenty-four months."

Explanation:

(This amendment provides $225.0 million the first year from the general fund for deposit to a newly created Federal Uncertainty Contingency Fund. These monies will be used to address unanticipated reductions in federal funding that impact state programs and services.)

Item 471 #4c

Central Appropriations

Central Appropriations — Language

Language:

Page 546, line 11, after “J.”, insert:
"1. From such general fund revenues as are collected for fiscal year 2026 in excess of the official fiscal year 2026 revenue estimate included in the final 2024-2026 biennial appropriation act adopted in the 2026 General Assembly Session, $585,500,000 shall be excluded from the calculation of the deposits to the Revenue Reserve Fund and Water Quality Improvement Fund Part A, but not from the calculation required to meet any Constitutionally-mandated deposit to the Revenue Stabilization Fund. This amount is reflected in §3 of Enactment 1 of this Act, in the additions to balance for fiscal year 2027.

2.”

Explanation:

(This amendment includes direction of the calculation of set asides and commitments to the FY 2026 year-end calculations to reflect the Governor's reforecast of revenues.)

Item 474 #1c

Independent Agencies

State Corporation Commission — Language

Language:

Page 549, line 15, before "Out", insert "A."
Page 549, after line 19, insert:
"B. Notwithstanding § 6.2-1810 of the Code of Virginia, the State Corporation Commission shall not be required to certify and contract with one or more third parties to develop, implement, and maintain a short-term loan database if the existing vendor discontinues its operation of the database and it is not feasible for the State Corporation Commission to procure an alternative vendor. In such event, the provisions in § 6.2-1810 relating to the database shall be inapplicable and the State Corporation Commission shall amend its regulations under Chapter 18 of Title 6.2 of the Code of Virginia accordingly."

Explanation:

(This language amendment clarifies the authority of the State Corporation Commission with relation to its oversight of a short-term loan database as provided for in § 6.2-1810, Code of Virginia.)

Item 474 #2c

Independent Agencies

State Corporation Commission Language

Language:

Page 549, line 15, before “Out” insert: "A."
Page 549, after line 19, insert:
“B. The State Corporation Commission (SCC) shall inventory existing consumer-facing guidance, instructional documentation, forms, and other public materials published in hardcopy or electronic media and prepare a cost estimate to translate high demand materials into the top five most common non-English languages spoken in Virginia according to the DataUSA profile for languages spoken in Virginia. The SCC shall report on existing practices for providing language access services at points of public interface alongside an inventory list and publication costs to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 31, 2026.”

Explanation:

(This language amendment directs the State Corporation Commission (SCC) to review its customer-facing language access offerings and provide information on the cost to expand such access for high-demand materials.)

Item 474 #3c

Independent Agencies	**FY26-27**	**FY27-28**

State Corporation Commission	$354,550	$341,450	NGF
	2.00	2.00	FTE

Language:

Page 549, line 3, strike "$104,581,800" and insert "$104,936,350".
Page 549, line 3, strike "$104,275,417" and insert "$104,616,867".

Explanation:

(This amendment provides nongeneral fund appropriation and two positions for the State Corporation Commission to implement legislation that falls within its purview to regulate business practices.)

Item 475 #1c

Independent Agencies	**FY26-27**	**FY27-28**	
State Corporation Commission	$1,715,500	$1,013,500	NGF
	9.00	9.00	FTE

Language:

Page 549, line 20, strike "$41,548,933" and insert "$43,264,433".
Page 549, line 20, strike "$41,367,346" and insert "$42,380,846".

Explanation:

(This amendment provides nongeneral fund appropriation and nine positions for the State Corporation Commission to implement legislation that falls within its purview to regulate public utilities.)

Item 475 #2c

Independent Agencies

State Corporation Commission Language

Language:

Page 549, after line 25, insert:
"A. That in evaluating requests for the interconnection of large load customers to the electric grid, a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, may consider potential economic benefits to historically economically disadvantaged communities, as defined in § 56-576 of the Code of Virginia, in which the local governing body has resolved that such development is in the public interest, associated with such requests."

Explanation:

(This amendment asks a Phase II utility to consider the economic benefits to historically disadvantaged communities in determining the connection date of large load customers to the electric grid.)

Item 477 #1c

Independent Agencies

State Corporation Commission — Language

Language:

Page 550, after line 1 insert:
"D. The State Corporation Commission, with the assistance of the Department of Environmental Quality, and all other agencies of the Commonwealth, any political subdivision, or any applicable utility shall provide assistance as requested, shall collect the following and report the information in an aggregated format to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by October 1, 2026, and each year thereafter: (i) all electric service agreements or equivalent contracted demand with data centers, including their electric load, from all electric utility providers; (ii) all data center water usage information from municipal or private water providers; and (iii) permitting information on data center generators and tier of each generator."

Explanation:

(This amendment requires the State Corporation Commission to collect and aggregate information related to data center electric service agreements, water usage, and permitting for generators and tier type.)

Item 478 #1c

Independent Agencies	**FY26-27**	**FY27-28**	
State Corporation Commission	$150,000	$0	NGF

Language:

Page 550, line 2, strike "$558,582,934" and insert "$558,732,934".
Page 550, line 33, strike "for Plan Year 2025".
Page 550, after line 33, insert:
"F. Out of this appropriation, $150,000 the first year from the Commonwealth Health Reinsurance Program Special Fund is provided for development and submission of a state innovation waiver extension request pursuant to § 1332 of the Patient Protection and Affordable Care Act, to extend the Commonwealth Health Reinsurance Program for five years, and to implement the provisions for the program."

Explanation:

(This amendment provides $150,000 from nongeneral funds from the Commonwealth Health Reinsurance Program Special Fund for the State Corporation Commission to apply for federal authorization of a five-year extension of the current waiver under section 1332 of the Patient Protection and Affordable Care Act (PPACA) authorizing and providing federal funding for the Commonwealth Health Reinsurance Program, pursuant to the passage of House Bill 327, 2026 Session of the General Assembly. The amendment includes a technical change maintaining the current premium reduction target for the program at 15 percent. Language in the introduced budget referred only to Plan Year 2025.)

Item 478 #2c

Independent Agencies	**FY26-27**	**FY27-28**	
State Corporation Commission	$150,000,000	$0	GF

Language:

Page 550, line 2, strike "$558,582,934" and insert "$708,582,934".
Page 550, after line 33, insert:
"F. There is hereby appropriated to the State Corporation Commission the sum of $150,000,000 the first year from the general fund to create a non-reverting special fund known as the Virginia Health Insurance Affordability Fund. The Virginia Health Benefit Exchange (Exchange) shall develop and operate a program for plan year 2027 to reduce the monthly health insurance premiums for Virginia consumers of Qualified Health Plans sold through the Virginia state-based marketplace operated by the Exchange. Amounts in the Fund shall only be used for premium reduction payments under this program. The Exchange shall develop eligibility rules for the program that reduces the average monthly net premium by as much as 70 percent for individuals and families with household incomes greater than or equal to 138 percent of the federal poverty level and less than 250 percent of the federal poverty level. The Exchange is authorized to adjust the monthly premium reduction payment amount up or down as enrollment and fund balances change to maximize the use of the Fund consistent with the objective of this program. The Exchange shall develop other rules and parameters reasonably necessary to implement and operate this program. Any unexpended balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, shall not revert to the general fund but shall be carried forward and reappropriated in fiscal year 2028."

Explanation:

(This amendment adds $150.0 million from the general fund the first year for a state-based premium assistance program for plan year 2027, targeted to individuals who purchase health insurance from Qualified Health Plans sold through the Virginia state-based marketplace with incomes between 138 percent and 250 percent of the federal poverty income level. Funding will be used to lower the average monthly net premium by as much as 70 percent. Language

provides flexibility for the Health Benefit Exchange to adjust the monthly premium reduction payment up or down as enrollment and fund balances change to maximize the use of the funding. Language allows the agency to carry funds over into fiscal year 2028 since the premium assistance will be provided in calendar year 2027. It is estimated that the program will serve approximately 167,000 Virginians.)

Item 479 #1c

Independent Agencies

Virginia Lottery — Language

Language:

Page 551, after line 27, insert:
"F. The Lottery shall develop an implementation plan to require all lottery terminals to possess proper age verification software to ensure that a consumer is 18 years of age or older. For purposes of this item, "terminal" means a device that is authorized by the Department to function in an interactive mode with the Department's computer gaming system or systems for the purpose of issuing tickets, plays, or an electronic facsimile thereof, and entering, receiving, and processing game-related transactions. Such plan may consider implementing age verification in lottery terminals based on the normal replacement schedule of terminals. The implementation plan shall: (i) develop a phased schedule to implement age verification software in terminals, (ii) establish a completion date for implementation, (iii) include cost estimates for such plan, (iv) provide alternative implementation schedules for consideration, and (v) recommend any necessary changes to statute or the appropriation act to implement the plan. No later than October 1, 2026, the Director of the Virginia Lottery shall report the implementation plan to the Governor and Chairs of the House Committees on General Laws and Appropriations and the Senate Committees on General Laws and Technology and Finance and Appropriations. The Virginia Lottery Board shall include the costs of such implementation plan in the revenue estimates developed and submitted to the Governor in accordance with Title 2.2 of the Code of Virginia and proceed only after a forecast is adopted by a general appropriation act that includes the costs of such implementation plan."

Explanation:

(This amendment directs Lottery to develop an implementation plan to require all lottery terminals to possess proper age verification software to ensure that a consumer is 18 years of age or older.)

Item 481 #1c

Independent Agencies

Commonwealth Savers Plan — Language

Language:

Page 552, strike lines 14 through 18.

Explanation:

(This amendment removes language in the introduced budget authorizing the transfer of $75.0 million a year from the actuarial surplus of the Defined Benefit 529 Programs to SCHEV's Virginia Military Survivors and Dependents financial aid program.)

Item 487 #1c

Independent Agencies	**FY26-27**	**FY27-28**	
Virginia Workers' Compensation Commission	$1,500,000	$20,000	NGF

Language:

Page 555, line 15, strike "$48,080,439" and insert "$49,580,439".
Page 555, line 15, strike "$48,080,439" and insert "$48,100,439".

Explanation:

(This amendment provides $1.5 million the first year and $20,000 the second year in nongeneral fund appropriation for the Workers' Compensation Commission to develop and maintain an e-filing system for Birth-Related Neurological Injury claims in accordance with Chapter 1083 (House Bill 1007) and Chapter 1010 (Senate Bill 398).)

Item 488 #1c

Independent Agencies	**FY26-27**	**FY27-28**	
Virginia Workers' Compensation Commission	$130,000	$100,000	GF

Language:

Page 555, line 26, strike "$15,826,107" and insert "$15,956,107".
Page 555, line 26, strike "$15,826,107" and insert "$15,926,107".

Explanation:

(This amendment provides $130,000 the first year and $100,000 the second year from the general fund to support the implementation costs of Chapter 858 (House Bill 1464) and Chapter 859 (Senate Bill 812). A companion amendment to the Department of Criminal Justice Services provides additional funding in support of the legislation.)

Item 489 #1c

Independent Agencies	**FY26-27**	**FY27-28**	
Virginia Alcoholic Beverage Control Authority	$5,315,818 31.00	$3,960,543 31.00	NGF FTE

Language:

Page 556, line 15, strike "$35,896,216" and insert "$41,212,034".
Page 556, line 15, strike "$35,896,216" and insert "$39,856,759".
Page 556, after line 47, insert:
"H. The State Comptroller shall transfer $1,400,000 in unexpended balances at the Department of Taxation, which were previously appropriated from the Electronic Nicotine Delivery Systems Fund, to the Virginia Alcoholic Beverage Control Authority no later than July 15, 2026 to support implementation of Chapter 1021 and Chapter 1044, 2026 Acts of Assembly.

I. Out of this appropriation, $1,737,272 the first year from the Electronic Nicotine Delivery Systems Fund, which shall be transferred from the Office of the Attorney General no later than July 15, 2026, shall be used to support costs associated with implementation of Chapters 1021 and 1044, 2026 Acts of Assembly.

J. Notwithstanding the provisions of § 4-3.02 of this act, the State Comptroller may authorize an interest-free treasury loan of up to $2,000,000, subject to the approval of the Secretary of Finance, for the Alcoholic Beverage Control Authority to fund costs associated with Chapters 1021 and 1044, 2026 Acts of Assembly."

Explanation:

(This amendment provides $5.3 million NGF the first year and $4.0 million NGF the second year for 31.0 positions each year to implement the provisions of Chapter 1021 and Chapter 1044, 2026 Acts of Assembly, which establish a permitting and enforcement framework for retail tobacco permits, overseen by the Alcoholic Beverage and Control Authority. The source of funding in the first year includes $3.1 million NGF from JUUL Settlement funds transferred from the Department of Taxation and the Office of the Attorney General to cover initial start-up costs. The source of the remainder of the NGF appopriation is estimated fee revenue from retail tobacco permits.)

Item 491 #1c

Independent Agencies	**FY26-27**	**FY27-28**

Virginia Cannabis Control Authority	$0	($4,028,024)	GF
	$18,339,982	$19,965,611	NGF
	99.00	99.00	FTE

Language:

Page 557, line 31, strike "$6,220,439" and insert "$24,560,421".
Page 557, line 31, strike "$6,220,439" and insert "$22,158,026".
Page 557, strike lines 36 to 39.
Page 557, after line 35, insert:
A. Notwithstanding the provisions of § 4-3.02 of this act, the State Comptroller shall authorize an interest-free treasury loan of up to $15,000,000 to fund costs associated with the creation and administration of a retail cannabis market in the Commonwealth, consistent with the provisions of Item 4-14 of this act. The Secretary of Finance may extend the repayment plan for any such interest-free treasury loan for a period of longer than twelve months as needed to support Authority costs associated with the administration and regulation of a retail cannabis market.
B. The Director, Department of Planning and Budget, in consultation with Virginia Department of Agriculature Services and the Cannabis Control Authority, shall administratively transfer general fund amounts appropriated in Item 92, paragraph E, of this act as necessary to support the transfer of employees and any associated operating costs from the Virginia Department of Agriculture and Consumer Services to the Virginia Cannabis Control Authority in accordance with Item 4-14 of this act. In addition, the State Comptroller, in consultation with the Virginia Department of Agriculture Services and the Cannabis Control Authority, shall identify uncommitted nongeneral fund cash balances of up to $3,850,000 that are (i) associated with regulation and enforcement of regulated hemp products sold at retail; and (ii) available for transfer to the Cannabis Control Authority. The Virginia Department of Agriculture and Consumer Services shall transfer such balances by July 1, 2027."

Explanation:

(This amendment provides $18.3 million NGF the first year and $20.0 million NGF the second year and authorizes a treasury loan to support implementation of the retail cannabis market pursuant to Item 4-14 of this act. The amendment also removes $4.0 million GF the second year, when it is projected that nongeneral fund revenue will be sufficient to cover the operating costs of the Authority. In addition, language directs the transfer of general fund appropriations and nongeneral fund cash balances from the Virginia Department of Consumer Services to the Cannabis Control Authority to align with the transfer of duties related to regulated hemp product regulation and enforcement pursuant to Item 4-14 of this act.)

Item 492 #1c

Independent Agencies

Opioid Abatement Authority — Language

Language:

Page 558, line 28, strike "$8,204,198" and "$8,271,200" insert:
"$11,909,763" and "$9,176,315".
Page 558, line 39, strike "$1,340,503" and "$1,407,055" and insert:
"$3,940,503" and "$2,207,055".
Page 558, strike line 43 and insert:

Department of Health (601)	Strategic Plan for Opioid Response Efforts	$105,115	$105,115
Department of Criminal Justice Services (140)	Jail-Based Substance Use Disorder Treatment and Transition Fund	$1,000,000	
Total		**$11,909,763**	**$9,176,315".**

Explanation:

(This amendment updates a table of all appropriations in the budget related to the Commonwealth Opioid Abatement and Remediation Fund.)

Item C-0 #1c

General Conditions

General Conditions Language

Language:

Page 568, after line 34, insert:
"S.1. The Department of General Services (DGS) shall coordinate with the Department of Planning and Budget (DPB) to implement recommendations in the October 2025 Capital Maintenance and Construction Report by the Joint Legislative Audit and Review Commission (JLARC). The Department shall submit a progress report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 each year, to include recommendations and cost estimates, as appropriate."

Explanation:

(This language directs the Department of General Services (DGS) to coordinate with the Department of Planning and Budget (DPB) to implement recommendations in the October 2025 Capital Maintenance and Construction Report by the Joint Legislative Audit and Review Commission (JLARC), and to submit an annual progress update to the Chairs of the House

Appropriations and Senate Finance and Appropriations Committees.)

Item C-0.10 #1c

Administration	**FY26-27**	**FY27-28**	
Department of General Services	$35,000,000	$0	GF

Language:

Page 568, after line 35, insert:

"OFFICE OF ADMINISTRATION

§ 2-0. DEPARTMENT OF GENERAL SERVICES (213)

C-0.10 New Construction: New State Agency Building (18765)		$35,000,000	$0
Fund Sources:	General	$35,000,000	$0 "

A.1. Out of the amounts provided in this item, the Department of General Services is authorized to proceed to working drawings and demolition of the Annex Building.
2. Out of the amounts provided in this item, and as a subproject of 194-18765, the Department of General Services shall continue planning through working drawings for a 15,000 square foot standalone childcare facility to serve up to 150 children for state employees located at the seat of government in Richmond."

Explanation:

(This amendment provides $35.0 million the first year from the general fund for the Department of General Services (DGS) to continue progress on a new state agency building and a state employee child care center at the seat of government. Language included in the amendment authorizes DGS to proceed through working drawings and demolition of the facility located on the state agency building project site.)

Item C-0.20 #1c

Administration	**FY26-27**	**FY27-28**	
Department of General Services	$12,800,000	$0	GF

Language:

Page 568, after line 35, insert:

"OFFICE OF ADMINISTRATION

§ 2-0. DEPARTMENT OF GENERAL SERVICES (213)

C-0.20 Improvements: Renovate and Repair Fort	$12,800,000	$0

Monroe (18191)			
Fund Sources:	General	$12,800,000	$0 "

A.1. There is hereby appropriated $12,800,000 the first year from the general fund for replacement and upgrade of utility infrastructure at Fort Monroe. The Department of General Services shall act as the fiscal agent for the funds allocated to this capital project. The Fort Monroe Authority is authorized to use a portion of the funding to secure the services of a project manager for overseeing and coordinating the on-site efforts involving the various repairs and renovation activities at Fort Monroe. The project manager shall work in consultation and coordination with the Department of General Services.
2. The provisions of §§ 2-0 and 4-4.01 of this act and the provisions of § 2.2-1132, Code of Virginia, shall not apply to activity executed under this project."

Explanation:

(This amendment provides $12.8 million the first year from the general fund to support Fort Monroe's replacement and upgrade of the state-owned utility infrastructure in the inner fort management zone.)

Item C-0.30 #1c

Administration	**FY26-27**	**FY27-28**	
Department of General Services	$3,000,000	$0	GF

Language:

Page 568, after line 35, insert:

"OFFICE OF ADMINISTRATION

§ 2-0. DEPARTMENT OF GENERAL SERVICES (213)

C-0.30 Improvements: Improve African Landing Memorial Visitor Amenities and Landscape Action Plan		$3,000,000	$0
Fund Sources:	General	$3,000,000	$0 "

A.1.There is hereby appropriated $1,500,000 the first year from the general fund to construct visitor amenities for the African Memorial Landing at Fort Monroe. The Department of General Services (DGS) shall act as the fiscal agent for the funds allocated to this capital project. The Fort Monroe Authority is authorized to use a portion of the funding to secure the services of a project manager for overseeing and coordinating the on-site efforts involving the various repairs and renovation activities at Fort Monroe. The project manager shall work in consultation and coordination with DGS.
2. There is hereby appropriated $1,500,000 the first year from the general fund for development of the Landscape Action Plan to serve as a management framework for the public spaces at Fort

Monroe. The plan shall include, but not be limited to: (i) identification of revenue generation activities from visitation while planning for parking, circulation, amenities, and site furnishings; (ii) management plans for sea level rise, resiliency, and ecological and environmental management; and (iii) vision and direction for the long-term success of Fort Monroe. 3. The provisions of §§ 2-0 and 4-4.01 of this act and the provisions of § 2.2-1132, Code of Virginia, shall not apply to activity executed under this project."

Explanation:

(This amendment provides $3.0 million the first year from the general fund to the Fort Monroe Authority to construct visitor amenities in the vicinity of the memorial to the first landing of enslaved Africans at Old Point Comfort and develop the landscape action plan.)

Item C-0.40 #1c

Administration	**FY26-27**	**FY27-28**	
Department of General Services	$15,000,000	$0	GF

Language:

Page 568, after line 35, insert:

"OFFICE OF ADMINISTRATION

§ 2-0. DEPARTMENT OF GENERAL SERVICES (213)

C-0.40 Improvements: State Parking Facilities Maintenance		$15,000,000	$0
Fund Sources:	General	$15,000,000	$0 "

Explanation:

(This amendment provides $15.0 million the first year from the general fund for the Department of General Services (DGS) to continue maintenance and upkeep of state parking facilities.)

Item C-0.50 #1c

Administration	**FY26-27**	**FY27-28**	
Department of General Services	$10,000,000	$0	GF

Language:

Page 568, after line 35, insert:

"OFFICE OF ADMINISTRATION

§ 2-0. DEPARTMENT OF GENERAL SERVICES (213)

C-0.50 Improvements: Demolish Central Virginia Training Center Structures and Remediate Property (18799)		$10,000,000	$0
Fund Sources:	General	$10,000,000	$0 "

Explanation:

(This amendment provides $10.0 million GF the first year to increase the existing project to demolish and remediate property at Central Virginia Training Center.)

Item C-1 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Christopher Newport University	$5,542,078	$0	GF

Language:

Page 568, line 39, strike "$4,457,922" and insert "$10,000,000".

Explanation:

(This amendment provides an additional $5.5 million the first year from the general fund for Christopher Newport University for deferred maintenance projects, bringing the total to $10.0 million.)

Item C-2 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
George Mason University	$15,000,000	$0	GF

Language:

Page 568, line 45, strike "$20,250,000" and insert "$35,250,000".

Explanation:

(This amendment provides an additional $15.0 million the first year from the general fund to address deferred maintenance projects at George Mason University, bringing the total amount to $35.3 million.)

Item C-11.10 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Community College System	$2,000,000	$0	NGF

Language:

Page 569, after line 38, insert:

"C-11.10 New Construction: Career and Technical Education Facility- Rappahannock CC, Glenns Campus		$2,000,000	$0
Fund Sources:	Special	$2,000,000	$0 "

Out of this item, an amount estimated at $2,000,000 in nongeneral fund appropriation is provided to support a new Career and Technical Education Facility - Rappahannock Community College, Glenns Campus. The institution is hereby authorized to accept and expend any private or grant funds received for this purpose."

Explanation:

(This amendment provides $2.0 million the first year in nongeneral fund appropriation and language authorizing Rappahannock Community College to accept and expend private monies and/or grant funds received for the purpose of constructing a Career and Technical Education Facility on the Glenns Campus.)

Item C-11.20 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Virginia Community College System	$3,500,000	$0	NGF

Language:

Page 569, after line 38, insert:

"C-11.20 - - Acquire Property Laurel Ridge Community College Educational Foundation		$3,500,000	$0
Fund Sources:	Higher Education Operating	$3,500,000	$0 "

The Virginia Community College System is hereby authorized to acquire, by purchase, certain real property and improvements located adjacent to the Laurel Ridge Community College campus, consisting of approximately 4.8 acres of land and including an existing facility and the associated site and adjacent parking area. The acquisition of such real property shall be from the Laurel Ridge Community College Educational Foundation and shall constitute a partial gift to the Commonwealth, whereby the purchase price shall be established at an amount below the appraised fair market value of the property. The consideration paid shall be derived exclusively from nongeneral fund sources available to Laurel Ridge Community College, including auxiliary enterprise reserves and revenues generated from noncredit workforce programs."

Explanation:

(This amendment authorizes $3.5 million NGF the first year for the community college system to acquire real property from the Laurel Ridge Community College Educational Foundation.)

Item C-12.10 #1c

Education: Higher Education	**FY26-27**	**FY27-28**	
Jamestown-Yorktown Foundation	$5,500,000	$0	GF

Language:

Page 570, after line 8, insert:

"§ 2-6.10. JAMESTOWN-YORKTOWN FOUNDATION (425)

C-12.10 Improvements: Address Deferred Maintenance		$5,500,000	$0
Fund Sources:	General	$5,500,000	$0 "

Explanation:

(This amendment provides $5.5 million general fund the first year to address deferred maintenance projects for the Jamestown-Yorktown Foundation.)

Item C-15 #1c

Natural and Historic Resources	
Department of Conservation and Recreation	Language

Language:

Page 570, strike lines 39 through 45 and insert "Omitted."
Page 571, strike lines 1 through 31.

Explanation:

(This amendment defers acquisition of a future state park.)

Item C-15.10 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$40,000,000	$0	GF

Language:

Page 571, after line 31, insert:

"C-15.10 Improvements: State Park Deferred Maintenance (18654)		$40,000,000	$0
Fund Sources:	General	$40,000,000	$0 "

Explanation:

(This amendment provides $40.0 million GF the first year to address deferred maintenance at the state parks.)

Item C-15.20 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Conservation and Recreation	$2,000,000	$0	NGF

Language:

Page 571, after line 31, insert:

"C-15.20 Acquisition: Acquisition of land for State Parks (18236)		$2,000,000	$0
Fund Sources:	General	$0	$0
	Special	$2,000,000	$0
	Federal Trust	$0	$0 "

A.1. It is the intent of the General Assembly that any acquisitions by gift, transfer or purchase, be limited to in-holdings or contiguous properties, consistent with the authorization contained in Item 363 and be limited to property within or contiguous to Caledon, Clinch River, Culpeper Battlefields, Fairy Stone, False Cape, Grayson Highlands, Hayfields, High Bridge Trail, Hungry Mother, James River, Kiptopeke, Leesylvania, Machicomoco, Mayo River, Middle Peninsula, Natural Bridge, Natural Tunnel, New River Trail, Sailor's Creek Battlefield, Seven Bends, Shenandoah River, Southwest Virginia Museum, Staunton River, Staunton River Battlefield, Sweet Run, Westmoreland, Widewater, Wilderness Road, and York River state parks.
2. Notwithstanding the provisions of this paragraph and of Item 363, paragraph E, of this act, the department is authorized to acquire parcels located on Powell Mountain, north of the Town of Duffield, to connect to the Daniel Boone Wilderness Trail Interpretive Center at Natural Tunnel State Park."

Explanation:

(This amendment authorizes acquiring in-holdings or properties for existing state parks.)

Item C-18 #1c

Natural and Historic Resources	**FY26-27**	**FY27-28**	
Department of Wildlife Resources	($3,150,000)	$0	GF

Language:

Page 571, line 42, strike "$6,385,000" and insert "$3,235,000".

Explanation:

(This amendment provides an additional $3.2 million GF to renovate the Lake Shenandoah Dam, bringing the total appropriation to $6.2 million for this project.)

Item C-18.10 #1c

Public Safety	**FY26-27**	**FY27-28**	
Department of Corrections	$40,000,000	$0	GF

Language:

Page 572, after line 3, insert:

"Department of Corrections (799)

C-18.10 Improvements: HVAC Improvements and Installations		$40,000,000	$0
Fund Sources:	General	$40,000,000	$0 "

A. Out of this appropriation, funding shall first be used to conduct necessary improvements at Nottoway Correctional Center to install adequate heating, ventilation, and air conditioning, and the balance shall be used to install heating, ventilation, and air conditioning in other correctional facilities. The Department of Corrections shall submit a plan on the use of this funding including: i) the facilities in which the funds are to be spent; ii) a description of each project; and iii) the total estimated amount for each project to the Six-Year Capital Outlay Plan Advisory Committee by October 15, 2026."

Explanation:

(This amendment provides $40.0 million the first year from the general fund for an umbrella project to upgrade correctional facilities that do not currently have fully-operable air conditioning. For this first installment, language first directs funding towards necessary upgrades at Nottoway Correctional Center.)

Item C-19.10 #1c

Transportation	**FY26-27**	**FY27-28**
Department of Motor Vehicles		

Language:

Page 572, after line 7, insert:

"C-19.10 Improvements: Renovate DMV Headquarters (18712)	$0	$0

The Commissioner of the Department of Motor Vehicles (DMV) shall study and determine the feasibility of renovating the current Department of Motor Vehicles Headquarters located at 2300 West Broad Street in the City of Richmond, as authorized in Item C-34 of Chapter 2, 2024 Acts of Assembly, Special Session I, and amended by Chapter 725, 2025 Acts of Assembly. The study shall evaluate and identify the most cost-beneficial option, including renovation of the existing headquarters or acquisition and renovation of a replacement headquarters building and customer service center. If the most cost-beneficial option for the headquarters building is not suitable to house a customer service center serving the central Richmond area, the study shall identify a suitable alternative option for a customer service center to serve customers in the central Richmond area. DMV may request technical assistance from the Department of General Services. DMV shall report the results of the study to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2026."

Explanation:

(This amendment directs the Department of Motor Vehicles (DMV) and the Department of General Services to study and identify the most cost-beneficial option to either renovate or replace the current DMV headquarters.)

Item C-25.10 #1c

Veterans and Defense Affairs	**FY26-27**	**FY27-28**	
Department of Veterans Services	$150,000	$0	NGF

Language:

Page 573, after line 5, insert:

"C-25.10 Improvements: Improve Dublin Veterans Cemetery (18773)		$150,000	$0
Fund Sources:	Federal Trust	$150,000	$0 "

"The scope of project 912-18773, Department of Veterans Services Improvements: Improve Dublin Veterans Cemetery, as previously authorized in Item 45.10 of Chapter 725 of the 2025 Acts of Assembly, is hereby changed to include the construction of additional in-ground cremains gravesites, associated irrigation, site improvements, gravesite amenities, signage and

landscaping."

Explanation:

(This amendment increases the scope of a project at Dublin Veterans Cemetery to include the construction of additional in-ground cremains gravesites, associated irrigation, site improvements, gravesite amenities, signage and landscaping.)

Item C-26 #1c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Capital Outlay	$60,000,000	($50,000,000)	GF

Language:

Page 573, line 11, strike "$200,000,000" and insert "$260,000,000".
Page 573, line 11, strike "$200,000,000" and insert "$150,000,000".
Page 573, strike "$200,000,000 the first year and $200,000,000" and insert:
"$260,000,000 the first year and $150,000,000".
Page 573, strike lines 16 through 49 and insert:

"Agency Name/Code	**Project Code**	**FY 2027**	**FY 2028**
General Assembly of Virginia (101)	18812	$10,000,000	$0
Department of Military Affairs (123)	10893	$3,377,977	$2,026,786
The Science Museum of Virginia (146)	13634	$1,618,404	$971,042
Department of State Police (156)	10886	$586,173	$351,704
Department of General Services (194)	14260	$17,119,660	$10,271,796
Department of General Services (194) on behalf of the Fort Monroe Authority	18644	$7,081,208	$4,248,725
Department of Conservation and Recreation (199)	16646	$7,661,005	$4,596,603
The Library of Virginia (202)	17423	$250,000	$250,000
Wilson Workforce and Rehabilitation Center (203)	10885	$723,576	$434,145
The College of William and Mary (204)	12713	$5,943,693	$3,566,216
University of Virginia (207)	12704	$18,485,381	$11,091,228

Virginia Polytechnic Institute and State University (208)	12707	$24,303,045	$14,581,827
Virginia Military Institute (211)	12732	$1,125,572	$675,343
Virginia State University (212)	12733	$5,188,875	$3,113,325
Norfolk State University (213)	12724	$3,655,255	$2,193,153
Longwood University (214)	12722	$3,600,015	$2,160,009
University of Mary Washington (215)	12723	$3,935,130	$2,361,078
James Madison University (216)	12718	$5,949,813	$3,569,888
Radford University (217)	12731	$2,602,547	$1,561,528
Virginia School for the Deaf and the Blind (218)	14082	$1,225,211	$735,126
Old Dominion University (221)	12710	$5,788,173	$3,472,904
Virginia Commonwealth University (236)	12708	$19,968,045	$11,980,827
Virginia Museum of Fine Arts (238)	13633	$5,125,982	$2,275,589
Frontier Culture Museum of Virginia (239)	15045	$250,000	$250,000
Richard Bland College (241)	12716	$583,992	$350,395
Christopher Newport University (242)	12719	$2,156,027	$1,293,616
University of Virginia's College at Wise (246)	12706	$1,670,865	$1,002,519
George Mason University (247)	12712	$4,779,567	$2,867,740
Virginia Community College System (260)	12611	$32,135,132	$19,281,079
Virginia Institute of Marine Science (268)	12331	$979,743	$587,846
Eastern Virginia Medical School (274)	18190	$2,925,720	$1,755,432
Department of Agriculture and Consumer Services (301)	12253	$423,628	$254,177
Department of Energy (409)	13096	$250,000	$250,000
Department of Forestry (411)	13986	$3,588,551	$2,153,130
Gunston Hall (417)	12382	$250,000	$250,000

Jamestown-Yorktown Foundation (425)	13605	$2,153,752	$1,292,251
Department for the Blind and Vision Impaired (702)	13942	$357,821	$250,000
Department of Behavioral Health and Developmental Services (720)	10880	$10,141,432	$6,084,859
Department of Juvenile Justice (777)	15081	$2,964,871	$1,778,922
Department of Forensic Science (778)	16320	$407,737	$250,000
Department of Corrections (799)	10887	$36,656,107	$21,753,003
Institute for Advanced Learning and Research (885)	18044	$250,000	$250,000
Department of Veterans Services (912)	17073	$250,000	$250,000
Roanoke Higher Education Authority (935)	17916	$510,315	$306,189
Southern Virginia Higher Education Center (937)	18131	$250,000	$250,000
West Piedmont Higher Education Center (938)	18132	$250,000	$250,000
Virginia Museum of Natural History (942)	14439	$250,000	$250,000
Southwest Virginia Higher Education Center (948)	16499	$250,000	$250,000
Total		**$260,000,000**	**$150,000,000"**

Page 574, strike lines 1 through 53.

Page 575, line 23, after "upgrades" insert:

"to public areas in and around Capitol Square and as needed within Department managed buildings in the seat of government,".

Page 575, line 28, after "assets", insert:

", and (ii) utilize amounts as needed to hire a consultant to audit data utilized in its Maintenance Reserve Facilities Index".

Page 575, after line 33, insert:

"4. Out of amounts provided in this Item, the Department of General Services is authorized to purchase furniture for the executive cottage at the State Military Reservation."

Page 576, after line 32, insert:

"N. The amount in this Item allocated for the General Assembly of Virginia is designated to maintain buildings controlled by the General Assembly as approved by the Clerks of the House and Senate. Amounts provided in this Item to the Department of General Services may be used as needed, and upon direction of the Clerks of the House and Senate, to assist with maintenance reserve projects to address HVAC/air quality, occupancy, and security improvements necessary in buildings controlled by the General Assembly. Any maintenance reserve project for a building controlled by the General Assembly shall be exempt from restrictions applied to maintenance reserve funds."

Explanation:

(This amendment sets-out maintenance reserve allocations to state agencies and institutions of higher education for the biennium.)

Item C-27 #1c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Capital Outlay	$9,382,000	$0	GF

Language:

Page 576, line 34, strike "$39,893,000" and insert "$49,275,000".
Page 576, line 36, strike "$39,893,000" and insert "$49,275,000".
Page 576, after line 45, insert:
"213 Norfolk State University Science Building Replacement (18385)".

Explanation:

(This amendment provides $9.4 million the first year from the general fund to add a project to the equipment pool to provide furniture, fixtures, and equipment for NSU's Science Building Replacement project.)

Item C-28 #1c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Capital Outlay	$6,214,338	$0	GF

Language:

Page 577, line 4, strike "$13,989,561" and insert "$20,203,899".
Page 577, line 8, strike "$1,555,050" and insert "$4,555,050".
Page 577, after line 20, insert:
"268 Virginia Institute of Marine Science Replace Fisheries Science Research Building".
Page 577, after line 35, insert:

"B. Included in this appropriation is funding for the University of Mary Washington to conduct a feasibility study regarding the most cost effective long-term solution for remedying building deficiencies and to address modern needs for its Simpson Library building."

Explanation:

(This amendment provides $6.2 million the first year from the general fund and authorizes detailed planning for the replacement of the Fisheries Science Research Building at the Virginia Institute of Marine Science, and a feasibility study for Simpson Library at the University of Mary Washington to determine the most cost efficient way to address building deficiencies and adapt for modern needs.)

Item C-29 #1c

Central Appropriations	**FY26-27**	**FY27-28**	
Central Capital Outlay	$372,796,294	$0	GF
	$34,601,309	$0	NGF

Language:

Page 577, line 36, strike "$1,336,094,534" and insert "$1,743,492,137".
Page 577, line 47, strike “$1,109,976,618” and insert “$1,056,148,618”.
Page 578, line 8, strike “$360,061,238” and insert “$732,857,532”.
Page 578, line 9, strike “$889,976,618” and insert “$836,148,618”.
Page 578, line 11, strike “$86,056,678” and insert “$174,485,987”.
Page 578, line 13, strike “$37,256,678” and insert “$26,100,000”.
Page 578, strike lines 24 through 27.
Page 578, after line 19, insert:
"207 University of Virginia Construct Center for the Arts (18602)
208 Virginia Polytechnic Institute and State University Renovate Derring Hall (18674)".
Page 578, strike lines 33 through 36 and insert:
"214 Longwood University Replace and Renovate Building Systems in Coyner Hall".
Page 578, after line 38, insert:
"216 James Madison University Expand College of Health and Behavioral Studies Building (18739)".
Page 578, after line 46, insert:
"246 University of Virginia's College at Wise Renovate Darden Hall (18760)".
Page 578, after line 56, insert:
"935 Roanoke Higher Education Authority Replace Windows".
Page 579, line 2, strike "may" and insert "shall".
Page 579, after line 10, insert:
“E. The Indigent Defense Commission (the Commission), in collaboration with the Department of General Services, may undergo a review of its current leasing arrangements to determine (i) the cost efficiency of current lease agreements with respect to comparable space within

respective real estate markets; (ii) the potential for long-term savings and efficiencies by co-locating with other public entities; and (iii) consideration of any cost benefits to purchasing purpose-use properties for use by the Commission.

F. The Director, Department of Planning and Budget, shall transfer to this item the full balance of Virginia Public Building Authority bond authorization and appropriation in an amount estimated at $9,761,906 from the Department of General Services' project Monroe Building Critical Systems Replacements (194-18368), first authorized in Item C-1 Chapter 2, 2018 Acts of Assembly, Special Session I, in order to fund projects listed herein.

G. The Director, Department of Planning and Budget, shall transfer to this item Virginia Public Building Authority bond authorization and appropriation and/or general fund appropriation in an amount estimated at $7,500,000 from the Department of Forensic Science's project 778-18167, Expand and Renovate Current or Construct New Central Forensic Laboratory and Office of the Chief Medical Examiner, first authorized in Item C-44 Chapter 3, 2014 Acts of Assembly, Special Session I, in order to fund projects listed herein."

H. The scope of the Department of General Services (DGS) project for the Commonwealth Courts Building (194-18537), as previously authorized in Item C-1.30, Chapter 552, 2021 Acts of Assembly, Special Session I, and amended in Item C-2, Chapter 1, 2023 Acts of Assembly, Special Session I, and in Item C-2 of Chapter 725 of the 2025 Acts of Assembly, is hereby revised to include improvements and safety and security enhancements to be constructed or installed within the sidewalk areas lying within the northern portion of the right-of-way of East Main Street (between North 9th Street and North 10th Street), within the eastern portion of North 9th Street (between East Main Street and Bank Street), which rights-of-way are owned by the City of Richmond (City), and more specifically as determined by the DGS project team and in collaboration with the City with respect to such rights-of-way. Accordingly, the City and DGS shall enter into a deed of easement or other proper instruments, in such form approved by the Offices of the City Attorney and of the Commonwealth Office of the Attorney General, whereby the City, without charge to the Commonwealth, shall grant to DGS, as agent of the Commonwealth, where mutually agreeable across, over, under, and above the referenced right-of-way of East Main Street and North 9th Street, (a) the perpetual and irrevocable right, privilege and easement to construct, install, use, operate, inspect, maintain, repair, replace, rebuild, improve, alter and remove (i) any construction or installation contracted for by DGS either as part of the referenced construction projects or at any time with respect to safety and security enhancements around the perimeter of Capitol Square deemed appropriate by DGS, and (ii) all equipment, accessories, utilities and appurtenances necessary to support such construction projects and such incorporation of safety and security enhancements, (b) the perpetual and irrevocable right, privilege and easement to inspect, maintain, repair, replace and rebuild the sidewalks and elements thereof (but not traffic control devices and signage or street lighting located thereupon) of the referenced right-of-way of East Main Street and North 9th Street, and (c) any necessary or appropriate temporary construction easements, upon terms approved by the Mayor of Richmond and the Governor, pursuant to § 2.2-1149, Code of Virginia; approval by Richmond City Council shall not be required. 2. The City, without expending City funds, shall cooperate with DGS (i) to support the referenced construction project work and incorporation of safety and security enhancements at and along East Main

Street and North 9th Street, (ii) to relocate any utilities located in the agreed upon easement area, if necessary, and (iii) to coordinate any closure or other traffic flow controls of East Main Street and North 9th Street during the performance of the construction projects and the incorporation of any safety and security features that will enhance safety and security around the perimeter of Capitol Square. At no time shall DGS make any permanent changes to the East Main Street or North 9th Street rights-of-way without the prior approval of the Chief Administrative Officer of the City or the City hinder or delay construction of the referenced construction projects. Notwithstanding the foregoing, DGS may commence the construction project work and safety and security enhancements within the referenced right-of-way of East Main Street and North 9th Street prior to the execution of a deed of easement or other proper instruments, if deemed necessary by DGS to avoid delay in the implementation of the construction project work or safety and security enhancements."

Explanation:

(This amendment provides $372.8 million from the general fund, and $34.6 million in nongeneral fund appropriation, both in the first year, and amends projects authorized to proceed to construction.)

Item C-33.50 #1c

Central Appropriations	**FY26-27**	**FY27-28**
Central Capital Outlay		

Language:

Page 580, after line 23, insert:

"C-33.50 - 2024 State Agency Capital Account (18718)	$0	$0

The Jamestown-Yorktown Foundation project to Replace Roofs at Jamestown Settlement and Emerson Central Support Complex (425-18749), as previously authorized in C-51 of Chapter 2, 2024 Acts of Assembly, Special Session I, shall be considered a standalone umbrella project and shall no longer be subject to the pool process. Any funds originally assumed for this project in Central Capital Outlay shall be transferred to the project and used to complete roof replacements across the Jamestown Settlement Museum campus and the Emerson Central Support Complex, including living-history structures, to the extent that funding is available."

Explanation:

(This amendment expands the scope of the Jamestown-Yorktown Foundation project to Replace Roofs at Jamestown Settlement and Emerson Central Support Complex, including living-history structures, and designates the project as a standalone umbrella project. The project will complete roof replacements across the Jamestown Settlement Museum campus and the Emerson Central Support Complex, including living-history structures, to the extent that funding is

available within amounts previously assumed for the project.)

Item C-37 #1c

Central Appropriations

Central Capital Outlay Language

Language:

Page 581, line 26, strike "$7,151,698.98" and insert "$389,793.98".
Page 581, strike lines 31 through 33.
Page 581, line 34, strike "3" and insert "2".
Page 581, line 37, strike "4" and insert "3".
Page 581, after line 52, insert:
"E. The Director, Department of Planning and Budget may transfer balances from the Department of General Services "Construct Addition to Current State Records Center Building & Repurpose Workspace in Facility" project 194-18515 to the Department of General Services "Replace Central State Hospital" project 194-18438."

Explanation:

(This amendment removes a transfer appropriation between capital projects as a companion amendment transfers the capital appropriation in Item C-29 and directs a balance transfer among projects managed by the Department of General Services.)

Item C-38 #1c

Central Appropriations

9(D) Revenue Bonds Language

Language:

Page 582, line 10, strike "$123,596,678" and insert "$112,440,000".
Page 582, strike lines 20 through 25.
Page 582, line 36, strike "$123,596,678" and insert "$112,440,000".

Explanation:

(This amendment updates the 9(d) Revenue Bond table for changes made to project authorizations as reflected in corresponding amendments.)

Item C-39 #1c

Independent Agencies **FY26-27** **FY27-28**

State Corporation Commission	$0	$94,000,000	NGF

Language:

Page 583, line 8, strike "$0" and insert "$94,000,000".
Page 583, strike lines 9 through 13, and insert:
"A. Notwithstanding any provision of law to the contrary, the State Corporation Commission (SCC) may allocate its nongeneral fund balances to fund its capital project as initiated in Item C-79, Chapter 552, 2021 Acts of Assembly, Special Session I. Commonwealth bond financing shall not be authorized to fund any of the project's capital costs. The amounts provided in this Item are in addition to the SCC nongeneral fund appropriation in Chapter 522, 2021 Acts of Assembly, Special Session I. The scope of the project includes the renovation of the Tyler Building and leasing swing space for the SCC during the renovation.
B. The SCC shall not increase operational funding rates for any of its regulatory divisions nor the Health Benefit Exchange to generate fund balances for the purposes of this appropriation."

Explanation:

(This amendment provides $94.0 million the second year in nongeneral fund appropriation for the State Corporation Commission to renovate the Tyler Building. This would increase the authorized nongeneral fund appropriation for the project to $115.6 million.)

Item 3-1.01 #1c

Transfers

Interfund Transfers	Language

Language:

Page 588, strike lines 46 through 51 and insert:
"U.1. Notwithstanding the provisions of §§ 2.2-1150 or 2.2-1156, Code of Virginia or any other provisions of law, the Department of Corrections is authorized to sell the parcel of land consisting of 54.33 acres, more or less, bearing Brunswick County Tax Map No. 53-1B, where the Department of Corrections formerly operated the Brunswick Correctional Center, to Brunswick County for $200,000. The sale price of this property, as directed by this item, shall not be factored into any subsequent valuation of the property. This conveyance shall be made by a quitclaim deed and in a form approved by the Attorney General. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury."
Page 590, after line 12, insert:
"LL. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, or any other provisions of law, proceeds from the sale of state property bearing the Augusta Correctional Center in Craigsville shall, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the

state treasury.

MM. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, the Department of General Services shall sell the James Monroe Building and, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury.

NN. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, or any other provisions of law, proceeds from the sale of state property at the corner of 7th and Main Streets in the City of Richmond shall, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, be deposited into the general fund as directed in Item C-3.50, Chapter 725, 2025 Acts of Assembly.

OO. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, the Department of General Services (DGS) shall sell the Department of Forensic (DFS) Laboratory at 700 North 5th Street, Richmond, VA 23219. DGS shall sell the building once DFS notifies DGS that it no longer has an operational need for the facility after occupying the new central laboratory facility in Hanover. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury."

Explanation:

(This language amendment clarifies authorizations regarding the sale or transfer of surplus state property.)

Item 3-1.01 #2c

Transfers

Interfund Transfers — Language

Language:

Page 590, after line 12, insert:

"LL. Notwithstanding § 22.1-349.2 of the Code of Virginia, on or before June 30, the State Comptroller shall transfer an estimated $10,670,000 the first year to the general fund from the College Partnership Laboratory School Fund (09063). The Comptroller shall transfer any additional interest accrued to the Fund in the first year."

Explanation:

(This amendment reverts $10.7 million the second year from unobligated College Partnership Laboratory School Fund balances to the general fund.)

Item 3-1.01 #3c

Transfers

Interfund Transfers Language

Language:

Page 587, after line 52, insert:
"3. Any transfer pursuant to subparagragh 1. or 2.a. to the general fund shall be reserved by the Comptroller in the Committed Fund Balance of the general fund at year end."

Explanation:

(This amendment directs that any withdrawal from the Revenue Stabilization Fund and Revenue Reserve Fund to the general fund at year end must be assigned by the Comptroller and be considered a portion of the committed fund balance of the general fund.)

Item 3-1.01 #4c

Transfers

Interfund Transfers Language

Language:

Page 590, after line 12, insert:
"LL. Notwithstanding any other provision of law, on or before June 30, 2027, $10,000,000 from the unobligated balances of fund 09035 shall be transferred to the general fund."

Explanation:

(This amendment directs the transfer of $10.0 million in unobligated balances from the SRO Incentive Grant Fund on or before June 30, 2027.)

Item 3-1.01 #5c

Transfers

Interfund Transfers Language

Language:

Page 589, line 49, strike each instance of "$31,000,000" and insert "$34,545,715".

Explanation:

(This amendment increases the estimated transfer to the general fund from the State Racing Operations Fund by $3.5 million each year.)

Item 3-1.01 #6c

Transfers

Interfund Transfers Language

Language:

Page 590, after line 12, insert:
"LL. On or before July 15, 2026, the State Comptroller shall transfer to the general fund $5,000,000 from fund 09074 contained in the State Council of Higher Education for Virginia's Higher Education Academic, Fiscal, and Facility Planning and Coordination Program (11100)."

Explanation:

(This amendment transfers nongeneral fund balances to the general fund.)

Item 3-1.01 #7c

Transfers

Interfund Transfers Language

Language:

Page 589, line 38, after "estimated at" strike "$500,000" and insert "$4,616,585".

Explanation:

(This amendment reflects a transfer to the general fund of excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund.)

Item 3-1.01 #8c

Transfers

Interfund Transfers Language

Language:

Page 590, after line 12, insert:
"LL. The Comptroller shall establish a Cannabis Control Authority Enterprise Fund in accordance with the provisions of Item 4-14 of this Act. Transfers of net profits from the Cannabis Control Authority Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall be estimated and made in the month of June. In the event actual net profits are less than the estimate transferred in June, the difference shall be deducted from the net profits of the next quarter and the resulting sum transferred to the general fund. Net

profits are estimated at $16,100,000 the second year.

Explanation:

(This amendment directs the transfer of net profit in accordance with Item 4-14 of this Act. Cannabis Control Authority net profits are estimated at $16.1 million in fiscal year 2028.)

Item 3-1.01 #9c

Transfers

Interfund Transfers Language

Language:

Page 590, after line 12, insert:
"LL. On or before June 30, the State Comptroller shall transfer an estimated $1,839,993 the first year to the general fund from the Property Analytics Firm Infrastructure Grant Fund (02014). The Comptroller shall transfer any additional interest accrued to the Fund in the first year."

Explanation:

(This amendment directs the transfer of unused balances and interest earnings from nongeneral funds to the general fund.)

Item 3-1.01 #10c

Transfers

Interfund Transfers Language

Language:

Page 590, after line 12, insert:
"LL. On or before July 15 the first year, the State Comptroller shall transfer an estimated $80,775,153 to the general fund from the Virginia Business Ready Sites Acquisition Fund (Fund 09124). The Comptroller shall transfer any additional interest accrued to the Fund in the first year."

Explanation:

(This amendment transfers an estimated $81.0 million to the general fund from the Virginia Business Ready Sites Acquisition Fund.)

Item 3-1.01 #11c

Transfers

Interfund Transfers Language

Language:

Page 588, line 15, strike "$12,598,252" and insert "$13,791,948".
Page 588, line 15, strike “12,184,600” and insert “$13,378,296”.

Explanation:

(This amendment increases the transfer from the general fund to the Game Protection Fund by each year to reflect the costs to the Department of Wildlife Resources of providing compensation increases included in the budget. A companion amendment to Item 373 makes a corresponding adjustment to the transfer from the Game Protection Fund to DWR.)

Item 3-1.01 #12c

Transfers

Interfund Transfers Language

Language:

Page 587, line 11, strike the first "$877,725,168" and insert "$887,725,168".
Page 587, line 14, strike "$877,725,168" and insert "$887,725,168".

Explanation:

(This amendment increases fiscal year 2027 Lottery Proceeds by $10.0 million for estimated fiscal year 2026 residual profits.)

Item 3-1.01 #13c

Transfers

Interfund Transfers Language

Language:

Page 590, after line 12, insert:
"LL. On or before June 30, the State Comptroller shall transfer an estimated $99,500,000 the first year to the general fund from the 2025 Income Tax Rebate Fund (09671). The Comptroller shall transfer any additional interest accrued to the Fund in the first year."

Explanation:

(This amendment directs the transfer of $99.5 million in unused balances and interest earnings from the 2025 Income Tax Rebate Fund to the general fund. Rebate issuance activity has concluded.)

Item 3-2.03 #1c

Working Capital Funds and Lines of Credit

Lines of Credit — Language

Language:

Page 591, strike line 43.

Explanation:

(This amendment removes a line of credit included in the introduced budget for the Department of Workforce Development and Advancement, which is unnecessary.)

Item 3-4.01 #1c

Auxiliary Enterprises and Sponsored Programs in Institutions of Higher Education

Auxiliary Enterprise Investment Yields — Language

Language:

Page 592, line 35, after "Accounts." insert "2."
Page 592, line 37, strike "2." and insert "3."

Explanation:

(This amendment makes technical clarification to auxiliary indirect cost recovery language.)

Item 3-4.01 #2c

Auxiliary Enterprises and Sponsored Programs in Institutions of Higher Education

Auxiliary Enterprise Investment Yields — Language

Language:

Page 592, after line 41, insert:
"C. Annually or as required, the Auditor of Public Accounts, or a legally authorized representative, shall perform attestation services over each higher education institution's Statement of Revenues and Expenses of Intercollegiate Athletics Programs to satisfy the financial reporting requirements of the National Collegiate Athletic Association (or comparable intercollegiate athletics governing body). The cost of such attestation services, estimated at a statewide total of $450,000 annually, shall be borne by the intercollegiate athletics program at each institution."

Explanation:

(This language amendment authorizes the Auditor of Public Accounts (APA) to bill higher education institutions for the cost of performing agreed-upon procedures engagements over intercollegiate athletics programs. This work performed by the APA has increased significantly in recent years due to changes in the procedures required by the NCAA.)

Item 3-5.03 #1c

Adjustments and Modifications to Tax Collections

Implementation of Chapter 3, Acts of Assembly of 2004, Special Session I — Language

Language:

Page 593, line 9, strike "620,506,775" and insert "627,900,000".
Page 593, line 9, strike "636,416,421" and insert "644,000,000".

Explanation:

(This amendment increases the K-12 sales tax transfer to the general fund by $7.4 million in FY 2027 and $7.6 million in FY 2028 from the sales and use tax reforecast and estimated increase from retail cannabis sales.)

Item 3-5.14 #1c

Adjustments and Modifications to Tax Collections

Provider Payment Rate Assessment — Language

Language:

Page 597, line 15, after "any", insert "rural".
Page 597, line 15, after "operational in the", insert "rural".
Page 597, line 16, after "2026." insert:
"For the purposes of this item, rural hospital is the same as defined by the Centers for Medicare and Medicaid Services."

Explanation:

(This amendment modifies the requirement that the Department of Medical Assistance Services not provide enhanced payments to any hospital that does not currently operate a labor and delivery unit that was operational in the hospital on January 1, 2026. This amendment limits the requirement to rural hospitals.)

Item 3-5.24 #1c

Adjustments and Modifications to Tax Collections	**FY26-27**	**FY27-28**
Data Center Electricity Consumption Tax		

Language:

Page 599, after line 8, insert:

"§3-5.24 DATA CENTER ELECTRICITY CONSUMPTION TAX

3-5.24 Data Center Electricity Consumption Tax	$0	$0

"A.1 Beginning on and after July 1, 2026, but before July 1, 2028, there is hereby levied and imposed upon every data center operator, in addition to all other taxes and fees of every kind now imposed by law, an electricity consumption tax at the rate of $0.011/kWh of all electricity consumed at each data center per month.

2. For the purposes of this Item:

"Data center" means a facility whose primary services are to centralize the storage, management, and processing of digital data and is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii) systems for monitoring and managing infrastructure performance; (iii) equipment used for the transformation, transmission, distribution, or management of at least one megawatt of capacity of electrical power and cooling, including substations, uninterruptible power supply systems, all electrical plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security systems and services. “Data center” does not include a facility whose primary function is to facilitate the provision of internet access service, a communication service as defined in § 58.1-647, or any combination thereof.

“Data center operator” means any person who (i) owns, operates, or occupies a data center in the Commonwealth, or (ii) owns or operates a data center in the Commonwealth that utilizes self-supplied electricity generation. Where multiple persons qualify as data center operators with respect to a single data center, the person responsible for payment of the electric utility account for the applicable service point shall be liable for the tax imposed under this Item with respect to electricity delivered through that account, and the person responsible for the self-supplied generation shall be liable for the tax imposed under this Item with respect to self-supplied electricity.

“Electricity consumption tax” means the amount that each data center operator shall pay for each kWh used pursuant to this Item, regardless of whether the electricity is provided through an incumbent electric utility, an incumbent electric cooperative, a competitive service provider, or is self-supplied. For electricity that is self-supplied, the data center operator shall report its

usage quarterly to the Department of Environmental Quality, who shall verify such usage with the State Corporation Commission.

"Self-supplied" means electricity that is (i)(a) generated at a data center, (b) for use at such data center, and (c) not provided through an incumbent electric utility, an incumbent electric cooperative, or a competitive service provider or (ii)(a) otherwise generated for use at a data center and (b) capable of lawful delivery to such data center without an incumbent electric utility, an incumbent electric cooperative, or a competitive service provider.

B. The tax imposed by this Item shall be collected monthly by the State Corporation Commission. All provisions of Chapter 29 of Title 58.1 of the Code of Virginia (§58.1-2900 et seq.), including those governing assessment, collection, audit, interest, penalties, and appeal, shall apply mutatis mutandis to the tax imposed under this Item, except that the Commission may issue such additional rules and guidelines that it finds necessary to administer this Item. For self-supplied electricity, the data center operator shall remit the tax imposed under subsection A on such self-supplied electricity directly to the State Corporation Commission on a monthly return, in the form and manner prescribed by the Commission, due on or before the last day of the month following the month in which the electricity was consumed.

C. During any fiscal year, no more than $600,000,000 of the revenues from the tax imposed under this Item shall be deposited to the general fund. Any revenues from the tax imposed under this Item in excess of $600,000,000, less any costs incurred by the State Corporation Commission to administer the tax under this Item, shall be deposited to a special, nonreverting fund where (i) any moneys remaining in such fund at the end of each fiscal year shall not revert to the general fund and shall remain in the fund and (ii) interest earned on moneys in such fund shall accrue to the general fund. Moneys in the fund shall be used solely for the purpose of providing the refunds authorized in subsection D below. The fund shall be administered by the State Corporation Commission.

D. In every fiscal year beginning on and after July 1, 2027, the State Corporation Commission shall allocate and distribute refunds from any excess revenue collections deposited to the fund, established in subsection C, in the prior fiscal year. The refund amount for each data center operator paying the tax under this Item shall be determined by the data center operator's pro rata share of tax collections in the fiscal year for which such refund is made. Any refund due to a data center operator from the tax remitted by an incumbent electric utility or electric cooperative or a competitive service provider shall be credited to the account of the data center operator by the incumbent electric utility or electric cooperative or a competitive service provider. Any refund due to a data center operator with respect to self-supplied electricity shall be paid directly to the data center operator by the State Corporation Commission. In no case shall any interest be paid on any refund due pursuant to this subsection by the Commonwealth, any incumbent electric utility or electric cooperative, or a competitive service provider.

E. The State Corporation Commission shall issue guidelines to effectuate the provisions of this Item 60 days after the passage of this act. Notwithstanding section B of this Item, (i) the first collection of the tax imposed under this Item shall occur in September of 2026, and (ii) the payment due for such first collection, shall include all taxes owed for the period beginning on and after July 1, 2026, through September 1, 2026. Collections shall be made pursuant to section B of this Item after such first collection."

Explanation:

(This amendment establishes a data center electricity consumption tax at the rate of $0.011/kWh of all electricity consumed at each data center per month. The consumption tax is estimated to generate $600.0 million GF each year during the biennium.)

Item 4-1.05 #1c

Appropriations

Reversion of Appropriations and Reappropriations — Language

Language:

Page 606, line 9, after "Committees.", insert:
"In the final report, the Governor shall include an explanation for the reappropriated amounts in each state agency and a description of how the agency plans to expend any reappropriated amounts."

Explanation:

(This amendment directs the Governor to include an explanation for any reappropriated amounts in each state agency to include a description of how the agency plans to expend any reappropriated amounts.)

Item 4-2.01 #1c

Revenues

Nongeneral Fund Revenues — Language

Language:

Page 609, after line 12, insert:
"11. a) For institutions complying with paragraph B of § 23.1-1309 Code of Virginia, the annual report for the preceding fiscal year shall also be submitted to the Intercollegiate Athletics Review Commission, Governor, Senate Finance and Appropriations Committee, and House Appropriations Committee by July 1.
b) For institutions complying with paragraph C of § 23.1-1309 Code of Virginia, general fund appropriations or revenues from tuition and E&G fees shall not be used to fund intercollegiate athletics.
c) The Joint Legislative Audit and Review Commission shall study the provisions of § 23.1-1309 for the purpose of determining whether the provisions of this Act should be amended permanently. In conducting the study, the Joint Legislative Audit and Review Commission shall: (i) consult with representatives of the governing boards of baccalaureate public institutions of higher education in the Commonwealth, representatives of intercollegiate

athletics programs in the Commonwealth, and such other interested stakeholders deemed appropriate; (ii) evaluate approaches taken by other states to create sustainable funding models for intercollegiate athletics; iii) assess the local, regional, and statewide economic impact of college athletics; (iv) consider the impact of the provisions of § 23.1-1309 on intercollegiate athletics in the Commonwealth in light of evolving trends in intercollegiate athletics; and (v) assess the impact of federal regulatory or legislative proposals on college athletics in the Commonwealth. The Joint Legislative Audit and Review Commission shall submit a final report to the Intercollegiate Athletics Review Commission, Senate Finance and Appropriations Committee, the House Appropriations Committee by November 1, 2028."

Explanation:

(This language only amendment makes changes to § 23.1-1309, Code of Virginia, which governs intercollegiate athletics programs, and it directs a study by the Joint Legislative Audit and Review Commission to determine whether the Code provisions should be amended permanently. The language further outlines the parameters of the study.)

Item 4-2.01 #2c

Revenues

Nongeneral Fund Revenues — Language

Language:

Page 607, line 23, after "Security." insert:
"Notwithstanding any other provisions of law, funds and gifts from private sources received by the Virginia War Memorial Foundation shall neither be taken into consideration in nor used to reduce state appropriations or payments to the Virginia War Memorial and shall be used in accordance with the wishes of the donors of such funds to strengthen the services provided by the Virginia War Memorial."
Page 607, line 23, after "Security." strike remainder of line.
Page 607, strike lines 24 through 25.

Explanation:

(This amendment revises existing language to reflect current practice regarding the Virginia War Memorial Foundation's support for the Virginia War Memorial.)

Item 4-3.03 #1c

Deficit Authorization and Treasury Loans

Long-term Leases — Language

Language:

Page 614, strike lines 8 through 36 and insert:
"1. As part of their capital budget submission, all agencies and institutions of the Commonwealth proposing building projects or acquisition of property through a lease or financed purchase that may qualify as a capital project based on a lease agreement, as defined in the guidance below, and that may be supported in whole, or in part, from appropriations provided for in this Act, shall submit proposals to the Department of Planning and Budget through the capital budget request process.

2. A capital project based on a lease agreement is defined as meeting at least one of the following criteria:
a.) The lease transfers ownership of the property to the lessee by the end of the lease term or contains a purchase option.

b.) The lease arrangement is used to support the construction of a new facility.

3. The proposals shall be submitted in such form as the capital budget request instructions may prescribe. The State Treasurer shall be responsible for incorporating existing and authorized applicable lease agreements into the annual Debt Capacity Advisory Committee reports.

4. All lease agreements required to be treated as a capital budget request must be authorized in an Appropriation Act or other legislation except as otherwise provided in this section.

b. APPROVAL OF FINANCINGS:
1. For any project financed through the issuance of securities, the Treasury Board shall approve the terms and structure of such financing pursuant to § 2.2-2416, Code of Virginia.

2. For any project where the lease transfers ownership of the property to the lessee by the end of the lease or the lease is used to support the construction of a new facility, and for which costs will exceed $5,000,000 and which is financed through a lease or financed purchase transaction, the Treasury Board shall approve the financing terms and structure of such lease or financed purchase in addition to such other reviews and approvals as may be required by law. The State Treasurer shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Finance, and the Director, Department of Planning and Budget, of any such action within five business days.

c. REPORTS:
Not later than December 20 of each year, the Secretary of Finance and the Secretary of Administration shall jointly be responsible for providing the Chairs of the House Appropriations and Senate Finance and Appropriations Committees with recommendations involving proposed lease agreements subject to § 4-3.03 a.

d. This section shall not apply to leases or financed purchases that are funded entirely with nongeneral fund revenues and are entered into by public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act. Furthermore, the Department of General Services is authorized to enter into leases for executive branch agencies

provided that the resulting lease or financed purchase is funded entirely with nongeneral funds, is approved based on the requirements of § 4-3.03 b.1 and 2 above, and would not be considered tax supported debt of the Commonwealth.

e.1. The Governor may authorize proposed building projects or acquisition of property through a financed purchase that may qualify as a capital project based on a lease agreement as defined in § 4-3.03 a.2. above that are not authorized in an Appropriation Act or other legislation and support a program approved by the General Assembly through appropriations, under one or more of the following conditions: (i) the nongeneral fund share of the lease obligations does not exceed the agency's expected available nongeneral fund revenues; (ii) the general fund share of the annual lease obligations does not result in the agency exceeding its current available annual general fund appropriation.

2.The Secretary of Finance shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days of the Governor's authorization pursuant to this subsection."

Explanation:

(This language amendment updates provisions pertaining to the authorization of leases that require additional approvals.)

Item 4-4.02 #1c

Capital Projects

Planning and Budgeting — Language

Language:

Page 620, line 24, after "institutions." insert "To support the maintenance and deferred maintenance of the Commonwealth's existing facilities, the Budget Bill submitted pursuant to § 2.2-1509 shall provide at least $200,000,000 from the general fund each year for maintenance reserve projects at state agencies and institutions."

Explanation:

(This amendment establishes a policy in the introduced budget bill that at least $200.0 million each year from the general fund is appropriated for maintenance reserve.)

Item 4-5.01 #1c

Special Conditions and Restrictions on Expenditures

Transactions with Individuals — Language

Language:

Page 621, after line 41, insert:
"m) 1) Notwithstanding any other provision of law to the contrary or § 23.1-601 A.6., grants provided pursuant § 23.1-601, Code of Virginia, shall cover tuition and mandatory education and general fees, except those fees established for the purpose of paying for course materials such as laboratory fees, and, if the student is enrolled on-campus into a baccalaureate public institution of higher education, on-campus housing and a standard meal plan.

2) The eligible student must be a Virginia student, who at the time of admission is aged 27 years or less, and who graduated from high school in Virginia or has passed a high school equivalency examination approved by the Virginia Board of Education and has received a high school diploma or has passed a high school equivalency examination approved by the Virginia Board of Education and, at any time after he turned 14, was in foster care in the Commonwealth or in the custody of the Department of Social Services. Such grants must consist of one or a combination of grants, scholarships, and / or waivers from any source, but the award cannot be reduced by loans, work-study or student aid index."

Explanation:

(This amendment clarifies eligibility and process for grants provided under § 23.1-601, Code of Virginia.)

Item 4-5.02 #1c

Special Conditions and Restrictions on Expenditures

Third Party Transactions — Language

Language:

Page 628, after line 31, insert:
"n. LOANS: No state agency shall make loans to non-state entities from general or nongeneral fund sources appropriated to the agency unless the authority to issue such loans is included in state statute, a general appropriation act, or is otherwise explicitly approved by the Governor with notice given within 10 days to Chairs of the House Appropriations and Senate Finance and Appropriations Committees."

Explanation:

(This amendment clarifies approval authorities needed for state agencies to make loans to non-state entities.)

Item 4-5.04 #1c

Special Conditions and Restrictions on Expenditures

Goods and Services Language

Language:

Page 628, line 26, after "federal law", insert "or state statute".

Explanation:

(This amendment restores language contained in Chapter 725, 2025 Acts of Assembly, which prohibits any funding in the budget from being used for abortion services unless otherwise required by federal or state law. The introduced budget eliminated the reference to state law.)

Item 4-5.08 #1c

Special Conditions and Restrictions on Expenditures

Disposition of Surplus Real Property Language

Language:

Page 630, line 8, strike "Chairmen" and insert "Chairs".
Page 630, line 10, after "property.", insert:
"If either Chair objects to the conveyance, the planned conveyance shall only occur if authorized in an appropriation act."
Page 630, after line 21, insert:
"d. Notwithstanding § 2.2-1150, Code of Virginia, the Governor shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees in writing at least thirty days before any planned conveyance of property under subsections A.1. and A.2. in § 2.2-1150, Code of Virginia. If either Chair objects to such conveyance, the conveyance shall only occur if authorized in an appropriation act."

Explanation:

(This amendment clarifies property transfers among agencies, departments, and institutions and conveyances of property under § 2.2-1150, Code of Virginia.)

Item 4-7.01 #1c

Statewide Plans

Manpower Control Program Language

Language:

Page 643, after line 52, insert:
"h. As part of the annual budget process, executive branch agencies shall provide an accounting of how turnover and vacancy savings were used in the prior fiscal year and a plan for use of any projected turnover and vacancy savings in the budget under consideration. The Department of

Planning and Budget shall collect this information, and shall include it as part of the requirements in § 2.2-1508, Code of Virginia."

Explanation:

(This amendment directs the Department of Planning and Budget to collect information on turnover and vacancy savings of executive branch agencies and report on it through the normal budget process.)

Item 4-8.03 #1c

Reporting Requirements

Local Governments — Language

Language:

Page 646, strike lines 44 through 52.
Page 647, strike lines 1 through 57.
Page 648, strike lines 1 through 7.

Explanation:

(This language amendment removes section § 4-8.03 to reflect the passage of Chapter 426, 2024 Acts of Assembly, which codifies the provisions set-out in this section.)

Item 4-14 #1c

Effective Date

Effective Date — Language

Language:

Page 657, strike lines 9 through 52, and insert:

"3. That §§ 58.1-322.03 and 58.1-339.8 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-322.03 Virginia taxable income; deductions.

In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia adjusted gross income as defined in § 58.1-321:

1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction

and deducted on such federal return and increased by an amount that, when added to the amount deducted under § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per mile; or

b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, ~~2027~~*2030*, $3,000 for single individuals and $6,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019, but before January 1, 2022, $4,500 for single individuals and $9,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (iii) for taxable years beginning on and after January 1, 2022, but before January 1, 2024, $8,000 for single individuals and $16,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (iv) for taxable years beginning on and after January 1, 2024, but before January 1, 2025, $8,500 for single individuals and $17,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); ~~and~~ (v) for taxable years beginning on and after January 1, 2025, but before January 1, 2027, $8,750 for single individuals and $17,500 for married persons (one-half of such amounts in the case of a married individual filing a separate return); *(vi) for taxable years beginning on and after January 1, 2027, but before January 1, 2028, $9,200 for single individuals and $18,400 for married persons (one-half of such amounts in the case of a married individual filing a separate return); and (vi) for taxable years beginning on and after January 1, 2028, but before January 1, 2030, $9,300 for single individuals and $18,600 for married persons (one-half of such amounts in the case of a married individual filing a separate return).* For purposes of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year may compute the deduction only with respect to earned income.

2. a. A deduction in the amount of $930 for each personal exemption allowable to the taxpayer for federal income tax purposes.

b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be entitled to an additional personal exemption in the amount of $800. The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income tax purposes.

3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services necessary for gainful employment.

4. An additional $1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the child as a personal exemption under § 151 of the Internal Revenue Code.

5. a. A deduction in the amount of $12,000 for individuals born on or before January 1, 1939.

b. A deduction in the amount of $12,000 for individuals born after January 1, 1939, who have

attained the age of 65. This deduction shall be reduced by $1 for every $1 that the taxpayer's adjusted federal adjusted gross income exceeds $50,000 for single taxpayers or $75,000 for married taxpayers. For married taxpayers filing separately, the deduction shall be reduced by $1 for every $1 that the total combined adjusted federal adjusted gross income of both spouses exceeds $75,000.

For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted gross income minus any benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal income tax return.

7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed during the taxable year for a prepaid tuition contract or college savings trust account entered into with the Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in any taxable year shall be limited to $4,000 per prepaid tuition contract or college savings trust account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual contribution to a college savings trust account exceeds $4,000, the remainder may be carried forward and subtracted in future taxable years until the purchase price or college savings trust contribution has been fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in any taxable year exceed $4,000 per contract or college savings trust account. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other than (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the records of the Commonwealth Savers Plan as of December 31 of the taxable year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not limited to, carryover and recapture of deductions.

b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed $4,000 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be allowed a deduction for the full amount paid for the contract or contributed to a college savings trust account, less any amounts previously deducted.

8. The total amount an individual actually contributed in funds to the Virginia Public School Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of

Title 22.1, provided that the individual has not claimed a deduction for such amount on his federal income tax return.

9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses that are required as a condition of employment; however, the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition costs on his federal income tax return.

10. The amount an individual pays annually in premiums for long-term health care insurance, provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the individual during the taxable year shall be allowed if the individual has claimed a federal income tax deduction for such taxable year for long-term health care insurance premiums paid by him.

11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

a. If the payment is received in installment payments, then the recognized gain may be subtracted in the taxable year immediately following the year in which the installment payment is received.

b. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.), not to exceed $500 in each taxable year, in purchasing for his own use the following items of tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual fuel-utilization rating of

85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

13. The lesser of $5,000 or the amount actually paid by a living donor of an organ or other living tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12 months of such donation, provided that the donor has not taken a medical deduction in accordance with the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or older with earned income of at least $20,000 for the year and federal adjusted gross income not in excess of $30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to this chapter.

15. Business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code:

a. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent of such disallowed business interest;

b. For taxable years beginning on and after January 1, 2022, but before January 1, 2024, 30 percent of such disallowed business interest;

c. For taxable years beginning on and after January ~~2~~ *1*, 2024, *but before January 1, 2025*, 50 percent of such disallowed business interest; *and*

d. For taxable years beginning on and after January 1, 2025, 20 percent of such disallowed business interest.

For purposes of subdivision 15, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code.

17. For taxable years beginning before January 1, 2021, up to $100,000 of the amount that is not deductible when computing federal adjusted gross income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, *and for taxable years beginning on and after January 1, 2026*, the lesser of $500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or student aide serving accredited public or private primary and secondary school students in Virginia, and "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator during the taxable year for participation in professional development courses and the purchase of books, supplies, computer equipment (including related software and services), other educational and teaching equipment, and supplementary materials used directly in that individual's service to students as an eligible educator, provided that such purchases were neither reimbursed nor claimed as a deduction on the eligible educator's federal income tax return for such taxable year.

19. For taxable years beginning on and after January 1, 2026, the amount paid or cost incurred for installing a qualifying upgrade required to interconnect a triggering project. No deduction shall be allowed under this section for a taxpayer who has claimed a deduction under subsection I of § 58.1-402 for the same amount paid or cost incurred to install such qualifying upgrade. For purposes of this subdivision, "qualifying upgrade" and "triggering project" have the same meanings as provided for those terms in § 56-596.5.

§ 58.1-339.8. Income tax credit for low-income taxpayers.

A. For purposes of this section:

"Family Virginia adjusted gross income" means the combined Virginia adjusted gross income of an individual, the individual's spouse, and any person claimed as a dependent on the individual's or his spouse's income tax return for the taxable year.

"Household" means an individual, or in the case of married individuals, an individual and his spouse, regardless of whether or not the individual and his spouse file combined or separate Virginia individual income tax returns.

"Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of § 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"Virginia adjusted gross income" has the same meaning as the term is defined in § 58.1-321.

B. 1. For taxable years beginning on and after January 1, 2000, any individual or married individuals filing jointly whose family Virginia adjusted gross income does not exceed 100 percent of the poverty guideline amount corresponding to a household of an equal number of

persons as listed in the poverty guidelines published during such taxable year, shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 in an amount equal to $300 each for the individual, the individual's spouse, and any person claimed as a dependent on the individual's or married individuals' income tax return for the taxable year. For any taxable year in which married individuals file separate Virginia income tax returns, the credit provided under this section shall be allowed against the tax for only one of such two tax returns. Additionally, the credit provided under this section shall not be allowed against such tax of a dependent of the individual or of married individuals.

2. For taxable years beginning on and after January 1, 2006, any individual or married individuals filing jointly, eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision 1, claim a nonrefundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 20 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year. In no case shall a household be allowed a credit pursuant to this subdivision and subdivision 1 or 3 for the same taxable year.

3. a. For taxable years beginning on and after January 1, 2022, but before January 1, 2025 any individual or married individuals filing jointly, eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision 1 or 2, claim a refundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 15 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year.

b. For taxable years beginning on and after January 1, 2025 but before January 1, ~~2027~~ *2030*, any individual or married individuals filing jointly may, for the taxable year, in lieu of the credit authorized under subdivision 1 or 2, claim a refundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 20 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year.

c. The refundable credit claimed pursuant to this subdivision 3 shall be claimed on the Virginia income tax return and redeemed by the Tax Commissioner. In no case shall a household be allowed a credit pursuant to this subdivision 3 and subdivision 1 or 2 for the same taxable year.

C. The amount of the credit claimed pursuant to subdivision B 1 and B 2, or in the case of a nonresident or a person to which § 58.1-303 applies, subdivision B 3, for any taxable year shall not exceed the individual's or married individuals' Virginia income tax liability.

D. Notwithstanding any other provision of this section, no credit shall be allowed pursuant to subsection B in any taxable year in which the individual, the individual's spouse, or both, or any person claimed as a dependent on such individual's or married individuals' income tax return, claims one or any combination of the following on his or their income tax return for such taxable year:

1. The subtraction under subdivision 8 of § 58.1-322.02;

2. The subtraction under subdivision 15 of § 58.1-322.02;

3. The subtraction under subdivision 16 of § 58.1-322.02;

4. The deduction for the additional personal exemption for blind or aged taxpayers under subdivision 2 b of § 58.1-322.03; or

5. The deduction under subdivision 5 of § 58.1-322.03."

Page 658, strike lines 1 through 56.

Page 659, strike lines 1 through 54.

Page 660, strike lines 1 through 52.

Page 661, strike lines 1 through 50.

Page 662 strike lines 1 through 55.

Page 663, strike lines 1 through 56.

Page 664, strike lines 1 through 56.

Page 665, strike lines 1 through 51.

Page 666, strike lines 1 through 50.

Page 667, strike lines 1 through 51.

Page 668, strike lines 1 through 29.

Page 668, line 31, strike "third, and fourth" and insert "and third".

Explanation:

(This amendment increases the state standard deduction from $8,750 for single filers and $17,500 for married filers to $9,200 and $18,400 beginning in taxable year 2027 and $9,300 and $18,600 through 2029. Language extends the sunset for the refundable portion of the state earned income tax credit and includes previously adopted conformity language from Chapter 7, 2026 Session.)

Item 4-14 #2c

Effective Date

Effective Date Language

Language:

Page 653 strike lines 32 through 47.

Page 654 strike lines 1 through 52.
Page 655 strike lines 1 through 55.
Page 656, strike lines 1 through 53.

Page 657, strike lines 1 through 8, and insert:
"2. That §§ 33.2-3404, 33.2-1526.1, 58.1-602, 58.1-605, 58.1-605.1, and 58.1-606.1 of the Code of Virginia are amended and reenacted as follows:
§ 33.2-3404. Local transportation support for WMATA.
A. Each county or city that (i) is located in a transportation district that as of January 1, 2018, meets the criteria established in § 33.2-1936 and (ii) has financial obligations to a transit system that operates a rapid heavy rail mass transit system operating on an exclusive right-of-way that is funded and controlled in part by such transportation district shall annually pay to the Fund an amount as determined by subsection B.
B. The amount to be paid by each local government pursuant to subsection A shall be determined by multiplying $27.12 million *plus the amount determined in subsection C* by a fraction the numerator of which shall be such local government's share of capital funding for WMATA and the denominator of which shall be the total share of capital funding for WMATA for all local governments in the Commonwealth.
C. In fiscal year 2029, such amount shall equal $136 million. For each fiscal year after 2029, such amount shall be equal to 103 percent of the amount required in the preceding fiscal year. However, the amount required by this subdivision, if necessary, shall be adjusted to ensure the amount is proportional to the contributions made by the District of Columbia and Maryland based on the WMATA capital formula to WMATA for capital purposes.
~~C.~~*D.* A locality subject to subsection A shall pay the amount determined by subsection B *from revenues available pursuant to § 58.1-605.1, subsection B of § 33.2-2510, or other revenues available from taxes levied by such jurisdiction* ~~by transferring a portion of the revenues received pursuant to subsection B of § 33.2-2510 to the Fund. However, in any fiscal year in which a locality subject to subsection A has adopted a budget and a corresponding resolution to provide the amount of funds determined pursuant to subsection B from a source other than the revenues received pursuant to subsection B of § 33.2-2510, such locality may provide the funds for that fiscal year from such other source, and shall not be required to transfer funds received pursuant to subdivision B of § 33.2-2510~~.

§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.
A. All funds deposited pursuant to § 33.2-1524.1 into the Commonwealth Mass Transit Fund (the Fund), established pursuant to § 33.2-1526, shall be allocated as set forth in this section.
B. From funds available pursuant to subsection D, up to $50 million shall be allocated to the Washington Metropolitan Area Transit Authority as matching funds to federal and other funds provided by the Federal Transit Administration, the District of Columbia, and the State of Maryland. However, such funds shall only be provided if the District of Columbia and the State of Maryland each provide an amount equal to one-third of the funding provided by the Federal Transit Administration to the Washington Metropolitan Area Transit Authority. The funds

provided by the Commonwealth shall not exceed the funds provided by the District of Columbia or the State of Maryland.

C. The Board may establish policies for the implementation of this section, including the determination of the state share of operating, capital, and administrative costs related to mass transit. For purposes of this section, capital costs may include debt service payments on local or agency transit bonds. Funds may be paid to any local governing body, transportation district commission, or public service corporation for the purposes as set forth in this section. No funds from the Fund shall be allocated without a local match from the recipient.

D. Each year the Director of the Department of Rail and Public Transportation shall make recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the final allocations approved by the Board, shall adhere to the following, except as provided in subsection E:

1. Twenty-four and one-half percent of the funds shall be allocated to support operating costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation. The Washington Metropolitan Area Transit Authority (WMATA) and the commuter rail system jointly operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC), established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be eligible for an allocation of funds pursuant to this subdivision.

2. Seventeen percent of the funds shall be allocated for capital purposes and distributed utilizing the transit capital prioritization process established by the Board pursuant to § 33.2-214.4. WMATA and the commuter rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be eligible for an allocation of funds pursuant to this subdivision.

3. Three and one-half percent of funds may be allocated to NVTC for distribution to the commuter rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), for operating and capital purposes. The amount of funds distributed pursuant to this subdivision and the selection of systems receiving funds pursuant to this subdivision shall be based on service delivery factors including effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and shall be finalized six months prior to the fiscal year of implementation. Any funds remaining after such distribution shall be redistributed to subdivision 2.

4. Forty-six and one-half percent of the funds shall be allocated to the NVTC for distribution to WMATA for capital purposes and operating assistance, as determined by the Commission. All allocations pursuant to this subdivision shall not exceed 50 percent of the total operating and capital assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget. If the default allocation pursuant to this subdivision exceeds an amount equal 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, the remaining funds shall be redistributed to subdivision 2. No contributions made to WMATA pursuant to § 33.2-3401 by the Commonwealth or NVTC shall be relevant for the purposes of administering this

subdivision.
5. Six percent of the funds shall be allocated by the Board for the Transit Ridership Incentive Program established pursuant to § 33.2-1526.3.
6. Two and one-half percent of the funds shall be allocated for special programs, including ridesharing, transportation demand management programs, experimental transit, public transportation promotion, operation studies, and technical assistance, and may be allocated to any local governing body, planning district commission, transportation district commission, or public transit corporation. Remaining funds may also be used directly by the Department of Rail and Public Transportation to (i) finance a program administered by the Department of Rail and Public Transportation designed to promote the use of public transportation and ridesharing throughout the Commonwealth or (ii) finance up to 80 percent of the cost of development and implementation of projects with a purpose of enhancing the provision and use of public transportation services.
E. The Board may consider the transfer of funds from subdivisions D 2 and 6 to subdivision D 1 in times of statewide economic distress or statewide special need.
F. The Department of Rail and Public Transportation may reserve a balance of up to five percent of the Fund revenues in order to ensure stability in providing operating and capital funding to transit entities from year to year, provided that such balance shall not exceed five percent of revenues in a given biennium.
G. The Board may allocate up to 3.5 percent of the funds set aside for the Fund to support costs of project development, project administration, and project compliance incurred by the Department of Rail and Public Transportation in implementing rail, public transportation, and congestion management grants and programs.
H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant to subdivision D 4 shall be credited to the Counties of Arlington, Fairfax, and Loudoun and the Cities of Alexandria, Fairfax, and Falls Church. Funds allocated pursuant to this subsection shall be credited as follows:
1. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC, which shall use 95 percent state aid for these payments.
2. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Local transit subsidies and local capital costs of Loudoun County shall not be included. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.
I. Appropriations from the Fund are intended to provide a stable and reliable source of revenue, as defined by P.L. 96-184.
J. Notwithstanding any other provision of law, funds allocated to WMATA may be disbursed by the Department of Rail and Public Transportation directly to WMATA or to any other transportation entity that has an agreement to provide funding to WMATA.
K. ~~In any year that the total Virginia operating assistance in the approved WMATA budget increases by more than three percent from the total operating assistance in the prior year's~~

~~approved WMATA budget, the~~ *The* Board shall withhold an amount equal to 35 percent of the funds available under subdivision D 4. *if:* ~~The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project approved by the WMATA Board before or after the effective date of this provision; (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity; and (iv) any service increases approved by the WMATA Board.~~

1. In fiscal year 2027, the WMATA Board of Directors does not adopt a policy to establish a methodology for determining the measurement of Metrorail and Metrobus annual unit cost growth using mode-specific operating costs and vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's National Transit Database;

2. In fiscal year 2028, WMATA does not publish the results of the annual unit cost growth calculation as described in the policy adopted pursuant to subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail and bus and percentage growth increase from the prior year; and

3. Starting in fiscal year 2029, and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service increases by more than three percent.

L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

M. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless *the following conditions have been met:* (i) WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has been held in a locality embraced by the Northern Virginia Transportation Commission (NVTC)~~,~~*;* ~~and~~ (ii) ~~WMATA has adopted or updated a strategic plan within the preceding 36 months, and at least one public hearing on such plan or updated plan has been held in a locality embraced by NVTC.~~ *WMATA, by June 30, 2027 and each fiscal year thereafter, has complied with its reporting commitments under the DMV Moves Plan, comprised of the most recent 20-year capital plan, to be updated every five years, including: (a) an analysis of potential capital investments that reduce operating costs; (b) funding or financial plans for major projects with capital costs greater than $300 million, adjusted with inflation; (c) an assessment of state of good repair needs; (d) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (d) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed; (e) an examination and identification of opportunities to share services where multiple transit*

providers' services overlap; and (f) an examination of opportunities to improve service in underserved areas; and (iii) WMATA has submitted an annual report to the Metropolitan Washington Council of Governments and the Northern Virginia Transportation Commission on system performance, detailing progress toward DMV Moves goals and objectives.

~~The strategic plan shall require (a) an assessment of state of good repair needs; (b) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (c) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed; (d) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved areas.~~

N. 1. For fiscal year 2029, the Board shall withhold 35 percent of the appropriation of funds available pursuant to subdivision D 4 if the Board of Directors of the Washington Metropolitan Area Transit Authority has not approved a rail signaling and automation workforce transition plan, developed in consultation with affected collective bargaining units, on or before July 1, 2028.

2. Starting July 1, 2028, if a rail or bus operator employed by the Washington Metropolitan Area Transit Authority is terminated due to a reduction in force caused by the automation of the rail system, the Board shall withhold 35 percent of the appropriation of funds available pursuant to subdivision D 4 in the subsequent fiscal year.

~~N~~*O*. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall include information on expenditures, indebtedness, pensions and other liabilities, and other information as prescribed by the Board. Additionally such funds shall be withheld if the Commonwealth's and Northern Virginia Transportation Commission's representatives to the WMATA Board of Directors and the WMATA General Manager fail to annually address the Commonwealth Transportation Board regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

~~O~~*P*. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 unless the commuter rail system jointly operated by Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), submits a detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the Board by February 1 of each year. The operating plan and budget shall include information on expenditures, indebtedness, and other information as prescribed by the Board.

§ 58.1-602. Definitions.

As used in this chapter, unless the context clearly shows otherwise:

"Accommodations" means any room or rooms, lodgings, or accommodations in any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients

for a consideration. "Accommodations" does not include rooms or space offered by a person in the business of providing conference rooms, meeting space, or event space if the person does not also offer rooms available for overnight sleeping.

"Accommodations fee" means the room charge less the discount room charge, if any, provided that the accommodations fee shall not be less than $0.

"Accommodations intermediary" means any person other than an accommodations provider that (i) facilitates the sale of an accommodation and (ii) either (a) charges a room charge to the customer, and charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale; (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider.

"Accommodations intermediary" does not include a person:

1. If the accommodations are provided by an accommodations provider operating under a trademark, trade name, or service mark belonging to such person;

2. Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodations provider to such person; or

3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of Title 54.1, when acting within the scope of such license.

"Accommodations provider" means any person that furnishes accommodations to the general public for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or possess.

"Advertising" means the planning, creating, or placing of advertising in newspapers, magazines, billboards, broadcasting and other media, including, without limitation, the providing of concept, writing, graphic design, mechanical art, photography and production supervision. Any person providing advertising as defined in this section shall be deemed to be the user or consumer of all tangible personal property purchased for use in such advertising. "Affiliate" means the same as such term is defined in § 58.1-439.18.

"Amplification, transmission, distribution, and network equipment" means production, distribution, and other equipment used to provide Internet-access services, such as computer and communications equipment and software used for storing, processing, and retrieving end-user subscribers' requests. A "network" includes modems, fiber optic cables, coaxial cables, radio equipment, routing equipment, switching equipment, a cable modem termination system, associated software, transmitters, power equipment, storage devices, servers, multiplexers, and antennas, which network is used to provide Internet service, regardless of whether the provider of such service is also a telephone common carrier or whether such network is also used to provide services other than Internet services.

"Business" includes any activity engaged in by any person, or caused to be engaged in by him,

with the object of gain, benefit or advantage, either directly or indirectly.

"Cost price" means the actual cost of an item or article of tangible personal property computed in the same manner as the sales price as defined in this section without any deductions therefrom on account of the cost of materials used, labor, or service costs, transportation charges, or any expenses whatsoever.

"Custom program" means a computer program that is specifically designed and developed only for one customer. The combining of two or more prewritten programs does not constitute a custom computer program. A prewritten program that is modified to any degree remains a prewritten program and does not become custom.

"Discount room charge" means the full amount charged by the accommodations provider to the accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.

"Distribution" means the transfer or delivery of tangible personal property for use, consumption, or storage by the distributee, and the use, consumption, or storage of tangible personal property by a person that has processed, manufactured, refined, or converted such property, but does not include the transfer or delivery of tangible personal property for resale or any use, consumption, or storage otherwise exempt under this chapter.

"Gross proceeds" means the charges made or voluntary contributions received for the lease or rental of tangible personal property or for furnishing services, computed with the same deductions, where applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use, but not less frequently than monthly. "Gross proceeds" does not include finance charges, carrying charges, service charges, or interest from credit extended on the lease or rental of tangible personal property under conditional lease or rental contracts or other conditional contracts providing for the deferred payments of the lease or rental price.

"Gross sales" means the sum total of all retail sales of tangible personal property or services as defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" does not include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the Internal Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the article, or the Virginia retail sales or use tax, or any sales or use tax imposed by any county or city under § 58.1-605 or 58.1-606.

"Import" and "imported" are words applicable to tangible personal property imported into the Commonwealth from other states as well as from foreign countries, and "export" and "exported" are words applicable to tangible personal property exported from the Commonwealth to other states as well as to foreign countries.

"In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth of Virginia and includes all territory within these limits owned by or ceded to the United States of America.

"Integrated process," when used in relation to semiconductor manufacturing, means a process that begins with the research or development of semiconductor products, equipment, or processes, includes the handling and storage of raw materials at a plant site, and continues to the point that the product is packaged for final sale and either shipped or conveyed to a warehouse. Without limiting the foregoing, any semiconductor equipment, fuel, power, energy, supplies, or other tangible personal property shall be deemed used as part of the integrated process if its use contributes, before, during, or after production, to higher product quality, production yields, or

process efficiencies. Except as otherwise provided by law, "integrated process" does not mean general maintenance or administration.

"Internet" means, collectively, the myriad of computer and telecommunications facilities, which comprise the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor to such protocol, to communicate information of all kinds by wire or radio.

"Internet service" means a service that enables users to access content, information, and other services offered over the Internet.

"Lease or rental" means the leasing or renting of tangible personal property and the possession or use thereof by the lessee or renter for a consideration, without transfer of the title to such property.

"Manufacturing, processing, refining, or conversion" includes the production line of the plant starting with the handling and storage of raw materials at the plant site and continuing through the last step of production where the product is finished or completed for sale and conveyed to a warehouse at the production site, and also includes equipment and supplies used for production line testing and quality control. "Manufacturing" also includes the necessary ancillary activities of newspaper and magazine printing when such activities are performed by the publisher of any newspaper or magazine for sale daily or regularly at average intervals not exceeding three months.

The determination of whether any manufacturing, mining, processing, refining or conversion activity is industrial in nature shall be made without regard to plant size, existence or size of finished product inventory, degree of mechanization, amount of capital investment, number of employees or other factors relating principally to the size of the business. Further, "industrial in nature" includes, but is not limited to, those businesses classified in codes 10 through 14 and 20 through 39 published in the Standard Industrial Classification Manual for 1972 and any supplements issued thereafter.

"Modular building" means, but is not limited to, single and multifamily houses, apartment units, commercial buildings, and permanent additions thereof, comprised of one or more sections that are intended to become real property, primarily constructed at a location other than the permanent site, built to comply with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the Virginia Department of Housing and Community Development, and shipped with most permanent components in place to the site of final assembly. For purposes of this chapter, "modular building" does not include a mobile office as defined in § 58.1-2401 or any manufactured building subject to and certified under the provisions of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5401 et seq.).

"Modular building manufacturer" means a person that owns or operates a manufacturing facility and is engaged in the fabrication, construction and assembling of building supplies and materials into modular buildings, as defined in this section, at a location other than at the site where the modular building will be assembled on the permanent foundation and may or may not be engaged in the process of affixing the modules to the foundation at the permanent site.

"Modular building retailer" means any person that purchases or acquires a modular building from a modular building manufacturer, or from another person, for subsequent sale to a

customer residing within or outside of the Commonwealth, with or without installation of the modular building to the foundation at the permanent site.

"Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of the Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all applicable motor vehicle sales and use taxes have been paid.

"Occasional sale" means a sale of tangible personal property not held or used by a seller in the course of an activity for which it is required to hold a certificate of registration, including the sale or exchange of all or substantially all the assets of any business and the reorganization or liquidation of any business, provided that such sale or exchange is not one of a series of sales and exchanges sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of registration.

"Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for purposes of this chapter only, also includes Internet service regardless of whether the provider of such service is also a telephone common carrier.

"Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation, joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver, auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit, body politic or political subdivision, whether public or private, or quasi-public, and the plural of "person" means the same as the singular.

"Prewritten program" means a computer program that is prepared, held or existing for general or repeated sale or lease, including a computer program developed for in-house use and subsequently sold or leased to unrelated third parties.

~~"Qualifying locality" means Charlotte County, Gloucester County, Halifax County, Henry County, Mecklenburg County, Northampton County, Patrick County, Pittsylvania County, or the City of Danville.~~

"Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of every kind and description, and all other equipment determined by the Tax Commissioner to constitute railroad rolling stock.

"Remote seller" means any dealer deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 under the criteria specified in subdivision C 10 or 11 of § 58.1-612 or any software provider acting on behalf of such dealer.

"Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in the form of tangible personal property or services taxable under this chapter, and shall include any such transaction as the Tax Commissioner upon investigation finds to be in lieu of a sale. All sales for resale must be made in strict compliance with regulations applicable to this chapter. Any dealer making a sale for resale which is not in strict compliance with such regulations shall be personally liable for payment of the tax.

The terms "retail sale" and a "sale at retail" specifically include the following: (i) the sale or charges for any accommodations furnished to transients for less than 90 continuous days; (ii) sales of tangible personal property to persons for resale when because of the operation of the business, or its very nature, or the lack of a place of business in which to display a certificate of registration, or the lack of a place of business in which to keep records, or the lack of adequate records, or because such persons are minors or transients, or because such persons are engaged

in essentially service businesses, or for any other reason there is likelihood that the Commonwealth will lose tax funds due to the difficulty of policing such business operations; (iii) the separately stated charge made for automotive refinish repair materials that are permanently applied to or affixed to a motor vehicle during its repair; and (iv) the separately stated charge for equipment available for lease or purchase by a provider of satellite television programming to the customer of such programming. Equipment sold to a provider of satellite television programming for subsequent lease or purchase by the customer of such programming shall be deemed a sale for resale. The Tax Commissioner is authorized to promulgate regulations requiring vendors of or sellers to such persons to collect the tax imposed by this chapter on the cost price of such tangible personal property to such persons and may refuse to issue certificates of registration to such persons. The terms "retail sale" and a "sale at retail" also specifically include the separately stated charge made for supplies used during automotive repairs whether or not there is transfer of title or possession of the supplies and whether or not the supplies are attached to the automobile. The purchase of such supplies by an automotive repairer for sale to the customer of such repair services shall be deemed a sale for resale. The term "transient" does not include a purchaser of camping memberships, time-shares, condominiums, or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or license which entitles the purchaser to use the amenities and facilities of a specific real estate project on an ongoing basis throughout its term shall not be deemed a transient, provided, however, that the term or time period involved is for seven years or more.

The terms "retail sale" and "sale at retail" do not include a transfer of title to tangible personal property after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i) at the time of purchase, the purchaser is obligated, under the terms of a written contract, to make the transfer and (ii) the transfer is made for the same or a greater consideration to the person for whom the purchaser manufactures goods.

"Retailer" means every person engaged in the business of making sales at retail, or for distribution, use, consumption, or storage to be used or consumed in the Commonwealth.

"Room charge" means the full retail price charged to the customer for the use of the accommodations before taxes. "Room charge" includes any fee charged to the customer and retained as compensation for facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. The room charge shall be determined in accordance with 23VAC10-210-730 and the related rulings of the Department on the same.

"Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property and any rendition of a taxable service for a consideration, and includes the fabrication of tangible personal property for consumers who furnish, either directly or indirectly, the materials used in fabrication, and the furnishing, preparing, or serving for a consideration of any tangible personal property consumed on the premises of the person furnishing, preparing, or serving such tangible personal property. A transaction whereby the possession of property is transferred but the seller retains title as security for the payment of the price shall be deemed a sale.

"Sales price" means the total amount for which tangible personal property or services are sold, including any services that are a part of the sale, valued in money, whether paid in money or otherwise, and includes any amount for which credit is given to the purchaser, consumer, or lessee by the dealer, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, losses or any other expenses whatsoever. "Sales price" does not include (i) any cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from credit extended on sales of tangible personal property under conditional sale contracts or other conditional contracts providing for deferred payments of the purchase price; (iii) separately stated local property taxes collected; (iv) that portion of the amount paid by the purchaser as a discretionary gratuity added to the price of a meal; or (v) that portion of the amount paid by the purchaser as a mandatory gratuity or service charge added by a restaurant to the price of a meal, but only to the extent that such mandatory gratuity or service charge does not exceed 20 percent of the price of the meal. Where used articles are taken in trade, or in a series of trades as a credit or part payment on the sale of new or used articles, the tax levied by this chapter shall be paid on the net difference between the sales price of the new or used articles and the credit for the used articles.

"Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring, lighting, equipment, and all other property used to reduce contamination or to control airflow, temperature, humidity, vibration, or other environmental conditions required for the integrated process of semiconductor manufacturing.

"Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii) the related accessories, components, pedestals, bases, or foundations used in connection with the operation of the equipment, without regard to the proximity to the equipment, the method of attachment, or whether the equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other property or supplies used to install, test, calibrate or recalibrate, characterize, condition, measure, or maintain the equipment and settings thereof; and (iv) equipment and supplies used for quality control testing of product, materials, equipment, or processes; or the measurement of equipment performance or production parameters regardless of where or when the quality control, testing, or measuring activity takes place, how the activity affects the operation of equipment, or whether the equipment and supplies come into contact with the product.

"Short-term rental" means the same as such term is defined in § 15.2-983.

"Storage" means any keeping or retention of tangible personal property for use, consumption or distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of business.

"Tangible personal property" means personal property that may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. "Tangible personal property" does not include stocks, bonds, notes, insurance or other obligations or securities. "Tangible personal property" includes (i) telephone calling cards upon their initial sale, which shall be exempt from all other state and local utility taxes, and (ii) manufactured signs.

"Use" means the exercise of any right or power over tangible personal property incident to the ownership thereof, except that it does not include the sale at retail of that property in the regular course of business. "Use" does not include the exercise of any right or power, including use,

distribution, or storage, over any tangible personal property sold to a nonresident donor for delivery outside of the Commonwealth to a nonresident recipient pursuant to an order placed by the donor from outside the Commonwealth via mail or telephone. "Use" does not include any sale determined to be a gift transaction, subject to tax under § 58.1-604.6.

"Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as defined in this section.

"Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to those activities that are an integral part of the production of a product, including all steps of an integrated manufacturing or mining process, but not including ancillary activities such as general maintenance or administration. When used in relation to mining, "used directly" refers to the activities specified in this definition and, in addition, any reclamation activity of the land previously mined by the mining company required by state or federal law.

"Video programmer" means a person that provides video programming to end-user subscribers.

"Video programming" means video and/or information programming provided by or generally considered comparable to programming provided by a cable operator, including, but not limit.

§ 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes; collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

A. No county, city or town shall impose any local general sales or use tax or any local general retail sales or use tax except as authorized by this section or § 58.1-605.1.

B. The council of any city and the governing body of any county may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax.

C.1. The council of any city and the governing body of any county desiring to impose a local sales tax under this section may do so by the adoption of an ordinance stating its purpose and referring to this section, and providing that such ordinance shall be effective on the first day of a month at least 60 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

2. Prior to any change in the rate of any local sales and use tax, the Tax Commissioner shall provide remote sellers with at least 30 days' notice. Any change in the rate of any local sales and use tax shall only become effective on the first day of a calendar quarter. Failure to provide notice pursuant to this section shall require the Commonwealth and the ~~locality~~ *county or city* to apply the preceding effective rate until 30 days after notification is provided.

D. Any local sales tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

E. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books under the name "Collections of Local Sales Taxes." Such local sales tax

moneys shall be credited to the account of each particular city or county levying a local sales tax under this section. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the Department and certified by it monthly to the Comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing through such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half shall be assignable to each political subdivision where two are involved, one-third where three are involved, and one-fourth where four are involved.

F. As soon as practicable after the local sales tax moneys have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payments for the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to the city or county and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

G. Such payments to counties are subject to the qualification that in any county wherein is situated any incorporated town constituting a special school district and operated as a separate school district under a town school board of three members appointed by the town council, the county treasurer shall pay into the town treasury for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of such town bears to the school age population of the entire county. If the school age population of any town constituting a separate school district is increased by the annexation of territory since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G, that in any county wherein is situated any incorporated town not constituting a separate special school district that has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest estimate provided by the

Weldon Cooper Center for Public Service. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

I. Notwithstanding the provisions of subsection H, the board of supervisors of a county may, in its discretion, appropriate funds to any incorporated town not constituting a separate school district within such county that has not complied with the provisions of its charter relating to the elections of its council and mayor~~; an amount not to exceed the amount it would have received from the tax imposed by this chapter if such election had been held; however, Charlotte County, Gloucester County, Halifax County, Henry County, Mecklenburg County, Northampton County, Patrick County, and Pittsylvania County may appropriate any amount to any such incorporated town~~.

J. It is further provided that if any incorporated town which would otherwise be eligible to receive funds from the county treasurer under subsection G or H be located in a county that does not levy a general retail sales tax under the provisions of this law, such town may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of the town, subject to all the provisions of this section generally applicable to cities and counties. Any tax levied under the authority of this subsection shall in no case continue to be levied on or after the effective date of a county ordinance imposing a general retail sales tax in the county within which such town is located.

§ 58.1-605.1. Additional local sales tax in certain localities; use of revenues for public transportation, or construction and renovation of schools.

A.1.*a.* In addition to the sales tax authorized under § 58.1-605, ~~a qualifying locality~~ *any county or city not located in Planning District 8,* may levy a general retail sales tax at a rate not to exceed one percent as determined by its governing body to provide revenue solely for capital projects for the construction or renovation of schools ~~in~~ *serving* each such ~~locality~~ *county or city*. Such tax shall be added to the rates of the state and local sales tax imposed by this chapter and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on this local sales tax.

~~2.~~ *b.* Any tax imposed pursuant to this ~~section~~ *subsection* shall expire (i) if the capital projects for the construction or renovation of schools are to be financed by bonds or loans, on the date by which such bonds or loans shall be repaid or (ii) if the capital projects for the construction or renovation of schools are not to be financed by bonds or loans, on a date chosen by the governing body and specified in any resolution passed pursuant to the provisions of subdivision ~~B 1~~ *2.a*. Such expiration date shall not be more than 20 years after the date of the resolution passed pursuant to the provisions of subdivision ~~B 1~~*2.a*.

~~B.1. This tax~~ *2.a. The tax authorized by this subsection* may be levied only if the tax is approved

in a referendum within the ~~qualifying locality~~ *county or city* held in accordance with § 24.2-684 and initiated by a resolution of the local governing body. *Notwithstanding the provisions of § 24.2-682, such referendum shall be ordered at least 105 days prior to the final election date set for such referendum.* Such resolution shall state (i) if the capital projects for the construction or renovation of schools are to be financed by bonds or loans, the date by which such bonds or loans shall be repaid or (ii) if the capital projects for the construction or renovation of schools are not to be financed by bonds or loans, a specified date on which the sales tax shall expire.

~~2.~~*b.* The clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the ~~qualifying locality~~ *county or city* once a week for three consecutive weeks prior to the election. The question on the ballot for the referendum shall include language stating (i) that the revenues from the sales tax *authorized by this subsection* shall be used solely for capital projects for the construction or renovation of schools and (ii) the date on which the sales tax shall expire.

~~C.~~*3.* The governing body of the ~~qualifying locality~~ *county or city*, if it elects to impose a local sales tax under this section after approval at a referendum as provided in ~~subsection B~~ *subdivision A.2.* shall do so by the adoption of an ordinance stating its purpose and referring to this ~~section~~ *subsection* and providing that such ordinance shall be effective on the first day of a month at least 120 days after its adoption. Such ordinance shall state the date on which the sales tax shall expire. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

~~D.~~*4.* Any local sales tax levied under this ~~section~~ *subsection* shall be administered and collected by the Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state sales tax; however, the local sales tax levied under ~~this section~~ *subsection A.1.a.* shall not be levied on food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.

~~E.~~*5.* All local sales tax moneys collected by the Tax Commissioner under this ~~section~~ *subsection* shall be paid into the state treasury to the credit of a special fund that is hereby created on the Comptroller's books for each ~~qualifying locality~~ *county or city* under the name "Collections of Additional Local Sales Taxes in __ (INSERT NAME OF THE ~~QUALIFYING LOCALITY~~ *COUNTY OR CITY*)." Each fund shall be administered as provided in § 58.1-605. A separate fund shall be created for each ~~qualifying locality~~ *county or city*. Only local sales tax moneys collected *pursuant to this subsection* in that ~~qualifying locality~~ *county or city* shall be deposited in that ~~locality's~~ *county's or city's* fund.

~~F.~~*6.* As soon as practicable after the local sales tax moneys *pursuant to this subsection* have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the State Treasurer in the proper amount in favor of each ~~qualifying locality~~ *county or city*, and such payments shall be charged to the account of the ~~qualifying locality~~ *county or city* under its special fund created by ~~this section~~ *subdivision A.5*. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payment for each of the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to each ~~qualifying locality~~ *county or city* and not previously

refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

~~G.~~*7.* The revenues from ~~this~~ *the* tax *authorized in this subsection* shall be used solely for capital projects for new construction or major renovation of schools ~~in~~ *serving* the ~~qualifying~~ ~~locality~~ *county or city*, including bond and loan financing costs related to such construction or renovation.

B.1.a. In addition to the sales tax authorized under § 58.1-605, any county or city that is located in Planning District 8 may levy a general retail sales tax at a rate not to exceed one percent as determined by its governing body to provide revenue solely for (i) capital projects for the construction or renovation of schools serving each such county or city, or (ii) public transportation purposes serving such county or city or (iii) both capital projects for the construction or renovation of schools serving each such county or city, and public transportation purposes serving each such county. Such tax shall be added to the rates of the state and local sales tax imposed by this chapter and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on this local sales tax.

b. Any taxing authority authorized by subsection B.1.a of § 58.1-605.1 shall expire for any county or city that does not comply with the provisions of § 33.2-3404.

2.a. A tax pursuant to this subsection may be levied only if the tax is approved in a referendum within the county or city held in accordance with § 24.2-684 and initiated by a resolution of the local governing body. Notwithstanding the provisions of § 24.2-682, such referendum shall be ordered at least 105 days prior to the final election date set for such referendum.

b. The clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The question on the ballot for the referendum shall include language stating that the revenues from the sales tax authorized by subsection B.1.a shall be used solely for public transportation or for capital projects for the construction or renovation of schools.

3. The governing body of the county or city, if it elects to impose a local sales tax under subsection B.1.a after approval at a referendum as provided in subdivision B.2 shall do so by the adoption of an ordinance stating its purpose and referring to this subsection and providing that such ordinance shall be effective on the first day of a month at least 120 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

4. Any local sales tax levied under this subsection shall be administered and collected by the Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state sales tax; however, the local sales tax levied under subsection B.1.a shall not be levied on food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.

5. All local sales tax moneys collected by the Tax Commissioner under subsection B.1.a shall be paid into the state treasury to the credit of a special fund that is hereby created on the Comptroller's books for each county or city under the name "Collections of Additional Local Sales Taxes in __ (INSERT NAME OF THE COUNTY OR CITY)." Each fund shall be

administered as provided in § 58.1-605. A separate fund shall be created for each county or city. Only local sales tax moneys collected pursuant to subsection B.1.a in that county or city shall be deposited in that county's or city's fund.

6. As soon as practicable after the local sales tax moneys authorized by subsection B.1.a have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the State Treasurer in the proper amount in favor of each county or city, and such payments shall be charged to the account of the county or city under its special fund created by subsection B.5. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payment for each of the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to each county or city and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

7. The revenues from the tax pursuant to this subsection shall be used solely for (i) capital projects for new construction or major renovation of schools serving each such county or city, including bond and loan financing costs related to such needs, or (ii) public transportation purposes in such county or city, including bond and loan financing costs related to such needs, or (iii) both capital projects for the new construction or renovation of schools serving each such county or city and public transportation purposes in such county or city. Appropriate uses of such revenues shall include bond and loan financing costs related to clauses (i), (ii), and (iii). Revenues from this tax shall not be used for repayment of existing indebtedness authorized by the county or city for public school capital projects that began or were completed prior to the imposition of such tax.

§58.1-606.1. Additional local use tax in certain localities; use of revenues for public transportation, or construction and renovation of schools.

A.1.*a.* The governing body of a ~~qualifying~~ ~~locality~~ *county or city not located in Planning District 8* may levy a use tax at the rate of such sales tax under *subsection A.1.a. of* § 58.1-605.1 to provide revenue for capital projects for the construction or renovation of schools ~~in~~ *serving* such ~~locality~~ *county or city*. Such tax shall be added to the rates of the state and local use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall be allowed on a local use tax.

b. The governing body of a county or city located in Planning District 8 may levy a use tax at the rate of such sales tax under subsection B.1.a of § 58.1-605.1 to provide revenue for capital projects for the construction or renovation of schools or for public transportation purposes. Such tax shall be added to the rates of the state and local use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall

be allowed on a local use tax.

2.a. Any tax imposed pursuant to ~~this section~~ *subsection A.1.a.* shall expire (i) if the capital projects for the construction or renovation of schools are to be financed by bonds or loans, on the date by which such bonds or loans shall be repaid or (ii) if the capital projects for the construction or renovation of schools are not to be financed by bonds or loans, on a date chosen by the governing body and specified in any resolution passed pursuant to the provisions of subsection B. Such expiration date shall not be more than 20 years after the date of the resolution passed pursuant to the provisions of subsection B.

b. Any tax imposed pursuant to subsection A.1.b shall expire for any county or city that does not comply with the provisions of § 33.2-3404.

B. The governing body of the ~~*qualifying locality*~~ *county or city*, if it elects to impose a local use tax under ~~this section~~ *subsection A.1.a or subsection B.1.a* may do so only if it has previously imposed the local sales tax authorized by *subsection A.1.a or subsection B.1.a of* § 58.1-605.1, by the adoption of an ordinance stating its purpose and referring to ~~this section~~ *subsection A.1.a or subsection A.1.b* and providing that the local use tax shall become effective on the first day of a month at least 120 days after its adoption. Such ordinance *for a tax imposed under subsection A.1.a* shall state the date on which the use tax shall expire. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

C. Any local use tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state use tax; however, the local use tax levied under this section shall not be levied on food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.

D. The local use tax authorized by this section shall not apply to transactions to which the sales tax applies, the situs of which for state and local sales tax purposes is the ~~locality~~ *county or city* of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the ~~locality~~ *county or city* of possible use by the purchasers. However, the local use tax authorized by this section shall apply to tangible personal property purchased outside the Commonwealth for use or consumption within the ~~locality~~ *county or city* imposing the local use tax, or stored within the ~~locality~~ *county or city* for use or consumption, where the property would have been subject to the sales tax if it had been purchased within the Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal property where the place of business of the lessor is outside the Commonwealth and such leases or rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state use tax applies.

E. Out-of-state dealers who hold certificates of registration to collect the use tax from their customers for remittance to the Commonwealth shall, to the extent reasonably practicable, in filing their monthly use tax returns with the Tax Commissioner, break down their shipments into the Commonwealth by counties and cities so as to show the county or city of destination. If, however, the out-of-state dealer is unable accurately to assign any shipment to a particular county or city, the local use tax on the tangible personal property involved shall be remitted to the Commonwealth by such dealer without attempting to assign the shipment to any county or

city.

F. Local use tax revenue shall be deposited in the special fund established pursuant to subsection ~~E~~ *A.5 or subsection B.5* of § 58.1-605.1. The Comptroller shall distribute the revenue to the ~~qualifying~~ ~~locality~~ *county or city*.

G.*1.* ~~All revenue from this local use tax revenue~~ *The revenues from the tax authorized by subsection A.1.a* shall be used solely for capital projects for new construction or major renovation of schools ~~in~~ *serving* the ~~qualifying~~ ~~locality~~ *county or city*, including bond and loan financing costs related to such construction or renovation.

2. The revenues from the tax authorized by subsection A.1.b shall be used solely for (i) capital projects for new construction or major renovation of schools serving each such county or city, including bond and loan financing costs related to such needs, or (ii) public transportation purposes benefiting such county or city, including bond and loan financing costs related to such needs, or (iii) both capital projects for the new construction or renovation of schools serving each such county or city and public transportation purposes in such county or city. Appropriate uses of such revenues shall include bond and loan financing costs related to clauses (i), (ii), and (iii). Revenues from this tax shall not be used for repayment of existing indebtedness authorized by the county or city for public school capital projects that began or were completed prior to the imposition of such tax."

Explanation:

(This amendment authorizes all counties and cities, except those located in Planning District 8, to impose an additional local sales and use tax at a rate not to exceed one percent with the revenue used only for capital projects for the construction or renovation of schools if such levy is approved in a voter referendum. Additionally, this amendment authorizes the counties and cities in Planning District 8 to impose an additional local sales and use tax at a rate not to exceed one percent with the revenue used only for (i) capital projects for the construction or renovation of schools, (ii) public transportation, or (iii) a combination thereof, if such levy is approved in a voter referendum.)

Item 4-14 #3c

Effective Date

Effective Date Language

Language:

Page 668, after line 29, insert:

"8. That, notwithstanding any other provision of law, as to any petition filed by a Phase II Utility, as that term is defined in subdivision A 1 of § 56-585.1 of the Code of Virginia (Phase II Utility), on or after July 1, 2026, pursuant to clause (iv) of subdivision A 6 of § 56-585.1 of the Code of Virginia for recovery of costs relating to the replacement of overhead distribution facilities with new underground facilities (strategic undergrounding program), the Phase II Utility shall not seek any annual incremental increase in the level of investments associated with

such a petition that exceeds three percent of such utility's distribution rate base, as such rate base was determined for the most recently ended 12-month test period in the Phase II Utility's most recently concluded biennial review proceeding conducted pursuant to subdivision A 3 of § 56-585.1 of the Code of Virginia prior to the filing of such petition, and any strategic undergrounding program of the Phase II Utility for which cost recovery is sought pursuant to clause (iv) of subdivision A 6 of § 56-585.1 of the Code of Virginia shall have an overall cap of 4000 miles of overhead distribution facilities converted to underground service. That, further, a Phase II Utility shall permit a customer executing a new electric service agreement on or after July 1, 2026, or a customer that executed a new electric service agreement between July 1, 2024, and July 1, 2026, to serve facilities that are under construction as of July 1, 2026, that has a contracted or measured electric demand of 25 megawatts or greater and an anticipated or measured average annual electric load factor of 75 percent or greater which maintains a full-time equivalent employment workforce engaged in manufacturing, industrial, or consumer goods warehousing and distribution activities other than data storage, of at least 200 individuals at facilities located within the Phase II Utility's service territory at a single or contiguous customer account location to elect to take service on any rate schedule for which such customer qualifies based on its contracted or measured electric demand, regardless of anticipated or measured annual electric load factor, provided, however, that the electric demand, in the aggregate, of such electing customers shall not exceed 150 megawatts, and the electric demand of any individual customer shall not exceed 50 megawatts, unless the State Corporation Commission (the Commission), in its discretion, determines that exceeding that aggregate cap is in the public interest. In determining the average annual electric load factor of any such customer, or of any such customer making such an election on or before July 1, 2026, the determination of average annual electric load factor shall be in accordance with the Commission-approved terms of the default rate schedule applicable to such customers on and after January 1, 2027. And that, further, with respect to any petition filed by a Phase II Utility between May 1, 2026, and July 15, 2026, for a financing order regarding deferred fuel costs as provided in § 56-249.6:2 of the Code of Virginia, the provisions of the fourth enactment of Chapter 757 or the fourth enactment of Chapter 775 of the Acts of Assembly of 2023 shall apply to any retail customer that is receiving electric service from the Phase II Utility whose demand exceeded five megawatts during calendar year 2025."

Page 668, line 30, strike "8", insert "9".

Page 668, line 31, strike "9", insert "10".

Page 668, line 31, strike "and fourth", insert "fourth and eighth".

Explanation:

(This amendment modifies requirements related to the regulation of electric utilities.)

Item 4-14 #4c

Effective Date

Effective Date Language

Language:

Page 668, after line 29, insert:

"8. 1.That §§ 2.2-2499.8, 2.2-2818, 2.2-2905, 2.2-3114, 2.2-3711, as it is currently effective and as it shall become effective, 2.2-3802, 2.2-4024, 3.2-4112, 3.2-4113, 3.2-4116, 3.2-4126, 3.2-5145.1, 3.2-5145.2:1, 3.2-5145.4, 4.1-103, 4.1-352, 4.1-600, 4.1-601, 4.1-603, 4.1-604, 4.1-606, 4.1-607, 4.1-611, 4.1-614, 4.1-621, 4.1-1100, 4.1-1101, 4.1-1106.1, 4.1-1108, 4.1-1121, 4.1-1402, 4.1-1500, 4.1-1501, 4.1-1502, 4.1-1600 through 4.1-1603.2, 4.1-1604, 5.1-13, 9.1-1101, 15.2-912.4, 16.1-69.40:1, 16.1-260, 16.1-273, 16.1-278.9, 18.2-46.1, 18.2-247, 18.2-248, 18.2-248.01, 18.2-251, 18.2-251.03, 18.2-251.1:1, 18.2-251.1:2, 18.2-251.1:3, 18.2-252, 18.2-254, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, 18.2-265.1, 18.2-265.2, 18.2-265.3, 18.2-287.2, 18.2-308.012, 18.2-308.4, 18.2-371.2, 18.2-460, 18.2-474.1, 19.2-66, 19.2-81, 19.2-81.1, 19.2-83.1, 19.2-188.1, 19.2-303.01, 19.2-386.22 through 19.2-386.25, 19.2-389, as it is currently effective and as it shall become effective, 19.2-389.3, 19.2-392.02, 19.2-392.6 and 19.2-392.12:1 as they shall become effective, 22.1-206, 22.1-277.08, 23.1-1301, 46.2-105.2, 46.2-347, 48-17.1, 53.1-231.2, 54.1-2903, 54.1-3401, 54.1-3443, 58.1-301, and 59.1-200 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 6 of Title 4.1 sections numbered 4.1-629 and 4.1-630, by adding in Title 4.1 chapters numbered 7 through 10, consisting of sections numbered 4.1-700 through 4.1-1010, by adding sections numbered 4.1-1102 through 4.1-1105, 4.1-1106, 4.1-1113, 4.1-1114, 4.1-1115, 4.1-1117, 4.1-1118, and 4.1-1119, by adding in Title 4.1 a chapter numbered 12, consisting of sections numbered 4.1-1200 through 4.1-1206, by adding in Chapter 13 of Title 4.1 sections numbered 4.1-1300, 4.1-1301, and 4.1-1303 through 4.1-1309, by adding in Chapter 14 of Title 4.1 sections numbered 4.1-1403 through 4.1-1407, by adding a section numbered 4.1-1602.1, by adding in Title 4.1 a chapter numbered 17, consisting of sections numbered 4.1-1700 through 4.1-1704, by adding in Article 2 of Chapter 1 of Title 6.2 a section numbered 6.2-108, and by adding in Chapter 44 of Title 54.1 a section numbered 54.1-4426 as follows:

§ 2.2-2499.8. Cannabis Equity Reinvestment Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Cannabis Equity Reinvestment Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of:

1. Supporting persons, families, and communities historically and disproportionately targeted and affected by drug enforcement;

2. Providing scholarship opportunities and educational and vocational resources for historically

marginalized persons, including persons in foster care, who have been adversely impacted by substance use individually, in their families, or in their communities;

3. Awarding grants to support workforce development, mentoring programs, job training and placement services, apprenticeships, and reentry services that serve persons and communities historically and disproportionately targeted by drug enforcement.

4. Contributing to the Virginia Indigent Defense Commission established pursuant to § 19.2-163.01; and

5. Contributing to the Virginia Cannabis Equity Business Loan Fund established pursuant to § 4.1-1501.

Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by *(i)* the Director of Diversity, Equity, and Inclusion *or (ii) if the Director of Diversity, Equity, and Inclusion position is vacant, a majority of the members of the Cannabis Equity Reinvestment Board established pursuant to § 2.2-2499.5*.

§ 2.2-2818. Health and related insurance for state employees.

A. The Department of Human Resource Management shall establish a plan, subject to the approval of the Governor, for providing health insurance coverage, including chiropractic treatment, hospitalization, medical, surgical, and major medical coverage, for state employees and retired state employees with the Commonwealth paying the cost thereof to the extent of the coverage included in such plan. The same plan shall be offered to all part-time state employees, but the total cost shall be paid by such part-time employees. The Department of Human Resource Management shall administer this section. The plan chosen shall provide means whereby coverage for the families or dependents of state employees may be purchased. Except for part-time employees, the Commonwealth may pay all or a portion of the cost thereof, and for such portion as the Commonwealth does not pay, the employee, including a part-time employee, may purchase the coverage by paying the additional cost over the cost of coverage for an employee.

Such contribution shall be financed through appropriations provided by law.

B. The plan shall:

1. Include coverage for low-dose screening mammograms for determining the presence of occult breast cancer. Such coverage shall make available one screening mammogram to persons age 35 through 39, one such mammogram biennially to persons age 40 through 49, and one such mammogram annually to persons age 50 and over and may be limited to a benefit of $50 per mammogram subject to such dollar limits, deductibles, and coinsurance factors as are no less favorable than for physical illness generally.

The term "mammogram" shall mean an X-ray examination of the breast using equipment dedicated specifically for mammography, including ~~but not limited to the~~ X-ray tube, filter, compression device, screens, film, and cassettes, with an average radiation exposure of less

than one rad mid-breast, two views of each breast.

In order to be considered a screening mammogram for which coverage shall be made available under this section:

a. The mammogram shall be (i) ordered by a health care practitioner acting within the scope of his licensure and, in the case of an enrollee of a health maintenance organization, by the health maintenance organization provider; (ii) performed by a registered technologist; (iii) interpreted by a qualified radiologist; and (iv) performed under the direction of a person licensed to practice medicine and surgery and certified by the American Board of Radiology or an equivalent examining body. A copy of the mammogram report shall be sent or delivered to the health care practitioner who ordered it;

b. The equipment used to perform the mammogram shall meet the standards set forth by the Virginia Department of Health in its radiation protection regulations; and

c. The mammography film shall be retained by the radiologic facility performing the examination in accordance with the American College of Radiology guidelines or state law.

2. Include coverage for postpartum services providing inpatient care and a home visit or visits that shall be in accordance with the medical criteria, outlined in the most current version of or an official update to the "Guidelines for Perinatal Care" prepared by the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the "Standards for Obstetric-Gynecologic Services" prepared by the American College of Obstetricians and Gynecologists. Such coverage shall be provided incorporating any changes in such Guidelines or Standards within six months of the publication of such Guidelines or Standards or any official amendment thereto.

3. Include an appeals process for resolution of complaints that shall provide reasonable procedures for the resolution of such complaints and shall be published and disseminated to all covered state employees. The appeals process shall be compliant with federal rules and regulations governing nonfederal, self-insured governmental health plans. The appeals process shall include a separate expedited emergency appeals procedure that shall provide resolution within time frames established by federal law. For appeals involving adverse decisions as defined in § 32.1-137.7, the Department shall contract with one or more independent review organizations to review such decisions. Independent review organizations are entities that conduct independent external review of adverse benefit determinations. The Department shall adopt regulations to assure that the independent review organization conducting the reviews has adequate standards, credentials, and experience for such review. The independent review organization shall examine the final denial of claims to determine whether the decision is objective, clinically valid, and compatible with established principles of health care. The decision of the independent review organization shall (i) be in writing, (ii) contain findings of fact as to the material issues in the case and the basis for those findings, and (iii) be final and binding if consistent with law and policy.

Prior to assigning an appeal to an independent review organization, the Department shall verify that the independent review organization conducting the review of a denial of claims has no relationship or association with (i) the covered person or the covered person's authorized representative; (ii) the treating health care provider, or any of its employees or affiliates; (iii) the medical care facility at which the covered service would be provided, or any of its employees or affiliates; or (iv) the development or manufacture of the drug, device, procedure, or other therapy that is the subject of the final denial of a claim. The independent review organization shall not be a subsidiary of, nor owned or controlled by, a health plan, a trade association of health plans, or a professional association of health care providers. There shall be no liability on the part of and no cause of action shall arise against any officer or employee of an independent review organization for any actions taken or not taken or statements made by such officer or employee in good faith in the performance of his powers and duties.

4. Include coverage for early intervention services. For purposes of this section, "early intervention services" means medically necessary speech and language therapy, occupational therapy, physical therapy and assistive technology services and devices for dependents from birth to age three who are certified by the Department of Behavioral Health and Developmental Services as eligible for services under Part H of the Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.). Medically necessary early intervention services for the population certified by the Department of Behavioral Health and Developmental Services shall mean those services designed to help an individual attain or retain the capability to function age-appropriately within his environment, and shall include services that enhance functional ability without effecting a cure.

For persons previously covered under the plan, there shall be no denial of coverage due to the existence of a preexisting condition. The cost of early intervention services shall not be applied to any contractual provision limiting the total amount of coverage paid by the insurer to or on behalf of the insured during the insured's lifetime.

5. Include coverage for prescription drugs and devices approved by the United States Food and Drug Administration for use as contraceptives.

6. Not deny coverage for any drug approved by the United States Food and Drug Administration for use in the treatment of cancer on the basis that the drug has not been approved by the United States Food and Drug Administration for the treatment of the specific type of cancer for which the drug has been prescribed, if the drug has been recognized as safe and effective for treatment of that specific type of cancer in one of the standard reference compendia.

7. Not deny coverage for any drug prescribed to treat a covered indication so long as the drug has been approved by the United States Food and Drug Administration for at least one indication and the drug is recognized for treatment of the covered indication in one of the standard reference compendia or in substantially accepted peer-reviewed medical literature.

8. Include coverage for equipment, supplies, and outpatient self-management training and education, including medical nutrition therapy, for the treatment of insulin-dependent diabetes, insulin-using diabetes, gestational diabetes, and noninsulin-using diabetes if prescribed by a health care professional legally authorized to prescribe such items under law. To qualify for coverage under this subdivision, diabetes outpatient self-management training and education shall be provided by a certified, registered, or licensed health care professional.

9. Include coverage for reconstructive breast surgery. For purposes of this section, "reconstructive breast surgery" means surgery performed on and after July 1, 1998, (i) coincident with a mastectomy performed for breast cancer or (ii) following a mastectomy performed for breast cancer to reestablish symmetry between the two breasts. For persons previously covered under the plan, there shall be no denial of coverage due to preexisting conditions.

10. Include coverage for annual pap smears, including coverage, on and after July 1, 1999, for annual testing performed by any FDA-approved gynecologic cytology screening technologies.

11. Include coverage providing a minimum stay in the hospital of not less than 48 hours for a patient following a radical or modified radical mastectomy and 24 hours of inpatient care following a total mastectomy or a partial mastectomy with lymph node dissection for treatment of breast cancer. Nothing in this subdivision shall be construed as requiring the provision of inpatient coverage where the attending physician in consultation with the patient determines that a shorter period of hospital stay is appropriate.

12. Include coverage (i) to persons age 50 and over and (ii) to persons age 40 and over who are at high risk for prostate cancer, according to the most recent published guidelines of the American Cancer Society, for one prostate-specific antigen test in a 12-month period and digital rectal examinations.

13. Permit any individual covered under the plan direct access to the health care services of a participating specialist (i) authorized to provide services under the plan and (ii) selected by the covered individual. The plan shall have a procedure by which an individual who has an ongoing special condition may, after consultation with the primary care physician, receive a referral to a specialist for such condition who shall be responsible for and capable of providing and coordinating the individual's primary and specialty care related to the initial specialty care referral. If such an individual's care would most appropriately be coordinated by such a specialist, the plan shall refer the individual to a specialist. For the purposes of this subdivision, "special condition" means a condition or disease that is (i) life-threatening, degenerative, or disabling and (ii) requires specialized medical care over a prolonged period of time. Within the treatment period authorized by the referral, such specialist shall be permitted to treat the individual without a further referral from the individual's primary care provider and may authorize such referrals, procedures, tests, and other medical services related to the initial referral as the individual's primary care provider would otherwise be

permitted to provide or authorize. The plan shall have a procedure by which an individual who has an ongoing special condition that requires ongoing care from a specialist may receive a standing referral to such specialist for the treatment of the special condition. If the primary care provider, in consultation with the plan and the specialist, if any, determines that such a standing referral is appropriate, the plan or issuer shall make such a referral to a specialist. Nothing contained herein shall prohibit the plan from requiring a participating specialist to provide written notification to the covered individual's primary care physician of any visit to such specialist. Such notification may include a description of the health care services rendered at the time of the visit.

14. Include provisions allowing employees to continue receiving health care services for a period of up to 90 days from the date of the primary care physician's notice of termination from any of the plan's provider panels. The plan shall notify any provider at least 90 days prior to the date of termination of the provider, except when the provider is terminated for cause.

For a period of at least 90 days from the date of the notice of a provider's termination from any of the plan's provider panels, except when a provider is terminated for cause, a provider shall be permitted by the plan to render health care services to any of the covered employees who (i) were in an active course of treatment from the provider prior to the notice of termination and (ii) request to continue receiving health care services from the provider.

Notwithstanding the provisions of this subdivision, any provider shall be permitted by the plan to continue rendering health services to any covered employee who has entered the second trimester of pregnancy at the time of the provider's termination of participation, except when a provider is terminated for cause. Such treatment shall, at the covered employee's option, continue through the provision of postpartum care directly related to the delivery.

Notwithstanding the provisions of this subdivision, any provider shall be permitted to continue rendering health services to any covered employee who is determined to be terminally ill (as defined under § 1861(dd)(3)(A) of the Social Security Act) at the time of a provider's termination of participation, except when a provider is terminated for cause. Such treatment shall, at the covered employee's option, continue for the remainder of the employee's life for care directly related to the treatment of the terminal illness.

A provider who continues to render health care services pursuant to this subdivision shall be reimbursed in accordance with the carrier's agreement with such provider existing immediately before the provider's termination of participation.

15. Include coverage for patient costs incurred during participation in clinical trials for treatment studies on cancer, including ovarian cancer trials.

The reimbursement for patient costs incurred during participation in clinical trials for treatment studies on cancer shall be determined in the same manner as reimbursement is determined for other medical and surgical procedures. Such coverage shall have durational

limits, dollar limits, deductibles, copayments, and coinsurance factors that are no less favorable than for physical illness generally.

For purposes of this subdivision:

"Cooperative group" means a formal network of facilities that collaborate on research projects and have an established NIH-approved peer review program operating within the group. "Cooperative group" includes (i) the National Cancer Institute Clinical Cooperative Group and (ii) the National Cancer Institute Community Clinical Oncology Program.

"FDA" means the Federal Food and Drug Administration.

"Multiple project assurance contract" means a contract between an institution and the federal Department of Health and Human Services that defines the relationship of the institution to the federal Department of Health and Human Services and sets out the responsibilities of the institution and the procedures that will be used by the institution to protect human subjects.

"NCI" means the National Cancer Institute.

"NIH" means the National Institutes of Health.

"Patient" means a person covered under the plan established pursuant to this section.

"Patient cost" means the cost of a medically necessary health care service that is incurred as a result of the treatment being provided to a patient for purposes of a clinical trial. "Patient cost" does not include (i) the cost of nonhealth care services that a patient may be required to receive as a result of the treatment being provided for purposes of a clinical trial, (ii) costs associated with managing the research associated with the clinical trial, or (iii) the cost of the investigational drug or device.

Coverage for patient costs incurred during clinical trials for treatment studies on cancer shall be provided if the treatment is being conducted in a Phase II, Phase III, or Phase IV clinical trial. Such treatment may, however, be provided on a case-by-case basis if the treatment is being provided in a Phase I clinical trial.

The treatment described in the previous paragraph shall be provided by a clinical trial approved by:

a. The National Cancer Institute;

b. An NCI cooperative group or an NCI center;

c. The FDA in the form of an investigational new drug application;

d. The federal Department of Veterans Affairs; or

e. An institutional review board of an institution in the Commonwealth that has a multiple project assurance contract approved by the Office of Protection from Research Risks of the NCI.

The facility and personnel providing the treatment shall be capable of doing so by virtue of their experience, training, and expertise.

Coverage under this subdivision shall apply only if:

(1) There is no clearly superior, noninvestigational treatment alternative;

(2) The available clinical or preclinical data provide a reasonable expectation that the treatment will be at least as effective as the noninvestigational alternative; and

(3) The patient and the physician or health care provider who provides services to the patient under the plan conclude that the patient's participation in the clinical trial would be appropriate, pursuant to procedures established by the plan.

16. Include coverage providing a minimum stay in the hospital of not less than 23 hours for a covered employee following a laparoscopy-assisted vaginal hysterectomy and 48 hours for a covered employee following a vaginal hysterectomy, as outlined in Milliman & Robertson's nationally recognized guidelines. Nothing in this subdivision shall be construed as requiring the provision of the total hours referenced when the attending physician, in consultation with the covered employee, determines that a shorter hospital stay is appropriate.

17. Include coverage for biologically based mental illness.

For purposes of this subdivision, a "biologically based mental illness" is any mental or nervous condition caused by a biological disorder of the brain that results in a clinically significant syndrome that substantially limits the person's functioning; specifically, the following diagnoses are defined as biologically based mental illness as they apply to adults and children: schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorder, panic disorder, obsessive-compulsive disorder, attention deficit hyperactivity disorder, autism, and drug and alcoholism addiction.

Coverage for biologically based mental illnesses shall neither be different nor separate from coverage for any other illness, condition, or disorder for purposes of determining deductibles, benefit year or lifetime durational limits, benefit year or lifetime dollar limits, lifetime episodes or treatment limits, copayment and coinsurance factors, and benefit year maximum for deductibles and copayment and coinsurance factors.

Nothing shall preclude the undertaking of usual and customary procedures to determine the appropriateness of, and medical necessity for, treatment of biologically based mental illnesses under this option, provided that all such appropriateness and medical necessity determinations are made in the same manner as those determinations made for the treatment of any other illness, condition, or disorder covered by such policy or contract.

18. Offer and make available coverage for the treatment of morbid obesity through gastric bypass surgery or such other methods as may be recognized by the National Institutes of Health as effective for the long-term reversal of morbid obesity. Such coverage shall have

durational limits, dollar limits, deductibles, copayments, and coinsurance factors that are no less favorable than for physical illness generally. Access to surgery for morbid obesity shall not be restricted based upon dietary or any other criteria not approved by the National Institutes of Health. For purposes of this subdivision, "morbid obesity" means (i) a weight that is at least 100 pounds over or twice the ideal weight for frame, age, height, and gender as specified in the 1983 Metropolitan Life Insurance tables, (ii) a body mass index (BMI) equal to or greater than 35 kilograms per meter squared with comorbidity or coexisting medical conditions such as hypertension, cardiopulmonary conditions, sleep apnea, or diabetes, or (iii) a BMI of 40 kilograms per meter squared without such comorbidity. As used herein, "BMI" equals weight in kilograms divided by height in meters squared.

19. Include coverage for colorectal cancer screening, specifically screening with an annual fecal occult blood test, flexible sigmoidoscopy or colonoscopy, or in appropriate circumstances radiologic imaging, in accordance with the most recently published recommendations established by the American College of Gastroenterology, in consultation with the American Cancer Society, for the ages, family histories, and frequencies referenced in such recommendations. The coverage for colorectal cancer screening shall not be more restrictive than or separate from coverage provided for any other illness, condition, or disorder for purposes of determining deductibles, benefit year or lifetime durational limits, benefit year or lifetime dollar limits, lifetime episodes or treatment limits, copayment and coinsurance factors, and benefit year maximum for deductibles and copayments and coinsurance factors.

20. On and after July 1, 2002, require that a prescription benefit card, health insurance benefit card, or other technology that complies with the requirements set forth in § 38.2-3407.4:2 be issued to each employee provided coverage pursuant to this section, and shall upon any changes in the required data elements set forth in subsection A of § 38.2-3407.4:2, either reissue the card or provide employees covered under the plan such corrective information as may be required to electronically process a prescription claim.

21. Include coverage for infant hearing screenings and all necessary audiological examinations provided pursuant to § 32.1-64.1 using any technology approved by the United States Food and Drug Administration, and as recommended by the national Joint Committee on Infant Hearing in its most current position statement addressing early hearing detection and intervention programs. Such coverage shall include follow-up audiological examinations as recommended by a physician, a physician assistant, an advanced practice registered nurse, or an audiologist and performed by a licensed audiologist to confirm the existence or absence of hearing loss.

22. Notwithstanding any provision of this section to the contrary, every plan established in accordance with this section shall comply with the provisions of § 2.2-2818.2.

C. Claims incurred during a fiscal year but not reported during that fiscal year shall be paid from such funds as shall be appropriated by law. Appropriations, premiums, and other payments shall be deposited in the employee health insurance fund, from which payments

for claims, premiums, cost containment programs, and administrative expenses shall be withdrawn from time to time. The funds of the health insurance fund shall be deemed separate and independent trust funds, shall be segregated from all other funds of the Commonwealth, and shall be invested and administered solely in the interests of the employees and their beneficiaries. Neither the General Assembly nor any public officer, employee, or agency shall use or authorize the use of such trust funds for any purpose other than as provided in law for benefits, refunds, and administrative expenses, including ~~but not limited to~~ legislative oversight of the health insurance fund.

D. For the purposes of this section:

"Peer-reviewed medical literature" means a scientific study published only after having been critically reviewed for scientific accuracy, validity, and reliability by unbiased independent experts in a journal that has been determined by the International Committee of Medical Journal Editors to have met the Uniform Requirements for Manuscripts submitted to biomedical journals. "Peer-reviewed medical literature" does not include publications or supplements to publications that are sponsored to a significant extent by a pharmaceutical manufacturing company or health carrier.

"Standard reference compendia" means:

1. American Hospital Formulary Service Drug Information;

2. National Comprehensive Cancer Network's Drugs & Biologics Compendium; or

3. Elsevier Gold Standard's Clinical Pharmacology.

"State employee" means state employee as defined in § 51.1-124.3; employee as defined in § 51.1-201; the Governor, Lieutenant Governor, and Attorney General; judge as defined in § 51.1-301 and judges, clerks, and deputy clerks of regional juvenile and domestic relations, county juvenile and domestic relations, and district courts of the Commonwealth; interns and residents employed by the School of Medicine and Hospital of the University of Virginia, and interns, residents, and employees of the Virginia Commonwealth University Health System Authority as provided in § 23.1-2415; and employees of the Virginia Alcoholic Beverage Control Authority as provided in § 4.1-101.05 *and the Virginia Cannabis Control Authority as provided in § 4.1-623*.

E. Provisions shall be made for retired employees to obtain coverage under the above plan, including, as an option, coverage for vision and dental care. The Commonwealth may, but shall not be obligated to, pay all or any portion of the cost thereof.

F. Any self-insured group health insurance plan established by the Department of Human Resource Management that utilizes a network of preferred providers shall not exclude any physician solely on the basis of a reprimand or censure from the Board of Medicine, so long as the physician otherwise meets the plan criteria established by the Department.

G. The plan shall include, in each planning district, at least two health coverage options, each sponsored by unrelated entities. No later than July 1, 2006, one of the health coverage

options to be available in each planning district shall be a high deductible health plan that would qualify for a health savings account pursuant to § 223 of the Internal Revenue Code of 1986, as amended.

In each planning district that does not have an available health coverage alternative, the Department shall voluntarily enter into negotiations at any time with any health coverage provider who seeks to provide coverage under the plan.

This subsection shall not apply to any state agency authorized by the Department to establish and administer its own health insurance coverage plan separate from the plan established by the Department.

H. Any self-insured group health insurance plan established by the Department of Human Resource Management that includes coverage for prescription drugs on an outpatient basis may apply a formulary to the prescription drug benefits provided by the plan if the formulary is developed, reviewed at least annually, and updated as necessary in consultation with and with the approval of a pharmacy and therapeutics committee, a majority of whose members are actively practicing licensed (i) pharmacists, (ii) physicians, and (iii) other health care providers.

If the plan maintains one or more drug formularies, the plan shall establish a process to allow a person to obtain, without additional cost-sharing beyond that provided for formulary prescription drugs in the plan, a specific, medically necessary nonformulary prescription drug if, after reasonable investigation and consultation with the prescriber, the formulary drug is determined to be an inappropriate therapy for the medical condition of the person. The plan shall act on such requests within one business day of receipt of the request.

Any plan established in accordance with this section shall be authorized to provide for the selection of a single mail order pharmacy provider as the exclusive provider of pharmacy services that are delivered to the covered person's address by mail, common carrier, or delivery service. As used in this subsection, "mail order pharmacy provider" means a pharmacy permitted to conduct business in the Commonwealth whose primary business is to dispense a prescription drug or device under a prescriptive drug order and to deliver the drug or device to a patient primarily by mail, common carrier, or delivery service.

I. Any plan established in accordance with this section requiring preauthorization prior to rendering medical treatment shall have personnel available to provide authorization at all times when such preauthorization is required.

J. Any plan established in accordance with this section shall provide to all covered employees written notice of any benefit reductions during the contract period at least 30 days before such reductions become effective.

K. No contract between a provider and any plan established in accordance with this section shall include provisions that require a health care provider or health care provider group to deny covered services that such provider or group knows to be medically necessary and appropriate that are provided with respect to a covered employee with similar medical

conditions.

L. The Department of Human Resource Management shall appoint an Ombudsman to promote and protect the interests of covered employees under any state employee's health plan.

The Ombudsman shall:

1. Assist covered employees in understanding their rights and the processes available to them according to their state health plan.

2. Answer inquiries from covered employees by telephone and electronic mail.

3. Provide to covered employees information concerning the state health plans.

4. Develop information on the types of health plans available, including benefits and complaint procedures and appeals.

5. Make available, either separately or through an existing Internet web site utilized by the Department of Human Resource Management, information as set forth in subdivision 4 and such additional information as he deems appropriate.

6. Maintain data on inquiries received, the types of assistance requested, any actions taken and the disposition of each such matter.

7. Upon request, assist covered employees in using the procedures and processes available to them from their health plan, including all appeal procedures. Such assistance may require the review of health care records of a covered employee, which shall be done only in accordance with the federal Health Insurance Portability and Accountability Act privacy rules. The confidentiality of any such medical records shall be maintained in accordance with the confidentiality and disclosure laws of the Commonwealth.

8. Ensure that covered employees have access to the services provided by the Ombudsman and that the covered employees receive timely responses from the Ombudsman or his representatives to the inquiries.

9. Report annually on his activities to the standing committees of the General Assembly having jurisdiction over insurance and over health and the Joint Commission on Health Care by December 1 of each year.

M. The plan established in accordance with this section shall not refuse to accept or make reimbursement pursuant to an assignment of benefits made to a dentist or oral surgeon by a covered employee.

For purposes of this subsection, "assignment of benefits" means the transfer of dental care coverage reimbursement benefits or other rights under the plan. The assignment of benefits shall not be effective until the covered employee notifies the plan in writing of the assignment.

N. Beginning July 1, 2006, any plan established pursuant to this section shall provide for an identification number, which shall be assigned to the covered employee and shall not be the same as the employee's social security number.

O. Any group health insurance plan established by the Department of Human Resource Management that contains a coordination of benefits provision shall provide written notification to any eligible employee as a prominent part of its enrollment materials that if such eligible employee is covered under another group accident and sickness insurance policy, group accident and sickness subscription contract, or group health care plan for health care services, that insurance policy, subscription contract, or health care plan may have primary responsibility for the covered expenses of other family members enrolled with the eligible employee. Such written notification shall describe generally the conditions upon which the other coverage would be primary for dependent children enrolled under the eligible employee's coverage and the method by which the eligible enrollee may verify from the plan that coverage would have primary responsibility for the covered expenses of each family member.

P. Any plan established by the Department of Human Resource Management pursuant to this section shall provide that coverage under such plan for family members enrolled under a participating state employee's coverage shall continue for a period of at least 30 days following the death of such state employee.

Q. The plan established in accordance with this section that follows a policy of sending its payment to the covered employee or covered family member for a claim for services received from a nonparticipating physician or osteopath shall (i) include language in the member handbook that notifies the covered employee of the responsibility to apply the plan payment to the claim from such nonparticipating provider, (ii) include this language with any such payment sent to the covered employee or covered family member, and (iii) include the name and any last known address of the nonparticipating provider on the explanation of benefits statement.

R. The plan established by the Department of Human Resource Management pursuant to this section shall provide that coverage under such plan for an incapacitated child enrolled under a participating state employee's coverage shall be valid without regard to whether such child lives with the covered employee as a member of the employee's household so long as the child is dependent upon the employee for more than half of the child's financial support and the child is receiving residential support services.

For purposes of this subsection, "incapacitated child" means an adult child who is incapacitated due to a physical or mental health condition that existed prior to the termination of coverage due to such child attaining the limiting age under the plan for eligible children dependents.

S. The Department of Human Resource Management shall report annually, by November 30 of each year, on cost and utilization information for each of the mandated benefits set forth

in subsection B, including any mandated benefit made applicable, pursuant to subdivision B 22, to any plan established pursuant to this section. The report shall be in the same detail and form as required of reports submitted pursuant to § 38.2-3419.1, with such additional information as is required to determine the financial impact, including the costs and benefits, of the particular mandated benefit.

§ 2.2-2905. Certain officers and employees exempt from chapter.

The provisions of this chapter shall not apply to:

1. Officers and employees for whom the Constitution specifically directs the manner of selection;

2. Officers and employees of the Supreme Court and the Court of Appeals;

3. Officers appointed by the Governor, whether confirmation by the General Assembly or by either house thereof is required or not;

4. Officers elected by popular vote or by the General Assembly or either house thereof;

5. Members of boards and commissions however selected;

6. Judges, referees, receivers, arbiters, masters and commissioners in chancery, commissioners of accounts, and any other persons appointed by any court to exercise judicial functions, and jurors and notaries public;

7. Officers and employees of the General Assembly and persons employed to conduct temporary or special inquiries, investigations, or examinations on its behalf;

8. The presidents and teaching and research staffs of state educational institutions;

9. Commissioned officers and enlisted personnel of the National Guard;

10. Student employees at institutions of higher education and patient or inmate help in other state institutions;

11. Upon general or special authorization of the Governor, laborers, temporary employees, and employees compensated on an hourly or daily basis;

12. County, city, town, and district officers, deputies, assistants, and employees;

13. The employees of the Virginia Workers' Compensation Commission;

14. The officers and employees of the Virginia Retirement System;

15. Employees whose positions are identified by the State Council of Higher Education and the boards of the Virginia Museum of Fine Arts, The Science Museum of Virginia, the Jamestown-Yorktown Foundation, the Frontier Culture Museum of Virginia, the Virginia Museum of Natural History, the New College Institute, the Southern Virginia Higher Education Center, and The Library of Virginia, and approved by the Director of the Department of Human Resource Management as requiring specialized and professional

training;

16. Employees of the Virginia Lottery;

17. Employees of the Department for the Blind and Vision Impaired's rehabilitative manufacturing and service industries who have a human resources classification of industry worker;

18. Employees of the Virginia Commonwealth University Health System Authority;

19. Employees of the University of Virginia Medical Center. Any changes in compensation plans for such employees shall be subject to the review and approval of the Board of Visitors of the University of Virginia. The University of Virginia shall ensure that its procedures for hiring University of Virginia Medical Center personnel are based on merit and fitness. Such employees shall remain subject to the provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

20. In executive branch agencies the employee who has accepted serving in the capacity of chief deputy, or equivalent, and the employee who has accepted serving in the capacity of a confidential assistant for policy or administration. An employee serving in either one of these two positions shall be deemed to serve on an employment-at-will basis. An agency may not exceed two employees who serve in this exempt capacity;

21. Employees of Virginia Correctional Enterprises. Such employees shall remain subject to the provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

22. Officers and employees of the Virginia Port Authority;

23. Employees of the Commonwealth Savers Plan;

24. Directors of state facilities operated by the Department of Behavioral Health and Developmental Services employed or reemployed by the Commissioner after July 1, 1999, under a contract pursuant to § 37.2-707. Such employees shall remain subject to the provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

25. Employees of the Virginia Foundation for Healthy Youth. Such employees shall be treated as state employees for purposes of participation in the Virginia Retirement System, health insurance, and all other employee benefits offered by the Commonwealth to its classified employees;

26. Employees of the Virginia Indigent Defense Commission;

27. Any chief of a campus police department that has been designated by the governing body of a public institution of higher education as exempt, pursuant to § 23.1-809;

28. The Chief Executive Officer, agents, officers, and employees of the Virginia Alcoholic Beverage Control Authority; ~~and~~

29. *The Chief Executive Officer, agents, officers, and employees of the Virginia Cannabis Control Authority; and*

30. Officers and employees of the Fort Monroe Authority.

§ 2.2-3114. Disclosure by state officers and employees.

A. In accordance with the requirements set forth in § 2.2-3118.2, the Governor, Lieutenant Governor, Attorney General, Justices of the Supreme Court, judges of the Court of Appeals, judges of any circuit court, judges and substitute judges of any district court, members of the State Corporation Commission, members of the Virginia Workers' Compensation Commission, members of the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement System, members of the Board of Directors of the Virginia Alcoholic Beverage Control Authority, *members of the Board of Directors of the Virginia Cannabis Control Authority,* members of the board of directors of the Commonwealth of Virginia Innovation Partnership Authority, members of the Board of the Commonwealth Savers Plan, and members of the Virginia Lottery Board and other persons occupying such offices or positions of trust or employment in state government, including members of the governing bodies of authorities, as may be designated by the Governor, or officers or employees of the legislative branch, as may be designated by the Joint Rules Committee of the General Assembly, shall file with the Council, as a condition to assuming office or employment, a disclosure statement of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before February 1.

B. In accordance with the requirements set forth in § 2.2-3118.2, nonsalaried citizen members of all policy and supervisory boards, commissions, and councils in the executive branch of state government, other than the members of the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement System, members of the board of directors of the Commonwealth of Virginia Innovation Partnership Authority, members of the Board of the Commonwealth Savers Plan, and members of the Virginia Lottery Board, shall file with the Council, as a condition to assuming office, a disclosure form of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § 2.2-3118 and thereafter shall file such form annually on or before February 1. Nonsalaried citizen members of other boards, commissions, and councils, including advisory boards and authorities, may be required to file a disclosure form if so designated by the Governor, in which case the form shall be that prescribed by the Council pursuant to § 2.2-3118.

C. The disclosure forms required by subsections A and B shall be made available by the Council at least 30 days prior to the filing deadline. Disclosure forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. All forms shall be maintained as public records for five years in the office of the Council. Such forms shall be made public no later than six weeks after the filing deadline.

D. Candidates for the offices of Governor, Lieutenant Governor, or Attorney General shall file a disclosure statement of their personal interests as required by § 24.2-502.

E. Any officer or employee of state government who has a personal interest in any transaction before the governmental or advisory agency of which he is an officer or employee and who is disqualified from participating in that transaction pursuant to subsection A of § 2.2-3112, or otherwise elects to disqualify himself, shall forthwith make disclosure of the existence of his interest, including the full name and address of the business and the address or parcel number for the real estate if the interest involves a business or real estate, and his disclosure shall also be reflected in the public records of the agency for five years in the office of the administrative head of the officer's or employee's governmental agency or advisory agency or, if the agency has a clerk, in the clerk's office.

F. An officer or employee of state government who is required to declare his interest pursuant to subdivision B 1 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) the nature of the officer's or employee's personal interest affected by the transaction, (iii) that he is a member of a business, profession, occupation, or group the members of which are affected by the transaction, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

G. An officer or employee of state government who is required to declare his interest pursuant to subdivision B 2 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) that a party to the transaction is a client of his firm, (iii) that he does not personally represent or provide services to the client, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

H. Notwithstanding any other provision of law, chairs of departments at a public institution of higher education in the Commonwealth shall not be required to file the disclosure form prescribed by the Council pursuant to § 2.2-3117 or 2.2-3118.

§ 2.2-3711. (Effective until July 1, 2026) Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided that the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

9. Discussion or consideration by governing boards of public institutions of higher education of matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in the Commonwealth shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

13. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided that the member may request in writing that the committee meeting not be conducted in a closed meeting.

14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic activity and estimating general and nongeneral fund revenues.

16. Discussion or consideration of medical and mental health records subject to the exclusion in subdivision 1 of § 2.2-3705.5.

17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Commonwealth Savers Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Commonwealth Savers Plan or provided to the retirement system, a local finance board or board of trustees, or the Commonwealth Savers Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Commonwealth Savers Plan. Nothing in this subdivision shall be construed to prevent the

disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of meetings in which individual death cases of persons with developmental disabilities are discussed by the Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

22. Those portions of meetings of the board of visitors of the University of Virginia or Old Dominion University, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's medical and teaching staffs and qualifications for appointments thereto.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. Meetings or portions of meetings of the Board of the Commonwealth Savers Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information subject to the exclusion in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

31. Discussion or consideration by the Commitment Review Committee of information subject to the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

32. Discussion or consideration of confidential proprietary information and trade secrets developed and held by a local public body providing certain telecommunication services or cable television services and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

33. Discussion or consideration by a local authority created in accordance with the Virginia

Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

34. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1.

35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative files.

36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or recover scholarship awards.

37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia Port Authority.

38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Commonwealth Savers Plan acting pursuant to § 23.1-706, or by the Commonwealth Savers Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in subdivision 24 of § 2.2-3705.7.

39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-3705.6 related to economic development.

40. Discussion or consideration by the Board of Education of information relating to the denial, suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

41. Those portions of meetings of the Virginia Military Advisory Council or any commission created by executive order for the purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization appointed by a local governing body, during which there is discussion of information subject to the exclusion in subdivision 8 of § 2.2-3705.2.

42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable information of donors.

43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain

information contained in grant applications.

44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain proprietary information of a private entity provided to the Authority.

45. Discussion or consideration of personal and proprietary information related to the resource management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii) subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records that contain information that has been certified for release by the person who is the subject of the information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.

46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority *or the Board of Directors of the Virginia Cannabis Control Authority* of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to investigations of applicants for licenses and permits and of licensees and permittees.

47. Discussion or consideration of grant, loan, or investment application records subject to the exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-2351 et seq.) of Chapter 22.

48. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, (iii) individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to §§ 15.2-1627.5 and 63.2-1605, or (iv) individual human trafficking cases by any human trafficking response team established pursuant to § 15.2-1627.6.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114 and the Department of Workforce Development and Advancement pursuant to subsection B of § 2.2-2040.

52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or revocation of any license or permit related to casino gaming, and discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to sports betting and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

55. Meetings or portions of meetings of the Board of Criminal Justice Services or the Department of Criminal Justice Services concerning the decertification of an identifiable law-enforcement or jail officer.

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 2.2-3711. (Effective July 1, 2026) Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided that the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is

in attendance or is consulted on a matter.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

9. Discussion or consideration by governing boards of public institutions of higher education of matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in the Commonwealth shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

13. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided that the member may request in writing that the committee meeting not be conducted in a closed meeting.

14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

15. Discussion by the Governor and any economic advisory board reviewing forecasts of

economic activity and estimating general and nongeneral fund revenues.

16. Discussion or consideration of medical and mental health records subject to the exclusion in subdivision 1 of § 2.2-3705.5.

17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Commonwealth Savers Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Commonwealth Savers Plan or provided to the retirement system, a local finance board or board of trustees, or the Commonwealth Savers Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the

Commonwealth Savers Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of meetings in which individual death cases of persons with developmental disabilities are discussed by the Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

22. Those portions of meetings of the board of visitors of the University of Virginia or Old Dominion University, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's

medical and teaching staffs and qualifications for appointments thereto.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. Meetings or portions of meetings of the Board of the Commonwealth Savers Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information subject to the exclusion in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

31. Discussion or consideration by the Commitment Review Committee of information subject to the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

32. Discussion or consideration of confidential proprietary information and trade secrets developed and held by a local public body providing certain telecommunication services or cable television services and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

33. Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

34. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1 and review by the State Board of Elections of complaints related to the personal use of campaign funds pursuant to § 24.2-948.7.

35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative files.

36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or recover scholarship awards.

37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia Port Authority.

38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Commonwealth Savers Plan acting pursuant to § 23.1-706, or by the Commonwealth Savers Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in subdivision 24 of § 2.2-3705.7.

39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-3705.6 related to economic development.

40. Discussion or consideration by the Board of Education of information relating to the denial, suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

41. Those portions of meetings of the Virginia Military Advisory Council or any commission created by executive order for the purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization appointed by a local governing body, during which there is discussion of information subject to the exclusion in subdivision 8 of § 2.2-3705.2.

42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related

to personally identifiable information of donors.

43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information contained in grant applications.

44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain proprietary information of a private entity provided to the Authority.

45. Discussion or consideration of personal and proprietary information related to the resource management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii) subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records that contain information that has been certified for release by the person who is the subject of the information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.

46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority *or the Board of Directors of the Virginia Cannabis Control Authority* of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to investigations of applicants for licenses and permits and of licensees and permittees.

47. Discussion or consideration of grant, loan, or investment application records subject to the exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-2351 et seq.) of Chapter 22.

48. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, (iii) individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to §§ 15.2-1627.5 and 63.2-1605, or (iv) individual human trafficking cases by any human trafficking response team established pursuant to § 15.2-1627.6.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic

Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114 and the Department of Workforce Development and Advancement pursuant to subsection B of § 2.2-2040.

52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or revocation of any license or permit related to casino gaming, and discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to sports betting and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

55. Meetings or portions of meetings of the Board of Criminal Justice Services or the Department of Criminal Justice Services concerning the decertification of an identifiable law-enforcement or jail officer.

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days

prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 2.2-3802. Systems to which chapter inapplicable.

The provisions of this chapter shall not apply to personal information systems:

1. Maintained by any court of the Commonwealth;

2. Which may exist in publications of general circulation;

3. Contained in the Criminal Justice Information System as defined in §§ 9.1-126 through 9.1-137 or in the Sex Offender and Crimes Against Minors Registry maintained by the Department of State Police pursuant to Chapter 9 (§ 9.1-900 et seq.) of Title 9.1, except to the extent that information is required to be posted on the Internet pursuant to § 9.1-913;

4. Contained in the Virginia Juvenile Justice Information System as defined in §§ 16.1-222 through 16.1-225;

5. Maintained by agencies concerning persons required by law to be licensed in the Commonwealth to engage in the practice of any profession, in which case the names and addresses of persons applying for or possessing the license may be disseminated upon written request to a person engaged in the profession or business of offering professional educational materials or courses for the sole purpose of providing the licensees or applicants for licenses with informational materials relating solely to available professional educational materials or courses, provided the disseminating agency is reasonably assured that the use of the information will be so limited;

6. Maintained by the Parole Board, the Crime Commission, the Judicial Inquiry and Review Commission, the Virginia Racing Commission, the Virginia Criminal Sentencing Commission, ~~and~~ the Virginia Alcoholic Beverage Control Authority, *and the Virginia Cannabis Control Authority*;

7. Maintained by any of the following and that deal with investigations and intelligence gathering related to criminal activity:

a. The Department of State Police;

b. The police department of the Chesapeake Bay Bridge and Tunnel Commission;

c. Police departments of cities, counties, and towns;

d. Sheriff's departments of counties and cities;

e. Campus police departments of public institutions of higher education as established by Article 3 (§ 23.1-809 et seq.) of Chapter 8 of Title 23.1; and

f. The Division of Capitol Police.

8. Maintained by local departments of social services regarding alleged cases of child abuse or neglect while such cases are also subject to an ongoing criminal prosecution;

9. Maintained by the Virginia Port Authority as provided in § 62.1-132.4 or 62.1-134.1;

10. Maintained by the Virginia Tourism Authority in connection with or as a result of the promotion of travel or tourism in the Commonwealth, in which case names and addresses of persons requesting information on those subjects may be disseminated upon written request to a person engaged in the business of providing travel services or distributing travel information, provided the Virginia Tourism Authority is reasonably assured that the use of the information will be so limited;

11. Maintained by the Division of Consolidated Laboratory Services of the Department of General Services and the Department of Forensic Science, which deal with scientific investigations relating to criminal activity or suspected criminal activity, except to the extent that § 9.1-1104 may apply;

12. Maintained by the Department of Corrections or the Office of the State Inspector General that deal with investigations and intelligence gathering by persons acting under the provisions of Chapter 3.2 (§ 2.2-307 et seq.);

13. Maintained by (i) the Office of the State Inspector General or internal audit departments of state agencies or institutions that deal with communications and investigations relating to the Fraud, Waste and Abuse Hotline or (ii) an auditor appointed by the local governing body of any county, city, or town or a school board that deals with local investigations required by § 15.2-2511.2;

14. Maintained by the Department of Social Services or any local department of social services relating to public assistance fraud investigations;

15. Maintained by the Department of Social Services related to child welfare or public assistance programs when requests for personal information are made to the Department of Social Services. Requests for information from these systems shall be made to the appropriate local department of social services that is the custodian of that record. Notwithstanding the language in this section, an individual shall not be prohibited from obtaining information from the central registry in accordance with the provisions of § 63.2-1515; and

16. Maintained by the Department for Aging and Rehabilitative Services related to adult services, adult protective services, or auxiliary grants when requests for personal information are made to the Department for Aging and Rehabilitative Services. Requests for information from these systems shall be made to the appropriate local department of social services that is the custodian of that record.

§ 2.2-4024. Hearing officers.

A. In all formal hearings conducted in accordance with § 2.2-4020, the hearing shall be presided over by a hearing officer selected from a list prepared by the Executive Secretary of the Supreme Court and maintained in the Office of the Executive Secretary of the Supreme Court. Parties to informal fact-finding proceedings conducted pursuant to § 2.2-4019 may

agree at the outset of the proceeding to have a hearing officer preside at the proceeding, such agreement to be revoked only by mutual consent. The Executive Secretary may promulgate rules necessary for the administration of the hearing officer system and shall have the authority to establish the number of hearing officers necessary to preside over administrative hearings in the Commonwealth.

Prior to being included on the list, all hearing officers shall meet the following minimum standards:

1. Active membership in good standing in the Virginia State Bar;

2. Active practice of law for at least five years; and

3. Completion of a course of training approved by the Executive Secretary of the Supreme Court. In order to comply with the demonstrated requirements of the agency requesting a hearing officer, the Executive Secretary may require additional training before a hearing officer shall be assigned to a proceeding before that agency.

B. On request from the head of an agency, the Executive Secretary shall name a hearing officer from the list, selected on a rotation system administered by the Executive Secretary. Lists reflecting geographic preference and specialized training or knowledge shall be maintained by the Executive Secretary if an agency demonstrates the need.

C. A hearing officer appointed in accordance with this section shall be subject to disqualification as provided in § 2.2-4024.1. If the hearing officer denies a petition for disqualification pursuant to § 2.2-4024.1, the petitioning party may request reconsideration of the denial by filing a written request with the Executive Secretary along with an affidavit, prior to the taking of evidence at a hearing, stating with particularity the grounds upon which it is claimed that a fair and impartial hearing cannot be accorded, or the applicable rule of practice requiring disqualification.

The issue shall be determined not less than 10 days prior to the hearing by the Executive Secretary.

D. Any hearing officer empowered by the agency to provide a recommendation or conclusion in a case decision matter shall render that recommendation or conclusion as follows:

1. If the agency's written regulations or procedures require the hearing officer to render a recommendation or conclusion within a specified time period, the hearing officer shall render the recommendation or conclusion on or before the expiration of the specified period; and

2. In all other cases, the hearing officer shall render the recommendation or conclusion within 90 days from the date of the case decision proceeding or from a later date agreed to by the named party and the agency.

If the hearing officer does not render a decision within the time required by this subsection,

then the agency or the named party to the case decision may provide written notice to the hearing officer and the Executive Secretary of the Supreme Court that a decision is due. If no decision is made within 30 days from receipt by the hearing officer of the notice, then the Executive Secretary of the Supreme Court shall remove the hearing officer from the hearing officer list and report the hearing officer to the Virginia State Bar for possible disciplinary action, unless good cause is shown for the delay.

E. The Executive Secretary shall remove hearing officers from the list, upon a showing of cause after written notice and an opportunity for a hearing. When there is a failure by a hearing officer to render a decision as required by subsection D, the burden shall be on the hearing officer to show good cause for the delay. Decisions to remove a hearing officer may be reviewed by a request to the Executive Secretary for reconsideration, followed by judicial review in accordance with this chapter.

F. This section shall not apply to hearings conducted by (i) any commission or board where all of the members, or a quorum, are present; (ii) the Virginia Alcoholic Beverage Control Authority, *the Virginia Cannabis Control Authority*, the Virginia Workers' Compensation Commission, the State Corporation Commission, the Virginia Employment Commission, the Department of Motor Vehicles under Title 46.2 (§ 46.2-100 et seq.), § 58.1-2409, or Chapter 27 (§ 58.1-2700 et seq.) of Title 58.1, or the Motor Vehicle Dealer Board under Chapter 15 (§ 46.2-1500 et seq.) of Title 46.2; or (iii) any panel of a health regulatory board convened pursuant to § 54.1-2400, including any panel having members of a relevant advisory board to the Board of Medicine. All employees hired after July 1, 1986, pursuant to §§ 65.2-201 and 65.2-203 by the Virginia Workers' Compensation Commission to conduct hearings pursuant to its basic laws shall meet the minimum qualifications set forth in subsection A. Agency employees who are not licensed to practice law in the Commonwealth, and are presiding as hearing officers in proceedings pursuant to clause (ii) shall participate in periodic training courses.

G. Notwithstanding the exemptions of subsection A of § 2.2-4002, this article shall apply to hearing officers conducting hearings of the kind described in § 2.2-4020 for the Department of Wildlife Resources, the Virginia Housing Development Authority, the Milk Commission, and the Virginia Resources Authority pursuant to their basic laws.

§ 3.2-4112. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Cannabis sativa product" means a product made from any part of the plant Cannabis sativa with a concentration of tetrahydrocannabinol that is greater than that allowed by federal law.

"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.

"Federally licensed hemp producer" means a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990.

"Grow" means to plant, cultivate, or harvest a plant or crop.

"Grower" means any person registered pursuant to subsection A of § 3.2-4115 to grow industrial hemp.

"Handle" means to temporarily possess industrial hemp grown in compliance with state or federal law that (i) has not been processed and (ii) was not grown by and will not be processed by the person temporarily possessing it.

"Handler" means any person who is registered pursuant to subsection A of § 3.2-4115 to handle industrial hemp. "Handler" does not include a retail establishment that sells or offers for sale a hemp product.

"Handler's storage site" means the location at which a handler stores or intends to store the industrial hemp he handles.

"Hemp product" means ~~a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains either no more than two milligrams of total tetrahydrocannabinol per package or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~ *the same as that term is defined in § 4.1-600.*

"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.

"Industrial hemp" means any part of the plant Cannabis sativa, including seeds thereof, whether growing or not, with a concentration of tetrahydrocannabinol that is no greater than that allowed by federal law. "Industrial hemp" includes an industrial hemp extract that has not completed all stages of processing needed to convert the extract into a hemp product.

"Process" means to convert industrial hemp into a hemp product.

"Processor" means a person registered pursuant to subsection A of § 3.2-4115 to process industrial hemp.

"Process site" means the location at which a processor processes or intends to process industrial hemp.

"Production field" means the land or area on which a grower or a federally licensed hemp producer is growing or intends to grow industrial hemp.

"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.

"Tetrahydrocannabinol" means ~~any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any~~

~~preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers~~ *the same as that term is defined in § 4.1-600.*

"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.

"Total tetrahydrocannabinol" means ~~the sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid~~ *the same as that term is defined in § 4.1-600.*

§ 3.2-4113. Production of industrial hemp lawful.

A. It is lawful for a grower, his agent, or a federally licensed hemp producer to grow, a handler or his agent to handle, or a processor or his agent to process industrial hemp in the Commonwealth for any lawful purpose. No federally licensed hemp producer or grower or his agent shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or §~~ 18.2-247,~~ 18.2-248, 18.2-248.01,~~ 18.2-248.1,~~ or 18.2-250 for the possession or growing of industrial hemp or any Cannabis sativa with a tetrahydrocannabinol concentration that does not exceed the total tetrahydrocannabinol concentration percentage established in federal regulations applicable to negligent violations located at 7 C.F.R. § 990.6(b)(3). No handler or his agent or processor or his agent shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or §~~ 18.2-247,~~ 18.2-248, 18.2-248.01,~~ 18.2-248.1,~~ or 18.2-250 or issued a summons or judgment for the possession, handling, or processing of industrial hemp. In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provision of *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1,* Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2, or the Drug Control Act (§ 54.1-3400 et seq.), it shall not be necessary to negate any exception, excuse, proviso, or exemption contained in this article or the Drug Control Act, and the burden of proof of any such exception, excuse, proviso, or exemption shall be on the defendant.

B. Nothing in this article shall be construed to authorize any person to violate any federal law or regulation.

C. No person shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § ~~18.2-247,~~ 18.2-248, 18.2-248.01,~~ 18.2-248.1,~~ or 18.2-250 for the involuntary growth of industrial hemp through the inadvertent natural spread of seeds or pollen as a result of proximity to a production field, handler's storage site, or process site.

§ 3.2-4116. Registration conditions.

A. A person who is not a federally licensed hemp producer shall obtain a registration pursuant to subsection A of § 3.2-4115 prior to growing, handling, or processing any industrial hemp in the Commonwealth.

B. A person issued a registration pursuant to subsection A of § 3.2-4115 shall:

1. Maintain records that reflect compliance with this article;

2. Retain all industrial hemp growing, handling, or processing records for at least three years;

3. Allow his production field, handler's storage site, or process site to be inspected by and at the discretion of the Commissioner or his designee, the Department of State Police, or the chief law-enforcement officer of the locality in which the production field, or handler's storage site, or process site exists;

4. Allow the Commissioner or his designee to monitor and test the grower's, handler's, or processor's industrial hemp for compliance with tetrahydrocannabinol levels and for other appropriate purposes established pursuant to § 3.2-4114, at the cost of the grower, handler, or processor; and

5. If required by the Commissioner, destroy, at the cost of the grower, handler, or processor and in a manner approved of and verified by the Commissioner, any Cannabis sativa that the grower grows, the handler handles, or the processor processes that has been tested and, following any re-sampling and retesting as authorized pursuant to the provisions of § 3.2-4114.2, is found to have a concentration of tetrahydrocannabinol that is greater than that allowed by federal law, or any Cannabis sativa product that the processor produces.

C. A processor shall not sell industrial hemp or a substance containing an industrial hemp extract, as defined in § 3.2-5145.1, to a person if the processor knows or has reason to know that such person will use the industrial hemp or substance containing an industrial hemp extract in a substance that (i) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (ii) contains more than two milligrams of total tetrahydrocannabinol per package ~~and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package~~.

§ 3.2-4126. Civil penalties.

A. The Commissioner may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny the application for a regulated hemp product retail facility registration or suspend or revoke the regulated hemp product retail facility registration of any person that violates a provision of this article.

B. Any person that (i) offers for sale or sells at retail a regulated hemp product without first obtaining a registration to do so from the Commissioner in accordance with § 3.2-4122, (ii) continues to offer for sale or sell at retail a regulated hemp product after revocation or suspension of such registration, (iii) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package ~~and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package~~, (iv) offers for sale or sells at retail a regulated hemp product in violation of § 3.2-4123, or (v)

offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing an industrial hemp-derived cannabinoid without a regulated hemp product retail facility registration is, in addition to any other penalties provided, subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Commissioner and the proceeds shall be payable to the State Treasurer for remittance to the Department.

§ 3.2-5145.1. Definitions.

As used in this article, unless the context requires a different meaning:

"Food" means any article that is intended for human consumption and introduction into commerce, whether the article is simple, mixed, or compound, and all substances or ingredients used in the preparation thereof. "Food" does not mean drug as defined in § 54.1-3401.

"Industrial hemp" means a Cannabis sativa plant that has a concentration of tetrahydrocannabinol that is no greater than that allowed by federal law.

"Industrial hemp extract" means an extract (i) of industrial hemp, (ii) that is intended for human consumption, and (iii) except as otherwise provided in subsection M of § 54.1-3442.6, when offered for retail sale, that (a) contains a total tetrahydrocannabinol concentration that is no greater than 0.3 percent and (b) contains ~~either~~ no more than two milligrams of total tetrahydrocannabinol per package ~~or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~. "Industrial hemp extract" is not a hemp seed-derived ingredient that is approved by the U.S. Food and Drug Administration or is the subject of a generally recognized as safe notice for which the U.S. Food and Drug Administration had no questions.

"Tetrahydrocannabinol" means the same as that term is defined in § ~~3.2-4112~~ *4.1-600*.

"Total tetrahydrocannabinol" means the same as that term is defined in § ~~3.2-4112~~ *4.1-600*.

§ 3.2-5145.2:1. Manufacturers of industrial hemp extract; penalties.

A. Any person who manufactures, sells, or offers for sale an industrial hemp extract or food containing an industrial hemp extract shall be subject to the requirements of this chapter and regulations adopted pursuant to this chapter.

B. Any person who (i) manufactures, sells, or offers for sale an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130; (ii) continues to manufacture, sell, or offer for sale an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture, sell, or offer for sale a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) sells or offers for sale at retail a food that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b)

contains more than two milligrams of total tetrahydrocannabinol per package ~~and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package~~; (v) manufactures, offers for sale, or sells in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or (vi) otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Commissioner and the proceeds shall be payable to the State Treasurer for remittance to the Department.

C. Any person who (i) manufactures, sells, or offers for sale an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130; (ii) continues to manufacture, sell, or offer for sale an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture, sell, or offer for sale a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) manufactures, offers for sale, or sells in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or (v) otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is guilty of a Class 1 misdemeanor. Each day in which a violation occurs shall constitute a separate offense.

D. The Commissioner may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny, suspend, or revoke a permit issued pursuant to § 3.2-5100 if the permitted entity is found to have violated subdivision A 69, 70, 71, 72, 73, or 74 of § 59.1-200 by a court of competent jurisdiction.

E. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 3.2-5145.4. Industrial hemp extract requirements.

A. An industrial hemp extract shall (i) be produced from industrial hemp grown in compliance with applicable law and (ii) when offered for retail sale, (a) contain a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contain ~~either~~ no more than two milligrams of total tetrahydrocannabinol per package ~~or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~.

B. In addition to the requirements of this chapter, an industrial hemp extract or food containing an industrial hemp extract shall comply with regulations adopted by the Board pursuant to § 3.2-5145.5.

§ 4.1-103. General powers of Board.

The Board shall have the power to:

1. Sue and be sued, implead and be impleaded, and complain and defend in all courts;

2. Adopt, use, and alter at will a common seal;

3. Fix, alter, charge, and collect rates, rentals, fees, and other charges for the use of property of, the sale of products of, or services rendered by the Authority at rates to be determined by the Authority for the purpose of providing for the payment of the expenses of the Authority;

4. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties, the furtherance of its purposes, and the execution of its powers under this subtitle, including agreements with any person or federal agency;

5. Employ, at its discretion, consultants, researchers, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers, and such other employees and special agents as may be necessary and fix their compensation to be payable from funds made available to the Authority. Legal services for the Authority shall be provided by the Attorney General in accordance with Chapter 5 (§ 2.2-500 et seq.) of Title 2.2;

6. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants or other aid to be expended in accomplishing the objectives of the Authority, and receive and accept from the Commonwealth or any state and any municipality, county, or other political subdivision thereof or from any other source aid or contributions of either money, property, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made. All federal moneys accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with state law, and all state moneys accepted under this section shall be expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

7. Adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised and its duties performed. The Board may delegate or assign any duty or task to be performed by the Authority to any officer or employee of the Authority. The Board shall remain responsible for the performance of any such duties or tasks. Any delegation pursuant to this subdivision shall, where appropriate, be accompanied by written guidelines for the exercise of the duties or tasks delegated. Where appropriate, the guidelines shall require that the Board receive summaries of actions taken. Such delegation or assignment shall not relieve the Board of the responsibility to ensure faithful performance of the duties and tasks;

8. Conduct or engage in any lawful business, activity, effort, or project consistent with the Authority's purposes or necessary or convenient to exercise its powers;

9. Develop policies and procedures generally applicable to the procurement of goods,

services, and construction, based upon competitive principles;

10. Develop policies and procedures consistent with Article 4 (§ 2.2-4347 et seq.) of Chapter 43 of Title 2.2;

11. Buy, import and sell alcoholic beverages other than beer and wine not produced by farm wineries, and to have alcoholic beverages other than beer and wine not produced by farm wineries in its possession for sale;

12. Buy and sell any mixers;

13. Buy and sell products licensed by the Virginia Tourism Corporation that are within international trademark classes 16 (paper goods and printer matters), 18 (leather goods), 21 (housewares and glass), and 25 (clothing);

14. Control the possession, sale, transportation, and delivery of alcoholic beverages;

15. Determine, subject to § 4.1-121, the localities within which government stores shall be established or operated and the location of such stores;

16. Maintain warehouses for alcoholic beverages and control the storage and delivery of alcoholic beverages to and from such warehouses;

17. Acquire, purchase, hold, use, lease, or otherwise dispose of any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority; lease as lessee any property, real, personal or mixed, tangible or intangible, or any interest therein, at such annual rental and on such terms and conditions as may be determined by the Board; lease as lessor to any person any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed, at such annual rental and on such terms and conditions as may be determined by the Board; sell, transfer, or convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired or held by the Authority on such terms and conditions as may be determined by the Board; and occupy and improve any land or building required for the purposes of this subtitle;

18. Purchase, lease, or acquire the use of, by any manner, any plant or equipment that may be considered necessary or useful in carrying into effect the purposes of this subtitle, including rectifying, blending, and processing plants. The Board may purchase, build, lease, and operate distilleries and manufacture alcoholic beverages;

19. Determine the nature, form and capacity of all containers used for holding alcoholic beverages to be kept or sold under this subtitle, and prescribe the form and content of all labels and seals to be placed thereon; however, no container sold in or shipped into the Commonwealth shall include powdered or crystalline alcohol;

20. Appoint every agent and employee required for its operations; require any or all of them to give bonds payable to the Commonwealth in such penalty as shall be fixed by the Board;

and engage the services of experts and professionals;

21. Hold and conduct hearings; issue subpoenas requiring the attendance of witnesses and the production of records, memoranda, papers and other documents before the Board or any agent of the Board; and administer oaths and take testimony thereunder. The Board may authorize any Board member or agent of the Board to hold and conduct hearings, issue subpoenas, administer oaths and take testimony thereunder, and decide cases, subject to final decision by the Board, on application of any party aggrieved. The Board may enter into consent agreements and may request and accept from any applicant or licensee a consent agreement in lieu of proceedings on (i) objections to the issuance of a license or (ii) disciplinary action. Any such consent agreement shall include findings of fact and may include an admission or a finding of a violation. A consent agreement shall not be considered a case decision of the Board and shall not be subject to judicial review under the provisions of the Administrative Process Act (§ 2.2-4000 et seq.), but may be considered by the Board in future disciplinary proceedings;

22. Make a reasonable charge for preparing and furnishing statistical information and compilations to persons other than (i) officials, including court and police officials, of the Commonwealth and of its subdivisions if the information requested is for official use and (ii) persons who have a personal or legal interest in obtaining the information requested if such information is not to be used for commercial or trade purposes;

23. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and § 4.1-111;

24. Grant, suspend, and revoke licenses for the manufacture, bottling, distribution, importation, and sale of alcoholic beverages;

25. Assess and collect civil penalties and civil charges for violations of this subtitle and Board regulations;

26. Maintain actions to enjoin common nuisances as defined in § 4.1-317;

27. Establish minimum food sale requirements for all retail licensees;

28. Review and approve any proposed legislative or regulatory changes suggested by the Chief Executive Officer as the Board deems appropriate;

29. Report quarterly to the Secretary of Public Safety and Homeland Security on the law-enforcement activities undertaken to enforce the provisions of this subtitle;

30. Establish and collect fees for all permits set forth in this subtitle, including fees associated with applications for such permits;

31. Impose a requirement that a mixed beverage casino licensee pursuant to subdivision A 14 of § 4.1-206.3 pay for any cost incurred by the Board to enforce such license in excess of the applicable state license fee; ~~and~~

32. *Conduct outreach to all licensees and businesses selling liquid nicotine or nicotine*

vapor products to inform and educate such licensees and businesses on the Cannabis Control Act (§ 4.1-600 et seq.) and laws and regulations related to the illegal cultivation, processing, sale, and distribution of marijuana and marijuana products; and

33. Do all acts necessary or advisable to carry out the purposes of this subtitle.

§ 4.1-352. Certificate of forensic scientist as evidence; requiring forensic scientist to appear.

The certificate of any forensic scientist employed by the Commonwealth on behalf of the Board or the Department of Forensic Science, when signed by him, shall be *admissible as* evidence ~~in all prosecutions for violations of this subtitle and all controversies in any judicial proceedings touching the mixture analyzed by him~~ *of the facts therein stated and of the results of such analysis (i) in any criminal proceeding, provided the requirements of subsection A of § 19.2-187.1 have been satisfied and the accused has not objected to the admission of the certificate pursuant to subsection B of § 19.2-187.1 or (ii) in any civil proceeding*. On motion of the accused or any party in interest, the court may require the forensic scientist making the analysis to appear as a witness and be subject to cross-examination, provided such motion is made within a reasonable time prior to the day on which the case is set for trial.

§ 4.1-600. Definitions.

As used in this subtitle, unless the context requires a different meaning:

"Advertisement" or "advertising" means any written or verbal statement, illustration, or depiction that is calculated to induce sales of ~~retail~~ marijuana, ~~retail~~ marijuana products, marijuana plants, or marijuana seeds, including any written, printed, graphic, digital, electronic, or other material, billboard, sign, or other outdoor display, publication, or radio or television broadcast.

"Authority" means the Virginia Cannabis Control Authority created pursuant to this subtitle.

"Board" means the Board of Directors of the Virginia Cannabis Control Authority.

"Cannabis Control Act" means Subtitle II (§ 4.1-600 et seq.).

"Canopy" means the space used by a licensee to produce flowering marijuana plants, including areas between plants, pathways, walkways, and empty space between rows that allow for airflow, light, growth, access for watering, trimming, and other activities associated with marijuana cultivation. "Canopy" does not include space used for mother plants, clones, immature or nonflowering plants, processing, drying, curing, trimming, storage, offices, hallways, work areas, or other administrative and nonproduction uses. If flowering marijuana plants are cultivated using a shelving or other layered system, the surface area of each level shall be included for purposes of calculating canopy.

"Child-resistant" means, with respect to packaging or a container, (i) specially designed or constructed to be significantly difficult for a typical child ~~under~~ *younger than* five years of

age to open and not to be significantly difficult for a typical adult to open and reseal and (ii) for any product intended for more than a single use or that contains multiple servings, resealable.

"Cultivation" or "cultivate" means the planting, propagation, growing, harvesting, drying, curing, grading, trimming, *packaging,* or other similar ~~processing~~ *manufacturing* of marijuana for use or sale. "Cultivation" or "cultivate" does not include ~~manufacturing~~ *processing* or testing.

"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.

"Edible marijuana product" means a marijuana product intended to be consumed orally, including marijuana intended to be consumed orally or marijuana concentrate intended to be consumed orally.

"Hemp product" means a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains no more than two milligrams of total tetrahydrocannabinol per package or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package.

"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.

"Historically economically disadvantaged community" means either (i) a jurisdiction identified by the Board utilizing census tract data made available by the United States Census Bureau in which offenses for marijuana possession were committed at a rate in excess of 150 percent of the statewide average for marijuana possession offenses during the 10-year period of 2009 to 2019 or (ii) a historically underutilized business zone as defined in 15 U.S.C. § 657a.

"Immature plant" means a nonflowering marijuana plant that is no taller than eight inches and no wider than eight inches, is produced from a cutting, clipping, or seedling, and is growing in a container.

"Impact licensee" means a licensee that meets the criteria set forth in subdivision B 13 of § 4.1-606.

"Industrial hemp" means the same as that term is defined in § 3.2-4112.

"Industrial hemp extract" means the same as that term is defined in § 3.2-5145.1.

"Inhalable marijuana product" means a marijuana product that is intended to be inhaled, including marijuana intended to be inhaled or marijuana concentrate intended to be inhaled.

"Licensed" means the holding of a valid license *or permit* granted by the Authority.

"Licensee" means any person to whom a license *or permit* has been granted by the Authority.

~~"Manufacturing" or "manufacture" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana and marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Manufacturing" or "manufacture" does not include cultivation or testing.~~

"Marijuana" means any part of a plant of the genus Cannabis, whether growing or not, its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seed of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product~~, as defined in § 3.2-4112~~; (v) an industrial hemp extract~~, as defined in § 3.2-5145.1~~; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.

"Marijuana concentrate" means marijuana that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a marijuana plant is a concentrate for purposes of this subtitle.

"Marijuana cultivation facility" means a facility licensed under ~~this subtitle to cultivate, label, and package retail marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell retail marijuana, immature marijuana plants, and marijuana seeds to marijuana wholesalers and retail marijuana stores; to transfer possession of and sell retail marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell retail marijuana to marijuana manufacturing facilities; and to sell immature marijuana plants and marijuana seeds to consumers for the purpose of cultivating marijuana at home for personal use~~ *§ 4.1-800*.

"Marijuana delivery operator" means an entity licensed under § 4.1-805.

"Marijuana establishment" means a marijuana cultivation facility, ~~a~~ *marijuana microbusiness, marijuana delivery operator,* marijuana testing facility, ~~a~~ marijuana ~~manufacturing~~ *processing* facility, ~~a~~ marijuana ~~wholesaler~~ *transporter,* ~~or a~~ retail marijuana store*, or pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges pursuant to § 4.1-1602.1*.

~~"Marijuana manufacturing facility" means a facility licensed under this subtitle to manufacture, label, and package retail marijuana and retail marijuana products; to purchase or take possession of retail marijuana from a marijuana cultivation facility or another marijuana manufacturing facility; and to transfer possession of and sell retail marijuana and retail marijuana products to marijuana wholesalers, retail marijuana stores, or other marijuana manufacturing facilities.~~

"Marijuana paraphernalia" means all equipment, products, and materials of any kind that are either designed for use or are intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, strength testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body marijuana.

"Marijuana processing facility" means a facility licensed under § 4.1-801.

"Marijuana products" means (i) products that are composed of marijuana and other ingredients and are intended for use or consumption, ointments, and tinctures or (ii) marijuana concentrate.

"Marijuana testing facility" means a facility licensed under ~~this subtitle to develop, research, or test marijuana, marijuana products, and other substances~~ *§ 4.1-806*.

"Marijuana ~~wholesaler~~ *transporter*" means a facility licensed under ~~this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana manufacturing facility, or another marijuana wholesaler and to transfer possession and sell or resell retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana manufacturing facility, retail marijuana store, or another marijuana wholesaler~~ *§ 4.1-804*.

~~"Non-retail marijuana" means marijuana that is not cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Non-retail marijuana products" means marijuana products that are not manufactured and sold by a licensed marijuana establishment.~~

"Microbusiness" means a facility licensed under § 4.1-803.

"Outdoor cultivation" means cultivation in an area exposed to natural sunlight and open to environmental conditions, including variable temperature, precipitation, and wind.

"Place or premises" means the real estate, together with any buildings or other improvements thereon, designated in the application for a license as the place at which the cultivation, ~~manufacture~~ *processing*, sale, or testing of ~~retail~~ marijuana or ~~retail~~ marijuana products shall be performed~~, except that portion of any such building or other improvement actually and exclusively used as a private residence~~.

"Principal" means (i) any individual who solely or together with his immediate family

members (a) owns or controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or permittee or (b) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership interests of such entity and (ii) any person who manages marijuana establishment operations on behalf of a licensee or permittee.

"Processing" or "process" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana or marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Processing" or "process" does not include cultivation or testing.

"Public place" means any place, building, or conveyance to which the public has, or is permitted to have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels, and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any highway, street, or lane.

"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.

"Residence" means any building or part of a building or structure where a person resides, but does not include any part of a building that is not actually and exclusively used as a private residence, nor any part of a hotel or club other than a private guest room thereof.

~~"Retail marijuana" means marijuana that is cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Retail marijuana products" means marijuana products that are manufactured and sold by a licensed marijuana establishment.~~

"Retail marijuana store" means a facility licensed under ~~this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility, marijuana manufacturing facility, or marijuana wholesaler and to sell retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds to consumers~~ *§ 4.1-802*.

"Security" means the same as that term is defined in § 13.1-501. If the Board finds that any obligation, stock, or other equity interest creates control of or voice in the management operations of an entity in the manner of a security, then such interest shall be considered a security.

"Sale" and "sell" includes soliciting or receiving an order ~~for~~; keeping, offering, or exposing for sale; peddling, exchanging, or bartering; or delivering ~~otherwise~~ *other* than gratuitously, by any means~~, retail marijuana or retail marijuana products~~.

"Secure agricultural greenhouse" means an enclosed structure that has transparent walls and roofing and is used for controlled-environment agriculture.

"Special agent" means an employee of the Virginia Cannabis Control Authority whom the

Board has designated as a law-enforcement officer pursuant to this subtitle.

"Testing" or "test" means the research and analysis of marijuana, marijuana products, or other substances for contaminants, safety, or potency. "Testing" or "test" does not include cultivation or ~~manufacturing~~ *processing*.

"Tetrahydrocannabinol" means ~~the same as that term is defined in § 3.2-4112~~ *any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.*

"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.

"Topical marijuana product" means a marijuana product that is intended to be applied topically to the skin.

"Total tetrahydrocannabinol" means the ~~same as that term is defined in § 3.2-4112~~ *sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid*.

§ 4.1-601. Virginia Cannabis Control Authority created~~; statement of purpose~~.

~~A. The General Assembly has determined that there exists in the Commonwealth a need to control the possession, sale, transportation, distribution, and delivery of retail marijuana and retail marijuana products in the Commonwealth.~~

~~Further, the General Assembly determines that the creation of an authority for this purpose is in the public interest, serves a public purpose, and will promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth. To achieve this objective,~~ ~~there~~ *There* is hereby created an independent political subdivision of the Commonwealth, exclusive of the legislative, executive, or judicial branches of state government, to be known as the Virginia Cannabis Control Authority. The Authority's exercise of powers and duties conferred by this subtitle shall be deemed the performance of an essential governmental function and a matter of public necessity for which public moneys may be spent.

B. The Board of Directors of the Authority is vested with control of the possession, sale, transportation, distribution, and delivery of ~~retail~~ marijuana ~~and retail~~, marijuana products, *and regulated hemp products* in the Commonwealth, with plenary power to prescribe and enforce regulations and conditions under which ~~retail~~ marijuana ~~and retail~~, marijuana products, *and regulated hemp products* are possessed, sold, transported, distributed, and delivered, so as to prevent any corrupt, incompetent, dishonest, or unprincipled practices and to promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth. The exercise of the powers granted by this subtitle shall be in all respects

for the benefit of the citizens of the Commonwealth and for the promotion of their safety, health, welfare, and convenience. No part of the assets or net earnings of the Authority shall inure to the benefit of, or be distributable to, any private individual, except that reasonable compensation may be paid for services rendered to or for the Authority affecting one or more of its purposes, and benefits may be conferred that are in conformity with said purposes, and no private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Authority.

§ 4.1-603. Cannabis Public Health Advisory Council; purpose; membership; quorum; meetings; compensation and expenses; duties.

A. The Cannabis Public Health Advisory Council (the Advisory Council) is established as an advisory council to the Board. The purpose of the Advisory Council is to assess and monitor public health issues, trends, and impacts related to marijuana and marijuana legalization and make recommendations regarding health warnings~~, retail~~*;* marijuana ~~and retail~~*,* marijuana products*, and regulated hemp products* safety and product composition~~;~~*;* and public health awareness, programming, and related resource needs.

B. The Advisory Council shall have a total membership of 21 members that shall consist of 14 nonlegislative citizen members and seven ex officio members. Nonlegislative citizen members of the Council shall be citizens of the Commonwealth and shall reflect the racial, ethnic, gender, and geographic diversity of the Commonwealth. Nonlegislative citizen members shall be appointed as follows: four to be appointed by the Senate Committee on Rules, one of whom shall be a representative from the Virginia Foundation for Healthy Youth, one of whom shall be a representative from the Virginia Chapter of the American Academy of Pediatrics, one of whom shall be a representative from the Medical Society of Virginia, and one of whom shall be a representative from the Virginia Pharmacists Association; six to be appointed by the Speaker of the House of Delegates, one of whom shall be a representative from a community services board, one of whom shall be a person or health care provider with expertise in substance use disorder treatment and recovery, one of whom shall be a person or health care provider with expertise in substance use disorder prevention, one of whom shall be a person with experience in disability rights advocacy, one of whom shall be a person with experience in veterans health care, and one of whom shall be a person with a social or health equity background; and four to be appointed by the Governor, subject to confirmation by the General Assembly, one of whom shall be a representative of a local health district, one of whom shall be a person who is part of the cannabis industry, one of whom shall be an academic researcher knowledgeable about cannabis, and one of whom shall be a registered medical cannabis patient.

The Secretary of Health and Human Resources, the Commissioner of Health, the Commissioner of Behavioral Health and Developmental Services, the Commissioner of Agriculture and Consumer Services, the Director of the Department of Health Professions, the Director of the Department of Forensic Science, and the Chief Executive Officer of the Virginia Cannabis Control Authority, or their designees, shall serve ex officio with voting privileges. Ex officio members of the Advisory Council shall serve terms coincident with

their terms of office.

After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed.

~~The Advisory Council shall be chaired by the Secretary of Health and Human Resources or his designee.~~ The Advisory Council shall select a ~~vice-chairman~~ *chair and vice-chair* from among its membership. A majority of the members shall constitute a quorum. The Advisory Council shall meet at least two times each year and shall meet at the call of the ~~chairman or~~ *chair,* whenever the majority of the members so request.

The Advisory Council shall have the authority to create subgroups with additional stakeholders, experts, and state agency representatives.

C. Members shall receive no compensation for the performance of their duties but shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

D. The Advisory Council shall have the following duties, in addition to duties that may be necessary to fulfill its purpose as described in subsection A:

1. To review multi-agency efforts to support collaboration and a unified approach on public health responses related to marijuana and marijuana legalization in the Commonwealth and to develop recommendations as necessary.

2. To monitor changes in drug use data related to marijuana and marijuana legalization in the Commonwealth and the science and medical information relevant to the potential health risks associated with such drug use, and make appropriate recommendations to the Department of Health and the Board.

3. ~~Submit~~ *To review Board regulations related to public health pursuant to subsection F of § 4.1-606. The Advisory Council shall review such regulations within 30 calendar days of the Board's submission of the regulations to the Advisory Council. If the Advisory Council fails to review a regulation within 30 calendar days, the Advisory Council shall request a 30-day extension to review the regulations from the Board or provide a written explanation to the Board on why the Advisory Council failed to review the regulation within 30 calendar days. If the Advisory Council fails to review a regulation within 30 calendar days and does not request an extension, the Board may adopt such regulation without review by the Advisory Council.*

4. To submit an annual report to the Governor and the General Assembly for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports. The ~~chairman~~ *chair* shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Advisory Council no later than the first day of each regular

session of the General Assembly. The executive summary shall be submitted as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

§ 4.1-604. Powers and duties of the Board.

The Board shall have the following powers and duties:

1. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and § 4.1-606;

2. Control the possession, sale, transportation, and delivery of marijuana ~~and~~, marijuana products*, and regulated hemp products*;

3. Grant, suspend, restrict, revoke, or refuse to grant or renew any license ~~or~~, permit, *or registration* issued or authorized pursuant to this subtitle;

4. Determine the nature, form, and capacity of all containers used for holding marijuana products *or regulated hemp products* to be kept or sold and prescribe the form and content of all labels and seals to be placed thereon;

5. Maintain actions to enjoin common nuisances as defined in § 4.1-1113;

6. Establish standards and implement an online course for employees of retail marijuana stores *and microbusinesses* that trains employees on how to educate consumers on the potential risks of marijuana use;

7. Establish a plan to develop and disseminate to retail marijuana store *and microbusinesses* licensees a pamphlet or similar document regarding the potential risks of marijuana use to be prominently displayed and made available to consumers;

8. Establish a position for a Cannabis ~~Social Equity~~ *Impact Business* Liaison who shall lead the Cannabis *Impact* Business ~~Equity and Diversity~~ Support Team and liaise with the Director of Diversity, Equity, and Inclusion on matters related to ~~diversity, equity,~~ and ~~inclusion standards~~ *impact licensee participation* in the marijuana industry;

9. Establish a Cannabis *Impact* Business ~~Equity and Diversity~~ Support Team, which shall (i) ~~develop requirements for the creation and submission of diversity, equity, and inclusion plans by persons who wish to possess a license in more than one license category pursuant to subsection C of § 4.1-805, which may include a requirement that the licensee participate in social equity apprenticeship plan, and an approval process and requirements for implementation of such plans; (ii)~~ be responsible for conducting an analysis of potential barriers to entry for small, women-owned, and minority-owned businesses and veteran-owned businesses interested in participating in the marijuana industry and recommending strategies to effectively mitigate such potential barriers; ~~(iii)~~ *(ii)* provide assistance with business planning for potential marijuana establishment licensees; ~~(iv)~~ *(iii)* spread awareness of business opportunities related to the marijuana marketplace in areas disproportionately

impacted by marijuana prohibition and enforcement; ~~(v)~~ *(iv)* provide technical assistance in navigating the administrative process to potential marijuana establishment licensees; and ~~(vi)~~ *(v)* conduct other outreach initiatives in areas disproportionately impacted by marijuana prohibition and enforcement as necessary;

10. Establish a position for an individual with professional experience in a health related field who shall staff the Cannabis Public Health Advisory Council, established pursuant to § 4.1-603, liaise with the Office of the Secretary of Health and Human Resources and relevant health and human services agencies and organizations, and perform other duties as needed;

11. Establish and implement a plan, in coordination with the Cannabis ~~Social Equity~~ *Impact Business* Liaison ~~and the Director of Diversity, Equity, and Inclusion~~, to promote and encourage participation in the marijuana industry by people from *historically economically disadvantaged* communities ~~that have been disproportionately impacted by marijuana prohibition and enforcement~~ and to positively impact those communities;

12. Sue and be sued, implead and be impleaded, and complain and defend in all courts;

13. Adopt, use, and alter at will a common seal;

14. Fix, alter, charge, and collect rates, rentals, fees, and other charges for the use of property of, the sale of products of, or services rendered by the Authority at rates to be determined by the Authority for the purpose of providing for the payment of the expenses of the Authority;

15. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties, the furtherance of its purposes, and the execution of its powers under this subtitle, including agreements with any person or federal agency;

16. Employ, at its discretion, consultants, researchers, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers, and such other employees and special agents as may be necessary and fix their compensation to be payable from funds made available to the Authority. ~~Legal~~ *The Board may employ or retain legal counsel of its choice, subject to the approval of the Attorney General, to advise or represent the Authority in hearings, controversies, or other matters involving the interests of the Authority; however, upon request by the Board, the Attorney General shall provide legal* services for the Authority ~~shall be provided by the Attorney General~~ in accordance with Chapter 5 (§ 2.2-500 et seq.) of Title 2.2;

17. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants or other aid to be expended in accomplishing the objectives of the Authority, and receive and accept from the Commonwealth or any state and any municipality, county, or other political subdivision thereof or from any other source aid or contributions of either money, property, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made. All federal moneys accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent

with state law, and all state moneys accepted under this section shall be expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

18. Adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised and its duties performed. The Board may delegate or assign any duty or task to be performed by the Authority to any officer or employee of the Authority. The Board shall remain responsible for the performance of any such duties or tasks. Any delegation pursuant to this subdivision shall, where appropriate, be accompanied by written guidelines for the exercise of the duties or tasks delegated. Where appropriate, the guidelines shall require that the Board receive summaries of actions taken. Such delegation or assignment shall not relieve the Board of the responsibility to ensure faithful performance of the duties and tasks;

19. Conduct or engage in any lawful business, activity, effort, or project consistent with the Authority's purposes or necessary or convenient to exercise its powers;

20. Develop policies and procedures generally applicable to the procurement of goods, services, and construction, based upon competitive principles;

21. Develop policies and procedures consistent with Article 4 (§ 2.2-4347 et seq.) of Chapter 43 of Title 2.2;

22. Acquire, purchase, hold, use, lease, or otherwise dispose of any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority; lease as lessee any property, real, personal or mixed, tangible or intangible, or any interest therein, at such annual rental and on such terms and conditions as may be determined by the Board; lease as lessor to any person any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed, at such annual rental and on such terms and conditions as may be determined by the Board; sell, transfer, or convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired or held by the Authority on such terms and conditions as may be determined by the Board; and occupy and improve any land or building required for the purposes of this subtitle;

23. Purchase, lease, or acquire the use of, by any manner, any plant or equipment that may be considered necessary or useful in carrying into effect the purposes of this subtitle, including rectifying, blending, and processing plants;

24. Appoint every agent and employee required for its operations, require any or all of them to give bonds payable to the Commonwealth in such penalty as shall be fixed by the Board, and engage the services of experts and professionals;

25. Hold and conduct hearings, issue subpoenas requiring the attendance of witnesses and the production of records, memoranda, papers, and other documents before the Board or any agent of the Board, and administer oaths and take testimony thereunder. The Board may authorize any Board member or agent of the Board to hold and conduct hearings, issue

subpoenas, administer oaths and take testimony thereunder, and decide cases, subject to final decision by the Board, on application of any party aggrieved. The Board may enter into consent agreements and may request and accept from any applicant, licensee, or permittee a consent agreement in lieu of proceedings on (i) objections to the issuance of a license or permit or (ii) disciplinary action. Any such consent agreement (a) shall include findings of fact and provisions regarding whether the terms of the consent agreement are confidential and (b) may include an admission or a finding of a violation. A consent agreement shall not be considered a case decision of the Board and shall not be subject to judicial review under the provisions of the Administrative Process Act (§ 2.2-4000 et seq.), but may be considered by the Board in future disciplinary proceedings;

26. Make a reasonable charge for preparing and furnishing statistical information and compilations to persons other than (i) officials, including court and police officials, of the Commonwealth and of its subdivisions if the information requested is for official use and (ii) persons who have a personal or legal interest in obtaining the information requested if such information is not to be used for commercial or trade purposes;

27. Take appropriate disciplinary action and assess and collect civil penalties and civil charges for violations of this subtitle and Board regulations;

28. Review and approve any proposed legislative or regulatory changes suggested by the Chief Executive Officer as the Board deems appropriate;

29. Report quarterly to the Secretary of Public Safety and Homeland Security on the law-enforcement activities undertaken to enforce the provisions of this subtitle;

30. Establish and collect fees for all *licenses and* permits set forth in this subtitle, including fees associated with applications for such *licenses and* permits;

31. Develop and make available on its website guidance documents regarding compliance and safe practices for persons who cultivate marijuana at home for personal use, which shall include information regarding cultivation practices that promote personal and public safety, including child protection, and discourage practices that create a nuisance;

32. Develop and make available on its website a resource that provides information regarding (i) responsible marijuana consumption; (ii) health risks and other dangers associated with marijuana consumption, including inability to operate a motor vehicle and other types of transportation and equipment; and (iii) ancillary effects of marijuana consumption, including ineligibility for certain employment opportunities. The Board shall require that the web address for such resource be included on the label of all ~~retail~~ marijuana and ~~retail~~ marijuana product as provided in § ~~4.1-1402~~ *4.1-1405*; ~~and~~

33. *Access during business hours any facility governed by this subtitle and any business that offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing a cannabinoid for the purpose of conducting an inspection or securing samples to identify potential violations of this subtitle;*

34. Conduct training and provide educational resources to the public on the application process for licenses;

35. Develop and provide consumer education that (i) highlights the ways purchasing marijuana and marijuana products from or cultivated and processed by licensees supports farmers, small business, and community reinvestment; (ii) educates consumers on how to recognize licensed retail marijuana stores and microbusinesses; and (iii) informs consumers about responsible marijuana consumption and health risks and other dangers associated with marijuana consumption.

36. Issue a semi-annual report that contains information regarding (i) license fees waived or reduced pursuant to § 4.1-606; (ii) licenses issued to or renewed for persons identified in subdivision B 13 of § 4.1-606; (iii) public education initiatives, including public awareness campaigns regarding driving under the influence, underage consumption and youth awareness, and health risks; (iv) community engagement initiatives; (v) sales and tax revenue; (vi) programs funded by marijuana tax revenue; (vii) efforts made pursuant to subdivisions 8, 9, 11, and 32; and (viii) license denials and disciplinary actions taken;

37. Maintain a public registry available online of information for all licensees that includes a searchable directory of licenses by license type and impact licensee designation;

38. Develop policies and procedures generally applicable to the audit of ownership and financial relationships across all licenses on a schedule established by the Board. The audits shall be conducted by an independent certified public accountant and the costs of such audits shall be borne by the licensee;

39. Beginning on July 1, 2029, and each July 1 thereafter, issue an annual report on the performance and health of the retail marijuana market in the Commonwealth, including information related to: (i) sales and tax revenue, including information on sales and tax revenue broken down by marijuana and marijuana product category; (ii) the distribution of tax revenue; (iii) the total number of licenses issued and the number of licensees actively operating in the Commonwealth; (iv) ownership diversity; (v) the number of jobs created in the marijuana industry, including information on the number of people employed by specific license type; (vi) average wholesale and retail prices of different types of marijuana and marijuana products; (vii) licenses issued to or renewed for persons identified in subdivision B 13 of § 4.1-606, amounts distributed to such impact licensees through the Cannabis Equity Business Loan Fund, and performance metrics for such licensees; (viii) an anonymized summary of the compliance findings from any audit of ownership and financial relationships across all licenses conducted pursuant to the policies and procedures of subdivision 38; (ix) whether licensees with substantial market share of any category of licensure have an impact on the goals of (a) inclusion of microbusiness and impact licensees in the market, (b) maintaining adequate supplies of marijuana, and (c) prevention of dominant marketplace participation in the marijuana industry; (x) the potential expansion or contraction of the marijuana market in the Commonwealth, which may include information related to any increase in retail marijuana sales and activity in the illicit

marijuana market; (xi) a comparison of estimated sales in the illicit marijuana market to sales in the retail marijuana market; (xii) information on the viability of marijuana establishments in the Commonwealth; (xiii) the feasibility of requiring pharmaceutical processors and cannabis dispensing facilities issued a permit by the Board pursuant to the provisions of Chapter 16 (§ 4.1-1600 et seq.) to offer for sale a certain amount or percentage of marijuana and marijuana products cultivated or processed by microbusinesses and impact licensees, including a proposed timeline for when such requirement may go into effect; and (xiv) any recommendations, including recommendations for statutory or regulatory changes, to strengthen the Commonwealth's retail marijuana market;

40. Investigate the ownership and control interests of all licensees, including a review of the licensee's or applicant's management and brand-licensing agreements to ensure compliance with § 4.1-807;

41. Coordinate with the Department of Criminal Justice Services to ensure the exchange of any information necessary to comply with the reporting requirements of the Community Policing Reporting Database established pursuant to § 52-30.3;

42. Establish, advertise, and administer a tip line, which may be accessed by phone and by internet, for members of the public to anonymously report concerns about, or suspected instances of, illicit retail marijuana practices in violation of this subtitle;

43. Create and require a decal for retail marijuana stores, microbusinesses, pharmaceutical processors, and cannabis dispensing facilities to prominently display on the premises of such establishments where marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds are sold to consumers that allows consumers to electronically verify the validity of such establishment's license or permit from the Board; and

44. Do all acts necessary or advisable to carry out the purposes of this subtitle.

§ 4.1-606. Regulations of the Board.

A. The Board ~~may~~ *shall* promulgate reasonable regulations, not inconsistent with this subtitle or the general laws of the Commonwealth, that it deems necessary to carry out the provisions of this subtitle and to prevent the illegal cultivation, ~~manufacture~~ *processing, transportation, distribution,* sale, and testing of marijuana ~~and~~, marijuana products*, and regulated hemp products*. The Board may amend or repeal such regulations. ~~Such~~ *Except as otherwise provided by law, such* regulations shall be promulgated, amended, or repealed in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and shall have the effect of law.

B. The Board shall *also* promulgate regulations that:

1. Govern the outdoor cultivation of marijuana by a marijuana cultivation facility licensee, including security requirements to include lighting, physical security, and alarm

requirements, provided that such requirements do not prohibit the cultivation of marijuana outdoors or in a greenhouse;

2. Establish requirements for *(i)* securely transporting marijuana between marijuana establishments *and (ii) securely delivering marijuana or marijuana products from retail marijuana stores or microbusinesses only in person to consumers, which shall include requirements for age verification, delivery radius, and recordkeeping*;

3. Establish sanitary standards for ~~retail~~ marijuana product *and regulated hemp product* preparation;

4. Establish a testing program for ~~retail~~ marijuana ~~and retail~~, marijuana products, *and regulated hemp products* pursuant to Chapter 14 (§ 4.1-1400 et seq.);

5. Establish an application process for licensure as a marijuana establishment pursuant to this subtitle in a way that, when possible, prevents disparate impacts on historically *economically* disadvantaged communities;

6. Establish requirements for health and safety warning labels to be placed on ~~retail~~ marijuana and ~~retail~~ marijuana products to be sold or offered for sale by a licensee to a consumer *and on regulated hemp products to be sold or offered for sale by a person* in accordance with the provisions of this subtitle;

7. Establish a maximum tetrahydrocannabinol level for ~~retail~~ marijuana products, which shall not exceed (i) ~~five~~ *10* milligrams per serving for edible marijuana products and where practicable an equivalent amount for other marijuana products or (ii) ~~50~~ *100* milligrams per package for edible marijuana products and where practicable an equivalent amount for other marijuana products. Such regulations may include other product and dispensing limitations on tetrahydrocannabinol;

8. Establish requirements for the form, content, and retention of all records and accounts by all licensees *and by any person selling a regulated hemp product*;

9. Provide alternative methods for licensees to maintain and store business records that are subject to Board inspection, including methods for Board-approved electronic and offsite storage;

10. Establish (i) criteria by which to evaluate new licensees based on the density of retail marijuana stores in the community and (ii) metrics that have similarly shown an association with negative community-level health outcomes or health disparities. In promulgating such regulations, the Board shall coordinate with the Cannabis Public Health Advisory Council established pursuant to § 4.1-603;

11. Require retail licensees to file an appeal from any hearing decision rendered by a hearing officer within 30 days of the date the notice of the decision is sent. The notice shall be sent to the licensee at the address on record with the Board by certified mail, return receipt requested, and by regular mail;

12. Prescribe the schedule of proration for refunded license fees to licensees who qualify pursuant to subsection C of § ~~4.1-1002~~ *4.1-1003*;

13. Establish ~~criteria~~ *a process* by which to ~~evaluate social equity~~ *identify impact* license applicants, which shall be an applicant ~~who has lived or been domiciled for at least 12 months in the Commonwealth and is either (i) an applicant with~~ *that has* at least ~~66~~ *51* percent ownership *and direct control* by a person or persons who *(i) have resided (a) between the years 1999 and 2025 in a jurisdiction that, after utilizing census tract data made available by the United States Census Bureau, is determined to have been disproportionately policed for marijuana crimes or (b) for at least three of the past five years in a historically economically disadvantaged community and (ii) meet one or more of the following six criteria: (1)* have been convicted of or adjudicated delinquent for any ~~misdemeanor~~ violation of § 18.2-248.1, former § 18.2-250.1, or subsection A of § 18.2-265.3 as it relates to marijuana *or any substantially similar offense under the laws of another jurisdiction*; ~~(ii) an applicant with at least 66 percent ownership by a person or persons who is~~ *(2) are* the parent, child, sibling, or spouse of a person who has been convicted of or adjudicated delinquent for any ~~misdemeanor~~ violation of § 18.2-248.1, former § 18.2-250.1, or subsection A of § 18.2-265.3 as it relates to marijuana *or any substantially similar offense under the laws of another jurisdiction*; ~~(iii) an applicant with at least 66 percent ownership by a person or persons who have resided for at least three of the past five years in a jurisdiction that is determined by the Board after utilizing census tract data made available by the United States Census Bureau to have been disproportionately policed for marijuana crimes; (iv) an applicant with at least 66 percent ownership by a person or persons who have resided for at least three of the last five years in a jurisdiction determined by the Board after utilizing census tract data made available by the United States Census Bureau to be economically distressed; or (v) an applicant with at least 66 percent ownership by a person or persons who graduated from a historically black college or university located in the Commonwealth~~ *(3) have attended for at least five years a public elementary or secondary school located in a historically economically disadvantaged community; (4) have received a Federal Pell Grant or attended for at least two years a college or university at which at least 30 percent of the students, on average, are eligible for a Federal Pell Grant; (5) are veterans of the Armed Forces of the United States; or (6) have qualified for financial assistance or relief from the U.S. Department of Agriculture as a distressed farmer in the last five years*;

14. ~~For the purposes of establishing criteria by which to evaluate social equity license applicants, establish standards by which to determine (i) which jurisdictions have been disproportionately policed for marijuana crimes and (ii) which jurisdictions are economically distressed;~~

~~15. Establish~~ *For impact license applicants, establish* standards and requirements for (i) ~~any~~ *a* preference in the licensing process ~~for qualified social equity applicants,~~*;* (ii) what percentage of application or license fees are waived ~~for a qualified social equity applicant, and~~ *to promote participation by impact licensees with an inability to pay standard*

application and license fees; (iii) ~~a~~ *grant or* low-interest business loan ~~program for qualified social equity applicants~~ *programs; (iv) a waiver of any requirements to show proof of funds or current possession and control of the proposed licensed premises at the time of application; and (v) to the extent practicable, the proportional distribution of licenses among the applicants set forth in clauses (i) through (vii) of subdivision 13. If at any time the Board determines that an impact license was obtained on the basis of a fraudulent financial transaction or predatory operating agreement or if a prohibited assignment, sale, or transfer of an impact license occurs in violation of subsection C of § 4.1-702, the Board shall immediately begin revocation proceedings pursuant to § 4.1-903 and require the original impact licensee and any other true parties of interest to repay to the Commonwealth the full value of any and all application or licensing fees that were waived*;

~~16.~~ *15.* Establish guidelines, in addition to requirements set forth in this subtitle, for the personal cultivation of marijuana that promote personal and public safety, including child protection, and discourage personal cultivation practices that create a nuisance, including a nuisance caused by odor;

~~17.~~ *16.* Establish reasonable ~~time, place, and manner~~ restrictions on outdoor advertising of ~~retail~~ marijuana ~~or retail~~, marijuana products, *or regulated hemp products,* not inconsistent with the provisions of this chapter, so that such advertising displaces the illicit market and notifies the public of the location of marijuana *or hemp* establishments. Such regulations shall be promulgated in accordance with § ~~4.1-1404~~ *4.1-1402*;

~~18.~~ *17.* Establish restrictions on the number of licenses that a person may be granted to operate a marijuana establishment in single locality or region; ~~and~~

~~19. Establish restrictions on pharmaceutical processors and industrial hemp processors that have been granted a license in more than one license category pursuant to subsection C of § 4.1-805 that ensure all licensees have an equal and meaningful opportunity to participate in the market. Such regulations may limit the amount of products cultivated or manufactured by the pharmaceutical processor or industrial hemp processor that such processor may offer for sale in its retail marijuana stores~~

18. Allow impact licensees and microbusinesses to (i) enter into cooperative agreements; (ii) lease space and equipment and cultivate, process, and sell marijuana and marijuana products on the premises of another licensee; and (iii) process marijuana or marijuana products out of a shared processing space, provided that no more than one license authorizing outdoor cultivation may be exercised on any given parcel of land, nor on parcels that are contiguous and under common ownership or control to said parcel;

19. Establish an approval process for the Board to approve or deny ownership, financing, management, and brand-licensing agreements to ensure compliance with § 4.1-807 and establish an investigation process for determining whether a financial arrangement between a licensee and another party is commercially reasonable or constitutes undue influence, including the consideration of factors such as price-setting authority, shelf-space control, financing dependency, or shared personnel. Such regulations shall presume the

permissibility of (i) passive investments resulting in less than a 10 percent equity interest in a licensee, unless the Board determines such investment otherwise results in undue influence, and (ii) management services agreements or brand licensing agreements that do not result in actual or contractual rights to control the management or operations of a licensee. Such regulations shall stipulate that any such investments or agreements described in clauses (i) and (ii) do not constitute undue influence or independently render any individual a principal of a licensee;

20. Establish procedures governing ownership disclosure and prior written approval of the Board for the assignment, sale, or transfer of any license or any change in ownership or control and background investigations of transferees. Such regulations shall (i) require that ownership interests be traced through all intermediary entities to the ultimate beneficial owners and (ii) include provisions specifying that a change of control occurs upon the (a) acquisition of 25 percent or more of equity or voting power, (b) execution of any instrument conferring appointment or removal rights over managers, or (c) cumulative transfers totaling 25 percent or more within any 24-month period;

21. Require that licensees, their employees, and their agents require all individuals to present bona fide evidence of legal age, as described in subsection B of § 4.1-1104, to make a purchase in a retail marijuana store, with escalating civil penalties for repeated instances of noncompliance by licensees, their employees, or their agents; and

22. Establish penalties for any violation by licensees, their employees, or their agents of § 4.1-1104, relating to the sale, transfer, or distribution of marijuana or marijuana products to a person (i) younger than 21 years of age or (ii) intoxicated. The Board shall provide for escalating civil penalties, leading up to and including the revocation of any license issued by the Authority, for repeated violations of § 4.1-1104 by licensees, their employees, or their agents.

C. The Board may promulgate regulations that:

1. ~~Limit~~ *Set* the number of licenses issued by type or class to operate a marijuana establishment *in order to ensure that there is a sufficient supply of marijuana to meet demand, provide market stability, avoid market dominance, ensure a competitive market that considers small business opportunities and concerns, and limit the sale of unregulated marijuana*; however, ~~the number of~~ *only five Tier V marijuana cultivation facilities* licenses *shall be* issued *before January 1, 2028.* ~~shall not exceed the following limits:~~

~~a. Retail marijuana stores, 400~~;

~~b. Marijuana wholesalers, 25;~~

~~c. Marijuana manufacturing facilities, 60; and~~

~~d. Marijuana cultivation facilities, 450~~.

~~In determining the number of licenses issued pursuant to this subdivision, the Board shall not consider any license granted pursuant to subsection C of § 4.1-805 to (i) a~~

~~pharmaceutical processor that has been issued a permit by the Board of Pharmacy pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of the Drug Control Act or (ii) an industrial hemp processor registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.~~

Beginning January 1, 2028, the Board shall determine the number of tier V marijuana cultivation facility licenses that the Authority will issue consistent with the goals identified in this subsection. If the Board makes an additional number of tier V marijuana cultivation facility licenses available, the number of licenses available to impact licensee applicants shall be equal to or greater than the number of licenses available to all other applicants.

The Board shall not issue more than 350 retail marijuana store licenses.

The Board may issue as many licenses as it deems necessary for any other license type not specified in this subdivision. If the Board does limit the number of licenses available for any other license type not specified in this subdivision, the number of licenses available to impact licensee applicants shall be equal to or greater than the number of licenses available to all other applicants.

2. Prescribe any requirements deemed appropriate for the administration of taxes under ~~§§ 4.1-1003 and~~ *§* 4.1-1004, including method of filing a return, information required on a return, and form of payment.

3. Limit the allowable square footage of a retail marijuana store, which shall not exceed ~~1,500~~ *2,500* square feet *of retail floor space*.

4. ~~Allow certain persons to be granted or have interest in a license in more than one of the following license categories: marijuana cultivation facility license, marijuana manufacturing facility license, marijuana wholesaler license, or retail marijuana store license. Such regulations shall be drawn narrowly to limit vertical integration to small businesses and ensure that all licensees have an equal and meaningful opportunity to participate in the market.~~ *Ensure that marijuana establishment licenses are, as possible and practicable, issued evenly among all areas of the Commonwealth and accounting for the population density of such areas; and*

5. Establish additional market-concentration thresholds, including regional or statewide market-share and Herfindahl-Hirschman Index (HHI) benchmarks and policies and procedures for denying or conditioning the issuance of licenses or approval of transfers of licenses that would create undue market concentration.

D. Board regulations shall be uniform in their application, except those relating to hours of sale for licensees.

E. Courts shall take judicial notice of Board regulations.

F. The Board shall consult with the Cannabis Public Health Advisory Council in promulgating any regulations relating to public health, including regulations promulgated pursuant to subdivision B 3, 4, 6, 7, 10, or ~~16~~ *15*, and, *except as otherwise provided in § 4.1-*

603, shall not promulgate any such regulation that has not been approved by a majority of the members of the Cannabis Public Health Advisory Council.

G. ~~With regard to regulations governing licensees that have been issued a permit by the Board of Pharmacy to operate as a pharmaceutical processor or cannabis dispensing facility pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of the Drug Control Act, the Board shall make reasonable efforts (i) to align such regulations with any applicable regulations promulgated by the Board of Pharmacy that establish health, safety, and security requirements for pharmaceutical processors and cannabis dispensing facilities and (ii) to deem in compliance with applicable regulations promulgated pursuant to this subtitle such pharmaceutical processors and cannabis dispensing facilities that have been found to be in compliance with regulations promulgated by the Board of Pharmacy that mirror or are more extensive in scope than similar regulations promulgated pursuant to this subtitle.~~

~~H.~~ The Board's power to regulate shall be broadly construed.

§ 4.1-607. Board membership; terms; compensation.

A. The Authority shall be governed by a Board of Directors, which shall consist of five citizens at large appointed by the Governor and confirmed by the affirmative vote of a majority of those voting in each house of the General Assembly. Each appointee shall (i) have been a resident of the Commonwealth for a period of at least three years next preceding his appointment, and his continued residency shall be a condition of his tenure in office; (ii) hold, at a minimum, a baccalaureate degree in business or a related field of study; and (iii) possess a minimum of seven years of demonstrated experience or expertise in the direct management, supervision, or control of a business or legal affairs. *Members shall be appointed in a manner that ensures expertise among the Board members in health, law, finance, and law enforcement.* Appointees shall reflect the racial, ethnic, gender, and geographic diversity of the Commonwealth. Appointees shall be subject to a background check in accordance with § 4.1-609.

B. After the initial staggering of terms, members shall be appointed for a term of five years. All members shall serve until their successors are appointed. Any appointment to fill a vacancy shall be for the unexpired term. No member appointed by the Governor shall be eligible to serve more than two consecutive terms; however, a member appointed to fill a vacancy may serve two additional consecutive terms. Members of the Board may be removed from office by the Governor for cause, including the improper use of its police powers, malfeasance, misfeasance, incompetence, misconduct, neglect of duty, absenteeism, conflict of interests, failure to carry out the policies of the Commonwealth as established in the Constitution or by the General Assembly, or refusal to carry out a lawful directive of the Governor.

C. The Governor shall appoint the ~~chairman~~ *chair* and ~~vice-chairman~~ *vice-chair* of the Board from among the membership of the Board. The Board may elect other subordinate officers, who need not be members of the Board. The Board may also form committees and advisory councils, which may include representatives who are not members of the Board, to

undertake more extensive study and discussion of the issues before the Board. A majority of the Board shall constitute a quorum for the transaction of the Authority's business, and no vacancy in the membership shall impair the right of a quorum to exercise the rights and perform all duties of the Authority.

D. The Board shall meet at least every 60 days for the transaction of its business. Special meetings may be held at any time upon the call of the chairman of the Board or the Chief Executive Officer or upon the written request of a majority of the Board members.

E. Members of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of their official duties as set forth in the general appropriation act for members of the House of Delegates when the General Assembly is not in session, except that the ~~chairman~~ *chair* of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of his official duties as set forth in the general appropriation act for a member of the Senate of Virginia when the General Assembly is not in session.

F. The provisions of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.) shall apply to the members of the Board, the Chief Executive Officer of the Authority, and the employees of the Authority.

§ 4.1-611. Seed-to-sale tracking system.

To ensure that no ~~retail~~ marijuana or ~~retail~~ marijuana products grown or processed by a marijuana establishment are sold or otherwise transferred except as authorized by law, the Board shall develop and maintain a seed-to-sale tracking system that tracks ~~retail~~ marijuana from either the seed or immature plant stage until the ~~retail~~ marijuana or ~~retail~~ marijuana product is sold ~~to a customer at a retail marijuana store~~*, dispensed, or destroyed*.

§ 4.1-614. Disposition of moneys collected by the Board.

A. All moneys collected by the Board shall be paid directly and promptly into the state treasury, or shall be deposited to the credit of the State Treasurer in a state depository, without any deductions on account of salaries, fees, costs, charges, expenses, refunds, or claims of any description whatever, as required by § 2.2-1802.

All moneys so paid into the state treasury, less the net profits determined pursuant to subsection C, shall be set aside as and constitute an Enterprise Fund, subject to appropriation, for the payment of (i) the salaries and remuneration of the members, agents, and employees of the Board and (ii) all costs and expenses incurred in the administration of this subtitle.

B. The net profits derived under the provisions of this subtitle shall be transferred by the Comptroller to the general fund of the state treasury quarterly, within 50 days after the close of each quarter or as otherwise provided in the appropriation act. As allowed by the Governor, the Board may deduct from the net profits quarterly a sum for the creation of a reserve fund not exceeding the sum of $2.5 million in connection with the administration of

this subtitle and to provide for the depreciation on the buildings, plants, and equipment owned, held, or operated by the Board. After accounting for the Authority's expenses as provided in subsection A, *all* net profits shall be appropriated in the general appropriation act ~~as follows~~ *only to the following sources*:

1. ~~Forty percent to pre-kindergarten programs for at-risk three-year-olds and four-year-olds~~ *To support early childhood care, early childhood education, and elementary and secondary education in the Commonwealth*;

2. ~~Thirty percent to~~ *To* the Cannabis Equity Reinvestment Fund established pursuant to § 2.2-2499.8;

3. ~~Twenty-five percent to~~ *To* the Department of Behavioral Health and Developmental Services, which shall distribute such appropriated funds to community services boards for the purpose of administering substance use disorder prevention and treatment programs; and

4. ~~Five percent to~~ *To* public health programs, including public awareness campaigns that are designed to prevent drugged driving, discourage consumption by persons younger than 21 years of age, and inform the public of other potential risks.

C. As used in this section, "net profits" means the total of all moneys collected by the Board, less local marijuana tax revenues collected under *subsection B of* § ~~4.1-1004 and distributed pursuant to § 4.1-614~~ *4.1-1004* and all costs, expenses, and charges authorized by this section.

D. All local tax revenues collected under *subsection B of* § ~~4.1-1004~~ *4.1-1004* shall be paid into the state treasury as provided in subsection A and credited to a special fund, which is hereby created on the Comptroller's books under the name "Collections of Local Marijuana Taxes." The revenues shall be credited to the account of the locality in which they were collected. If revenues were collected from a marijuana establishment located in more than one locality by reason of the boundary line or lines passing through the marijuana establishment, tax revenues shall be distributed pro rata among the localities. The Authority shall provide to the Comptroller any records and assistance necessary for the Comptroller to determine the locality to which tax revenues are attributable.

On a quarterly basis, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each locality entitled to the return of its tax revenues, and such payments shall be charged to the account of each such locality under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next quarter.

§ 4.1-621. Certain information not to be made public.

Neither the Board nor its employees shall divulge any information regarding (i) financial reports or records required pursuant to this subtitle; (ii) the purchase orders and invoices for ~~retail~~ marijuana or ~~retail~~ marijuana products filed with the Board by marijuana ~~wholesaler~~

licensees; (iii) taxes collected from, refunded to, or adjusted for any person; or (iv) information contained in the seed-to-sale tracking system maintained by the Board pursuant to § 4.1-611. The provisions of § 58.1-3 shall apply, mutatis mutandis, to taxes collected pursuant to this subtitle and to purchase orders and invoices for ~~retail~~ marijuana or ~~retail~~ marijuana products filed with the Board by marijuana ~~wholesaler~~ licensees.

Nothing contained in this section shall prohibit the use or release of such information or documents by the Board to any governmental or law-enforcement agency, or when considering the granting, denial, revocation, or suspension of a license or permit, or the assessment of any penalty against a licensee or permittee, nor shall this section prohibit the Board or its employees from compiling and disseminating to any member of the public aggregate statistical information pertaining to (a) tax collection, as long as such information does not reveal or disclose tax collection from any identified licensee; (b) the total amount of ~~retail~~ marijuana or ~~retail~~ marijuana products sales in the Commonwealth by marijuana ~~wholesaler~~ licensees collectively; or (c) the total amount of purchases or sales submitted by licensees, provided that such information does not identify the licensee.

§ 4.1-629. Local ordinances or resolutions regulating marijuana or marijuana products.

A. No county, city, or town shall, except as provided in § 4.1-630, adopt any ordinance or resolution that regulates or prohibits the cultivation, processing, possession, sale, distribution, handling, transportation, consumption, use, advertising, or dispensing of marijuana or marijuana products in the Commonwealth.

B. 1. Notwithstanding subsection A, the governing body of any county, city, or town may adopt an ordinance that prohibits the acts described in § 4.1-1108 or the acts described in § 4.1-1109 in its local public parks, playgrounds, public streets, or any sidewalk adjoining any public street. A penalty may be prescribed by the locality for a violation of such ordinance.

2. Notwithstanding subsection A, the governing body of any county, city, or town may adopt an ordinance that decreases the minimum distance requirements as promulgated in Board regulations (i) between retail marijuana stores and microbusinesses or (ii) between a retail marijuana store or microbusiness and any hospital; public, private, or parochial school or institution of higher education; or child day program.

C. Except as provided in this section, nothing in this subtitle shall be construed to supersede or limit the authority of a locality to adopt and enforce local ordinances to regulate businesses licensed pursuant to this subtitle, including local zoning and land use requirements and business license requirements.

D. Except as provided in this section, all local acts, including charter provisions and ordinances of counties, cities, and towns, inconsistent with any of the provisions of this subtitle, are repealed to the extent of such inconsistency.

§ 4.1-630. Local ordinances regulating time of sale of marijuana and marijuana products.

The governing body of each county may adopt ordinances effective in that portion of such county not embraced within the corporate limits of any incorporated town, and the governing body of each city and town may adopt ordinances effective in such city or town, fixing hours during which marijuana and marijuana products may be sold. Such governing bodies shall provide for fines and other penalties for violations of any such ordinances, which shall be enforced as if the violations were Class 1 misdemeanors with a right of appeal pursuant to § 16.1-106.

A copy of any ordinance adopted pursuant to this section shall be certified by the clerk of the governing body adopting it and transmitted to the Board.

On and after the effective date of any ordinance adopted pursuant to this section, no marijuana store shall sell marijuana or marijuana products during the hours limited by the ordinance.

CHAPTER 7.

ADMINISTRATION OF LICENSES; GENERAL PROVISIONS.

§ 4.1-700. Exemptions from licensure.

The licensure requirements of this subtitle shall not apply to (i) a handler, grower, or processor of industrial hemp that is registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 and is acting in accordance with the provisions of Title 3.2; (ii) a person that has been issued a regulated hemp product retail facility registration and is acting in accordance with the provisions of Title 3.2; (iii) a manufacturer of an edible hemp product operating in accordance with Article 5 (§ 3.2-5145.1 et seq.) of Chapter 51 of Title 3.2; or (iv) a person who cultivates marijuana at home for personal use pursuant to § 4.1-1101. Nothing in this subtitle shall be construed to (a) prevent any person described in clauses (i) through (iii) from obtaining a license pursuant to this subtitle, provided such person satisfies applicable licensing requirements; (b) prevent a licensee from acquiring hemp products from an industrial hemp processor in accordance with the provisions of Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2; or (c) prevent a cultivation, processing, transporter, microbusiness, or retail licensee from operating on the licensed premises of an industrial hemp processing facility in accordance with Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.

§ 4.1-701. To whom privileges conferred by licenses extend; liability for violations of law.

The privilege of any licensee to cultivate, process, transport, deliver, sell, or test marijuana or marijuana products shall extend to such licensee and to all agents or employees of such licensee for the purpose of operating under such license. The licensee may be held liable for any violation of this subtitle or any Board regulation committed by such agents or employees in connection with their employment.

§ 4.1-702. Separate license for each place of business; transfer or amendment or license; mandatory holding period for impact licenses; posting; expiration; civil penalties.

A. Each license granted by the Board shall designate the place where the business of the licensee will be carried on. A separate license shall be required for each separate place of business.

B. No license shall be transferable from one location to another unless such transfer is conducted in accordance with Board regulations. No license shall be assigned, sold, or transferred, nor shall ownership or control of a license be changed, unless the licensee has received prior written approval by the Board and such assignment, sale, transfer, or change is conducted in accordance with Board regulations. Any such change made without approval of the Board is void and shall constitute grounds for immediate suspension or revocation of all affected licenses.

C. No impact licensee, nor any person holding a direct or indirect beneficial interest therein, shall sell, assign, or transfer a controlling interest of more than 49 percent of the license to any person or entity for a period of five years from the date the license is issued. The Board may, by regulation, provide for an exception to this mandatory holding period for transfers made as part of an estate plan to a family member or into a trust for the benefit of the licensee's immediate family.

D. The Board may permit a licensee to amend the classification of an existing license without complying with the posting and publishing procedures required by § 4.1-1000 if the effect of the amendment is to reduce materially the privileges of an existing license.

E. Each license shall be posted in a location conspicuous to the public at the place where the licensee carries on the business for which the license is granted.

F. The privileges conferred by any license granted by the Board shall continue until the last day of the twelfth month next ensuing or the last day of the designated month and year of expiration, except the license may be sooner terminated for any cause for which the Board would be entitled to refuse to grant a license or by operation of law, voluntary surrender, or order of the Board.

The Board may grant licenses for one year based on the fees set by the Board pursuant to § 4.1-1002.

§ 4.1-703. Records of licensees; inspection of records and places of business.

A. Every licensed marijuana establishment shall keep complete, accurate, and separate records in accordance with Board regulations of all marijuana and marijuana products it cultivated, purchased, processed, sold, developed, researched, tested, or shipped.

B. Every licensed retail marijuana store and microbusiness shall keep complete, accurate, and separate records in accordance with Board regulations of all purchases of marijuana products, the prices charged such licensee therefor, and the names and addresses of the persons from whom purchased. Every licensed retail marijuana store and microbusiness shall also preserve all invoices showing its purchases for a period as specified by Board regulations. The licensee shall also keep an accurate account of daily sales, showing

quantities of marijuana products sold and the total price charged by it therefor. Except as otherwise provided in subsections C and D, such account need not give the names or addresses of the purchasers thereof, except as may be required by Board regulation.

Notwithstanding the provisions of subsection D, electronic records of licensed retail marijuana stores and microbusinesses may be stored off-site, provided that such records are readily retrievable and available for electronic inspection by the Board or its agents at the licensed premises. However, in the case that such electronic records are not readily available for electronic inspection on the licensed premises, the licensee may obtain Board approval, for good cause shown, to permit the licensee to provide the records to an agent of the Board within three business days or less, as determined by the Board, after a request is made to inspect the records.

C. Every licensed marijuana testing facility shall keep records of the names and addresses of all licensees or persons who submit marijuana or marijuana products to the marijuana testing facility.

D. The Board and its special agents shall be allowed free access during reasonable hours to every place in the Commonwealth and to the premises of every licensee or for the purpose of examining and inspecting such place and all records, invoices, and accounts therein.

For the purposes of a Board inspection of the records of any retail marijuana store or microbusiness licensees, "reasonable hours" means the hours between 9 a.m. and 5 p.m.; however, if the licensee generally is not open to the public substantially during the same hours, "reasonable hours" means the business hours when the licensee is open to the public. At any other time of day, if the retail marijuana store or microbusiness licensee's records are not available for inspection, the licensee shall provide the records to an agent of the Board within 24 hours after a request is made to inspect the records.

CHAPTER 8.

ADMINISTRATION OF LICENSES; LICENSES GRANTED BY BOARD.

§ 4.1-800. Marijuana cultivation facility license.

A. The Board may issue any of the following marijuana cultivation facility licenses, which shall authorize the licensee to cultivate, label, and package marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell marijuana, immature marijuana plants, and marijuana seeds to retail marijuana stores; to transfer possession of marijuana, immature marijuana plants, and marijuana seeds to marijuana transporters; to transfer possession of and sell marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell marijuana to marijuana processing facilities; and to transport marijuana, immature marijuana plants, and marijuana seeds from the marijuana cultivation facility's licensed premises to another licensed marijuana establishment:

1. Tier I marijuana cultivation facility license, which shall authorize the licensee to cultivate

marijuana indoors or outdoors with a canopy that does not exceed 5,000 square feet.

2. Tier II marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors or outdoors with a canopy that does not exceed 10,000 square feet.

3. Tier III marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors with a canopy that does not exceed 15,000 square feet.

4. Tier IV marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors with a canopy that does not exceed 25,000 square feet.

5. Tier V marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors with a canopy that does not exceed 35,000 square feet.

In consideration of (i) market demand, (ii) utilization rates, (iii) sales data, (iv) product transfers, (v) inventory data, and (vi) the volume of license applications and issuances, the Board may (a) adjust the canopy of marijuana cultivation facilities within the square footage parameters set forth in this subsection or (b) increase the canopy of a marijuana cultivation facility beyond the square footage parameters set forth in this subsection if the Board determines that such increase will assist or encourage participation by impact licensees in the industry.

B. In accordance with the requirements of § 4.1-611, a marijuana cultivation facility licensee shall track the marijuana it cultivates from seed or immature marijuana plant to the point at which the marijuana plant or the marijuana produced by the marijuana plant is transported or transferred to a marijuana testing facility, a marijuana transporter, another marijuana cultivation facility, a marijuana processor, or a retail marijuana store or is disposed of or destroyed.

C. The cultivation of marijuana by a marijuana cultivation facility licensee in a secure agricultural greenhouse shall be considered indoor cultivation and shall be permitted, provided that the secure agricultural greenhouse is surrounded by a privacy fence that is no less than eight feet tall and is subject to monitored ingress and egress.

D. No more than one marijuana cultivation facility license authorizing outdoor cultivation shall be issued for any given parcel of land, nor shall any marijuana cultivation facility license authorizing outdoor cultivation be issued for any parcels that are contiguous and under common ownership or control to such parcel.

E. All areas within the licensed premises of a marijuana cultivation facility in which marijuana is cultivated, labeled, packaged, or stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-801. Marijuana processing facility license.

A. The Board may issue marijuana processing facility licenses, which shall authorize the licensee to process, label, and package marijuana and marijuana products; to purchase or

take possession of marijuana from a marijuana cultivation facility or another marijuana processing facility; to transfer possession of and sell marijuana and marijuana products to retail marijuana stores or other marijuana processing facilities; to transfer possession of marijuana and marijuana products to marijuana transporters; and to transport marijuana and marijuana products from the marijuana processing facility's licensed premises to another licensed marijuana establishment.

B. All areas within the licensed premises of a marijuana processing facility in which marijuana and marijuana products are processed shall meet all sanitary and security standards specified in regulations adopted by the Board. A marijuana processing facility that processes an edible marijuana product shall comply with the requirements of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 and any regulations adopted pursuant thereto.

C. In accordance with the requirements of § 4.1-611, a marijuana processing facility licensee shall track the marijuana it uses in its processing from the point the marijuana is delivered or transferred to the marijuana processing facility by a marijuana transporter licensee to the point the marijuana or marijuana products produced using the marijuana are delivered or transferred to another marijuana processing facility, a retail marijuana store, a marijuana testing facility, or a marijuana transporter or are disposed of or destroyed.

§ 4.1-802. Retail marijuana store license.

A. The Board may issue retail marijuana store licenses, which shall authorize the licensee to purchase or take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility or marijuana processing facility; to take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana transporter; to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to consumers on premises approved by the Board; to deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds only in person to consumers; to transfer possession of marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to marijuana delivery operators; and to transport marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, and marijuana seeds from the retail marijuana store's licensed premises to another retail marijuana store.

B. Retail marijuana stores shall be operated in accordance with the following provisions:

1. A person shall be 21 years of age or older to make a purchase in a retail marijuana store.

2. A retail marijuana store shall be permitted to sell marijuana, marijuana products, immature marijuana plants, or marijuana seeds to consumers only (i) in a direct, face-to-face exchange; (ii) using a licensed marijuana delivery operator; or (iii) by delivery in person to consumers at any residence, including a temporary residence, or business; however, a retail marijuana store shall not deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to (a) any

military base, child day center, school, or correctional facility; (b) the State Capitol; (c) hospital; (d) marine terminal under the supervision of the Virginia Port Authority; or (e) any public gathering places, including sporting events, festivals, fairs, races, concerts, and terminals of public transportation companies. A retail marijuana store shall not be permitted to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds using:

a. An automated dispensing or vending machine; or

b. A drive-through sales window.

3. A retail marijuana store shall not be permitted to sell more than two ounces of marijuana or an equivalent amount of marijuana products as determined by regulation promulgated by the Board during a single transaction to one person.

4. A retail marijuana store shall not sell or market marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds through an internet-based sales platform operated by a third party or fulfill any order referred by such internet-based sales platform operated by a third party.

5. A retail marijuana store shall not:

a. Give away any marijuana, marijuana products, immature marijuana plants, or marijuana seeds except as otherwise permitted by this subtitle; or

b. Sell marijuana, marijuana products, immature marijuana plants, or marijuana seeds to any person when at the time of such sale he knows or has reason to believe that the person attempting to purchase the marijuana, marijuana product, immature marijuana plant, or marijuana seeds is intoxicated or is attempting to purchase marijuana for someone younger than 21 years of age in violation of § 4.1-1104.

6. In accordance with the requirements of § 4.1-611, a retail marijuana store licensee shall track all marijuana, marijuana products, immature marijuana plants, or marijuana seeds from the point at which the marijuana, marijuana products, immature marijuana plants, or marijuana seeds are delivered or transferred to the retail marijuana store to the point at which the marijuana, marijuana products, immature marijuana plants, or marijuana seeds are sold to a consumer, delivered or transferred to a marijuana testing facility, transferred to a marijuana delivery operator, or disposed of or destroyed.

7. A retail marijuana store shall not be subject to the requirements of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2.

C. Each retail marijuana store licensee shall post in each retail marijuana store notice of the existence of a human trafficking hotline to alert possible witnesses or victims of human trafficking to the availability of a means to report crimes or gain assistance. The notice required by this subsection shall (i) be posted in a place readily visible and accessible to the public and (ii) meet the requirements specified in subsection C of § 40.1-11.3.

D. Each retail marijuana store licensee shall prominently display and make available for dissemination to consumers Board-approved information regarding the potential risks of marijuana use.

E. Each retail marijuana store licensee shall provide training, established or approved by the Board, to all employees educating them on how to discuss the potential risks of marijuana use with consumers.

F. All areas within the licensed premises of a retail marijuana store in which marijuana, marijuana products, immature marijuana plants, or marijuana seeds are sold or stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-803. Microbusiness license.

A. The Board may issue microbusiness licenses, which shall authorize the licensee to conduct any activities authorized for marijuana cultivation facilities pursuant to § 4.1-800, marijuana processing facilities pursuant to § 4.1-801, and retail marijuana stores pursuant to § 4.1-802, as determined by the Board; however, (i) a microbusiness license shall authorize the licensee to cultivate marijuana indoors or outdoors with an indoor canopy that does not exceed 5,000 square feet and an outdoor canopy that does not exceed 10,000 square feet, or such other comparable limits as the Board may establish by regulation and (ii) a microbusiness licensee shall not hold or control any other license and may operate only one licensed premises.

B. Notwithstanding any other provision of law, a microbusiness licensee may conduct authorized activities at no more than two separate locations within the Commonwealth, provided that (i) each location is appropriately zoned and approved by the locality in which it is located; (ii) the locations are within 20 miles of one another; (iii) all locations operate under the same microbusiness license and common ownership and control; and (iv) no single license privilege, such as cultivating, processing, or retail sales, shall be exercised at more than one location.

C. Unless otherwise provided by law or the Board, a microbusiness licensee shall be subject to the same statutory requirements and regulations as marijuana cultivation facilities, marijuana processing facilities, and retail marijuana stores, including requirements for (i) tracking all marijuana, marijuana products, immature marijuana plants, or marijuana seeds in accordance with § 4.1-611 and (ii) ensuring all areas within the licensed premises of the microbusiness meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-804. Marijuana transporter license.

A. The Board may issue marijuana transporter licenses, which shall authorize the licensee to take possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana processing facility, a retail marijuana store, a microbusiness, or another marijuana transporter; to transfer

possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana processing facility, retail marijuana store, microbusiness, or another marijuana transporter; and to transport marijuana, marijuana products, immature marijuana plants, and marijuana seeds from one licensed establishment to another.

B. All areas within the licensed premises of a marijuana transporter in which marijuana and marijuana products are stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

C. In accordance with the requirements of § 4.1-611, a marijuana transporter licensee shall track the marijuana, marijuana products, immature marijuana plants, or marijuana seeds from the point at which the marijuana, marijuana products, plants, or seeds are delivered or transferred to the marijuana transporter to the point at which the marijuana, marijuana products, plants, or seeds are transferred to a marijuana processor, marijuana transporter, retail marijuana store, microbusiness, or marijuana testing facility or are disposed of or destroyed.

§ 4.1-805. Marijuana delivery operator license.

A. The Board may issue marijuana delivery operator licenses, which shall authorize the licensee to take possession of marijuana or marijuana products from a retail marijuana store or microbusiness and deliver such marijuana or marijuana products only in person to consumers at any residence, including a temporary residence, or business; however, a delivery operator licensee shall not deliver marijuana or marijuana products to (i) any military base, child day center, school, or correctional facility; (ii) the State Capitol; (iii) hospital; (iv) marine terminal under the supervision of the Virginia Port Authority; or (v) any public gathering places, including sporting events, festivals, fairs, races, concerts, and terminals of public transportation companies.

B. In accordance with the requirements of § 4.1-611, a marijuana delivery operator licensee shall track the marijuana or marijuana products from the point at which the marijuana or marijuana products are transferred to the marijuana delivery operator to the point at which the marijuana or marijuana products are delivered or transferred to the consumer or are disposed of or destroyed.

§ 4.1-806. Marijuana testing facility license.

A. The Board may issue marijuana testing facility licenses, which shall authorize the licensee to develop, research, transport, or test marijuana, marijuana products, and other substances.

B. A marijuana testing facility may develop, research, or test marijuana and marijuana products for (i) that facility, (ii) another licensee, or (iii) a person who intends to use the marijuana or marijuana product for personal use as authorized under § 4.1-1100.

C. Neither this subtitle nor the regulations adopted pursuant to this subtitle shall prevent a

marijuana testing facility from developing, researching, or testing substances that are not marijuana or marijuana products for that facility or for another person.

D. To obtain licensure from the Board, a marijuana testing facility shall be required to obtain and maintain accreditation pursuant to standard ISO/IEC 17025 of the International Organization for Standardization by a third-party accrediting body.

E. In accordance with the requirements of § 4.1-611, a marijuana testing facility licensee shall track all marijuana and marijuana products it receives from a licensee for testing purposes from the point at which the marijuana or marijuana products are delivered or transferred to the marijuana testing facility to the point at which the marijuana or marijuana products are disposed of or destroyed.

F. A person that has an interest in a marijuana testing facility license shall not have any interest in a licensed marijuana cultivation facility, licensed marijuana processing facility, licensed marijuana transporter, licensed retail marijuana store, or licensed microbusiness.

G. All areas within the licensed premises of a marijuana testing facility in which marijuana or marijuana products are tested or stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-807. Multiple licenses awarded to one person; limitations.

A. As used in this section, "interest" means a direct or indirect equity ownership interest, a partial equity ownership interest, or any other financial or economic interest representing at least 10 percent or more of the ownership, voting power, or economic value of an entity, including being an investor, partner, member, officer, or director or serving in any other management position.

B. A person may possess or hold interest in one or any combination of the following licenses pursuant to Board regulations: tier I marijuana cultivation facility license, tier II marijuana cultivation facility license, tier III marijuana cultivation facility license, tier IV marijuana cultivation facility license, tier V marijuana cultivation facility license, marijuana processing facility license, marijuana transporter license, marijuana delivery operator license, or retail marijuana store license. Board regulations shall be drawn to ensure that all licensees have an equal and meaningful opportunity to participate in the market. Moreover, except as provided in subsection C, (i) no person shall be granted or hold interest in more than five total licenses, not including marijuana transporter licenses, issued pursuant to this subtitle or more than one tier V marijuana cultivation facility license; (ii) no person that has been granted or holds interest in a marijuana cultivation facility license, marijuana processing facility license, marijuana transporter license, marijuana delivery operator license, retail marijuana store license, or microbusiness license shall be issued or hold interest in a marijuana testing facility license; (iii) no person that has been granted or holds interest in a microbusiness license shall be issued or hold interest in any other marijuana establishment; and (iv) no person that has been granted or holds interest in a pharmaceutical processor permit pursuant to Chapter 16 (§ 4.1-1600 et seq.) shall be issued

or hold interest in any other marijuana establishment license, except for the cannabis dispensing facility permits allowed pursuant to § 4.1-1602.

C. Nothing in this section shall be construed to prohibit any person or entity that, as of July 1, 2026, owns and controls a pharmaceutical processor permit pursuant to Chapter 16 (§ 4.1-1600 et seq.) or a conditional permit in more than one health service area, provided such person or entity continuously holds such pharmaceutical processor permits or conditional permits after July 1, 2026.

§ 4.1-808. Temporary permits required in certain instances.

A. The Board may grant a permit that shall authorize any person who purchases at a foreclosure, secured creditor's, or judicial auction sale the premises or property of a person licensed by the Board and who has become lawfully entitled to the possession of the licensed premises to continue to operate the marijuana establishment to the same extent as the license holder for a period not to exceed 60 days or for such longer period as determined by the Board. Such permit shall be temporary and shall confer the privileges of any licenses held by the previous owner to the extent determined by the Board. Such temporary permit may be issued in advance, conditioned on the requirements in this subsection.

B. A temporary permit granted pursuant to subsection A may be revoked summarily by the Board for any cause set forth in § 4.1-900 without complying with subsection A of § 4.1-903. Revocation of a temporary permit shall be effective upon service of the order of revocation upon the permittee or upon the expiration of three business days after the order of the revocation has been mailed to the permittee at either his residence or the address given for the business in the permit application. No further notice shall be required.

§ 4.1-809. Licensee shall maintain possession of premises.

As a condition of licensure, a licensee shall at all times maintain possession of the licensed premises of the marijuana establishment that the licensee is licensed to operate, whether pursuant to a lease, rental agreement, or other arrangement for possession of the premises or by virtue of ownership of the premises. If the licensee fails to maintain possession of the licensed premises, the license shall be revoked by the Board.

§ 4.1-810. Conditions under which the Board shall or may refuse to grant licenses.

A. The Board may refuse to grant any license if it has reasonable cause to believe that the granting of the license would be detrimental to the interest, morals, safety, or welfare of the public or would be inconsistent with the provisions of this subtitle.

B. The Board shall refuse to grant any license if it has reasonable cause to believe that:

1. The applicant, or if the applicant is a partnership, any general partner thereof, or if the applicant is an association, any member thereof, or a limited partner of 10 percent or more with voting rights, or if the applicant is a corporation, any officer, director, or shareholder owning 10 percent or more of its capital stock, or if the applicant is a limited liability company, any member-manager or any member owning 10 percent or more of the

membership interest of the limited liability company:

a. Is not 21 years of age or older;

b. Has been convicted in any court of a felony, other than a conviction for a felony violation of § 18.2-248.1, or any crime or offense involving moral turpitude under the laws of any state or of the United States within seven years of the date of the application or has not completed all terms of sentencing and probation resulting from any such conviction;

c. Knowingly employs or allows to volunteer someone younger than 21 years of age;

d. Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business that have not been disclosed;

e. Has not demonstrated financial responsibility sufficient to meet the requirements of the business proposed to be licensed;

f. Has misrepresented a material fact in applying to the Board for a license;

g. Has defrauded or attempted to defraud the Board, or any federal, state, or local government or governmental agency or authority, by making or filing any report, document, or tax return required by statute or regulation that is fraudulent or contains a false representation of a material fact, or has willfully deceived or attempted to deceive the Board, or any federal, state, or local government or governmental agency or authority, by making or maintaining business records required by statute or regulation that are false or fraudulent;

h. Is violating or allowing the violation of any provision of this subtitle in his establishment at the time his application for a license is pending;

i. Is a full-time or part-time employee of the Department of State Police or of a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the enforcement of the penal, traffic, or motor vehicle laws of the Commonwealth;

j. Has been sanctioned by the Board pursuant to regulations promulgated by the Board for a violation pursuant to Chapter 16 (§ 4.1-1600 et seq.);

k. Is physically unable to carry on the business for which the application for a license is filed or has been adjudicated incapacitated; or

l. Is delinquent for a period of 90 days or more in the payment of any taxes, or any penalties or interest related thereto, lawfully imposed by the locality where the place to be occupied by the applicant is located, as certified by the treasurer, commissioner of the revenue, or finance director of such locality, unless (i) the outstanding amount is de minimis; (ii) the applicant has pending a bona fide application for correction or appeal with respect to such taxes, penalties, or interest; or (iii) the applicant has entered into a payment plan approved by the same locality to settle the outstanding liability.

2. The applicant is a member or employee of the Board or is a corporation or other business entity in which a member or employee of the Board is a stockholder or has any other economic interest. Whenever any other elected or appointed official of the Commonwealth or any political subdivision thereof applies for such a license or continuance thereof, he shall state on the application the official position he holds, and whenever a corporation or other business entity in which any such official is a stockholder or has any other economic interest applies for such a license, it shall state on the application the full economic interests of each such official in such corporation or other business entity.

3. The place to be occupied by the applicant:

a. Does not conform to the requirements of the governing body of the county, city, or town in which such place is located with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulation;

b. Is so located that granting a license and operation thereunder by the applicant would result in violations of this subtitle or Board regulations or violation of the laws of the Commonwealth or local ordinances relating to peace and good order;

c. When the applicant is applying for a retail marijuana store license or microbusiness license, is (i) located within 1,000 feet of any hospital; public, private, or parochial school or institution of higher education; or child day program; or (ii) so located with respect to any such facilities, programs, or institutions that the operation of such place under such license will adversely affect or interfere with the normal, orderly conduct of the affairs of such facilities, programs, or institutions;

d. When the applicant is applying for a retail marijuana store license or microbusiness license, is so located with respect to any residence or residential area that the operation of such place under such license will adversely affect real property values or substantially interfere with the usual quietude and tranquility of such residence or residential area;

e. Is so constructed, arranged, or illuminated that law-enforcement officers and agents of the Board are prevented from ready access to and reasonable observation of any room or area within which marijuana or marijuana products are to be sold; or

f. Is an establishment where alcoholic beverages, tobacco, or tobacco products are manufactured, sold, or used.

Nothing in this subdivision 3 shall be construed to require an applicant to have secured a place or premises until the final stage of the license approval process.

4. The number of licenses existing in the locality is such that the granting of a license is detrimental to the interest, morals, safety, or welfare of the public. In reaching such conclusion, the Board shall consider (i) the criteria established by the Board to evaluate new licensees based on the density of retail marijuana stores in the community; (ii) the character of, population of, number of similar licenses in, and number of all licenses

existent in the particular county, city, or town and the immediate neighborhood concerned; (iii) the effect that a new license may have on such county, city, town, or neighborhood in conforming with the purposes of this subtitle; and (iv) the objections, if any, that may have been filed by a local governing body or local residents.

5. There exists any law, ordinance, or regulation of the United States, the Commonwealth, or any political subdivision thereof that warrants refusal by the Board to grant any license.

6. The Board is not authorized under this subtitle to grant such license.

§ 4.1-811. Denial of license or permit final.

The denial of a license or permit by the Board shall be final unless appealed pursuant to § 4.1-1009.

CHAPTER 9.

ADMINISTRATION OF LICENSES; DENIAL, SUSPENSION, AND REVOCATION.

§ 4.1-900. Grounds for which Board may suspend or revoke licenses.

A. The Board may suspend or revoke any license if it has reasonable cause to believe that:

1. The licensee, or if the licensee is a partnership, any general partner thereof, or if the licensee is an association, any member thereof, or a limited partner of 10 percent or more with voting rights, or if the licensee is a corporation, any officer, director, or shareholder owning 10 percent or more of its capital stock, or if the licensee is a limited liability company, any member-manager or any member owning 10 percent or more of the membership interest of the limited liability company:

a. Has misrepresented a material fact in applying to the Board for such license;

b. Within the five years immediately preceding the date of the hearing held in accordance with § 4.1-903, has (i) violated any provision of Chapter 11 (§ 4.1-1100 et seq.), Chapter 12 (§ 4.1-1200 et seq.), or Chapter 13 (§ 4.1-1300 et seq.); (ii) committed a violation of this subtitle in bad faith; (iii) violated or failed or refused to comply with any regulation, rule, or order of the Board; or (iv) failed or refused to comply with any of the conditions or restrictions of the license granted by the Board;

c. Has been convicted in any court of a felony or of any crime or offense involving moral turpitude under the laws of any state or of the United States;

d. Is not the legitimate owner of the business conducted under the license granted by the Board, or other persons have ownership interests in the business that have not been disclosed;

e. Cannot demonstrate financial responsibility sufficient to meet the requirements of the business conducted under the license granted by the Board;

f. Has been intoxicated or under the influence of some self-administered drug while upon the

licensed premises;

g. Has maintained the licensed premises in an unsanitary condition, or allowed such premises to become a meeting place or rendezvous for members of a criminal street gang as defined in § 18.2-46.1 or persons of ill repute, or has allowed any form of illegal gambling, as defined in § 18.2-325, to take place upon such premises;

h. Has allowed any person whom he knew or had reason to believe was intoxicated to loiter upon such licensed premises;

i. Has allowed any person to consume upon the licensed premises any alcohol, marijuana, or marijuana product;

j. Is physically unable to carry on the business conducted under such license or has been adjudicated incapacitated;

k. Has possessed any illegal gambling device upon the licensed premises;

l. Has upon the licensed premises (i) illegally possessed, distributed, sold, or used, or has knowingly allowed any employee or agent, or any other person, to illegally possess, distribute, sell, or use, controlled substances, imitation controlled substances, drug paraphernalia, or controlled paraphernalia as those terms are defined in Articles 1 (§ 18.2-247 et seq.) and 1.1 (§ 18.2-265.1 et seq.) of Chapter 7 of Title 18.2 and the Drug Control Act (§ 54.1-3400 et seq.); (ii) laundered money in violation of § 18.2-246.3; or (iii) conspired to commit any drug-related offense in violation of Article 1 or 1.1 of Chapter 7 of Title 18.2 or the Drug Control Act. The provisions of this subdivision l shall also apply to any conduct related to the operation of the licensed business that facilitates the commission of any of the offenses set forth herein;

m. Has failed to take reasonable measures to prevent (i) the licensed premises, (ii) any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or (iii) any portion of public property immediately adjacent to the licensed premises from becoming a place where patrons of the establishment commit criminal violations of Article 1 (§ 18.2-30 et seq.), 2 (§ 18.2-38 et seq.), 2.1 (§ 18.2-46.1 et seq.), 2.2 (§ 18.2-46.4 et seq.), 3 (§ 18.2-47 et seq.), 4 (§ 18.2-51 et seq.), 5 (§ 18.2-58 et seq.), 6 (§ 18.2-59 et seq.), or 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2; Article 2 (§ 18.2-266 et seq.) of Chapter 7 of Title 18.2; Article 3 (§ 18.2-346 et seq.) or 5 (§ 18.2-372 et seq.) of Chapter 8 of Title 18.2; or Article 1 (§ 18.2-404 et seq.), 2 (§ 18.2-415), or 3 (§ 18.2-416 et seq.) of Chapter 9 of Title 18.2 and such violations lead to arrests that are so frequent and serious as to reasonably be deemed a continuing threat to the public safety;

n. Has failed to take reasonable measures to prevent an act of violence resulting in death or serious bodily injury, or a recurrence of such acts, from occurring on (i) the licensed premises, (ii) any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or (iii) any portion of public property immediately adjacent to the licensed premises; or

o. Has been sanctioned by the Board pursuant to regulations promulgated by the Board for a violation pursuant to Chapter 16 (§ 4.1-1600 et seq.).

2. The place occupied by the licensee:

a. Does not conform to the requirements of the governing body of the county, city, or town in which such establishment is located, with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulations;

b. Has been adjudicated a common nuisance under the provisions of this subtitle or § 18.2-258; or

c. Has become a meeting place or rendezvous for illegal gambling, illegal users of narcotics, drunks, prostitutes, pimps, panderers, or habitual law violators or has become a place where illegal drugs are regularly used or distributed. The Board may consider the general reputation in the community of such establishment in addition to any other competent evidence in making such determination.

3. The licensee or any employee of the licensee discriminated against any member of the Armed Forces of the United States by prices charged or otherwise.

4. Any cause exists for which the Board would have been entitled to refuse to grant such license had the facts been known.

5. The licensee is delinquent for a period of 90 days or more in the payment of any taxes, or any penalties or interest related thereto, lawfully imposed by the locality where the licensed business is located, as certified by the treasurer, commissioner of the revenue, or finance director of such locality, unless (i) the outstanding amount is de minimis; (ii) the licensee has pending a bona fide application for correction or appeal with respect to such taxes, penalties, or interest; or (iii) the licensee has entered into a payment plan approved by the same locality to settle the outstanding liability.

6. The licensee has been convicted for a violation of 8 U.S.C. § 1324a(f), as amended, for actions of its agents or employees constituting a pattern or practice of employing unauthorized aliens on the licensed premises in the Commonwealth.

7. The Board finds that the licensee assigned, sold, or transferred a license or changed ownership or control of the license without prior written approval of the Board as required pursuant to § 4.1-702.

8. Any other cause authorized by this subtitle.

B. The Board shall promulgate regulations regarding suspension and revocation standards and protocols.

§ 4.1-901. Summary suspension in emergency circumstances; grounds; notice and hearing.

A. The Board may summarily suspend or restrict any license or permit without a hearing if the Board finds that such suspension or restriction is necessary to prevent substantial danger to public health or safety. The Board shall make decisions to summarily suspend or restrict a license or permit only during an in-person meeting in which a quorum is present; however, if, after a good faith effort, the Board is unable to assemble a quorum and a majority of the Board members determine that continued operation by the licensee or permittee constitutes a substantial danger to public health or safety, the Board may summarily suspend the license or permit during a telephone, video, or other electronic conference. Institution of proceedings for a hearing shall be provided simultaneously with a summary suspension. The Board may summarily restrict a license or permit without proceeding simultaneously with notification of an informal conference pursuant to § 2.2-4019 or Board regulations. Such hearing or conference shall be held within a reasonable amount of time after the summary suspension or restriction is issued.

B. Allegations of violations of this subtitle shall be submitted to the Board in writing.

C. This section shall not apply to temporary permits granted under § 4.1-808.

§ 4.1-902. Grounds for which Board shall suspend or revoke licenses.

The Board shall suspend or revoke any license if it finds that:

1. A licensee has violated or permitted the violation of § 18.2-331, relating to the illegal possession of a gambling device, upon the premises for which the Board has granted a retail marijuana store or microbusiness license.

2. A licensee has defrauded or attempted to defraud the Board, or any federal, state, or local government or governmental agency or authority, by making or filing any report, document, or tax return required by statute or regulation that is fraudulent or contains a willful or knowing false representation of a material fact or has willfully deceived or attempted to deceive the Board, or any federal, state, or local government or governmental agency or authority, by making or maintaining business records required by statute or regulation that are false or fraudulent.

3. The licensee is not operational within 12 months of the issuance of the license.

§ 4.1-903. Suspension or revocation of licenses; notice and hearings; imposition of civil penalties.

A. Before the Board may suspend or revoke any license, reasonable notice of such proposed or contemplated action shall be given to the licensee in accordance with the provisions of § 2.2-4020 of the Administrative Process Act (§ 2.2-4000 et seq.).

Notwithstanding the provisions of § 2.2-4022, the Board shall, upon written request by the licensee, permit the licensee to inspect and copy or photograph all (i) written or recorded statements made by the licensee or copies thereof or the substance of any oral statements made by the licensee or a previous or present employee of the licensee to any law-

enforcement officer, the existence of which is known by the Board and upon which the Board intends to rely as evidence in any adversarial proceeding under this subtitle against the licensee, and (ii) designated books, papers, documents, tangible objects, buildings, or places, or copies or portions thereof, that are within the possession, custody, or control of the Board and upon which the Board intends to rely as evidence in any adversarial proceeding under this subtitle against the licensee. In addition, any subpoena for the production of documents issued to any person at the request of the licensee or the Board pursuant to § 4.1-604 shall provide for the production of the documents sought within 10 working days, notwithstanding anything to the contrary in § 4.1-604.

If the Board fails to provide for inspection or copying under this section for the licensee after a written request, the Board shall be prohibited from introducing into evidence any items the licensee would have lawfully been entitled to inspect or copy under this section.

The action of the Board in suspending or revoking any license or in imposing a civil penalty shall be subject to judicial review in accordance with the Administrative Process Act (§ 2.2-4000 et seq.). Such review shall extend to the entire evidential record of the proceedings provided by the Board in accordance with the Administrative Process Act. An appeal shall lie to the Court of Appeals from any order of the court. Notwithstanding § 8.01-676.1, the final judgment or order of the circuit court shall not be suspended, stayed, or modified by such circuit court pending appeal to the Court of Appeals. Neither mandamus nor injunction shall lie in any such case.

B. In suspending any license, the Board may impose, as a condition precedent to the removal of such suspension or any portion thereof, a requirement that the licensee pay the cost incurred by the Board in investigating the licensee and in holding the proceeding resulting in such suspension, or it may impose and collect such civil penalties as it deems appropriate.

C. Following notice to (i) the licensee of a hearing that may result in the suspension or revocation of his license or (ii) the applicant of a hearing to resolve a contested application, the Board may accept a consent agreement as authorized in § 4.1-604. The notice shall advise the licensee or applicant of the option to (a) admit the alleged violation or the validity of the objection; (b) waive any right to a hearing or an appeal under the Administrative Process Act (§ 2.2-4000 et seq.); and (c) (1) accept the proposed restrictions for operating under the license, (2) accept the period of suspension of the licensed privileges within the Board's parameters, (3) pay a civil penalty in lieu of the period of suspension, or any portion of the suspension as applicable, or (4) proceed to a hearing.

D. The Board shall, by regulation or written order:

1. Designate those (i) objections to an application or (ii) alleged violations that will proceed to an initial hearing;

2. Designate the violations for which a waiver of a hearing and payment of a civil charge in lieu of suspension may be accepted for a first offense occurring within three years

immediately preceding the date of the violation;

3. Provide for a reduction in the length of any suspension and a reduction in the amount of any civil penalty for any retail marijuana store or microbusiness licensee where the licensee can demonstrate that it provided to its employees marijuana seller training certified in advance by the Board;

4. Establish a schedule of penalties for such offenses, prescribing the appropriate suspension of a license and the civil charge acceptable in lieu of such suspension; and

5. Establish a schedule of offenses for which any penalty may be waived upon a showing that the licensee has had no prior violations within five years immediately preceding the date of the violation. No waiver shall be granted by the Board, however, for a licensee's willful and knowing violation of this subtitle or Board regulations.

§ 4.1-904. Suspension or revocation; disposition of marijuana or marijuana products on hand; termination.

A. Marijuana or marijuana products owned by or in the possession of or for sale by any licensee at the time the license of such person is suspended or revoked may be disposed of as follows:

1. Sold to persons in the Commonwealth licensed to sell such marijuana or marijuana products upon permits granted by the Board in accordance with § 4.1-808 and conditions specified by the Board; or

2. Destroyed by the Board or its designee.

B. Marijuana or marijuana products owned by or in the possession of or for sale by any licensee at the time the license of such person is suspended may be placed on administrative hold by the Board during any such suspension period. For the purpose of this subsection, "administrative hold" means a status given to marijuana or marijuana product by the Board that prohibits any activity with the marijuana or marijuana product, including waste, sale, or transfer of the marijuana or marijuana product, until the administrative hold is lifted.

C. All marijuana or marijuana products owned by or in the possession of any person whose license is suspended or revoked shall be placed on administrative hold or disposed of by such person in accordance with the provisions of this section within 60 days from the date of such suspension or revocation.

D. Marijuana or marijuana products owned by or in the possession of or for sale by persons whose licenses have been terminated other than by suspension or revocation may be disposed of in accordance with subsection A within such time as the Board deems proper. Such period shall not be less than 60 days.

E. All marijuana or marijuana products owned by or remaining in the possession of any person described in subsection A or D after the expiration of such period shall be deemed contraband and forfeited to the Commonwealth in accordance with the provisions of § 4.1-

1303.

CHAPTER 10.

ADMINISTRATION OF LICENSES; APPLICATIONS FOR LICENSES; FEES; TAXES.

§ 4.1-1000. Applications for licenses; procedures; notice to localities; fees; permits.

A. The Authority shall announce the commencement of a licensing period in advance of accepting applications for marijuana establishment licenses. At a minimum, the announcement shall include:

1. The types of licenses that will be available during the licensing period;

2. If the Board limits the number of a type of license that will be available, the number of that type of license available in the licensing period;

3. The date on which the Authority will begin accepting applications; and

4. The date on which the Authority will no longer accept applications.

B. Every person intending to apply for any license authorized by this subtitle shall file with the Board an application on forms provided by the Board and a statement in writing by the applicant swearing and affirming that all of the information contained therein is true.

C. Such applications, including applications for renewal, shall include any information necessary for the Board to determine whether the applicant meets or continues to meet the criteria set forth in subdivision B 13 of § 4.1-606. If the Authority receives an application that fails to include such required information or an applicant fails to pay the applicable application fee as required by subsection K, the Authority shall issue a deficiency notice to the applicant. The applicant may submit the required information or pay the required application fee within 10 calendar days from the date of the deficiency notice. Failure by an applicant to submit all required information or pay the application fee within such 10-day period shall result in the application being rejected.

D. After an applicant submits an application that contains all required information and pays the applicable application fee, the Authority shall review the application. The Authority may deny an application if:

1. The application is incomplete;

2. The application contains a materially false statement about the applicant or omits information required;

3. The applicant meets any condition set forth in § 4.1-810;

4. The applicant is prohibited from holding the license under this subtitle;

5. The applicant fails to pay the applicable application fee;

6. The application was not submitted by the application deadline;

7. The applicant submitted more than one application for a license type; or

8. The Authority determines that the applicant would be prohibited from holding a license for any other reason.

If the Authority denies an application, the Authority shall notify the applicant of the denial and the basis for the denial. The Authority may request additional information from any applicant if the Authority determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 10 calendar days of the Authority's request for information, the Authority may deny the application. An applicant whose application is not denied pursuant to this subsection is a qualified applicant.

E. If the number of qualified applicants seeking a type of license exceeds the number of licenses of that type that are made available, the Authority shall first conduct a lottery to select qualified applicants for preliminary license approval. If the number of impact licensee applicants seeking a type of license exceeds the number of licenses made available for impact licensee applicants, the Authority shall first conduct a lottery consisting of impact licensee applicants to select applicants for preliminary license approval. If an impact licensee applicant is not selected in a lottery conducted under this subsection, the Authority shall include the impact licensee applicant in the pool of qualified applicants for licenses of that type that are made available to all applicants. A lottery conducted pursuant to this subsection shall be impartial, random, and in a format determined by the Authority.

F. Following the completion of any lottery conducted pursuant to subsection E, the Authority shall notify each applicant entered in the lottery that the applicant was either selected in the lottery for preliminary license approval or not selected in the lottery. Within 18 months of receiving notice that an applicant was selected in the lottery for preliminary license approval, such applicant shall provide:

1. The address and legal property description of the location where the marijuana establishment will operate;

2. The name of the local governing body where the marijuana establishment will be located;

3. If applicable, an updated description of the location where the marijuana establishment will operate, an updated security plan, and any other additional information required by the Authority; and

4. For applicants for licenses for establishments that are otherwise required to obtain an inspection by the Department of Agriculture and Consumer Services, proof of inspection or proof of a pending request for such inspection.

A preliminary license approval expires after 18 months unless the Authority revokes the preliminary license approval or grants an extension. The Authority may grant a one-time extension of up to six months if an applicant has made good faith efforts to convert a preliminary license approval into a license. The Authority shall not issue a license to an

applicant whose preliminary license approval has expired. If the Authority determines that an applicant is not eligible for a license, the Authority may revoke a preliminary license approval. The Authority shall notify an applicant if the Authority revokes the applicant's preliminary license approval or if the applicant's preliminary license approval expires.

G. Upon receipt of the information required under subsection F from an applicant that has received preliminary license approval, the Authority shall (i) notify the local governing body of the applicant through the town manager, city manager, county administrator, or other designee of the locality; (ii) schedule a site inspection; and (iii) require the applicant to pay the applicable license fee established pursuant to § 4.1-1002. Local governing bodies notified pursuant to clause (i) shall submit any objections to the granting of a license within 30 days of the Authority's notification;

H. The Authority may deny final authorization of a license if:

1. An applicant fails to submit any required information;

2. The applicant submits a materially false statement about the applicant or fails to provide any required information;

3. The Authority confirms that the marijuana establishment for which the Authority granted preliminary license approval does not meet local zoning and land use laws;

4. The applicant fails to pay the applicable license fee;

5. The applicant meets any condition set forth in § 4.1-810; or

6. The Authority determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this subtitle.

I. Within 90 days of receiving the information required under subsection F and the results of any required background check pursuant to subsection J, the Authority shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth the specific reasons that the Authority did not issue the license. If final authorization is granted and a license is issued to an establishment that is otherwise required to obtain an inspection by the Department of Agriculture and Consumer Services and such licensee provided proof of a pending request for such inspection pursuant to subdivision F 4, such license shall authorize the licensee to purchase marijuana, marijuana products, immature marijuana plants, or marijuana seeds in accordance with the provisions of this subtitle; however, the licensee shall not sell marijuana, marijuana products, immature marijuana plants, or marijuana seeds until an inspection is completed.

J. The Board, in conjunction with an accredited law-enforcement agency, shall conduct a background investigation, including a criminal history records check and fingerprinting, of the following individuals: (i) every individual applying for a license or permit pursuant to this subtitle; (ii) every individual who is an officer, director, or principal of a licensee or applicant for a license; and (iii) all permit holders and officers, directors, and principals. Each such individual shall submit his fingerprints and personal descriptive information to

the Central Criminal Records Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records search and to the Department of State Police for a Virginia criminal history records check. The results of the background check and national and state criminal records check shall be returned to the Board. Notwithstanding the foregoing, the Board may accept a third-party local and national criminal background check submitted by any such individual specified in clause (i), (ii), or (iii) in lieu of a fingerprint-based national criminal history records check. Any such third-party background check shall (a) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.) and accredited by the Professional Background Screening Association and (b) include a multistate and multi-jurisdiction criminal record locator or other similar commercial nationwide database with validation and other such background screening as the Board may require. The applicant shall request such background check not more than 60 days prior to submission of the application.

In considering criminal history record information, subject to the provisions of subdivision B 1 b of § 4.1-810, the Board shall not disqualify an applicant because of a past conviction for a marijuana-related offense.

K. Each applicant shall pay the required application fee at the time the application is filed. The license application fee shall be determined by the Board and shall be in addition to the actual cost charged to the Department of State Police by the Federal Bureau of Investigation or the Central Criminal Records Exchange for processing any fingerprints through the Federal Bureau of Investigation or the Central Criminal Records Exchange for each criminal history records search required by the Board. Application fees shall be in addition to the state license fee required pursuant to § 4.1-1001 and shall not be refunded.

L. Subsection B shall not apply to the continuance of licenses granted under this subtitle; however, all licensees shall file and maintain with the Board a current, accurate record of the information required by the Board pursuant to subsection C and notify the Board of any changes to such information in accordance with Board regulations.

M. Every application for a permit granted pursuant to § 4.1-808 shall be on a form provided by the Board. Such permits shall confer upon their holders no authority to make solicitations in the Commonwealth as otherwise provided by law.

The fee for a temporary permit shall be one-twelfth of the combined fees required by this section for applicable licenses to sell marijuana or marijuana products computed to the nearest cent and multiplied by the number of months for which the permit is granted.

N. If the Authority holds a lottery as provided in subsection E, the Authority shall retain the applications of any applicant not selected in the lottery for one year. The Authority shall consider a retained application during any licensing periods that begin within the year and, except as otherwise provided in this chapter, the Authority shall treat a retained application as if the application were submitted during the licensing period.

At the beginning of a subsequent licensing period, the applicant may amend an application or provide additional information to the Authority and the Authority may request additional information from any applicant whose application is retained to determine if the applicant meets the requirements for a subsequent licensing period. If the applicant does not provide the requested information to the Authority within 14 calendar days of the Authority's request, the Authority may deny the application. The Authority shall not charge an additional application fee to an applicant whose application was retained.

An applicant may withdraw a retained application at any time. If the applicant withdraws a retained application, the applicant may submit a new application during a licensing period. An applicant that withdraws a retained application and submits a new application shall pay the applicable application fee. The Authority may disqualify an application from retention if the Authority is authorized to deny the application pursuant to subsection D.

§ 4.1-1001. Labor peace agreements.

A. For purposes of this section:

"Bona fide labor organization" means a labor organization, as defined by 29 U.S.C. § 402(i), that is actively seeking to represent marijuana establishment employees in the Commonwealth. In determining whether a labor organization is a bona fide labor organization, the Authority shall consider each of the following as indicative, but not determinative, of a finding that a labor organization is a bona fide labor organization:

1. The labor organization has been recognized or certified as the bargaining representative for marijuana establishment employees in the Commonwealth;

2. The labor organization has executed current collective bargaining agreements with marijuana establishment employers in the Commonwealth;

3. The labor organization has spent resources as part of current and active attempts to organize and represent marijuana establishments in the Commonwealth;

4. The labor organization has filed the annual report required by 29 U.S.C. § 431(b) for the three years immediately preceding;

5. The labor organization has audited financial reports covering the three years immediately preceding;

6. The existence of written bylaws or a constitution for the three years immediately preceding; and

7. The labor organization's affiliation with any regional or national association of unions, including central labor councils.

"Labor peace agreement" means an agreement between a marijuana establishment and a bona fide labor organization that, at a minimum, protects the Commonwealth's proprietary interests by prohibiting the labor organization from engaging in picketing, work stoppages,

or boycotts against the marijuana establishment.

B. All marijuana establishment license applicants, renewal applicants, and license holders shall have entered into, maintained, and abided by the terms of a labor peace agreement. Such labor peace agreement requirement is an ongoing material condition of the license, of which a violation may result in denial, suspension, or revocation of the license.

C. All initial marijuana establishment license applicants shall submit a labor peace agreement attestation (LPA attestation) signed by both the applicant and the bona fide labor organization stating that the applicant meets this section's requirements and has entered into, maintained, and abided by the terms of the LPA attestation. All renewal applicants must submit a new LPA attestation executed within 10 days of the submission date of the renewal application. An applicant's failure to submit a timely LPA attestation shall result in a denial of the initial or renewal license.

D. The Authority shall be required to determine a schedule establishing the ongoing review of the status and maintenance of a labor peace agreement to assess eligibility of license holder. Upon review and findings of unsatisfactory status or the insufficient maintenance of a labor peace agreement, the Authority shall suspend a licensee for a marijuana establishment.

§ 4.1-1002. Fees for state licenses.

A. Annual fees on state licenses shall be established by the Board in an amount sufficient to cover the costs of regulating the marijuana establishment.

B. Nothing in this subtitle shall exempt any licensee from any state merchants' license or state restaurant license or any other state tax. Every licensee, in addition to the taxes and fees imposed by this subtitle, shall be liable to state merchants' license taxation, state restaurant license taxation, and other state taxation.

§ 4.1-1003. Refund of state license fee.

A. The Board may (i) correct erroneous assessments made by it against any person, (ii) refund any amounts collected through erroneous assessments or collected as fees on license applications that are subsequently refused or withdrawn, and (iii) allow credit for any license fees paid for any license that is subsequently merged or changed into another license during the same license period. No refund shall be made of any such amount, however, unless made within three years from the date of collection of the same.

B. In any case where a licensee has changed its name or form of organization during a license period without any change being made in its ownership, and because of such change is required to pay an additional license fee for such period, the Board shall refund to such licensee the amount of such fee so paid in excess of the required license fee for such period.

C. The Board shall make refunds, prorated according to a schedule of its prescription, to licensees of state license fees paid pursuant to subsection A of § 4.1-1002 if the place of business designated in the license is destroyed by an act of God, including a fire,

earthquake, hurricane, storm, or similar natural disaster or phenomenon.

D. Any amount required to be refunded under this section shall be paid by the State Treasurer out of moneys appropriated to the Board and in the manner prescribed in § 4.1-614.

§ 4.1-1004. Marijuana taxes; exceptions.

A. A tax is levied on the sale in the Commonwealth of any marijuana or marijuana products at the rate of six percent before July 1, 2029, and at the rate of eight percent on and after July 1, 2029. Subject to the provisions of subsection C, the tax shall be in addition to any tax imposed under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.) or any other provision of federal, state, or local law. The tax shall not apply to any sale:

1. From a marijuana establishment to another marijuana establishment.

2. Of cannabis products for treatment under the provisions of Chapter 16 (§ 4.1-1600 et seq.).

3. Of industrial hemp by a grower, processor, or handler under the provisions of Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.

4. Of a hemp product.

B. 1. Each locality shall by ordinance levy an additional local tax on any sale taxable under subsection A at a rate not less than one percent but not greater than three and one-half percent. Other than the tax authorized and identified in this subsection, a locality shall not impose any other tax on a sale taxable under subsection A. The tax imposed by a surrounding county under this subsection shall not apply within the limits of any town. Each locality shall, within 30 days, notify the Authority and any retail marijuana store and microbusiness in such locality of the ordinance enacted pursuant to this subsection. The ordinance shall take effect on the first day of the second month following its enactment and such rate shall be effective for at least three years.

2. Nothing in this subsection shall be construed to (i) prohibit a locality from imposing any tax authorized by law on a person or property regulated under this subtitle or (ii) limit the authority of any locality to impose a license or privilege tax or fee on a business engaged in whole or in part in sales taxable under subsection A if such tax or fee is (a) based on an annual or per-event flat fee authorized by law or (b) an annual license or privilege tax authorized by law and such tax includes sales or receipts taxable under subsection A in its taxable measure.

C. The provisions of Chapter 6 (§ 58.1-600 et seq.) of Title 58.1 shall apply to all sales taxable under subsection A, mutatis mutandis.

D. All revenues remitted to the Authority under this subsection shall be disposed of as provided in § 4.1-614.

§ 4.1-1005. Tax returns and payments; commissions; interest.

A. For any sale taxable under § 4.1-1004, the seller shall be liable for collecting any taxes due. All taxes collected by a seller shall be deemed to be held in trust for the Commonwealth. The buyer shall not be liable for collecting or remitting the taxes or filing a return.

B. On or before the tenth day of each month, any person liable for a tax due under § 4.1-1004 shall file a return under oath with the Authority and pay any taxes due. Upon written application by a person filing a return, the Authority may, if it determines good cause exists, grant an extension to the end of the calendar month in which the tax is due, or for a period not exceeding 30 days. Any extension shall toll the accrual of any interest or penalties under § 4.1-1008.

C. The Authority may accept payment by any commercially acceptable means, including cash, checks, credit cards, debit cards, and electronic funds transfers, for any taxes, interest, or penalties due under this subtitle. The Board may assess a service charge for the use of a credit or debit card.

D. Upon request, the Authority may collect and maintain a record of a person's credit card, debit card, or automated clearinghouse transfer information and use such information for future payments of taxes, interest, or penalties due under this subtitle. The Authority may assess a service charge for any payments made under this subsection. The Authority may procure the services of a third-party vendor for the secure storage of information collected pursuant to this subsection.

E. If any person liable for tax under § 4.1-1004 sells out his business or stock of goods or quits the business, such person shall make a final return and payment within 15 days after the date of selling or quitting the business. Such person's successors or assigns, if any, shall withhold sufficient of the purchase money to cover the amount of such taxes, interest, and penalties due and unpaid until such former owner produces a receipt from the Authority showing payment or a certificate stating that no taxes, penalties, or interest are due. If the buyer of a business or stock of goods fails to withhold the purchase money as provided in this subsection, such buyer shall be liable for the payment of the taxes, interest, and penalties due and unpaid on account of the operation of the business by any former owner.

F. When any person fails to timely pay the full amount of tax due under § 4.1-1004, interest at a rate determined in accordance with § 58.1-15 shall accrue on the tax until it is paid. Any taxes due under § 4.1-1004 shall, if applicable, be subject to penalties as provided in §§ 4.1-1205 and 4.1-1206.

§ 4.1-1006. Bonds.

The Authority may, when deemed necessary and advisable to do so in order to secure the collection of the taxes levied under § 4.1-1004, require any person subject to such tax to file a bond, with such surety as it determines is necessary to secure the payment of any tax, penalty, or interest due or that may become due from such person. In lieu of such bond, securities approved by the Authority may be deposited with the State Treasurer, which

securities shall be kept in the custody of the State Treasurer, and shall be sold by the State Treasurer at the request of the Authority at public or private sale if it becomes necessary to do so in order to recover any tax, interest, or penalty due the Commonwealth. Upon any such sale, the surplus, if any, above the amounts due shall be returned to the person who deposited the securities.

§ 4.1-1007. Refunds.

In the event purchases are returned to the seller by the buyer after a tax imposed under § 4.1-1004 has been collected or charged to the account of the buyer, the seller shall be entitled to a refund of the amount of tax so collected or charged in the manner prescribed by the Authority. The amount of tax so refunded to the seller shall not, however, include the tax paid upon any amount retained by the seller after such return of merchandise. In case the tax has not been remitted by the seller, the seller may deduct the same in submitting his return.

§ 4.1-1008. Statute of limitations; civil remedies for collecting past-due taxes, interest, and penalties.

A. The taxes imposed under § 4.1-1004 shall be assessed within three years from the date on which such taxes became due and payable. In the case of a false or fraudulent return with intent to defraud the Commonwealth, or a failure to file a return, the taxes may be assessed, or a proceeding in court for the collection of such taxes may be begun without assessment, at any time within six years from such date. The Authority shall not examine any person's records beyond the three-year period of limitations unless it has reasonable evidence of fraud or reasonable cause to believe that such person was required by law to file a return and failed to do so.

B. If any person fails to file a return as required by this section, or files a return that is false or fraudulent, the Authority may make an estimate for the taxable period of the taxable sales of such person and assess the tax, plus any applicable interest and penalties. The Authority shall give such person 10 days' notice requiring such person to provide any records as it may require relating to the business of such person for the taxable period. The Authority may require such person or the agents and employees of such person to give testimony or to answer interrogatories under oath administered by the Authority respecting taxable sales, the filing of the return, and any other relevant information. If any person fails to file a required return, refuses to provide required records, or refuses to answer interrogatories from the Authority, the Authority may make an estimated assessment based upon the information available to it and issue a memorandum of lien under subsection C for the collection of any taxes, interest, or penalties. The estimated assessment shall be deemed prima facie correct.

C. 1. If the Authority assesses taxes, interest, or penalties on a person and such person does not pay within 30 days after the due date, taking into account any extensions granted by the Authority, the Authority may file a memorandum of lien in the circuit court clerk's office of the county or city in which the person's place of business is located or in which the person

resides. If the person has no place of business or residence within the Commonwealth, the memorandum may be filed in the Circuit Court of the City of Richmond. A copy of the memorandum may also be filed in the clerk's office of all counties and cities in which the person owns real estate. Such memorandum shall be recorded in the judgment docket book and shall have the effect of a judgment in favor of the Commonwealth, to be enforced as provided in Article 19 (§ 8.01-196 et seq.) of Chapter 3 of Title 8.01, except that a writ of fieri facias may issue at any time after the memorandum is filed. The lien on real estate shall become effective at the time the memorandum is filed in the jurisdiction in which the real estate is located. No memorandum of lien shall be filed unless the person is first given 10 or more days' prior notice of intent to file a lien; however, in those instances where the Authority determines that the collection of any tax, penalties, or interest required to be paid pursuant to law will be jeopardized by the provision of such notice, notification may be provided to the person concurrent with the filing of the memorandum of lien. Such notice shall be given to the person at his last known address.

2. Recordation of a memorandum of lien under this subsection shall not affect a person's right to appeal under § 4.1-1009.

3. If after filing a memorandum of lien the Authority determines that it is in the best interest of the Commonwealth, it may place padlocks on the doors of any business enterprise that is delinquent in filing or paying any tax owed to the Commonwealth. The Authority shall also post notices of distraint on each of the doors so padlocked. If, after three business days, the tax deficiency has not been satisfied or satisfactory arrangements for payment have not been made, the Authority may cause a writ of fieri facias to be issued. It shall be a Class 1 misdemeanor for anyone to enter the padlocked premises without prior approval of the Authority. In the event that the person against whom the distraint has been applied subsequently appeals under § 4.1-1009, the person shall have the right to post bond equaling the amount of liability in lieu of payment until the appeal is resolved.

4. A person may petition the Authority after a memorandum of lien has been filed under this subsection if the person alleges an error in the filing of the lien. The Authority shall make a determination on such petition within 14 days. If the Authority determines that the filing was erroneous, it shall issue a certificate of release of the lien within seven days after such determination is made.

§ 4.1-1009. Appeals.

Any person aggrieved by a refusal of the Board to issue any license or permit, the suspension or revocation of a license or permit, the imposition of a fine, or any other penalty may seek review of such action in accordance with Board regulations and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act.

§ 4.1-1010. Injunction.

The Authority may apply to the appropriate circuit court for an injunction against any person who has violated or may violate any provision of this chapter or any regulation or final decision of the Board. The order granting or refusing such injunction shall be subject to appeal as in other cases in equity.

§ 4.1-1100. Possession, etc., of marijuana and marijuana products by persons 21 years of age or older lawful; penalties.

A. Except as otherwise provided in this subtitle and notwithstanding any other provision of law, a person 21 years of age or older may lawfully possess on his person or in any public place not more than ~~one ounce~~ *two ounces* of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board.

B. Any person who possesses on his person or in any public place marijuana or marijuana products in excess of the amounts set forth in subsection A is subject to a civil penalty of no more than $25 except as otherwise provided in this section. The penalty for any violations of this section by an adult shall be prepayable according to the procedures in § 16.1-69.40:2.

C. With the exception of possession by a person in his residence or possession by a licensee in the course of his duties related to such licensee's marijuana establishment, any person who possesses on his person or in any public place (i) more than four ounces but not more than one pound of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board is guilty of a Class 3 misdemeanor and, for a second or subsequent offense, a Class 2 misdemeanor and (ii) more than one pound of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board is guilty of a felony punishable by a term of imprisonment of not less than one year nor more than 10 years and a fine of not more than $250,000, or both.

D. The provisions of this section shall not apply to members of federal, state, county, city, or town law-enforcement agencies, jail officers, or correctional officers, as defined in § 53.1-1, certified as handlers of dogs trained in the detection of controlled substances when possession of marijuana is necessary for the performance of their duties.

§ 4.1-1101. Home cultivation of marijuana for personal use; penalties.

A. ~~Notwithstanding the provisions of subdivision (c) of § 18.2-248.1, a~~ *A* person 21 years of age or older may cultivate up to four marijuana plants for personal use at their place of residence; however, at no point shall a household contain more than four marijuana plants. For purposes of this section, a "household" means those individuals, whether related or not, who live in the same house or other place of residence.

A person may only cultivate marijuana plants pursuant to this section at such person's main place of residence.

A violation of this subsection shall be punishable as follows:

1. For possession of more than four marijuana plants but no more than 10 marijuana plants,

(i) a civil penalty of $250 for a first offense, (ii) a Class 3 misdemeanor for a second offense, and (iii) a Class 2 misdemeanor for a third and any subsequent offense;

2. For possession of more than 10 but no more than 49 marijuana plants, a Class 1 misdemeanor;

3. For possession of more than 49 but no more than 100 marijuana plants, a Class 6 felony; and

4. For possession of more than 100 marijuana plants, a felony punishable by a term of imprisonment of not less than one year nor more than 10 years or a fine of not more than $250,000, or both.

B. A person who cultivates marijuana for personal use pursuant to this section shall:

1. Ensure that no marijuana plant is visible from a public way without the use of aircraft, binoculars, or other optical aids;

2. Take precautions to prevent unauthorized access by persons younger than 21 years of age; and

3. Attach to each marijuana plant a legible tag that includes the person's name, driver's license or identification number, and a notation that the marijuana plant is being grown for personal use as authorized under this section.

Any person who violates this subsection is subject to a civil penalty of no more than $25. The penalty for any violations of this section by an adult shall be prepayable according to the procedures in § 16.1-69.40:2.

~~C. A person shall not manufacture marijuana concentrate from home-cultivated marijuana. The owner of a property or parcel or tract of land may not intentionally or knowingly allow another person to manufacture marijuana concentrate from home-cultivated marijuana within or on that property or land.~~

§ 4.1-1102. Illegal cultivation or processing of marijuana or marijuana products; conspiracy; penalties.

A. Except as otherwise provided in §§ 4.1-700 and 4.1-1101, no person shall cultivate or process marijuana or marijuana products in the Commonwealth without being licensed to cultivate or process such marijuana or marijuana products.

B. Any person convicted of a violation of this section is guilty of a Class 6 felony.

C. If two or more persons conspire together to do any act that is in violation of subsection A, and one or more of such persons does any act to effect the object of the conspiracy, each of the parties to such conspiracy is guilty of a Class 6 felony.

§ 4.1-1103. Illegal sale of marijuana or marijuana products in general; penalties.

A. For the purposes of this section, "adult sharing" means transferring marijuana between

persons who are 21 years of age or older without remuneration. "Adult sharing" does not include instances in which (i) marijuana is given away contemporaneously with another reciprocal transaction between the same parties; (ii) a gift of marijuana is offered or advertised in conjunction with an offer for the sale of goods or services; or (iii) a gift of marijuana is contingent upon a separate reciprocal transaction for goods or services.

B. If any person who is not licensed sells, gives, or distributes or possesses with intent to sell, give, or distribute any marijuana or marijuana products except as permitted by this chapter or provided in subsection C, he is guilty of (i) a Class 2 misdemeanor for a first offense; (ii) a Class 1 misdemeanor for a second offense; and (iii) a Class 6 felony for a third and any subsequent offense.

C. No civil or criminal penalty may be imposed for adult sharing of an amount of marijuana that does not exceed two ounces or of an equivalent amount of marijuana products.

§ 4.1-1104. Persons to whom marijuana or marijuana products may not be sold; proof of legal age; penalties.

A. No person shall, except as otherwise permitted under Chapter 16 (§ 4.1-1600 et seq.), sell, give, or distribute any marijuana or marijuana products to any individual when at the time of such sale he knows or has reason to believe that the individual to whom the sale is made is (i) younger than 21 years of age or (ii) intoxicated. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor. Upon conviction of a violation of this subsection by a licensee, their employee, or their agent, the Authority shall initiate proceedings to consider the revocation of any license of such licensee that was issued by the Authority. The Board shall promulgate regulations providing for escalating civil penalties, leading up to and including the revocation of any license issued by the Authority, for repeated violations of this section by licensees, their employees, or their agents.

B. Any person who sells, except as otherwise permitted under Chapter 16 (§ 4.1-1600 et seq.), any marijuana or marijuana products to an individual who is younger than 21 years of age and at the time of the sale does not require the individual to present bona fide evidence of legal age indicating that the individual is 21 years of age or older is guilty of a violation of this subsection. Bona fide evidence of legal age is limited to any evidence that is or reasonably appears to be an unexpired driver's license issued by any state of the United States or the District of Columbia, military identification card, United States passport or foreign government visa, unexpired special identification card issued by the Department of Motor Vehicles, or any other valid government-issued identification card bearing the individual's photograph, signature, height, weight, and date of birth, or which bears a photograph that reasonably appears to match the appearance of the purchaser. A student identification card shall not constitute bona fide evidence of legal age for purposes of this subsection. Any person convicted of a violation of this subsection is guilty of a Class 3 misdemeanor.

C. No person shall be convicted of both subsections A and B for the same sale.

§ 4.1-1105. Purchasing of marijuana or marijuana products unlawful in certain cases; venue; exceptions; penalties; forfeiture; treatment and education programs and services.

A. 1. No person to whom the sale of marijuana or marijuana products is prohibited under § 4.1-1104 shall consume, purchase, or possess, or attempt to consume, purchase, or possess, any marijuana or marijuana products, except by any federal, state, or local law-enforcement officer or his agent when possession of marijuana or marijuana products is necessary in the performance of his duties. Such person may be prosecuted either in the county or city in which the marijuana or marijuana products were possessed or consumed or in the county or city in which the person exhibits evidence of physical indicia of consumption of marijuana or marijuana products.

2. No person younger than 21 years of age shall use or attempt to use any (i) altered, fictitious, facsimile, or simulated license to operate a motor vehicle; (ii) altered, fictitious, facsimile, or simulated document, including a birth certificate or student identification card; or (iii) motor vehicle driver's license or other document issued under Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 or the comparable law of another jurisdiction, birth certificate, or student identification card of another person in order to establish a false identification or false age for himself to consume, purchase, or attempt to consume or purchase marijuana or marijuana products.

B. Any person 18 years of age or older who violates subsection A is subject to a civil penalty of no more than $25 and shall be ordered to enter a substance abuse treatment or education program or both, if available, that in the opinion of the court best suits the needs of the accused.

C. Unless the juvenile is proceeded against informally pursuant to § 16.1-260, any juvenile who violates subsection A is subject to a civil penalty of no more than $25 and the court shall require the accused to enter a substance abuse treatment or education program or both, if available, that in the opinion of the court best suits the needs of the accused. For purposes of §§ 16.1-266, 16.1-273, 16.1-278.8, 16.1-278.8:01, and 16.1-278.9, the court shall treat the juvenile as delinquent.

D. Any such substance abuse treatment or education program to which a juvenile is ordered pursuant to this section shall be provided by (i) a program licensed by the Department of Behavioral Health and Developmental Services or (ii) a similar program available through a facility or program operated by or under contract with the Department of Juvenile Justice or a locally operated court services unit or a program funded through the Virginia Juvenile Community Crime Control Act (§ 16.1-309.2 et seq.). Any such substance abuse treatment or education program to which a person 18 years of age or older is ordered pursuant to this section shall be provided by (a) a program licensed by the Department of Behavioral Health and Developmental Services or (b) a program or services made available through a community-based probation services agency established pursuant to Article 9 (§ 9.1-173 et seq.) of Chapter 1 of Title 9.1, if one has been established for the locality. When an offender is ordered to a local community-based probation services agency, the local community-

based probation services agency shall be responsible for providing for services or referring the offender to education or treatment services as a condition of probation.

E. Any civil penalties collected pursuant to this section shall be deposited into the Drug Offender Assessment and Treatment Fund established pursuant to § 18.2-251.02. No person younger than 21 years of age shall use or attempt to use any (i) altered, fictitious, facsimile, or simulated license to operate a motor vehicle; (ii) altered, fictitious, facsimile, or simulated document, including a birth certificate or student identification card; or (iii) motor vehicle driver's license or other document issued under Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 or the comparable law of another jurisdiction, birth certificate, or student identification card of another person in order to establish a false identification or false age for himself to consume, purchase, or attempt to consume or purchase marijuana or marijuana products. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

F. Any marijuana or marijuana product purchased or possessed in violation of this section shall be deemed contraband and forfeited to the Commonwealth in accordance with § 4.1-1303.

§ 4.1-1106. Purchasing marijuana or marijuana products for one to whom they may not be sold; penalties; forfeiture.

A. Any person who purchases marijuana or marijuana products for another person and at the time of such purchase knows or has reason to believe that the person for whom the marijuana or marijuana products were purchased was intoxicated is guilty of a Class 1 misdemeanor.

B. Any person who purchases for, or otherwise gives, provides, or assists in the provision of marijuana or marijuana products to, another person when he knows or has reason to know that such person is younger than 21 years of age, except by any federal, state, or local law-enforcement officer when possession of marijuana or marijuana products is necessary in the performance of his duties, is guilty of a Class 1 misdemeanor.

C. Any marijuana or marijuana products purchased in violation of this section shall be deemed contraband and forfeited to the Commonwealth in accordance with § 4.1-1303.

§ 4.1-1106.1. Selling, etc. without decal; false decal; civil penalty.

A. No person shall engage in the sale of marijuana or marijuana products or marketing or labeling products as marijuana or marijuana products without a decal issued by the Board and prominently displayed. A person violating this subsection is subject to a civil penalty of $10,000 per day for each day that such decal is not displayed in violation of this requirement.

B. It is unlawful for any person to create or display a falsified decal that purports such person to be licensed by the Board to engage in the sale of marijuana or marijuana products or market or label products as marijuana or marijuana products. Any person who violates

this subsection is subject to a civil penalty of $10,000 for each falsified decal such person created or $10,000 per day for each day that such falsified decal is displayed, or both.

C. The provisions of this section shall not preclude prosecution under any other statute.

§ 4.1-1108. Consuming marijuana or marijuana products, or offering to another, in public place; penalty.

A. No person shall consume marijuana or a marijuana product or offer marijuana or a marijuana product to another, whether accepted or not, at or in any public place.

B. Any person who violates this section is subject to a civil penalty of no more than ~~$25~~ ?*$250*? for a first offense. A person who is convicted under this section of a second offense is subject to a ~~$25~~ ?*$250*? civil penalty and shall be ordered to enter a substance abuse treatment or education program or both, if available, that in the opinion of the court best suits the needs of the accused. A person convicted under this section of a third or subsequent offense is guilty of a Class 4 misdemeanor.

§ 4.1-1113. Maintaining common nuisances; penalties.

A. All houses, boathouses, buildings, club or fraternity or lodge rooms, boats, cars, and places of every description where marijuana or marijuana products are manufactured, processed, stored, sold, dispensed, given away, or used contrary to law, by any scheme or device whatsoever, shall be deemed common nuisances.

No person shall maintain, aid, abet, or knowingly associate with others in maintaining a common nuisance.

Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

B. In addition, after due notice and an opportunity to be heard on the part of any owner or lessor not involved in the original offense, by a proceeding analogous to that provided in § 4.1-1303 and upon proof of guilty knowledge, judgment may be given that such house, boathouse, building, boat, car, or other place, or any room or part thereof, be closed. The court may, upon the owner or lessor giving bond in the penalty of not less than $500 and with security to be approved by the court, conditioned that the premises shall not be used for unlawful purposes, or in violation of the provisions of this subtitle for a period of five years, turn the same over to its owner or lessor, or proceeding may be had in equity as provided in § 4.1-1300.

C. In a proceeding under this section, judgment shall not be entered against the owner, lessor, or lienholder of the property unless it is proved that he (i) knew of the unlawful use of the property and (ii) had the right, because of such unlawful use, to enter and repossess the property.

§ 4.1-1114. Maintaining a fortified drug house; penalty.

Any office, store, shop, restaurant, dance hall, theater, poolroom, clubhouse, storehouse, warehouse, dwelling house, apartment, or building or structure of any kind that is (i)

substantially altered from its original status by means of reinforcement with the intent to impede, deter, or delay lawful entry by a law-enforcement officer into such structure; (ii) being used for the purpose of illegally manufacturing, processing, or distributing marijuana; and (iii) the object of a valid search warrant shall be considered a fortified drug house. Any person who maintains or operates a fortified drug house is guilty of a Class 5 felony.

§ 4.1-1115. Disobeying subpoena; hindering conduct of hearing; penalty.

No person shall (i) fail or refuse to obey any subpoena issued by the Board, any Board member, or any agent authorized by the Board to issue such subpoena or (ii) hinder the orderly conduct and decorum of any hearing held and conducted by the Board, any Board member, or any agent authorized by the Board to hold and conduct such hearing.

Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1117. Delivery of marijuana or marijuana products to prisoners; penalty.

No person shall deliver, or cause to be delivered, to any prisoner in any state, local, or regional correctional facility or any person committed to the Department of Juvenile Justice in any juvenile correctional center any marijuana or marijuana products.

Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1118. Separation of plant resin by butane extraction; penalty.

A. No person shall separate plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure.

B. Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1119. Attempts; aiding or abetting; penalty.

No person shall attempt to do any of the things prohibited by this subtitle or to aid or abet another in doing, or attempting to do, any of the things prohibited by this subtitle.

On an indictment, information, or warrant for the violation of this subtitle, the jury or the court may find the defendant guilty of an attempt, or being an accessory, and the punishment shall be the same as if the defendant were solely guilty of such violation.

§ 4.1-1121. Issuance of summonses for certain offenses; civil penalties.

Any violation under this subtitle that is subject to a civil penalty is a civil offense and, *except in the case of a violation alleged to have been committed by a juvenile, in which case the juvenile shall be proceeded against pursuant to § 16.1-260,* shall be charged by summons. A summons for a violation under this subtitle that is subject to a civil penalty may be executed by a law-enforcement officer when such violation is observed by such officer. The summons used by a law-enforcement officer pursuant to this section shall be in a form the same as the uniform summons for motor vehicle law violations as prescribed pursuant to

§ 46.2-388. Any civil penalties collected pursuant to this subtitle shall be deposited into the Drug Offender Assessment and Treatment Fund established pursuant to § 18.2-251.02.

CHAPTER 12.

PROHIBITED PRACTICES BY LICENSEES.

§ 4.1-1200. Illegal cultivation, etc., of marijuana or marijuana products by licensees; penalty.

A. No licensee or any agent or employee of such licensee shall:

1. Cultivate, process, transport, sell, or test any marijuana or marijuana products other than that which such license or this subtitle authorizes him to cultivate, process, transport, sell, or test;

2. Sell marijuana or marijuana products to any person other than a person to whom such license or this subtitle authorizes him to sell;

3. Cultivate, process, transport, sell, or test marijuana or marijuana products that such license or this subtitle authorizes him to sell, but in any place or in any manner other than such license or this subtitle authorizes him to cultivate, process, transport, sell, or test;

4. Cultivate, process, transport, sell, or test any marijuana or marijuana products when forbidden by this subtitle;

5. Keep or allow to be kept on the licensed premises any marijuana or marijuana products other than that which he is authorized to cultivate, process, transport, sell, or test by such license or by this subtitle;

6. Keep any marijuana or marijuana product other than in the container in which it was purchased by him; or

7. Allow a person younger than 21 years of age to be employed by or volunteer for such licensee.

B. Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

C. The Authority shall revoke the license of any licensee who knowingly and willfully causes or permits the conduct of a person convicted of a violation of this section. No license shall be reissued to a licensee whose license is revoked pursuant to this subsection or for the licensed premises where such revocation occurred for a period of at least 10 years.

§ 4.1-1201. Prohibited acts by employees of licensees; civil penalty.

A. In addition to the provisions of § 4.1-1200, no licensee, or his agent or employee shall use or consume any marijuana or marijuana products (i) on the licensed premises, except for certain sampling for quality control purposes in accordance with Board regulations or (ii) while on duty and in a position that is involved in the selling of marijuana or marijuana products to consumers.

B. No licensee or his agent or employee shall make any gift of any marijuana or marijuana products.

C. Any person convicted of a violation of this section shall be subject to a civil penalty in an amount not to exceed $500. Upon a second or subsequent violation of this section, (i) if the person convicted is licensee, the Board shall revoke any license held by the licensee and (ii) if the person convicted is an agent of the licensee or employee, the Board shall require the licensee to terminate such agent or employee's employment. Any such licensee, agent, or employee convicted of a second or subsequent violation of this section shall be prohibited from obtaining any marijuana establishment license and employment at a marijuana establishment.

§ 4.1-1202. Sale of; purchase for resale; marijuana or marijuana products from a person without a license; penalty.

Except as otherwise provided in § 4.1-807, no retail marijuana store licensee shall purchase for resale or sell any marijuana, marijuana products, immature marijuana plants, or marijuana seeds purchased from anyone other than a marijuana cultivation facility or marijuana processing facility.

Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1203. Prohibiting transfer of marijuana or marijuana products by certain licensees; penalty.

A. No licensed marijuana establishment shall transfer any marijuana or marijuana products from one licensed place of business to another licensed place of business unless (i) such licensed marijuana establishment is authorized to transfer marijuana or marijuana products from one licensed place of business to another licensed place of business and the transfer is completed by the licensee or an employee of the licensee or (ii) such transfer is completed by a marijuana transporter licensee.

B. Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1204. Illegal advertising materials; civil penalty.

No person subject to the jurisdiction of the Board shall induce, attempt to induce, or consent to any licensee selling, renting, lending, buying for, or giving to any person any advertising materials or decorations under circumstances prohibited by this title or Board regulations.

Any person found by the Board to have violated this section shall be subject to a civil penalty as authorized in § 4.1-903.

§ 4.1-1205. Failure of licensee to pay tax or to deliver, keep, and preserve records and accounts or to allow examination and inspection; penalty.

A. No licensee shall fail or refuse to (i) pay any tax provided for in § 4.1-1004; (ii) deliver, keep, and preserve such records, invoices, and accounts as are required by § 4.1-703 or

Board regulation; or (iii) allow such records, invoices, and accounts or his place of business to be examined and inspected in accordance with § 4.1-703. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

B. After reasonable notice to a licensee that failed to make a return or pay taxes due, the Authority may suspend or revoke any license of such licensee that was issued by the Authority.

C. The Authority shall revoke the license of any licensee who knowingly and willfully violates subsection A and is convicted for such violation.

§ 4.1-1206. Nonpayment of marijuana tax; penalties.

A. No person shall make a sale taxable under § 4.1-1004 without paying all applicable taxes due. No retail marijuana store or microbusiness licensee shall purchase, receive, transport, store, or sell any marijuana or marijuana products on which such retailer has reason to know such tax has not been paid and may not be paid. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

B. Any person who fails to file a return required for a tax due under § 4.1-1004 is subject to a civil penalty to be added to the tax in the amount of five percent of the proper tax due if the failure is for not more than 30 days, with an additional five percent for each additional 30 days, or fraction thereof, during which the failure continues. Such civil penalty shall not exceed 25 percent in the aggregate. In addition to any civil penalty imposed pursuant to this subsection, the Authority shall revoke the license of any licensee who knowingly and willfully violates this subsection for a period of three years.

C. In the case of a false or fraudulent return, where willful intent exists to defraud the Commonwealth of any tax due on marijuana or marijuana products, a civil penalty of 50 percent of the amount of the proper tax due shall be assessed. Such penalty shall be in addition to any penalty imposed under subsection B. It shall be prima facie evidence of willful intent to defraud the Commonwealth when any person reports its taxable sales to the Authority at 50 percent or less of the actual amount. In addition to any civil penalty imposed pursuant to this subsection, the Authority shall revoke the license of any licensee who knowingly and willfully violates this subsection for a period of three years.

D. If any check tendered for any amount due under § 4.1-1004 or this section is not paid by the bank on which it is drawn, and the person that tendered the check fails to pay the Authority the amount due within five days after the Authority gives it notice that such check was returned unpaid, the person that tendered the check is guilty of a violation of § 18.2-182.1. In addition to any civil penalty imposed pursuant to this subsection, the Authority shall revoke the license of any licensee who knowingly and willfully violates this subsection for a period of three years.

E. All penalties shall be payable to the Authority and if not so paid shall be collectible in the same manner as if they were a part of the tax imposed.

§ 4.1-1300. Enjoining nuisances.

A. In addition to the penalties imposed by § 4.1-1113, the Board, its agents, the attorney for the Commonwealth, or any citizen of the county, city, or town where a common nuisance as defined in § 4.1-1113 exists may maintain a suit in equity in the name of the Commonwealth to enjoin the common nuisance.

B. The courts of equity shall have jurisdiction, and in every case where the bill charges, on the knowledge or belief of the complainant, and is sworn to by two reputable citizens, that marijuana or marijuana products are cultivated, processed, stored, sold, dispensed, given away, or used in such house, building, or other place described in § 4.1-1113 contrary to the laws of the Commonwealth, an injunction shall be granted as soon as the bill is presented to the court. The injunction shall enjoin and restrain the owners and tenants and their agents and employees, and any person connected with such house, building, or other place, and all persons whomsoever from cultivating, processing, storing, selling, dispensing, giving away, or using marijuana or marijuana products on such premises. The injunction shall also restrain all persons from removing any marijuana or marijuana products then on such premises until the further order of the court. If the court is satisfied that the material allegations of the bill are true, although the premises complained of may not then be unlawfully used, it shall continue the injunction against such place for a period of time as the court deems proper. The injunction may be dissolved if a proper case is shown for dissolution.

§ 4.1-1301. Contraband marijuana or marijuana products and other articles subject to forfeiture.

A. All apparatus and materials for the cultivation or processing of marijuana or marijuana products, all marijuana or marijuana products and materials used in their manufacture or processing, and all containers in which marijuana or marijuana products may be found that are kept, stored, possessed, or in any manner used in violation of the provisions of this subtitle, and any dangerous weapons as described in § 18.2-308 that may be used or that may be found upon the person, or in any vehicle that such person is using, to aid such person in the unlawful cultivation, manufacture, processing, transportation, or sale of marijuana or marijuana products, or found in the possession of such person, or any horse, mule, or other beast of burden or any wagon, automobile, truck, or vehicle of any nature whatsoever that is found in the immediate vicinity of any place where marijuana or marijuana products are being unlawfully manufactured or processed and where such animal or vehicle is being used to aid in the unlawful manufacture or processing, shall be deemed contraband and shall be forfeited to the Commonwealth.

B. Proceedings for the confiscation of the property in subsection A shall be in accordance with § 4.1-1303 for all such property except motor vehicles, which proceedings shall be in accordance with Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

§ 4.1-1303. Confiscation proceedings; disposition of forfeited articles.

A. All proceedings for the confiscation of articles, except motor vehicles, declared contraband and forfeited to the Commonwealth under this subtitle shall be as provided in this section.

B. Whenever any article declared contraband under the provisions of this subtitle and required to be forfeited to the Commonwealth has been seized, with or without a warrant, by any officer charged with the enforcement of this subtitle, he shall produce the contraband article and any person in whose possession it was found. In those cases where no person is found in possession of such articles, the return shall so state and a copy of the warrant shall be posted on the door of the buildings or room where the articles were found, or if there is no door, then in any conspicuous place upon the premises.

In case of seizure of any item for any offense involving its forfeiture where it is impracticable to remove such item to a place of safe storage from the place where seized, the seizing officer may destroy such item only as necessary to prevent use of all or any part thereof. The destruction shall be in the presence of at least one credible witness, and such witness shall join the officer in a sworn report of the seizure and destruction to be made to the Board. The report shall set forth the grounds of the claim of forfeiture, the reasons for seizure and destruction, an estimate of the fair cash value of the item destroyed, and the materials remaining after such destruction. The report shall include a statement that, from facts within their own knowledge, the seizing officer and witness have no doubt whatever that the item was set up for use, or had been used in the unlawful cultivation, processing, or manufacture of marijuana, and that it was impracticable to remove such apparatus to a place of safe storage.

In case of seizure of any quantity of marijuana or marijuana products for any offense involving forfeiture of the same, the seizing officer may destroy them to prevent the use of all or any part thereof for the purpose of unlawful cultivation, processing, or manufacture of marijuana or marijuana products or any other violation of this subtitle. The destruction shall be in the presence of at least one credible witness, and such witness shall join the officer in a sworn report of the seizure and destruction to be made to the Board. The report shall set forth the grounds of the claim of forfeiture, the reasons for seizure and destruction, and a statement that, from facts within their own knowledge, the seizing officer and witness have no doubt whatever that the marijuana or marijuana products were intended for use in the unlawful cultivation, processing, or manufacture of marijuana or marijuana products or were intended for use in violation of this subtitle.

C. Upon the return of the warrant as provided in this section, the court shall fix a time not less than 10 days, unless waived by the accused in writing, and not more than 30 days thereafter, for the hearing on such return to determine whether or not the articles seized, or any part thereof, were used or in any manner kept, stored, or possessed in violation of this subtitle.

At such hearing, if no claimant appears, the court shall declare the articles seized forfeited to the Commonwealth and, if such articles are not necessary as evidence in any pending

prosecution, shall turn them over to the Board. Any person claiming an interest in any of the articles seized may appear at the hearing and file a written claim setting forth particularly the character and extent of his interest. The court shall certify the warrant and the articles seized along with any claim filed to the circuit court to hear and determine the validity of such claim.

If the evidence warrants, the court shall enter a judgment of forfeiture and order the articles seized to be turned over to the Board. Action under this section and the forfeiture of any articles hereunder shall not be a bar to any prosecution under any other provision of this subtitle.

D. Any articles forfeited to the Commonwealth and turned over to the Board in accordance with this section shall be destroyed or sold by the Board as it deems proper. The net proceeds from such sales shall be paid into the Literary Fund.

If the Board believes that any foodstuffs forfeited to the Commonwealth and turned over to the Board in accordance with this section are usable, should not be destroyed, and cannot be sold, or whose sale would be impractical, it may give such foodstuffs to any institution in the Commonwealth and shall prefer a gift to the local jail or other local correctional facility in the jurisdiction where seizure took place. A record shall be made showing the nature of the foodstuffs and amount given, to whom given, and the date when given and shall be kept in the offices of the Board.

§ 4.1-1304. Contraband marijuana or marijuana products.

Failure to maintain on a conveyance or vehicle a permit or other indicia of permission issued by the Board authorizing the transportation of marijuana or marijuana products within the Commonwealth when other Board regulations applicable to such transportation have been complied with shall not be cause for deeming such marijuana or marijuana products contraband.

§ 4.1-1305. Punishment for violations of title or regulations; bond.

A. Any person convicted of a misdemeanor under the provisions of this subtitle without specification as to the class of offense or penalty, or convicted of violating any other provision thereof, or convicted of violating any Board regulation is guilty of a Class 1 misdemeanor.

B. In addition to the penalties imposed by this subtitle for violations, any court before whom any person is convicted of a violation of any provision of this subtitle may require such defendant to execute bond based upon his ability to pay, with approved security, in the penalty of not more than $1,000, with the condition that the defendant will not violate any of the provisions of this subtitle for the term of one year. If any such bond is required and is not given, the defendant shall be committed to jail until it is given, or until he is discharged by the court, provided that he shall not be confined for a period longer than six months. If any such bond required by a court is not given during the term of the court by which conviction is had, it may be given before any judge or before the clerk of such court.

C. The provisions of this subtitle shall not prevent the Board from suspending, revoking, or refusing to continue the license of any person convicted of a violation of any provision of this subtitle.

D. No court shall hear such a case unless the respective attorney for the Commonwealth or his assistant has been notified that such a case is pending.

§ 4.1-1306. Witness not excused from testifying because of self-incrimination.

No person shall be excused from testifying or from producing books, papers, correspondence, memoranda, or other records for the Commonwealth as to any offense alleged to have been committed by another under this subtitle by reason of his testimony or other evidence tending to incriminate himself, but the testimony given and evidence so produced by such person on behalf of the Commonwealth when called for by the trial judge or court trying the case, or by the attorney for the Commonwealth, or when summoned by the Commonwealth and sworn as a witness by the court or the clerk and sent before the grand jury, shall be in no case used against him nor shall he be prosecuted as to the offense as to which he testifies.

§ 4.1-1307. Previous convictions.

In any indictment, information, or warrant charging any person with a violation of any provision of this subtitle, it may be alleged and evidence may be introduced at the trial of such person to prove that such person has been previously convicted of a violation of this subtitle.

§ 4.1-1308. Label on sealed container prima facie evidence of marijuana content.

In any prosecution for violations of this subtitle, where a sealed container is labeled as containing marijuana or marijuana products, such labeling shall be prima facie evidence of the marijuana content of the container. Nothing shall preclude the introduction of other relevant evidence to establish the marijuana content of a container, whether sealed or not.

§ 4.1-1309. No recovery for marijuana or marijuana products illegally sold.

No action to recover the price of any marijuana or marijuana products sold in contravention of this subtitle may be maintained.

§ 4.1-1402. Outdoor advertising restrictions; limitations; variances.

A. No outdoor advertising regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol shall be placed within 500 linear feet on the same side of the road, and parallel to such road, measured from the nearest edge of the sign face upon which the advertisement is placed to the nearest edge of a building or structure located on the real property of (i) a church, synagogue, mosque, or other place of religious worship; (ii) a public, private, or parochial school or an institution of higher education; (iii) a public or private playground or similar recreational facility; (iv) a substance use disorder treatment center; or (v) a dwelling used for

residential use.

B. However, (i) if there is no building or structure on a playground or similar recreational facility, the measurement shall be from the nearest edge of the sign face upon which the advertisement is placed to the property line of such playground or similar recreational facility and (ii) if a public or private school providing grades K through 12 education is located across the road from a sign, the measurement shall be from the nearest edge of the sign face upon which the advertisement is placed to the nearest edge of a building or structure located on such real property across the road.

C. If, at the time the advertisement was displayed, the advertisement was more than 500 feet from (i) a church, synagogue, mosque, or other place of religious worship; (ii) a public, private, or parochial school or an institution of higher education; (iii) a public or private playground or similar recreational facility; (iv) a substance use disorder treatment center; or (v) a dwelling used for residential use, but the circumstances change such that the advertiser would otherwise be in violation of subsection A, the Board shall permit the advertisement to remain as displayed for the remainder of the term of any written advertising contract, but in no event more than one year from the date of the change in circumstances.

D. The Board may grant a permit authorizing a variance from the distance requirements of this section upon a finding that the placement of the advertisement on a sign will not unduly expose children to advertising regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol.

E. The distance and zoning restrictions contained in this section shall not apply to any sign that is included in the Integrated Directional Sign Program administered by the Virginia Department of Transportation or its agents.

F. *Any outdoor signs placed on the property of a marijuana establishment shall not (i) display imagery of marijuana or the use of marijuana, (ii) target or appeal particularly to persons younger than 21 years of age, including by use of cartoons, or (iii) draw undue attention to the facility, but may be designed to assist consumers to find the marijuana establishment.*

G. Nothing in this section shall be construed to authorize billboard signs containing outdoor advertising regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol on property zoned agricultural or residential, or on any unzoned property. Nor shall this section be construed to authorize the erection of new billboard signs containing outdoor advertising that would be prohibited under state law or local ordinance.

~~G.~~ *H.* All lawfully erected outdoor signs regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol shall comply with the provisions of this subtitle, Board regulations, and Chapter 12 (§ 33.2-1200 et seq.) of Title 33.2 and regulations adopted pursuant thereto by the Commonwealth Transportation Board. Further, any outdoor directional sign

regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol that is located or to be located on highway rights of way shall also be governed by and comply with the Integrated Directional Sign Program administered by the Virginia Department of Transportation or its agents.

§ 4.1-1403. Board to establish regulations for marijuana testing.

The Board shall establish a testing program for marijuana and marijuana products. Except as otherwise provided in this subtitle or otherwise provided by law, the program shall require a licensee, prior to selling or distributing marijuana or a marijuana product to a consumer or to another licensee, to submit a representative sample of the marijuana or marijuana product, not to exceed an amount of the total harvest or batch as established by the Board, to a licensed marijuana testing facility for testing to ensure that the marijuana or marijuana product does not exceed the maximum level of allowable contamination for any contaminant that is injurious to health and for which testing is required and to ensure correct labeling. The Board shall adopt regulations (i) establishing a testing program pursuant to this section; (ii) establishing acceptable testing and research practices, including regulations relating to testing practices, methods, and standards; quality control analysis; equipment certification and calibration; marijuana testing facility recordkeeping, documentation, and business practices; disposal of used, unused, and waste marijuana and marijuana products; and reporting of test results; (iii) identifying the types of contaminants that are injurious to health for which marijuana and marijuana products shall be tested under this subtitle; and (iv) establishing the maximum level of allowable contamination for each contaminant.

§ 4.1-1404. Mandatory testing; scope; recordkeeping; notification; additional testing not required; required destruction; random testing.

A. A licensee may not sell or distribute marijuana or a marijuana product to a consumer or to another licensee under this subtitle unless a representative sample of the marijuana or marijuana product has been tested pursuant to this subtitle and the regulations adopted pursuant to this subtitle and the mandatory testing has demonstrated that (i) the marijuana or marijuana product does not exceed the maximum level of allowable contamination for any contaminant that is injurious to health and for which testing is required and (ii) the labeling on the marijuana or marijuana product is correct.

B. Mandatory testing of marijuana and marijuana products under this section shall include, at minimum, testing for:

1. Residual solvents, except such testing shall not be required for testing of botanical marijuana;

2. Heavy metals;

3. Microbiological contaminants;

4. Mycotoxins;

5. Pesticide chemical residue; and

6. Active ingredient analysis.

Testing shall be performed on the final form in which the marijuana or marijuana product will be consumed.

C. A licensee shall maintain a record of all mandatory testing that includes a description of the marijuana or marijuana product provided to the marijuana testing facility, the identity of the marijuana testing facility, and the results of the mandatory test.

D. If the results of a mandatory test conducted pursuant to this section indicate that the tested marijuana or marijuana product exceeds the maximum level of allowable tetrahydrocannabinol or contamination for any contaminant that is injurious to health and for which testing is required, the marijuana testing facility shall immediately quarantine, document, and properly destroy the marijuana or marijuana product, unless remedial measures can bring the marijuana or marijuana product into compliance with such required health and safety standards, and within seven days of completing the test shall notify the Board of the test results.

A marijuana testing facility is not required to notify the Board of the results of any test:

1. Conducted on marijuana or a marijuana product at the direction of a licensee for research and development purposes only, so long as the licensee notifies the marijuana testing facility prior to the performance of the test that the testing is for research and development purposes only; or

2. Conducted on marijuana or a marijuana product at the direction of a person who is not a licensee.

E. Notwithstanding the foregoing, a licensee may sell or furnish to a consumer or to another licensee marijuana or a marijuana product that the licensee has not submitted for testing in accordance with this subtitle and regulations adopted pursuant to this subtitle if the following conditions are met:

1. The marijuana or marijuana product has previously undergone testing in accordance with this subtitle and regulations adopted pursuant to this subtitle at the direction of another licensee and the testing demonstrated that the marijuana or marijuana product does not exceed the maximum level of allowable tetrahydrocannabinol or contamination for any contaminant that is injurious to health and for which testing is required;

2. The mandatory testing process and the test results for the marijuana or marijuana product are documented in accordance with the requirements of this subtitle and all applicable regulations adopted pursuant to this subtitle;

3. Tracking from immature marijuana plant to the point of retail sale has been maintained

for the marijuana or marijuana product and transfers of the marijuana or marijuana product to another licensee or to a consumer can be easily identified; and

4. The marijuana or marijuana product has not undergone any further processing, manufacturing, or alteration subsequent to the performance of the prior testing under subsection A.

F. Licensees shall be required to destroy harvested batches of marijuana or batches of marijuana products whose testing samples indicate noncompliance with the health and safety standards required by this subtitle and the regulations adopted by the Board pursuant to this subtitle, unless remedial measures can bring the marijuana or marijuana product into compliance with such required health and safety standards.

G. A licensee shall comply with all requests for samples of marijuana and marijuana products for the purpose of random testing by a state-owned laboratory or state-approved private laboratory.

§ 4.1-1405. Labeling and packaging requirements; prohibitions.

A. Marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer shall be labeled with the following information:

1. Identification of the type of marijuana or marijuana product;

2. Identification of the marijuana cultivation facility and marijuana processing facility where the marijuana or marijuana product was cultivated and processed, as applicable;

3. A statement of the net weight of the marijuana or marijuana product;

4. In English and in a font no less than 1/16 of an inch, information concerning (i) all ingredients; (ii) tetrahydrocannabinol, cannabidiol, and other cannabinoid content; (ii) any allergens required by the Board; (iii) the amount of servings in the package; and (iv) the total milligrams of tetrahydrocannabinol and cannabidiol included in an edible marijuana product or topical marijuana product, the number of milligrams of tetrahydrocannabinol and cannabidiol in each serving of an edible marijuana product or topical marijuana product, and the total percentage of tetrahydrocannabinol and cannabidiol included in an inhalable marijuana product, in accordance with Board regulations;

5. Instructions on usage, including information regarding the amount of marijuana or marijuana product that constitutes a single serving, and information regarding the products purpose, as applicable;

6. An expiration date;

7. For marijuana and marijuana products, a warning statement adopted by the Board prominently displayed in bold print and in a clear and legible fashion;

8. A universal symbol stamped or embossed on the packaging of any marijuana and marijuana products;

9. A QR code or other means prescribed by the Board, linking to the certificate of analysis, produced by a licensed marijuana testing facility, that states the total tetrahydrocannabinol concentration of the substance or the total tetrahydrocannabinol concentration of the batch from which the substance originates; and

10. Any other information required by Board regulations.

B. Marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer in accordance with the provisions of this subtitle shall be packaged in the following manner:

1. Marijuana and marijuana products shall be prepackaged in child-resistant, tamper-evident, and resealable packaging that is opaque or shall be placed at the final point of sale to a consumer in child-resistant, tamper-evident, and resealable packaging that is opaque;

2. Packaging for multiserving liquid marijuana products shall include an integral measurement component; and

3. Packaging shall comply with any other requirements imposed by Board regulations.

C. Marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer in accordance with the provisions of this subtitle shall not:

1. (i) Without authorization, bear, be packaged in a container or wrapper that bears, or otherwise be labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance or (ii) otherwise be packaged or labeled in violation of a federal trademark law or regulation;

2. Be labeled or packaged in a manner that appeals particularly to persons younger than 21 years of age;

3. Be labeled or packaged in a manner that obscures identifying information on the label;

4. Be labeled or packaged using a false or misleading label;

5. Depict, model the shape of, or use a label or package that depicts or models the shape of a human, animal, vehicle, or fruit; and

6. Be labeled or packaged in violation of any other labeling or packaging requirements imposed by Board regulations.

§ 4.1-1406. Other health and safety requirements for edible marijuana products and other marijuana products deemed applicable by the Authority; health and safety regulations.

A. In addition to all other applicable provisions of this subtitle, edible marijuana products and other marijuana products deemed applicable by the Authority to be sold or offered for

sale by a licensee to a consumer:

1. Shall be processed by a marijuana processing facility licensee whose licensed premises is under inspection by the Department of Agriculture and Consumer Services pursuant to the requirements for food manufacturers established in Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 and is operating in compliance with the laws and regulations that pertain to food manufacturers and the processing of edible marijuana products;

2. Shall comply with the provisions of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 when such products are intended for human consumption. Such products shall be considered food;

3. Shall be processed and manufactured in a manner that results in the cannabinoid content within the product being homogeneous throughout the product or throughout each element of the product that has a cannabinoid content;

4. Shall be processed and manufactured in a manner that results in the amount of marijuana concentrate within the product being homogeneous throughout the product or throughout each element of the product that contains marijuana concentrate;

5. Shall have a universal symbol stamped or embossed on the packaging of each product;

6. Shall not contain more than 10 milligrams of tetrahydrocannabinol per serving of the product and shall not contain more than 100 milligrams of tetrahydrocannabinol per package of the product;

7. Shall not contain additives that (i) are toxic or harmful to human beings, (ii) are specifically designed to make the product more addictive, (iii) contain alcohol or nicotine, (iv) are misleading to consumers, or (v) are specifically designed to make the product appeal particularly to persons younger than 21 years of age; and

8. Shall not involve the addition of marijuana to a trademarked food or drink product, except when the trademarked product is used as a component of or ingredient in the edible marijuana product and the edible marijuana product is not advertised or described for sale as containing the trademarked product.

B. The Board shall adopt any additional labeling, packaging, or other health and safety regulations that it deems necessary for marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer in accordance with this subtitle. Regulations adopted pursuant to this subsection shall establish mandatory health and safety standards applicable to the cultivation of marijuana, the processing and manufacture of marijuana products, and the packaging and labeling of marijuana and marijuana products sold by a licensee to a consumer. Such regulations shall address:

1. Requirements for the storage, warehousing, and transportation of marijuana and marijuana products by licensees;

2. Standards for the processing and manufacture of marijuana and marijuana products; and

3. Limitations on the display of marijuana and marijuana products at retail marijuana

stores and microbusinesses.

§ 4.1-1407. Product registration requirements; approval, deviation, and modification.

A. A marijuana cultivation facility licensee, marijuana processing facility licensee, and microbusiness licensee shall register with the Board all marijuana or marijuana products it cultivates or processes. Applications for marijuana or marijuana product registration shall be submitted to the Board on a form prescribed by the Board.

B. An application for marijuana or marijuana product registration shall include:

1. The total tetrahydrocannabinol and total cannabidiol in such marijuana or marijuana product, based on laboratory testing results for the marijuana or marijuana product formulation;

2. A product name;

3. A proposed product package; and

4. A proposed product label, which shall not be required to contain an expiration date at the time of application.

C. The Board shall register all marijuana or marijuana products that meet labeling and packaging standards established by regulation after an application for registration is submitted and the Board receives the applicable registration fee. If the marijuana or marijuana product fails to meet such standards or the application was deficient, the Board shall notify the applicant of the specific reasons for such failure or deficiency.

D. The following marijuana or marijuana product deviations from an approved marijuana or marijuana product registration shall be permitted without any requirement for a new marijuana or marijuana product registration or notice to the Board:

1. A deviation in the concentration of total tetrahydrocannabinol (THC) or total cannabidiol (CBD) in a marijuana or marijuana product or dose thereof of up to 15 percent greater than or less than the concentration of total tetrahydrocannabinol or total cannabidiol, either or both, listed in the approved marijuana or marijuana product registration; however, for marijuana or a marijuana product with five milligrams or less of total THC or total CBD per dose, the total THC or total CBD concentration shall be within 0.5 milligrams of the single dose total THC or total CBD concentrations approved for that marijuana or marijuana product;

2. A variation in packaging, provided that the packaging is substantially similar to the approved packaging and otherwise complies with applicable packaging requirements;

3. A deviation in labeling that reflects allowable deviations in total THC or total CBD or that makes a minor text, font, design, or similar modification, provided that the labeling is substantially similar to the approved labeling and otherwise complies with applicable labeling requirements; and

4. Any other insignificant changes.

E. A marijuana cultivation facility licensee, marijuana processing facility licensee, or microbusiness license may submit a request to modify an existing marijuana or marijuana product registration in the event of a marijuana or marijuana product deviation that is not set forth in subsection D. Upon receipt, the Board shall respond to such request. The Board may grant or deny the request, propose a reasonable revision, or require the licensee to provide additional information.

§ 4.1-1500. Definitions.

As used in this chapter, unless the context requires a different meaning:

"CDFI" means a community development financial institution that provides credit and financial services for underserved communities.

"Fund" means the Virginia Cannabis Equity Business Loan Fund established in § 4.1-1501.

"Funding" means loans *and grants* made from the Fund.

"Program" means the Virginia Cannabis Equity Business Loan Program established in § 4.1-1502.

~~"Social equity qualified cannabis licensee" means a person or business who meets the criteria in § 4.1-606 to qualify as a social equity applicant and who either holds or is in the final stages of acquiring, as determined by the Board, a license to operate a marijuana establishment.~~

§ 4.1-1501. Virginia Cannabis Equity Business Loan Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Cannabis Equity Business Loan Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of providing *grants,* low-interest ~~and~~ *loans,* zero-interest loans*, conditional loans, and other supports and services* to ~~social equity qualified cannabis~~ *impact* licensees in order to foster business ownership and economic growth within communities that have been the most disproportionately impacted by the former prohibition of cannabis. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Chief Executive Officer of the Authority.

§ 4.1-1502. Program requirements; guidelines for management of the Fund; selection of CDFI.

A. The Authority shall establish a Program to provide loans, *grants, and other supports and services* to ~~qualified social equity cannabis~~ *impact* licensees for the purpose of promoting business ownership and economic growth by communities that have been disproportionately impacted by the prohibition of cannabis. ~~The~~ *For the purposes of issuing loans, the* Authority ~~shall~~ *may* select and work in collaboration with a CDFI ~~to assist in administering the Program and carrying out the purposes of the Fund~~. ~~The~~ *If the Authority utilizes a CDFI for issuing loans, the* CDFI selected by the Authority shall have (i) a statewide presence in Virginia, (ii) experience in business lending, (iii) a proven track record of working with disadvantaged communities, and (iv) the capability to dedicate sufficient staff to manage the Program. ~~Working with the selected CDFI, the~~ *The* Authority shall establish monitoring and accountability mechanisms for ~~businesses~~ *impact licensees* receiving funding and shall report annually the number of businesses funded; the geographic distribution of the businesses; the costs of the Program; and the outcomes, including the number and types of jobs created.

B. The Program shall:

1. Identify ~~social equity qualified cannabis~~ *impact* licensees who are in need of capital *or other supports and services* for the start-up of a cannabis business properly licensed pursuant to the provisions of this subtitle;

2. Provide loans*, grants, and other supports and services* for the purposes described in subsection A *and § 4.1-1501*;

3. Provide technical assistance; and

4. Bring together community partners to sustain the Program.

§ 4.1-1600. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Botanical cannabis" means cannabis that is composed wholly of usable cannabis from the same parts of the same chemovar of cannabis plant.

"Cannabis dispensing facility" means a *dual-use* facility that (i) has obtained a permit from the Board pursuant to § 4.1-1602; (ii) is owned, at least in part, by a pharmaceutical processor; ~~and~~ (iii) dispenses cannabis products produced by a pharmaceutical processor to a patient, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian*; and (iv) has been verified by the Board pursuant to § 4.1-1602.1 to hold and exercise all privileges to operate as a retail marijuana store pursuant to § 4.1-802 on the premises of the cannabis dispensing facility*.

"Cannabis oil" means any formulation of processed Cannabis plant extract, which may include industrial hemp extracts, including isolates and distillates, acquired by a pharmaceutical processor pursuant to § 4.1-1602, or a dilution of the resin of the Cannabis plant that contains, except as otherwise provided in this chapter, no more than 10 milligrams

of tetrahydrocannabinol per dose. "Cannabis oil" does not include industrial hemp, as defined in § 3.2-4112, that is grown, handled, or processed in compliance with state or federal law, unless it has been grown and processed in the Commonwealth by a registered industrial hemp processor and acquired and formulated by a pharmaceutical processor.

"Cannabis product" means a product that (i) is formulated with cannabis oil or botanical cannabis; (ii) is produced by a pharmaceutical processor and sold by a pharmaceutical processor or cannabis dispensing facility; (iii) is registered with the Board; (iv) contains, except as otherwise provided in this chapter, no more than 10 milligrams of tetrahydrocannabinol per dose; and (v) is compliant with testing requirements.

"Designated caregiver facility" means any hospice or hospice facility licensed pursuant to § 32.1-162.3, or home care organization as defined in § 32.1-162.7 that provides pharmaceutical services or home health services, private provider licensed by the Department of Behavioral Health and Developmental Services pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2, assisted living facility licensed pursuant to § 63.2-1701, or adult day center licensed pursuant to § 63.2-1701.

"Dispense" means the same as that term is defined in § 54.1-3300.

"Pharmaceutical processor" means a *dual-use* facility that (i) has obtained a permit from the Board pursuant to § 4.1-1602 ~~and~~*;* (ii) cultivates Cannabis plants intended ~~only~~ for the production of cannabis oil, botanical cannabis, and usable cannabis, produces cannabis products, and dispenses cannabis products to a patient pursuant to a written certification, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian*; and (iii) has been verified by the Board pursuant to § 4.1-1602.1 to hold and exercise all privileges to operate as a marijuana cultivation facility pursuant to § 4.1-800, marijuana processing facility pursuant to § 4.1-801, and retail marijuana store pursuant to § 4.1-802*.

"Pharmacist" means the same as that term is defined in § 54.1-3300.

"Pharmacy intern" means the same as that term is defined in § 54.1-3300.

"Pharmacy technician" means the same as that term is defined in § 54.1-3300.

"Pharmacy technician trainee" means the same as that term is defined in § 54.1-3300.

"Practitioner" means a practitioner of medicine or osteopathy licensed by the Board of Medicine, a physician assistant licensed by the Board of Medicine, or an advanced practice registered nurse jointly licensed by the Boards of Nursing and Medicine.

"Registered agent" means an individual designated by a patient who has been issued a written certification, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, designated by such patient's parent or legal guardian, and registered with the Board pursuant to subsection F of § 4.1-1601.

"Usable cannabis" means any cannabis plant material, including seeds, but not (i) resin that

has been extracted from any part of the cannabis plant, its seeds, or its resin; (ii) the mature stalks, fiber produced from the stalks, or any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks; or (iii) oil or cake made from the seeds of the plant.

§ 4.1-1601. Certification for use of cannabis for treatment.

A. A practitioner in the course of his professional practice may issue a written certification for the use of cannabis products for treatment or to alleviate the symptoms of any diagnosed condition or disease determined by the practitioner to benefit from such use. The practitioner shall use his professional judgment to determine the manner and frequency of patient care and evaluation and may employ the use of telemedicine, provided that the use of telemedicine includes the delivery of patient care through real-time interactive audiovisual technology. No practitioner may issue a written certification while such practitioner is on the premises of a pharmaceutical processor or cannabis dispensing facility. A pharmaceutical processor shall not endorse or promote any practitioner who issues certifications to patients. If a practitioner determines it is consistent with the standard of care to dispense botanical cannabis to a minor, the written certification shall specifically authorize such dispensing. If not specifically included on the initial written certification, authorization for botanical cannabis may be communicated verbally or in writing to the pharmacist at the time of dispensing. A practitioner who issues written certifications shall not directly or indirectly accept, solicit, or receive anything of value from a pharmaceutical processor, cannabis dispensing facility, or any person associated with a pharmaceutical processor, cannabis dispensing facility, or provider of paraphernalia, excluding information on products or educational materials on the benefits and risks of cannabis products.

B. The written certification shall be on a form provided by the Authority. Such written certification shall contain the name, address, and telephone number of the practitioner, the name and address of the patient issued the written certification, the date on which the written certification was made, and the signature or authentic electronic signature of the practitioner. Such written certification issued pursuant to subsection A shall expire one year after its issuance unless the practitioner provides in such written certification an earlier expiration. A written certification shall not be issued to a patient by more than one practitioner during any given time period.

C. No practitioner shall be prosecuted under *Chapter 11 (§ 4.1-1100 et seq.) or* § 18.2-248 ~~or 18.2-248.1~~ for the issuance of a certification for the use of cannabis products for the treatment or to alleviate the symptoms of a patient's diagnosed condition or disease pursuant to a written certification issued pursuant to subsection A. Nothing in this section shall preclude a practitioner's professional licensing board from sanctioning the practitioner for failing to properly evaluate or treat a patient's medical condition or otherwise violating the applicable standard of care for evaluating or treating medical conditions.

D. A practitioner who issues a written certification to a patient pursuant to this section (i) shall hold sufficient education and training to exercise appropriate professional judgment in

the certification of patients; (ii) shall not offer a discount or any other thing of value to a patient or a patient's parent, guardian, or registered agent that is contingent on or encourages the person's decision to use a particular pharmaceutical processor or cannabis product; (iii) shall not issue a certification to himself or his family members, employees, or coworkers; (iv) shall not provide product samples containing cannabis other than those approved by the U.S. Food and Drug Administration; and (v) shall not accept compensation from a pharmaceutical processor or cannabis dispensing facility. The Board shall not limit the number of patients to whom a practitioner may issue a written certification. The Board may report information to the applicable licensing board on unusual patterns of certifications issued by a practitioner.

E. No patient shall be required to physically present the written certification after the initial dispensing by any pharmaceutical processor or cannabis dispensing facility under each written certification, provided that the pharmaceutical processor or cannabis dispensing facility maintains an electronic copy of the written certification. Pharmaceutical processors and cannabis dispensing facilities shall electronically transmit on a monthly basis all new written certifications received by the pharmaceutical processor or cannabis dispensing facility to the Authority.

F. A patient, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian, may designate an individual to act as his registered agent for the purposes of receiving cannabis products pursuant to a valid written certification. Such designated individual shall register with the Board unless the individual's name listed on the patient's written certification. An individual may, on the basis of medical need and in the discretion of the patient's registered practitioner, be listed on the patient's written certification upon the patient's request. The Board may set a limit on the number of patients for whom any individual is authorized to act as a registered agent.

G. Upon delivery of a cannabis product by a pharmaceutical processor or cannabis dispensing facility to a designated caregiver facility, any employee or contractor of a designated caregiver facility who is licensed or registered by a health regulatory board and who is authorized to possess, distribute, or administer medications may accept delivery of the cannabis product on behalf of a patient or resident for subsequent delivery to the patient or resident and may assist in the administration of the cannabis product to the patient or resident as necessary.

H. Information obtained under the patient certification or agent registration process shall be confidential and shall not be subject to the disclosure provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). However, reasonable access to registry information shall be provided to (i) the Chairmen of the House and Senate Committees for Courts of Justice, (ii) state and federal agencies or local law enforcement for the purpose of investigating or prosecuting a specific individual for a specific violation of law, (iii) licensed practitioners or pharmacists, or their agents, for the purpose of providing patient care and drug therapy management and monitoring of drugs obtained by a patient, (iv) a pharmaceutical processor or cannabis dispensing facility involved in the treatment of a

patient, or (v) a patient's registered agent, but only with respect to information related to such patient.

§ 4.1-1602. Permit to operate pharmaceutical processor or cannabis dispensing facility.

A. No person shall operate a pharmaceutical processor or a cannabis dispensing facility without first obtaining a permit from the Board. The application for such permit shall be made on a form provided by the Authority and signed by a pharmacist who will be in full and actual charge of the pharmaceutical processor's dispensing area or cannabis dispensing facility. The Board shall establish an application fee and other general requirements for such application. *Effective June 1, 2027, no previously issued permit shall remain valid unless the pharmaceutical processor has received dual-use verification from the Board pursuant to § 4.1-1602.1.*

B. Each permit shall expire annually on a date determined by the Board in regulation. The number of permits that the Board may issue or renew in any year is limited to one *permit in each health service area established by the Board of Health, which shall govern the operations of the* pharmaceutical processor and up to five cannabis dispensing facilities ~~for~~ *in* each health service area established by the Board of Health. Permits shall be displayed in a conspicuous place on the premises of the pharmaceutical processor and cannabis dispensing facility.

C. The Board shall adopt regulations establishing health, safety, and security requirements for pharmaceutical processors and cannabis dispensing facilities. Such regulations shall include requirements for (i) physical standards; (ii) location restrictions; (iii) security systems and controls; (iv) minimum equipment and resources; (v) recordkeeping; (vi) labeling and packaging; (vii) routine inspections no more frequently than once annually; (viii) processes for safely and securely dispensing and delivering in person cannabis products to a patient, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian; (ix) dosage limitations for cannabis products that provide that each dispensed dose of a cannabis product not exceed 10 milligrams of total tetrahydrocannabinol, except as permitted under § 4.1-1603.2; (x) a process for the wholesale distribution of and the transfer of usable cannabis, botanical cannabis, cannabis oil, and cannabis products between pharmaceutical processors, between a pharmaceutical processor and a cannabis dispensing facility, and between cannabis dispensing facilities; (xi) an allowance for the sale of devices for administration of dispensed cannabis products and hemp-based CBD products that meet the applicable standards set forth in state and federal law, including the laboratory testing standards set forth in subsection N; (xii) an allowance for the use and distribution of inert product samples containing no cannabinoids for patient demonstration exclusively at the pharmaceutical processor or cannabis dispensing facility, and not for further distribution or sale, without the need for a written certification; (xiii) a process for acquiring industrial hemp extracts and formulating such extracts into cannabis products; and (xiv) an allowance for the advertising and promotion of the pharmaceutical processor's products and operations, which shall not limit the pharmaceutical processor from the provision of educational material to

practitioners who issue written certifications and patients. The Board shall also adopt regulations for pharmaceutical processors that include requirements for (a) processes for safely and securely cultivating cannabis plants intended for producing cannabis products, (b) the disposal of agricultural waste, and (c) a process for registering cannabis products.

D. The Board shall require pharmaceutical processors, after processing and before dispensing any cannabis products, to make a sample available from each batch of cannabis product for testing by an independent laboratory that is located in *the* Commonwealth and meets Board requirements. ~~A valid sample size for testing shall be determined by each laboratory and may vary due to sample matrix, analytical method, and laboratory-specific procedures. A minimum sample size of 0.5 percent of individual units for dispensing or distribution from each homogenized batch of cannabis oil is required to achieve a representative cannabis oil sample for analysis. A minimum sample size, to be determined by the certified testing laboratory, from each batch of botanical cannabis is required to achieve a representative botanical cannabis sample for analysis. Botanical cannabis products shall only be tested for the following: total cannabidiol (CBD), total tetrahydrocannabinol (THC), terpenes, pesticide chemical residue, heavy metals, mycotoxins, moisture, and microbiological contaminants. Testing thresholds shall be consistent with generally accepted cannabis industry thresholds. The pharmaceutical processor may remediate botanical cannabis or cannabis oil that fails any quality testing standard except pesticides. Following remediation, all remediated botanical cannabis or cannabis oil shall be subject to laboratory testing, which shall not be more stringent than initial testing prior to remediation. Remediated botanical cannabis or cannabis oil that passes such quality testing may be packaged and labeled. If a batch of botanical cannabis fails retesting after remediation, it shall be considered usable cannabis and may be processed into cannabis oil. Stability testing shall not be required for any cannabis product with an expiration date assigned by the pharmaceutical processor of 12 months or less from the date of the cannabis product registration approval. Stability testing required for assignment of an expiration date longer than 12 months shall be limited to microbial testing, on a pass/fail basis, and potency testing, on a 15 percent deviation basis, of total THC and total CBD. No cannabis product shall have an expiration date longer than 12 months from the date of the cannabis product registration approval unless supported by stability testing.~~ *The provisions of § 4.1-1404 shall apply, mutatis mutandis, to the testing of all cannabis products.*

E. A laboratory testing samples for a pharmaceutical processor shall obtain a controlled substances registration certificate pursuant to § 54.1-3423 and shall comply with quality standards established by the Board of Pharmacy in regulation.

F. Every pharmaceutical processor's dispensing area or cannabis dispensing facility shall be under the personal supervision of a licensed pharmacist on the premises of the pharmaceutical processor or cannabis dispensing facility unless all cannabis products are contained in a vault or other similar container to which only the pharmacist has access controls. The pharmaceutical processor shall ensure that security measures are adequate to protect the cannabis from diversion at all times, and the pharmacist-in-charge shall have

concurrent responsibility for preventing diversion from the dispensing area.

Every pharmaceutical processor shall designate a person who shall have oversight of the cultivation and production areas of the pharmaceutical processor and shall provide such information to the Board. The Board shall direct all communications related to enforcement of requirements related to cultivation and production of cannabis and cannabis products by the pharmaceutical processor to such designated person.

G. The Board shall require the material owners of an applicant for a pharmaceutical processor or cannabis dispensing facility permit to submit to fingerprinting and provide personal descriptive information to be forwarded along with his fingerprints through the Central Criminal Records Exchange to the Federal Bureau of Investigation for the purpose of obtaining criminal history record information regarding the applicant's material owners. The cost of fingerprinting and the criminal history record search shall be paid by the applicant. The Central Criminal Records Exchange shall forward the results of the criminal history background check to the Board or its designee, which shall be a governmental entity.

H. A pharmaceutical processor shall maintain evidence of criminal background checks for all employees and delivery agents of the pharmaceutical processor. Criminal background checks of employees and delivery agents may be conducted by any service sufficient to disclose any federal and state criminal convictions.

I. In addition to other employees authorized by the Board, a pharmaceutical processor may employ individuals who may have less than one year of experience (i) to perform cultivation-related duties under the supervision of an individual who has received a degree in a field related to the cultivation of plants or a certification recognized by the Board or who has at least one year of experience cultivating plants, (ii) to perform extraction-related duties under the supervision of an individual who has a degree in chemistry or pharmacology or at least one year of experience extracting chemicals from plants, (iii) to perform duties at the pharmaceutical processor and cannabis dispensing facility upon certification as a pharmacy technician, and (iv) to serve as pharmacy technician trainees.

J. A pharmaceutical processor to whom a permit has been issued by the Board may (i) establish up to five cannabis dispensing facilities, subject to the permit requirement set forth in subsection B, for the dispensing of cannabis products that have been cultivated and produced on the premises of a pharmaceutical processor permitted by the Board and (ii) establish, if authorized by the Board, one additional location at which the pharmaceutical processor may cultivate cannabis plants. *Notwithstanding any other provision of law, a pharmaceutical processor shall cultivate cannabis only indoors, which may include a secure agricultural greenhouse, with a canopy that does not exceed 70,000 square feet in the aggregate across all cultivation conducted by the pharmaceutical processor, including cultivation authorized under this chapter and for purposes of a pharmaceutical processor's operations as a marijuana cultivation facility pursuant to § 4.1-800, regardless of whether such canopy is utilized on the premises of the pharmaceutical processor or collectively on the premises of the pharmaceutical processor and the additional cultivation location.* Each

cannabis dispensing facility and the additional cultivation location shall be located within the same health service area as the pharmaceutical processor.

K. No person who has been convicted of a felony under the laws of the Commonwealth or another jurisdiction within the last five years shall be employed by or act as an agent of a pharmaceutical processor or cannabis dispensing facility.

L. Every pharmaceutical processor or cannabis dispensing facility shall adopt policies for pre-employment drug screening and regular, ongoing, random drug screening of employees.

M. A pharmacist at the pharmaceutical processor's dispensing area and the cannabis dispensing facility shall determine the number of pharmacy interns, pharmacy technicians, and pharmacy technician trainees who can be safely and competently supervised at one time; however, no pharmacist shall supervise more than six persons performing the duties of a pharmacy technician at one time in the pharmaceutical processor's dispensing area or cannabis dispensing facility.

N. A pharmaceutical processor may acquire from a registered industrial hemp handler or processor industrial hemp extracts that (i) are grown and processed in Virginia in compliance with state or federal law, and (ii) notwithstanding the tetrahydrocannabinol limits set forth in the definition of "industrial hemp extract" in § 3.2-5145.1, contain a total tetrahydrocannabinol concentration of no greater than 0.3 percent. A pharmaceutical processor may process and formulate such extracts into an allowable dosage of cannabis product. Industrial hemp extracts acquired and formulated by a pharmaceutical processor are subject to the same third-party testing requirements that may apply to cannabis plant extract. Testing shall be performed by a laboratory located in Virginia and in compliance with state law governing the testing of cannabis products. The industrial hemp handler or processor shall provide such third-party testing results to the pharmaceutical processor before industrial hemp extracts may be acquired.

O. Product labels for all cannabis products and botanical cannabis shall be complete, accurate, easily ~~discernable~~ *discernible*, and uniform among different products and brands. Pharmaceutical processors shall affix to all cannabis products and botanical cannabis a label, which shall also be accessible on the pharmaceutical processor's website, that includes:

1. The product name;

2. All active and inactive ingredients, including cannabinoids, terpenes, additives, preservatives, flavorings, sweeteners, and carrier oils;

3. The total percentage and milligrams of tetrahydrocannabinol and cannabidiol included in the product and the number of milligrams of tetrahydrocannabinol and cannabidiol in each serving;

4. The amount of product that constitutes a single serving and the amount recommended for use by the practitioner or dispensing pharmacist;

5. Information regarding the product's purpose and detailed usage directions;

6. Child and safety warnings in a conspicuous font; and

7. Such other information required by the Board.

P. A pharmaceutical processor or cannabis dispensing facility shall maintain an adequate supply of cannabis products that (i) contain cannabidiol as their primary cannabinoid and (ii) have low levels of or no tetrahydrocannabinol.

Q. With the exception of § 2.2-4031, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) nor public participation guidelines adopted pursuant thereto shall apply to the adoption of any regulation pursuant to this section. Prior to adopting any regulation pursuant to this section, the Board shall publish a notice of opportunity to comment in the Virginia Register of Regulations and post the action on the Virginia Regulatory Town Hall. Such notice of opportunity to comment shall contain (i) a summary of the proposed regulation; (ii) the text of the proposed regulation; and (iii) the name, address, and telephone number of the agency contact person responsible for receiving public comments. Such notice shall be made at least 60 days in advance of the last date prescribed in such notice for submittals of public comment. The legislative review provisions of subsections A and B of § 2.2-4014 shall apply to the promulgation or final adoption process for regulations pursuant to this section. The Board shall consider and keep on file all public comments received for any regulation adopted pursuant to this section.

§ 4.1-1602.1. Dual-use privileges.

A. As used in this section, "interest" means a direct or indirect equity ownership interest, a partial equity ownership interest, or any other financial or economic interest representing at least 10 percent or more of the ownership, voting power, or economic value of an entity, including being an investor, partner, member, officer, or director or serving in any other management position.

B. Upon application to the Board, payment of a one-time conversion fee by a pharmaceutical processor, and verification by the Board that the applicable requirements are met, a pharmaceutical processor and its cannabis dispensing facilities may exercise dual-use privileges as set forth in this chapter.

C. In addition to the provisions of this chapter, unless otherwise provided by law or regulation, a pharmaceutical processor authorized to exercise dual-use privileges shall hold the privileges of and be subject to all laws and regulations applicable to a marijuana cultivation facility, marijuana processing facility, and retail marijuana store and a cannabis dispensing facility shall hold the privileges of and be subject to all laws and regulations applicable to a retail marijuana store.

D. Notwithstanding the provisions of subsection C or any other provisions of law, (i) the location restrictions set forth in subdivision B 3 of § 4.1-810 shall not apply to any pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges and operating on December 1, 2026, and (ii) the provisions of subdivision C 3 of

§ 4.1-606 shall not apply to any pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges and any such pharmaceutical processor or cannabis dispensing facility may operate with a retail floor space exceeding 2,500 square feet if the premises was approved by the Board prior to January 1, 2026, provided that the Board shall not approve any future premises modifications that would increase such retail floor space from the square footage previously approved.

E. Notwithstanding any other provision of law, no person that has been granted or holds an interest in a pharmaceutical processor permit pursuant to this chapter shall be issued or hold interest in any other marijuana establishment license, except for the cannabis dispensing facility permits allowed pursuant to § 4.1-1602.

§ 4.1-1603. Dispensing cannabis products; report.

A. A pharmaceutical processor or cannabis dispensing facility shall dispense or deliver cannabis products only in person to (i) a patient who is a Virginia resident or temporarily resides in Virginia and has been issued a valid written certification; (ii) such patient's registered agent; or (iii) if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian who is a Virginia resident or temporarily resides in Virginia. *A pharmaceutical processor or cannabis dispensing facility may dispense or deliver cannabis products to such patient or such patient's registered agent, parent, or legal guardian at any residence, including a temporary residence, or business. Notwithstanding the foregoing, a pharmaceutical processor or cannabis dispensing facility shall not dispense or deliver cannabis products to (a) any military base, child day center, school, or correctional facility; (b) the State Capitol; (c) marine terminal under the supervision of the Virginia Port Authority; or (d) any public gathering places, including sporting events, festivals, fairs, races, concerts, and terminals of public transportation companies.* A companion may accompany a patient into a pharmaceutical processor's dispensing area or cannabis dispensing facility. Prior to the initial dispensing of cannabis products pursuant to each written certification, a pharmacist or pharmacy technician employed by the pharmaceutical processor or cannabis dispensing facility shall make and maintain, on site or remotely by electronic means, for two years a paper or electronic copy of the written certification that provides an exact image of the document that is clearly legible; shall view, in person or by audiovisual means, a current photo identification of the patient, registered agent, parent, or legal guardian; and shall verify current board registration of the corresponding registered agent if applicable. Thereafter, an initial dispensing may be delivered to the patient, registered agent, parent, legal guardian, or designated caregiver facility. Prior to any subsequent dispensing of cannabis products pursuant to each written certification, an employee or delivery agent shall view a current photo identification of the patient, registered agent, parent, or legal guardian and the current board registration issued to the registered agent if applicable. No pharmaceutical processor or cannabis dispensing facility shall dispense more than a 90-day supply, as determined by the dispensing pharmacist or certifying practitioner, for any patient during any 90-day period. A pharmaceutical processor or cannabis dispensing facility may dispense less than a 90-day

supply of a cannabis product for any patient during any 90-day period; however, a pharmaceutical processor or cannabis dispensing facility may dispense more than one cannabis product to a patient at one time. No more than four ounces of botanical cannabis shall be dispensed for each 30-day period for which botanical cannabis is dispensed. In determining the appropriate amount of a cannabis product to be dispensed to a patient, a pharmaceutical processor or cannabis dispensing facility shall consider all cannabis products dispensed to the patient and adjust the amount dispensed accordingly.

B. A pharmaceutical processor or cannabis dispensing facility shall dispense only cannabis products produced on the premises of a pharmaceutical processor permitted by the Board or cannabis products that have been formulated with extracts from industrial hemp acquired by a pharmaceutical processor from a registered industrial hemp handler or processor pursuant to § 4.1-1602. A pharmaceutical processor may begin cultivation upon being issued a permit by the Board.

C. The Board shall report annually by December 1 to the Chairmen of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services on the operation of pharmaceutical processors and cannabis dispensing facilities issued a permit by the Board.

D. The concentration of total tetrahydrocannabinol in any cannabis product on site may be up to 15 percent greater than or less than the level of total tetrahydrocannabinol listed in the approved cannabis product registration. A pharmaceutical processor and cannabis dispensing facility shall ensure that such concentration in any cannabis product on site is within such range. A pharmaceutical processor producing cannabis products shall establish a stability testing schedule of cannabis products that have an expiration date of longer than 12 months.

E. All transportation or delivery of usable cannabis, botanical cannabis, cannabis oil, or cannabis products, whether by an employee, shall comply with the provisions of this subtitle and Board regulations, including those related to background checks, proof of identification, vehicle security, GPS tracking, secure communications, and recordkeeping. The Board may suspend or revoke the privileges of any employee to transport or deliver usable cannabis, cannabis oil, or cannabis products for failure of such employee to comply with the provisions of this subtitle or Board regulations.

§ 4.1-1603.1. Packaging and labeling; corrections.

A. Pharmaceutical processors shall comply with all packaging and labeling requirements set forth in this article and Board regulations. *Product labels for all cannabis products and botanical cannabis shall be complete, accurate, easily discernible, and uniform among different products and brands. Pharmaceutical processors shall affix to all cannabis products and botanical cannabis a label, which shall also be accessible on the pharmaceutical processor's website. The provisions of § 4.1-1405 shall apply, mutatis mutandis, to the packaging and labeling of all cannabis products and botanical cannabis.*

B. ~~No cannabis product shall be packaged in a container or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such cannabis product.~~

~~C.~~ Pharmaceutical processors may correct typographical errors made on cannabis product labels and any documents generated as the result of a wholesale transaction.

§ 4.1-1603.2. Cannabis product registration.

A. A pharmaceutical processor shall register with the Board each cannabis product it manufactures. Applications for cannabis product registration shall be submitted to the Board on a form prescribed by the Board. *The provisions of § 4.1-1407 shall apply, mutatis mutandis, to the registration of such cannabis products.*

B. ~~An application for cannabis product registration shall include:~~

~~1. The total tetrahydrocannabinol and total cannabidiol in such cannabis product, based on laboratory testing results for the cannabis product formulation;~~

~~2. A product name;~~

~~3. A proposed product package; and~~

~~4. A proposed product label, which shall not be required to contain an expiration date at the time of application.~~

~~C. The Board shall register all cannabis products that meet testing, labeling, and packaging standards after an application for registration is submitted. If the cannabis product fails to meet such standards or the application was deficient, the Board shall notify the applicant of the specific reasons for such failure or deficiency.~~

~~D.~~ Within two business days of the Board's approval or deemed approval *of any cannabis product registration*, the Board shall enter the cannabis product's national drug code number into the Prescription Monitoring Program.

~~E. The following cannabis product deviations from an approved cannabis product registration shall be permitted without any requirement for a new cannabis product registration or notice to the Board:~~

~~1. A deviation in the concentration of total tetrahydrocannabinol (THC) or total cannabidiol (CBD) in a cannabis product or dose thereof of up to 15 percent greater than or less than the concentration of total tetrahydrocannabinol or total cannabidiol, either or both, listed in the approved cannabis product registration; however, for a cannabis product with five milligrams or less of total THC or total CBD per dose, the total THC or total CBD concentration shall be within 0.5 milligrams of the single dose total THC or total CBD~~

~~concentrations approved for that cannabis product;~~

~~2. A variation in packaging, provided that the packaging is substantially similar to the approved packaging and otherwise complies with applicable packaging requirements;~~

~~3. A deviation in labeling, including a variation made in accordance with § 54.1-3442.7:1, that reflects allowable deviations in total THC or total CBD or that makes a minor text, font, design, or similar modification, provided that the labeling is substantially similar to the approved labeling and otherwise complies with applicable labeling requirements; and~~

~~4. Any other insignificant changes.~~

~~F. A pharmaceutical processor may submit a request to modify an existing cannabis product registration in the event of a cannabis product deviation that is not set forth in subsection E. Upon receipt, the Board shall respond to such request. The Board may grant or deny the request, propose a reasonable revision, or require the pharmaceutical processor to provide additional information.~~

§ 4.1-1604. Criminal liability; exceptions.

No agent or employee of a pharmaceutical processor or cannabis dispensing facility shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) or § 18.2-248~~, 18.2-248.1,~~ or 18.2-250 for possession or manufacture of marijuana or for possession, manufacture, or distribution of cannabis products, subject to any civil penalty, denied any right or privilege, or subject to any disciplinary action by a professional licensing board if such agent or employee (i) possessed or manufactured such marijuana for the purposes of producing cannabis products in accordance with the provisions of this chapter and Board regulations or (ii) possessed, manufactured, or distributed such cannabis products that are consistent with generally accepted cannabis industry standards in accordance with the provisions of this chapter and Board regulations.

CHAPTER 17.

REGULATED HEMP PRODUCTS.

§ 4.1-1700. Regulated hemp product retail facility registration; fee.

A. No person shall offer for sale or sell at retail (i) a regulated hemp product or (ii) a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing an industrial hemp-derived cannabinoid without a regulated hemp product retail facility registration.

B. A nonrefundable annual registration fee of $1,000 shall be required with each application for a regulated hemp product retail facility registration.

C. Each registration issued pursuant to this section shall be valid for a period of one year from the date of issuance and may be renewed in successive years. Each annual renewal shall require the payment of the nonrefundable annual registration fee prescribed in subsection B.

D. A regulated hemp product retail facility registration shall be required for each location that offers for sale or sells at retail regulated hemp products.

E. Any person seeking a regulated hemp product retail facility registration shall apply to the Board on a form provided by the Authority. At a minimum, the application shall include:

1. The name and mailing address of the applicant;

2. The physical address of the facility from which the applicant intends to offer for sale or sell at retail a regulated hemp product. A registration shall authorize the offering for sale or sale of regulated hemp products only at the location specified in the registration;

3. Written consent allowing the Authority or its designee to enter the location from which the regulated hemp product is offered for sale or sold to ensure compliance with the requirements of this article;

4. If the applicant intends to offer for sale or sell an edible hemp product, a copy of the permit issued by the Commissioner of Agriculture and Consumer Services pursuant to § 3.2-5100;

5. Any other information required by the Board; and

6. The payment of a nonrefundable application fee.

F. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of the Drug Control Act.

§ 4.1-1701. Product packaging, labeling, and testing.

A. No person shall offer for sale or sell at retail a regulated hemp product unless the product is:

1. Contained in child-resistant packaging, as defined in § 4.1-600, if the product contains tetrahydrocannabinol;

2. Equipped with a label that states, in English and in a font no less than 1/16 of an inch, (i) all ingredients contained in the substance; (ii) the amount of such substance that constitutes a single serving; (iii) the total percentage and milligrams of all tetrahydrocannabinols included in the substance and the total number of milligrams of all tetrahydrocannabinols that are contained in each serving; and (iv) if the substance contains tetrahydrocannabinol, that the product may not be sold to persons younger than 21 years of age; and

3. Accompanied by a certificate of analysis, produced by an independent laboratory that is accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization by a third-party accrediting body, that states the total tetrahydrocannabinol concentration of the substance or the total tetrahydrocannabinol concentration of the batch from which the substance originates. The certificate of accreditation to standard ISO/IEC 17025 issued by the third-party accrediting body to the independent laboratory shall be

available for review at the location at which the regulated hemp product is offered for sale or sold.

This subsection shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

B. No person shall offer for sale or sell a regulated hemp product that depicts or is in the shape of a human, animal, vehicle, or fruit.

C. No person shall offer for sale or sell a regulated hemp product that, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance.

§ 4.1-1702. Topical hemp products; civil penalty.

A. A topical hemp product that is offered for sale or sold at retail must bear a label stating that the product is not intended for human consumption.

B. A person that offers for sale or sells at retail a topical hemp product that does not bear a label stating that the product is not intended for human consumption is subject to a civil penalty not to exceed $500 for each day a violation occurs. Such penalty shall be collected by the Authority and the proceeds shall be payable to the State Treasurer for remittance to the Board.

C. Notwithstanding the provisions of subsection A, a person may offer for sale or sell a topical hemp product that does not bear a label stating that the product is not intended for human consumption if that person provides, upon request by the Authority, documentation that the topical hemp product was manufactured prior to July 1, 2023.

D. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 4.1-1703. Authority to have access to retail facilities.

A. The Authority or its designee shall have access during business hours to a registered regulated hemp product retail facility and to a business that offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing a cannabinoid for the purpose of:

1. Inspecting to determine if any of the provisions of this chapter are being violated; and

2. Securing samples of any regulated hemp product or substance intended for human

consumption, orally or by inhalation, that is advertised or labeled as containing a cannabinoid. It shall be the duty of the Authority or its designee to make or cause to be made examinations or laboratory analysis of samples secured under the provisions of this section to determine whether any provision of this chapter is being violated.

B. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 4.1-1704. Civil penalties.

A. The Board may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny the application for a regulated hemp product retail facility registration or suspend or revoke the regulated hemp product retail facility registration of any person that (i) violates a provision of this chapter or (ii) has repeatedly violated any provisions of this subtitle by, without displaying a decal as required pursuant to § 4.1-1106.1, engaging in the illegal sale of marijuana or marijuana products on the licensed premises of an establishment or marketing or labeling products as marijuana or marijuana products.

B. Any person that (i) offers for sale or sells at retail a regulated hemp product without first obtaining a registration to do so from the Board in accordance with § 4.1-1700; (ii) continues to offer for sale or sell at retail a regulated hemp product after revocation or suspension of such registration; (iii) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package; (iv) offers for sale or sells at retail a regulated hemp product in violation of § 4.1-1701; or (v) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing an industrial hemp-derived cannabinoid without a regulated hemp product retail facility registration is, in addition to any other penalties provided, subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Authority and the proceeds shall be payable to the State Treasurer for remittance to the Board.

§ 5.1-13. Operation of aircraft while under influence of intoxicating liquors or drugs; reckless operation.

Any person who ~~shall operate~~ *operates* any aircraft within the airspace over, above, or upon the lands or waters of ~~this~~ *the* Commonwealth~~,~~ while under the influence of intoxicating liquor or of any narcotic *or marijuana* or any habit-forming drugs ~~shall be~~ *is* guilty of a felony and shall be confined in a state correctional facility not less than one nor more than five years, or, in the discretion of the court or jury trying the case, be confined in jail not exceeding ~~twelve~~ *12* months and fined not exceeding $500, or both such fine and imprisonment.

Any person who ~~shall operate~~ *operates* any aircraft within the airspace over, above, or upon

the lands or waters of ~~this~~ *the* Commonwealth carelessly or heedlessly in willful or wanton disregard of the rights or safety of others, or without due caution and circumspection and in a manner so as to endanger any person or property, ~~shall be~~ *is* guilty of a misdemeanor.

§ 6.2-108. Financial services for licensed marijuana establishments.

A. As used in this section:

"Business associate" means a person that provides goods or services to, or receives goods or services from, a licensed marijuana establishment in connection with lawful marijuana-related activities.

"Financial service" includes deposit accounts, loans, lines of credit, payment processing, funds transmission, cash management services, and other services customarily provided by a bank or credit union in the ordinary course of business.

"Licensed" and "marijuana establishment" have the same meanings as provided in § 4.1-600.

B. A bank or credit union may provide financial services to a licensed marijuana establishment or its business associates, subject to applicable state and federal law.

C. A bank or credit union that provides a financial service to a licensed marijuana establishment, and the officers, directors, and employees of that bank or credit union, shall not be held liable pursuant to any state law or regulation solely for providing such a financial service or for further investing any income derived from such a financial service.

D. Nothing in this section shall require a bank or credit union to provide financial services to a licensed marijuana establishment.

E. No agency or political subdivision of the Commonwealth shall penalize, prohibit, or take adverse supervisory or regulatory action against a bank or credit union solely because the bank or credit union provides financial services to a licensed marijuana establishment.

F. A bank or credit union, and its officers, directors, and employees, shall not be subject to criminal prosecution, civil liability, or administrative sanction under the laws of the Commonwealth solely for providing financial services to a licensed marijuana establishment in compliance with this section.

G. The legal interest of a bank or credit union in collateral for a loan or other financial service provided to a licensed marijuana establishment shall not be subject to civil or criminal forfeiture under the laws of the Commonwealth solely because the collateral is associated with a licensed marijuana establishment.

H. Proceeds derived from a transaction involving a licensed marijuana establishment shall not be considered proceeds of unlawful activity under the laws of the Commonwealth solely because the transaction involves a licensed marijuana establishment.

I. The protections provided by this section apply where a bank or credit union has exercised

reasonable due diligence to confirm that the marijuana establishment is duly licensed and operating in compliance with applicable Virginia law.

J. The protections of this section extend to financial services provided to a business associate of a licensed marijuana establishment where such services are provided in connection with lawful marijuana-related activities.

K. Nothing in this section shall be construed to prohibit the Commission from performing its supervisory duties pursuant to Chapters 8 (§ 6.2-800 et seq.) and 13 (§ 6.2-1300 et seq.) or taking any such action as it deems necessary to protect depositors and the public interest.

§ 9.1-1101. Powers and duties of the Department.

A. It shall be the responsibility of the Department to provide forensic laboratory services upon request of the Superintendent of State Police; the Chief Medical Examiner, the Assistant Chief Medical Examiners, and local medical examiners; any attorney for the Commonwealth; any chief of police, sheriff, or sergeant responsible for law enforcement in the jurisdiction served by him; any local fire department; the head of any private police department that has been designated as a criminal justice agency by the Department of Criminal Justice Services as defined by § 9.1-101; or any state agency in any criminal matter. The Department shall provide such services to any federal investigatory agency within available resources.

B. The Department shall:

1. Provide forensic laboratory services to all law-enforcement agencies throughout the Commonwealth and provide laboratory services, research, and scientific investigations for agencies of the Commonwealth as needed;

2. Establish and maintain a DNA testing program in accordance with Article 1.1 (§ 19.2-310.2 et seq.) of Chapter 18 of Title 19.2 to determine identification characteristics specific to an individual;~~ and~~

3. Test the accuracy of equipment used to test the blood alcohol content of breath at least once every six months. Only equipment found to be accurate shall be used to test the blood alcohol content of breath*; and*

4. Determine the proper methods for detecting the concentration of tetrahydrocannabinol (THC) in substances for the purposes of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 and §§ 54.1-3401 and 54.1-3446. The testing methodology shall use post-decarboxylation testing or other equivalent method and shall consider the potential conversion of tetrahydrocannabinol acid (THC-A) into THC.

C. The Department shall have the power and duty to:

1. Receive, administer, and expend all funds and other assistance available for carrying out the purposes of this chapter;

2. Make and enter into all contracts and agreements necessary or incidental to the

performance of its duties and execution of its powers under this chapter including, but not limited to, contracts with the United States, units of general local government or combinations thereof in Virginia or other states, and with agencies and departments of the Commonwealth; and

3. Perform such other acts as may be necessary or convenient for the effective performance of its duties.

D. The Director may appoint and employ a deputy director and such other personnel as are needed to carry out the duties and responsibilities conferred by this chapter.

§ 15.2-912.4. Regulation of tobacco and hemp product retail sale locations.

Any locality may by ordinance regulate the retail sale locations of retail tobacco products, as such term is defined in § 18.2-371.2, or hemp products intended for smoking, as such term is defined in §~~ 3.2-4112~~ *4.1-600*, for any such retail sale location and may prohibit a retail sale location on property within 1,000 linear feet of a child day center as defined in § 22.1-289.02 or a public, private, or parochial school. An ordinance adopted pursuant to this section shall not affect (i) a licensee holding a valid license under § 4.1-206.3 or (ii) any retail sale location of retail tobacco products or hemp products intended for smoking operating before July 1, 2024.

§ 16.1-69.40:1. Traffic infractions within authority of traffic violations clerk; schedule of fines; prepayment of local ordinances.

A. The Supreme Court shall by rule, which may from time to time be amended, supplemented or repealed, but which shall be uniform in its application throughout the Commonwealth, designate the traffic infractions for which a pretrial waiver of appearance, plea of guilty and fine payment may be accepted. Such designated infractions shall include violations of §§ 46.2-830.1, 46.2-878.2 and 46.2-1242 or any parallel local ordinances. Notwithstanding any rule of the Supreme Court, a person charged with a traffic offense that is listed as prepayable in the Uniform Fine Schedule may prepay his fines and costs without court appearance whether or not he was involved in an accident. The prepayable fine amount for a violation of § 46.2-878.2 shall be $200 plus an amount per mile-per-hour in excess of posted speed limits, as authorized in § 46.2-878.3.

Such infractions shall not include:

1. Indictable offenses;

2. [Repealed.]

3. Operation of a motor vehicle while under the influence of intoxicating liquor, *marijuana,* or a narcotic or habit-producing drug, or permitting another person, who is under the influence of intoxicating liquor, *marijuana,* or a narcotic or habit-producing drug, to operate a motor vehicle owned by the defendant or in his custody or control;

4. Reckless driving;

5. Leaving the scene of an accident;

6. Driving while under suspension or revocation of driving privileges;

7. Driving without being licensed to drive.

8. [Repealed.]

B. An appearance may be made in person or in writing by mail to a clerk of court or in person before a magistrate, prior to any date fixed for trial in court. Any person so appearing may enter a waiver of trial and a plea of guilty and pay the fine and any civil penalties established for the offense charged, with costs. He shall, prior to the plea, waiver, and payment, be informed of his right to stand trial, that his signature to a plea of guilty will have the same force and effect as a judgment of court, and that the record of conviction will be sent to the Commissioner of the Department of Motor Vehicles.

C. The Supreme Court, upon the recommendation of the Committee on District Courts, shall establish a schedule, within the limits prescribed by law, of the amounts of fines and any civil penalties to be imposed, designating each infraction specifically. The schedule, which may from time to time be amended, supplemented or repealed, shall be uniform in its application throughout the Commonwealth. Such schedule shall not be construed or interpreted so as to limit the discretion of any trial judge trying individual cases at the time fixed for trial. The rule of the Supreme Court establishing the schedule shall be prominently posted in the place where the fines are paid. Fines and costs shall be paid in accordance with the provisions of this Code or any rules or regulations promulgated thereunder.

D. Fines imposed under local traffic infraction ordinances that do not parallel provisions of state law and fulfill the criteria set out in subsection A may be prepayable in the manner set forth in subsection B if such ordinances appear in a schedule entered by order of the local circuit courts. The chief judge of each circuit may establish a schedule of the fines, within the limits prescribed by local ordinances, to be imposed for prepayment of local ordinances designating each offense specifically. Upon the entry of such order it shall be forwarded within 10 days to the Supreme Court of Virginia by the clerk of the local circuit court. The schedule, which from time to time may be amended, supplemented or repealed, shall be uniform in its application throughout the circuit. Such schedule shall not be construed or interpreted so as to limit the discretion of any trial judge trying individual cases at the time fixed for trial. This schedule shall be prominently posted in the place where fines are paid. Fines and costs shall be paid in accordance with the provisions of this Code or any rules or regulations promulgated thereunder.

§ 16.1-260. Intake; petition; investigation.

A. All matters alleged to be within the jurisdiction of the court shall be commenced by the filing of a petition, except as provided in subsection H and in § 16.1-259. The form and content of the petition shall be as provided in § 16.1-262. No individual shall be required to obtain support services from the Department of Social Services prior to filing a petition

seeking support for a child. Complaints, requests, and the processing of petitions to initiate a case shall be the responsibility of the intake officer. However, (i) the attorney for the Commonwealth of the city or county may file a petition on his own motion with the clerk; (ii) designated nonattorney employees of the Department of Social Services may complete, sign, and file petitions and motions relating to the establishment, modification, or enforcement of support on forms approved by the Supreme Court of Virginia with the clerk; (iii) designated nonattorney employees of a local department of social services may complete, sign, and file with the clerk, on forms approved by the Supreme Court of Virginia, petitions for foster care review, petitions for permanency planning hearings, petitions to establish paternity, motions to establish or modify support, motions to amend or review an order, and motions for a rule to show cause; and (iv) any attorney may file petitions on behalf of his client with the clerk except petitions alleging that the subject of the petition is a child alleged to be in need of services, in need of supervision, or delinquent. Complaints alleging abuse or neglect of a child shall be referred initially to the local department of social services in accordance with the provisions of Chapter 15 (§ 63.2-1500 et seq.) of Title 63.2. Motions and other subsequent pleadings in a case shall be filed directly with the clerk. The intake officer or clerk with whom the petition or motion is filed shall inquire whether the petitioner is receiving child support services or public assistance. No individual who is receiving support services or public assistance shall be denied the right to file a petition or motion to establish, modify, or enforce an order for support of a child. If the petitioner is seeking or receiving child support services or public assistance, the clerk, upon issuance of process, shall forward a copy of the petition or motion, together with notice of the court date, to the Division of Child Support Enforcement. If a petitioner is seeking to establish child support, the intake officer shall provide the petitioner information on the possible availability of medical assistance through the Family Access to Medical Insurance Security (FAMIS) plan or other government-sponsored coverage through the Department of Medical Assistance Services.

B. The appearance of a child before an intake officer may be by (i) personal appearance before the intake officer or (ii) use of two-way electronic video and audio communication. If two-way electronic video and audio communication is used, an intake officer may exercise all powers conferred by law. All communications and proceedings shall be conducted in the same manner as if the appearance were in person, and any documents filed may be transmitted by facsimile process. The facsimile may be served or executed by the officer or person to whom sent, and returned in the same manner, and with the same force, effect, authority, and liability as an original document. All signatures thereon shall be treated as original signatures. Any two-way electronic video and audio communication system used for an appearance shall meet the standards as set forth in subsection B of § 19.2-3.1.

When the court service unit of any court receives a complaint alleging facts which may be sufficient to invoke the jurisdiction of the court pursuant to § 16.1-241, the unit, through an intake officer, may proceed informally to make such adjustment as is practicable without the filing of a petition or may authorize a petition to be filed by any complainant having sufficient knowledge of the matter to establish probable cause for the issuance of the

petition.

An intake officer may proceed informally on a complaint alleging a child is in need of services, in need of supervision, or delinquent only if the juvenile (a) is not alleged to have committed a violent juvenile felony or (b) has not previously been proceeded against informally or adjudicated delinquent for an offense that would be a felony if committed by an adult. A petition alleging that a juvenile committed a violent juvenile felony shall be filed with the court. A petition alleging that a juvenile is delinquent for an offense that would be a felony if committed by an adult shall be filed with the court if the juvenile had previously been proceeded against informally by intake or had been adjudicated delinquent for an offense that would be a felony if committed by an adult.

If a juvenile is alleged to be a truant pursuant to a complaint filed in accordance with § 22.1-258 and the attendance officer has provided documentation to the intake officer that the relevant school division has complied with the provisions of § 22.1-258, then the intake officer shall file a petition with the court. The intake officer may defer filing the petition and proceed informally by developing a truancy plan, provided that (1) the juvenile has not previously been proceeded against informally or adjudicated in need of supervision on more than two occasions for failure to comply with compulsory school attendance as provided in § 22.1-254 and (2) the immediately previous informal action or adjudication occurred at least three calendar years prior to the current complaint. The juvenile and his parent or parents, guardian, or other person standing in loco parentis must agree, in writing, for the development of a truancy plan. The truancy plan may include requirements that the juvenile and his parent or parents, guardian, or other person standing in loco parentis participate in such programs, cooperate in such treatment, or be subject to such conditions and limitations as necessary to ensure the juvenile's compliance with compulsory school attendance as provided in § 22.1-254. The intake officer may refer the juvenile to the appropriate public agency for the purpose of developing a truancy plan using an interagency interdisciplinary team approach. The team may include qualified personnel who are reasonably available from the appropriate department of social services, community services board, local school division, court service unit, and other appropriate and available public and private agencies and may be the family assessment and planning team established pursuant to § 2.2-5207. If at the end of the deferral period the juvenile has not successfully completed the truancy plan or the truancy program, then the intake officer shall file the petition.

Whenever informal action is taken as provided in this subsection on a complaint alleging that a child is in need of services, in need of supervision, or delinquent, the intake officer shall (A) develop a plan for the juvenile, which may include restitution, the performance of community service, or on a complaint alleging that a child has committed a delinquent act other than an act that would be a felony or a Class 1 misdemeanor if committed by an adult and with the consent of the juvenile's parent or legal guardian, referral to a youth justice diversion program established pursuant to § 16.1-309.11, based upon community resources and the circumstances which resulted in the complaint, (B) create an official record of the action taken by the intake officer and file such record in the juvenile's case file, and (C)

advise the juvenile and the juvenile's parent, guardian, or other person standing in loco parentis and the complainant that any subsequent complaint alleging that the child is in need of supervision or delinquent based upon facts which may be sufficient to invoke the jurisdiction of the court pursuant to § 16.1-241, or in the case of a referral to a youth justice diversion program established pursuant to § 16.1-309.11, that any subsequent report from the youth justice diversion program alleging that the juvenile failed to comply with the youth justice diversion program's sentence within 180 days of the sentencing date, may result in the filing of a petition with the court.

C. The intake officer shall accept and file a petition in which it is alleged that (i) the custody, visitation, or support of a child is the subject of controversy or requires determination, (ii) a person has deserted, abandoned, or failed to provide support for any person in violation of law, (iii) a child or such child's parent, guardian, legal custodian, or other person standing in loco parentis is entitled to treatment, rehabilitation, or other services which are required by law, (iv) family abuse has occurred and a protective order is being sought pursuant to § 16.1-253.1, 16.1-253.4, or 16.1-279.1, or (v) an act of violence, force, or threat has occurred, a protective order is being sought pursuant to § 19.2-152.8, 19.2-152.9, or 19.2-152.10, and either the alleged victim or the respondent is a juvenile. If any such complainant does not file a petition, the intake officer may file it. In cases in which a child is alleged to be abused, neglected, in need of services, in need of supervision, or delinquent, if the intake officer believes that probable cause does not exist, or that the authorization of a petition will not be in the best interest of the family or juvenile or that the matter may be effectively dealt with by some agency other than the court, he may refuse to authorize the filing of a petition. The intake officer shall provide to a person seeking a protective order pursuant to § 16.1-253.1, 16.1-253.4, or 16.1-279.1 a written explanation of the conditions, procedures and time limits applicable to the issuance of protective orders pursuant to § 16.1-253.1, 16.1-253.4, or 16.1-279.1. If the person is seeking a protective order pursuant to § 19.2-152.8, 19.2-152.9, or 19.2-152.10, the intake officer shall provide a written explanation of the conditions, procedures, and time limits applicable to the issuance of protective orders pursuant to § 19.2-152.8, 19.2-152.9, or 19.2-152.10.

D. Prior to the filing of any petition alleging that a child is in need of supervision, the matter shall be reviewed by an intake officer who shall determine whether the petitioner and the child alleged to be in need of supervision have utilized or attempted to utilize treatment and services available in the community and have exhausted all appropriate nonjudicial remedies which are available to them. When the intake officer determines that the parties have not attempted to utilize available treatment or services or have not exhausted all appropriate nonjudicial remedies which are available, he shall refer the petitioner and the child alleged to be in need of supervision to the appropriate agency, treatment facility, or individual to receive treatment or services, and a petition shall not be filed. Only after the intake officer determines that the parties have made a reasonable effort to utilize available community treatment or services may he permit the petition to be filed.

E. If the intake officer refuses to authorize a petition relating to an offense that if committed

by an adult would be punishable as a Class 1 misdemeanor or as a felony, when such refusal is based solely upon a finding that no probable cause exists, the complainant shall be notified in writing at that time of the complainant's right to apply to a magistrate for a warrant. The application for a warrant to the magistrate shall be filed within 10 days of the issuance of the written notification. The written notification shall indicate that the intake officer made a finding that no probable cause exists and shall provide notice that the complainant has 10 days to apply for a warrant to the magistrate. The complainant shall provide the magistrate with a copy of the written notification upon application to the magistrate. If a magistrate determines that probable cause exists, he shall issue a warrant returnable to the juvenile and domestic relations district court. The warrant shall be delivered forthwith to the juvenile court, and the intake officer shall accept and file a petition founded upon the warrant. If the court is closed and the magistrate finds that the criteria for detention or shelter care set forth in § 16.1-248.1 have been satisfied, the juvenile may be detained pursuant to the warrant issued in accordance with this subsection. If the intake officer refuses to authorize a petition relating to a child in need of services or in need of supervision, a status offense, or a misdemeanor other than Class 1, his decision is final. If the intake officer refuses to authorize a petition relating to an offense that if committed by an adult would be punishable as a Class 1 misdemeanor or as a felony when such refusal is based upon a finding that (i) probable cause exists, but that (ii) the matter is appropriate for diversion, his decision is final and the complainant shall not have a right to apply to a magistrate for a warrant.

Upon delivery to the juvenile court of a warrant issued pursuant to subdivision 2 of § 16.1-256, the intake officer shall accept and file a petition founded upon the warrant.

F. The intake officer shall notify the attorney for the Commonwealth of the filing of any petition which alleges facts of an offense which would be a felony if committed by an adult.

G. Notwithstanding the provisions of Article 12 (§ 16.1-299 et seq.), the intake officer shall file a report with the division superintendent of the school division in which any student who is the subject of a petition alleging that such student who is a juvenile has committed an act, wherever committed, which would be a crime if committed by an adult, or that such student who is an adult has committed a crime and is alleged to be within the jurisdiction of the court. The report shall notify the division superintendent of the filing of the petition and the nature of the offense, if the violation involves:

1. A firearm offense pursuant to Article 4 (§ 18.2-279 et seq.), 5 (§ 18.2-288 et seq.), 6 (§ 18.2-299 et seq.), 6.1 (§ 18.2-307.1 et seq.), or 7 (§ 18.2-308.1 et seq.) of Chapter 7 of Title 18.2;

2. Homicide, pursuant to Article 1 (§ 18.2-30 et seq.) of Chapter 4 of Title 18.2;

3. Felonious assault and bodily wounding, pursuant to Article 4 (§ 18.2-51 et seq.) of Chapter 4 of Title 18.2;

4. Criminal sexual assault, pursuant to Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title

18.2;

5. Manufacture, sale, gift, distribution or possession of Schedule I or II controlled substances, pursuant to Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2;

6. Manufacture, sale or distribution of marijuana pursuant to ~~Article 1~~ *Chapter 11* (§ ~~18.2-247~~ *4.1-1100* et seq.) ~~of Chapter 7~~ of Title ~~18.2~~ *4.1*;

7. Arson and related crimes, pursuant to Article 1 (§ 18.2-77 et seq.) of Chapter 5 of Title 18.2;

8. Burglary and related offenses, pursuant to §§ 18.2-89 through 18.2-93;

9. Robbery pursuant to § 18.2-58;

10. Prohibited criminal street gang activity pursuant to § 18.2-46.2;

11. Recruitment of other juveniles for a criminal street gang activity pursuant to § 18.2-46.3;

12. An act of violence by a mob pursuant to § 18.2-42.1;

13. Abduction of any person pursuant to § 18.2-47 or 18.2-48; or

14. A threat pursuant to § 18.2-60.

The failure to provide information regarding the school in which the student who is the subject of the petition may be enrolled shall not be grounds for refusing to file a petition.

The information provided to a division superintendent pursuant to this section may be disclosed only as provided in § 16.1-305.2.

H. The filing of a petition shall not be necessary:

1. In the case of violations of the traffic laws, including offenses involving bicycles, hitchhiking and other pedestrian offenses, game and fish laws, or a violation of the ordinance of any city regulating surfing or any ordinance establishing curfew violations, animal control violations, or littering violations. In such cases the court may proceed on a summons issued by the officer investigating the violation in the same manner as provided by law for adults. Additionally, an officer investigating a motor vehicle accident may, at the scene of the accident or at any other location where a juvenile who is involved in such an accident may be located, proceed on a summons in lieu of filing a petition.

2. In the case of seeking consent to apply for the issuance of a work permit pursuant to subsection H of § 16.1-241.

3. In the case of a misdemeanor violation of § 18.2-266, 18.2-266.1, or 29.1-738 or the commission of any other alcohol-related offense, provided that the juvenile is released to the custody of a parent or legal guardian pending the initial court date. The officer releasing a juvenile to the custody of a parent or legal guardian shall issue a summons to the juvenile and shall also issue a summons requiring the parent or legal guardian to appear before the

court with the juvenile. Disposition of the charge shall be in the manner provided in § 16.1-278.8, 16.1-278.8:01, or 16.1-278.9. If the juvenile so charged with a violation of § 18.2-51.4, 18.2-266, 18.2-266.1, 18.2-272, or 29.1-738 refuses to provide a sample of blood or breath or samples of both blood and breath for chemical analysis pursuant to §§ 18.2-268.1 through 18.2-268.12 or 29.1-738.2, the provisions of these sections shall be followed except that the magistrate shall authorize execution of the warrant as a summons. The summons shall be served on a parent or legal guardian and the juvenile, and a copy of the summons shall be forwarded to the court in which the violation is to be tried. When a violation of § 4.1-305 *or 4.1-1105* is charged by summons, the juvenile shall be entitled to have the charge referred to intake for consideration of informal proceedings pursuant to subsection B, provided that such right is exercised by written notification to the clerk not later than 10 days prior to trial. At the time such summons alleging a violation of § 4.1-305 *or 4.1-1105* is served, the officer shall also serve upon the juvenile written notice of the right to have the charge referred to intake on a form approved by the Supreme Court and make return of such service to the court. If the officer fails to make such service or return, the court shall dismiss the summons without prejudice.

4. In the case of offenses, *other than marijuana-related offenses,* which, if committed by an adult, would be punishable as a Class 3 or Class 4 misdemeanor. In such cases the court may direct that an intake officer proceed as provided in § 16.1-237 on a summons issued by the officer investigating the violation in the same manner as provided by law for adults provided that notice of the summons to appear is mailed by the investigating officer within five days of the issuance of the summons to a parent or legal guardian of the juvenile.

I. Failure to comply with the procedures set forth in this section shall not divest the juvenile court of the jurisdiction granted it in § 16.1-241.

§ 16.1-273. Court may require investigation of social history and preparation of victim impact statement.

A. When a juvenile and domestic relations district court or circuit court has adjudicated any case involving a child subject to the jurisdiction of the court hereunder, except for a traffic violation, a violation of the game and fish law, or a violation of any city ordinance regulating surfing or establishing curfew violations, the court before final disposition thereof may require an investigation, which (i) shall include a drug screening and (ii) may, and for the purposes of subdivision A 14 or 17 of § 16.1-278.8 shall, include a social history of the physical, mental, and social conditions, including an assessment of any affiliation with a criminal street gang as defined in § 18.2-46.1, and personality of the child and the facts and circumstances surrounding the violation of law. However, in the case of a juvenile adjudicated delinquent on the basis of an act committed on or after January 1, 2000, which would be (a) a felony if committed by an adult, ~~or~~ (b) a violation under Article 1 (§ 18.2-247 et seq.) or Article 1.1 (§ 18.2-265.1 et seq.) of Chapter 7 of Title 18.2 and such offense would be punishable as a Class 1 or Class 2 misdemeanor if committed by an adult, *or (c) a violation of § 4.1-1105,* the court shall order the juvenile to undergo a drug screening. If the drug screening indicates that the juvenile has a substance abuse or dependence problem, an

assessment shall be completed by a certified substance abuse counselor as defined in § 54.1-3500 employed by the Department of Juvenile Justice or by a locally operated court services unit or by an individual employed by or currently under contract to such agencies and who is specifically trained to conduct such assessments under the supervision of such counselor.

B. The court also shall, on motion of the attorney for the Commonwealth with the consent of the victim, or may in its discretion, require the preparation of a victim impact statement in accordance with the provisions of § 19.2-299.1 if the court determines that the victim may have suffered significant physical, psychological, or economic injury as a result of the violation of law.

§ 16.1-278.9. Delinquent children; loss of driving privileges for alcohol, firearm, and drug offenses; truancy.

A. If a court has found facts which would justify a finding that a child at least 13 years of age at the time of the offense is delinquent and such finding involves (i) a violation of § 18.2-266 or of a similar ordinance of any county, city, or town; (ii) a refusal to take a breath test in violation of § 18.2-268.2; (iii) a felony violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248~~, 18.2-248.1,~~ or 18.2-250; (iv) a misdemeanor violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248~~, 18.2-248.1,~~ or 18.2-250 *or a violation of § 4.1-1105*; (v) the unlawful purchase, possession, or consumption of alcohol in violation of § 4.1-305 or the unlawful drinking or possession of alcoholic beverages in or on public school grounds in violation of § 4.1-309; (vi) public intoxication in violation of § 18.2-388 or a similar ordinance of a county, city, or town; (vii) the unlawful use or possession of a handgun or possession of a "streetsweeper" as defined below; or (viii) a violation of § 18.2-83, the court shall order, in addition to any other penalty that it may impose as provided by law for the offense, that the child be denied a driver's license. In addition to any other penalty authorized by this section, if the offense involves a violation designated under clause (i) and the child was transporting a person 17 years of age or younger, the court shall impose the additional fine and order community service as provided in § 18.2-270. If the offense involves a violation designated under clause (i), (ii), (iii), or (viii), the denial of a driver's license shall be for a period of one year or until the juvenile reaches the age of 17, whichever is longer, for a first such offense or for a period of one year or until the juvenile reaches the age of 18, whichever is longer, for a second or subsequent such offense. If the offense involves a violation designated under clause (iv), (v), or (vi) the denial of driving privileges shall be for a period of six months unless the offense is committed by a child under the age of 16 years and three months, in which case the child's ability to apply for a driver's license shall be delayed for a period of six months following the date he reaches the age of 16 and three months. If the offense involves a first violation designated under clause (v) or (vi), the court shall impose the license sanction and may enter a judgment of guilt or, without entering a judgment of guilt, may defer disposition of the delinquency charge until such time as the court disposes of the case pursuant to subsection F. If the offense involves a violation designated under clause (iii) or (iv), the court shall impose the license sanction and shall dispose of the delinquency charge pursuant to the provisions of this chapter or § 18.2-

251. If the offense involves a violation designated under clause (vii), the denial of driving privileges shall be for a period of not less than 30 days, except when the offense involves possession of a concealed handgun or a striker 12, commonly called a "streetsweeper," or any semi-automatic folding stock shotgun of like kind with a spring tension drum magazine capable of holding 12 shotgun shells, in which case the denial of driving privileges shall be for a period of two years unless the offense is committed by a child under the age of 16 years and three months, in which event the child's ability to apply for a driver's license shall be delayed for a period of two years following the date he reaches the age of 16 and three months.

A1. If a court finds that a child at least 13 years of age has failed to comply with school attendance and meeting requirements as provided in § 22.1-258, the court shall order the denial of the child's driving privileges for a period of not less than 30 days. If such failure to comply involves a child under the age of 16 years and three months, the child's ability to apply for a driver's license shall be delayed for a period of not less than 30 days following the date he reaches the age of 16 and three months.

If the court finds a second or subsequent such offense, it may order the denial of a driver's license for a period of one year or until the juvenile reaches the age of 18, whichever is longer, or delay the child's ability to apply for a driver's license for a period of one year following the date he reaches the age of 16 and three months, as may be appropriate.

A2. If a court finds that a child at least 13 years of age has refused to take a blood test in violation of § 18.2-268.2, the court shall order that the child be denied a driver's license for a period of one year or until the juvenile reaches the age of 17, whichever is longer, for a first such offense or for a period of one year or until the juvenile reaches the age of 18, whichever is longer, for a second or subsequent such offense.

B. Any child who has a driver's license at the time of the offense or at the time of the court's finding as provided in subsection A1 or A2 shall be ordered to surrender his driver's license, which shall be held in the physical custody of the court during any period of license denial.

C. The court shall report any order issued under this section to the Department of Motor Vehicles, which shall preserve a record thereof. The report and the record shall include a statement as to whether the child was represented by or waived counsel or whether the order was issued pursuant to subsection A1 or A2. Notwithstanding the provisions of Article 12 (§ 16.1-299 et seq.) or the provisions of Title 46.2, this record shall be available only to all law-enforcement officers, attorneys for the Commonwealth and courts. No other record of the proceeding shall be forwarded to the Department of Motor Vehicles unless the proceeding results in an adjudication of guilt pursuant to subsection F.

The Department of Motor Vehicles shall refuse to issue a driver's license to any child denied a driver's license until such time as is stipulated in the court order or until notification by the court of withdrawal of the order of denial under subsection E.

D. If the finding as to the child involves a violation designated under clause (i), (ii), (iii) or

(vi) of subsection A or a violation designated under subsection A2, the child may be referred to a certified alcohol safety action program in accordance with § 18.2-271.1 upon such terms and conditions as the court may set forth. If the finding as to such child involves a violation designated under clause (iii), (iv), (v), (vii) or (viii) of subsection A, such child may be referred to appropriate rehabilitative or educational services upon such terms and conditions as the court may set forth.

The court, in its discretion and upon a demonstration of hardship, may authorize the use of a restricted permit to operate a motor vehicle by any child who has a driver's license at the time of the offense or at the time of the court's finding as provided in subsection A1 or A2 for any of the purposes set forth in subsection E of § 18.2-271.1 or for travel to and from school, except that no restricted license shall be issued for travel to and from home and school when school-provided transportation is available and no restricted license shall be issued if the finding as to such child involves a violation designated under clause (iii) or (iv) of subsection A, or if it involves a second or subsequent violation of any offense designated in subsection A, a second finding by the court of failure to comply with school attendance and meeting requirements as provided in subsection A1, or a second or subsequent finding by the court of a refusal to take a blood test as provided in subsection A2. The issuance of the restricted permit shall be set forth within the court order, a copy of which shall be provided to the child, and shall specifically enumerate the restrictions imposed and contain such information regarding the child as is reasonably necessary to identify him. The child may operate a motor vehicle under the court order in accordance with its terms. Any child who operates a motor vehicle in violation of any restrictions imposed pursuant to this section is guilty of a violation of § 46.2-301.

E. Upon petition made at least 90 days after issuance of the order, the court may review and withdraw any order of denial of a driver's license if for a first such offense or finding as provided in subsection A1 or A2. For a second or subsequent such offense or finding, the order may not be reviewed and withdrawn until one year after its issuance.

F. If the finding as to such child involves a first violation designated under clause (vii) of subsection A, upon fulfillment of the terms and conditions prescribed by the court and after the child's driver's license has been restored, the court shall or, in the event the violation resulted in the injury or death of any person or if the finding involves a violation designated under clause (i), (ii), (v), or (vi) of subsection A, may discharge the child and dismiss the proceedings against him. Discharge and dismissal under these provisions shall be without an adjudication of guilt but a record of the proceeding shall be retained for the purpose of applying this section in subsequent proceedings. Failure of the child to fulfill such terms and conditions shall result in an adjudication of guilt. If the finding as to such child involves a violation designated under clause (iii) or (iv) of subsection A, the charge shall not be dismissed pursuant to this subsection but shall be disposed of pursuant to the provisions of this chapter or § 18.2-251. If the finding as to such child involves a second violation under clause (v), (vi) or (vii) of subsection A, the charge shall not be dismissed pursuant to this subsection but shall be disposed of under § 16.1-278.8.

§ 18.2-46.1. Definitions.

As used in this article, unless the context requires a different meaning:

"Act of violence" means those felony offenses described in subsection C of § 17.1-805 or subsection A of § 19.2-297.1.

"Criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, (i) which has as one of its primary objectives or activities the commission of one or more criminal activities; (ii) which has an identifiable name or identifying sign or symbol; and (iii) whose members individually or collectively have engaged in the commission of, attempt to commit, conspiracy to commit, or solicitation of two or more predicate criminal acts, at least one of which is an act of violence, provided such acts were not part of a common act or transaction.

"Predicate criminal act" means (i) an act of violence; (ii) any violation of § 18.2-42, 18.2-46.3, 18.2-56.1, 18.2-57, 18.2-57.2, 18.2-59, 18.2-83, 18.2-95, 18.2-103.1, 18.2-108.1, 18.2-121, 18.2-127, 18.2-128, 18.2-137, 18.2-138, 18.2-146, 18.2-147, 18.2-248.01, 18.2-248.03, 18.2-255, 18.2-255.2, 18.2-287.4, 18.2-300, 18.2-308.1, 18.2-308.2, 18.2-308.2:01, 18.2-308.4, or 18.2-357.1; (iii) a felony violation of § 18.2-60.3, 18.2-346.01, 18.2-348, or 18.2-349; (iv) a felony violation of § 4.1-1101; *or* 18.2-248~~, or 18.2-248.1~~ or a conspiracy to commit a felony violation of § 4.1-1101; *or* 18.2-248~~, or 18.2-248.1~~; (v) any violation of a local ordinance adopted pursuant to § 15.2-1812.2; or (vi) any substantially similar offense under the laws of another state or territory of the United States, the District of Columbia, or the United States.

§ 18.2-247. Use of terms "controlled substances," "Schedules I, II, III, IV, V, and VI," "imitation controlled substance," and "counterfeit controlled substance" in Title 18.2.

A. Wherever the terms "controlled substances" and "Schedules I, II, III, IV, V, and VI" are used in Title 18.2, such terms refer to those terms as they are used or defined in the Drug Control Act (§ 54.1-3400 et seq.).

B. The term "imitation controlled substance" when used in this article means (i) a counterfeit controlled substance or (ii) a pill, capsule, tablet, or substance in any form whatsoever ~~which~~ *that* is not a controlled substance subject to abuse, and:

1. Which by overall dosage unit appearance, including color, shape, size, marking, and packaging or by representations made, would cause the likelihood that such a pill, capsule, tablet, or substance in any other form whatsoever will be mistaken for a controlled substance unless such substance was introduced into commerce prior to the initial introduction into commerce of the controlled substance which it is alleged to imitate; or

2. Which by express or implied representations purports to act like a controlled substance as a stimulant or depressant of the central nervous system and which is not commonly used or recognized for use in that particular formulation for any purpose other than for such stimulant or depressant effect, unless marketed, promoted, or sold as permitted by the U.S.

Food and Drug Administration.

C. In determining whether a pill, capsule, tablet, or substance in any other form whatsoever, is an "imitation controlled substance," there shall be considered, in addition to all other relevant factors, comparisons with accepted methods of marketing for legitimate nonprescription drugs for medicinal purposes rather than for drug abuse or any similar nonmedicinal use, including consideration of the packaging of the drug and its appearance in overall finished dosage form, promotional materials or representations, oral or written, concerning the drug, and the methods of distribution of the drug and where and how it is sold to the public.

D. ~~The term "marijuana" when used in this article means any part of a plant of the genus Cannabis, whether growing or not, its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, oil or cake made from the seed of such plant, unless such stalks, fiber, oil or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product, as defined in § 3.2-4112; (v) an industrial hemp extract, as defined in § 3.2-5145.1; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.~~

~~E.~~ The term "counterfeit controlled substance" means a controlled substance that, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear, the trademark, trade name, or other identifying mark, imprint or device or any likeness thereof, of a drug manufacturer, processor, packer, or distributor other than the manufacturer, processor, packer, or distributor who did in fact so manufacture, process, pack or distribute such drug.

~~F.~~ *E*. The term "tetrahydrocannabinol" means any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.

~~G.~~ *F*. The term "total tetrahydrocannabinol" means the sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.

~~H.~~ *G*. The Department of Forensic Science shall determine the proper methods for detecting the concentration of tetrahydrocannabinol in substances for the purposes of this title,

Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1, and § 54.1-3401. The testing methodology shall use post-decarboxylation testing or other equivalent method and shall consider the potential conversion of tetrahydrocannabinolic acid into tetrahydrocannabinol.

§ 18.2-248. Manufacturing, selling, giving, distributing, or possessing with intent to manufacture, sell, give, or distribute a controlled substance or an imitation controlled substance prohibited; penalties.

A. Except as authorized in the Drug Control Act (§ 54.1-3400 et seq.), it ~~shall be~~ *is* unlawful for any person to manufacture, sell, give, distribute, or possess with intent to manufacture, sell, give or distribute a controlled substance or an imitation controlled substance.

B. In determining whether any person intends to manufacture, sell, give or distribute an imitation controlled substance, the court may consider, in addition to all other relevant evidence, whether any distribution or attempted distribution of such pill, capsule, tablet or substance in any other form whatsoever included an exchange of or a demand for money or other property as consideration, and, if so, whether the amount of such consideration was substantially greater than the reasonable value of such pill, capsule, tablet or substance in any other form whatsoever, considering the actual chemical composition of such pill, capsule, tablet or substance in any other form whatsoever and, where applicable, the price at which over-the-counter substances of like chemical composition sell.

C. Except as provided in subsection C1, any person who violates this section with respect to a controlled substance classified in Schedule I or II shall upon conviction be imprisoned for not less than five nor more than 40 years and fined not more than $500,000. Upon a second conviction of such a violation, and it is alleged in the warrant, indictment, or information that the person has been before convicted of such an offense or of a substantially similar offense in any other jurisdiction, which offense would be a felony if committed in the Commonwealth, and such prior conviction occurred before the date of the offense alleged in the warrant, indictment, or information, any such person may, in the discretion of the court or jury imposing the sentence, be sentenced to imprisonment for life or for any period not less than five years, three years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence, and he shall be fined not more than $500,000.

When a person is convicted of a third or subsequent offense under this subsection and it is alleged in the warrant, indictment or information that he has been before convicted of two or more such offenses or of substantially similar offenses in any other jurisdiction which offenses would be felonies if committed in the Commonwealth and such prior convictions occurred before the date of the offense alleged in the warrant, indictment, or information, he shall be sentenced to imprisonment for life or for a period of not less than 10 years, 10 years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence, and he shall be fined not more than $500,000.

Any person who manufactures, sells, gives, distributes or possesses with the intent to manufacture, sell, give, or distribute the following is guilty of a felony punishable by a fine

of not more than $1 million and imprisonment for five years to life, five years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence:

1. 100 grams or more of a mixture or substance containing a detectable amount of heroin;

2. 500 grams or more of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation that contains any quantity of any of the substances referred to in subdivisions 2a through 2d; or

3. 10 grams or more of methamphetamine, its salts, isomers, or salts of its isomers or 20 grams or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers.

The mandatory minimum term of imprisonment to be imposed for a violation of this subsection shall not be applicable if the court finds that:

a. The person does not have a prior conviction for an offense listed in subsection C of § 17.1-805;

b. The person did not use violence or credible threats of violence or possess a firearm or other dangerous weapon in connection with the offense or induce another participant in the offense to do so;

c. The offense did not result in death or serious bodily injury to any person;

d. The person was not an organizer, leader, manager, or supervisor of others in the offense, and was not engaged in a continuing criminal enterprise as defined in subsection I; and

e. Not later than the time of the sentencing hearing, the person has truthfully provided to the Commonwealth all information and evidence the person has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan, but the fact that the person has no relevant or useful other information to provide or that the Commonwealth already is aware of the information shall not preclude a determination by the court that the defendant has complied with this requirement.

C1. Any person who violates this section with respect to the manufacturing of methamphetamine, its salts, isomers, or salts of its isomers or less than 200 grams of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers shall, upon conviction, be imprisoned for not less than 10 nor more

than 40 years and fined not more than $500,000. Upon a second conviction of such a violation, any such person may, in the discretion of the court or jury imposing the sentence, be sentenced to imprisonment for life or for any period not less than 10 years, and be fined not more than $500,000. When a person is convicted of a third or subsequent offense under this subsection and it is alleged in the warrant, indictment, or information that he has been previously convicted of two or more such offenses or of substantially similar offenses in any other jurisdiction, which offenses would be felonies if committed in the Commonwealth and such prior convictions occurred before the date of the offense alleged in the warrant, indictment, or information, he shall be sentenced to imprisonment for life or for a period not less than 10 years, three years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence and he shall be fined not more than $500,000.

Upon conviction, in addition to any other punishment, a person found guilty of this offense shall be ordered by the court to make restitution, as the court deems appropriate, to any innocent property owner whose property is damaged, destroyed, or otherwise rendered unusable as a result of such methamphetamine production. This restitution shall include the person's or his estate's estimated or actual expenses associated with cleanup, removal, or repair of the affected property. If the property that is damaged, destroyed, or otherwise rendered unusable as a result of such methamphetamine production is property owned in whole or in part by the person convicted, the court shall order the person to pay to the Methamphetamine Cleanup Fund authorized in § 18.2-248.04 the reasonable estimated or actual expenses associated with cleanup, removal, or repair of the affected property or, if actual or estimated expenses cannot be determined, the sum of $10,000. The convicted person shall also pay the cost of certifying that any building that is cleaned up or repaired pursuant to this section is safe for human occupancy according to the guidelines established pursuant to § 32.1-11.7.

D. If such person proves that he gave, distributed or possessed with intent to give or distribute a controlled substance classified in Schedule I or II only as an accommodation to another individual who is not an inmate in a community correctional facility, local correctional facility or state correctional facility as defined in § 53.1-1 or in the custody of an employee thereof, and not with intent to profit thereby from any consideration received or expected nor to induce the recipient or intended recipient of the controlled substance to use or become addicted to or dependent upon such controlled substance, he ~~shall be~~ *is* guilty of a Class 5 felony.

E. If the violation of the provisions of this article consists of the filling by a pharmacist of the prescription of a person authorized under this article to issue the same, which prescription has not been received in writing by the pharmacist prior to the filling thereof, and such written prescription is in fact received by the pharmacist within one week of the time of filling the same, or if such violation consists of a request by such authorized person for the filling by a pharmacist of a prescription which has not been received in writing by the pharmacist and such prescription is, in fact, written at the time of such request and delivered

to the pharmacist within one week thereof, either such offense shall constitute a Class 4 misdemeanor.

E1. Any person who violates this section with respect to a controlled substance classified in Schedule III except for an anabolic steroid classified in Schedule III, constituting a violation of § 18.2-248.5, ~~shall be~~ *is* guilty of a Class 5 felony.

E2. Any person who violates this section with respect to a controlled substance classified in Schedule IV ~~shall be~~ *is* guilty of a Class 6 felony.

E3. Any person who proves that he gave, distributed or possessed with the intent to give or distribute a controlled substance classified in Schedule III or IV, except for an anabolic steroid classified in Schedule III, constituting a violation of § 18.2-248.5, only as an accommodation to another individual who is not an inmate in a community correctional facility, local correctional facility or state correctional facility as defined in § 53.1-1 or in the custody of an employee thereof, and not with the intent to profit thereby from any consideration received or expected nor to induce the recipient or intended recipient of the controlled substance to use or become addicted to or dependent upon such controlled substance, is guilty of a Class 1 misdemeanor.

F. Any person who violates this section with respect to a controlled substance classified in Schedule V or Schedule VI or an imitation controlled substance ~~which~~ *that* imitates a controlled substance classified in Schedule V or Schedule VI, ~~shall be~~ *is* guilty of a Class 1 misdemeanor.

G. Any person who violates this section with respect to an imitation controlled substance ~~which~~ *that* imitates a controlled substance classified in Schedule I, II, III, or IV ~~shall be~~ *is* guilty of a Class 6 felony. In any prosecution brought under this subsection, it is not a defense to a violation of this subsection that the defendant believed the imitation controlled substance to actually be a controlled substance.

H. Any person who manufactures, sells, gives, distributes or possesses with the intent to manufacture, sell, give or distribute the following:

1. 1.0 kilograms or more of a mixture or substance containing a detectable amount of heroin;

2. 5.0 kilograms or more of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation ~~which~~ *that* contains any quantity of any of the substances referred to in subdivisions a through d; *or*

~~3. 100 kilograms or more of a mixture or substance containing a detectable amount of marijuana; or~~

~~4.~~ 100 grams or more of methamphetamine, its salts, isomers, or salts of its isomers or 200 grams or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers ~~shall be~~ *is* guilty of a felony punishable by a fine of not more than $1 million and imprisonment for 20 years to life, 20 years of which shall be a mandatory minimum sentence. Such mandatory minimum sentence shall not be applicable if the court finds that (i) the person does not have a prior conviction for an offense listed in subsection C of § 17.1-805; (ii) the person did not use violence or credible threats of violence or possess a firearm or other dangerous weapon in connection with the offense or induce another participant in the offense to do so; (iii) the offense did not result in death or serious bodily injury to any person; (iv) the person was not an organizer, leader, manager, or supervisor of others in the offense, and was not engaged in a continuing criminal enterprise as defined in subsection I ~~of this section~~; and (v) not later than the time of the sentencing hearing, the person has truthfully provided to the Commonwealth all information and evidence the person has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan, but the fact that the person has no relevant or useful other information to provide or that the Commonwealth already is aware of the information shall not preclude a determination by the court that the defendant has complied with this requirement.

H1. Any person who was the principal or one of several principal administrators, organizers or leaders of a continuing criminal enterprise ~~shall be~~ *is* guilty of a felony if (i) the enterprise received at least $100,000 but less than $250,000 in gross receipts during any 12-month period of its existence from the manufacture, importation, or distribution of heroin or cocaine or ecgonine or methamphetamine or the derivatives, salts, isomers, or salts of isomers thereof ~~or marijuana~~ or (ii) the person engaged in the enterprise to manufacture, sell, give, distribute or possess with the intent to manufacture, sell, give or distribute the following during any 12-month period of its existence:

1. At least 1.0 kilograms but less than 5.0 kilograms of a mixture or substance containing a detectable amount of heroin;

2. At least 5.0 kilograms but less than 10 kilograms of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation ~~which~~ *that* contains any quantity of any of the

substances referred to in subdivisions a through d; *or*

3. ~~At least 100 kilograms but less than 250 kilograms of a mixture or substance containing a detectable amount of marijuana; or~~

~~4.~~ At least 100 grams but less than 250 grams of methamphetamine, its salts, isomers, or salts of its isomers or at least 200 grams but less than 1.0 kilograms of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers.

A conviction under this section shall be punishable by a fine of not more than $1 million and imprisonment for 20 years to life, 20 years of which shall be a mandatory minimum sentence.

H2. Any person who was the principal or one of several principal administrators, organizers or leaders of a continuing criminal enterprise if (i) the enterprise received $250,000 or more in gross receipts during any 12-month period of its existence from the manufacture, importation, or distribution of heroin or cocaine or ecgonine or methamphetamine or the derivatives, salts, isomers, or salts of isomers thereof ~~or marijuana~~ or (ii) the person engaged in the enterprise to manufacture, sell, give, distribute or possess with the intent to manufacture, sell, give or distribute the following during any 12-month period of its existence:

1. At least 5.0 kilograms of a mixture or substance containing a detectable amount of heroin;

2. At least 10 kilograms of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation ~~which~~ *that* contains any quantity of any of the substances referred to in subdivisions a through d; *or*

3. ~~At least 250 kilograms of a mixture or substance containing a detectable amount of marijuana; or~~

~~4.~~ At least 250 grams of methamphetamine, its salts, isomers, or salts of its isomers or at least 1.0 kilograms of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers ~~shall be~~ *is* guilty of a felony punishable by a fine of not more than $1 million and imprisonment for life, which shall be served with no suspension in whole or in part. Such punishment shall be made to run consecutively with any other sentence. However, the court may impose a mandatory minimum sentence of 40 years if the court finds that the defendant substantially cooperated

with law-enforcement authorities.

I. For purposes of this section, a person is engaged in a continuing criminal enterprise if (i) he violates any provision of this section, the punishment for which is a felony and either (ii) such violation is a part of a continuing series of violations of this section which are undertaken by such person in concert with five or more other persons with respect to whom such person occupies a position of organizer, a supervisory position, or any other position of management, and from which such person obtains substantial income or resources or (iii) such violation is committed, with respect to methamphetamine or other controlled substance classified in Schedule I or II, for the benefit of, at the direction of, or in association with any criminal street gang as defined in § 18.2-46.1.

J. Except as authorized in the Drug Control Act (§ 54.1-3400 et seq.), any person who possesses any two or more different substances listed below with the intent to manufacture methamphetamine, methcathinone, or amphetamine is guilty of a Class 6 felony: liquefied ammonia gas, ammonium nitrate, ether, hypophosphorus acid solutions, hypophosphite salts, hydrochloric acid, iodine crystals or tincture of iodine, phenylacetone, phenylacetic acid, red phosphorus, methylamine, methyl formamide, lithium, sodium metal, sulfuric acid, sodium hydroxide, potassium dichromate, sodium dichromate, potassium permanganate, chromium trioxide, methylbenzene, methamphetamine precursor drugs, trichloroethane, or 2-propanone.

K. The term "methamphetamine precursor drug," when used in this article, means a drug or product containing ephedrine, pseudoephedrine, or phenylpropanolamine or any of their salts, optical isomers, or salts of optical isomers.

§ 18.2-248.01. Transporting controlled substances into the Commonwealth; penalty.

Except as authorized in the Drug Control Act (§ 54.1-3400 et seq.) it is unlawful for any person to transport into the Commonwealth by any means with intent to sell or distribute one ounce or more of cocaine, coca leaves or any salt, compound, derivative or preparation thereof as described in Schedule II of the Drug Control Act or one ounce or more of any other Schedule I or II controlled substance ~~or five or more pounds of marijuana~~. A violation of this section shall constitute a separate and distinct felony. Upon conviction, the person shall be sentenced to not less than five years nor more than 40 years imprisonment, three years of which shall be a mandatory minimum term of imprisonment, and a fine not to exceed ~~$1,000,000~~ *$1 million*. A second or subsequent conviction hereunder shall be punishable by a mandatory minimum term of imprisonment of 10 years, which shall be served consecutively with any other sentence.

§ 18.2-251. Persons charged with first offense may be placed on probation; conditions; substance abuse screening, assessment treatment and education programs or services; drug tests; costs and fees; violations; discharge.

Whenever any person who has not previously been convicted of any criminal offense under this article or under any statute of the United States or of any state relating to narcotic drugs,

~~marijuana,~~ or stimulant, depressant, or hallucinogenic drugs,~~ with the exception of any misdemeanor conviction for possession of marijuana,~~ or has not previously had a proceeding against him for violation of such an offense dismissed as provided in this section,~~ except a dismissal of a misdemeanor offense for possession of marijuana,~~ pleads guilty to or enters a plea of not guilty to possession of a controlled substance under § 18.2-250, the court, upon such plea if the facts found by the court would justify a finding of guilt, without entering a judgment of guilt and with the consent of the accused, may defer further proceedings and place him on probation upon terms and conditions. If the court defers further proceedings, at that time the court shall determine whether the clerk of court has been provided with the fingerprint identification information or fingerprints of the person, taken by a law-enforcement officer pursuant to § 19.2-390, and, if not, shall order that the fingerprints and photograph of the person be taken by a law-enforcement officer.

As a term or condition, the court shall require the accused to undergo a substance abuse assessment pursuant to § 18.2-251.01 or 19.2-299.2, as appropriate, and enter treatment and/or education program or services, if available, such as, in the opinion of the court, may be best suited to the needs of the accused based upon consideration of the substance abuse assessment. The program or services may be located in the judicial district in which the charge is brought or in any other judicial district as the court may provide. The services shall be provided by (i) a program licensed by the Department of Behavioral Health and Developmental Services, by a similar program which is made available through the Department of Corrections, (ii) a local community-based probation services agency established pursuant to § 9.1-174, or (iii) an ASAP program certified by the Commission on VASAP.

The court shall require the person entering such program under the provisions of this section to pay all or part of the costs of the program, including the costs of the screening, assessment, testing, and treatment, based upon the accused's ability to pay unless the person is determined by the court to be indigent.

As a condition of probation, the court shall require the accused (a) to successfully complete treatment or education program or services, (b) to remain drug and alcohol free during the period of probation and submit to such tests during that period as may be necessary and appropriate to determine if the accused is drug and alcohol free, (c) to make reasonable efforts to secure and maintain employment, and (d) to comply with a plan of at least 100 hours of community service for a felony and up to 24 hours of community service for a misdemeanor. Such testing shall be conducted by personnel of the supervising probation agency or personnel of any program or agency approved by the supervising probation agency.

Upon violation of a term or condition, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions, and upon determining that the clerk of court has been provided with the fingerprint identification information or fingerprints of such person, the court shall discharge the person and dismiss the proceedings against him. Discharge and dismissal under this section shall be without

adjudication of guilt and is a conviction only for the purposes of applying this section in subsequent proceedings.

Notwithstanding any other provision of this section, whenever a court places an individual on probation upon terms and conditions pursuant to this section, such action shall be treated as a conviction for purposes of § 22.1-315. The provisions of this paragraph shall not be applicable to any offense for which a juvenile has had his license suspended or denied pursuant to § 16.1-278.9 for the same offense.

§ 18.2-251.03. Arrest and prosecution when experiencing or reporting an overdose or act of sexual violence.

A. For purposes of this section:

"Act of sexual violence" means an alleged violation of § 18.2-361, 18.2-370, or 18.2-370.1 or the laws pertaining to criminal sexual assault pursuant to Article 7 (§ 18.2-61 et seq.) of Chapter 4.

"Overdose" means a life-threatening condition resulting from the consumption or use of a controlled substance, alcohol, or any combination of such substances.

B. No individual shall be subject to arrest or prosecution for the unlawful purchase, possession, or consumption of alcohol pursuant to § 4.1-305, unlawful purchase, possession, or consumption of marijuana pursuant to §~~ 4.1-1105.1~~ *4.1-1105*, involuntary manslaughter pursuant to § 18.2-36.3, possession of a controlled substance pursuant to § 18.2-250, intoxication in public pursuant to § 18.2-388, or possession of controlled paraphernalia pursuant to § 54.1-3466 if:

1. Such individual (i) in good faith, seeks or obtains emergency medical attention (a) for himself, if he is experiencing an overdose, or (b) for another individual, if such other individual is experiencing an overdose; (ii) is experiencing an overdose and another individual, in good faith, seeks or obtains emergency medical attention for such individual, by contemporaneously reporting such overdose to a firefighter, as defined in § 65.2-102, emergency medical services personnel, as defined in § 32.1-111.1, a law-enforcement officer, as defined in § 9.1-101, or an emergency 911 system; or (iii) in good faith, renders emergency care or assistance, including cardiopulmonary resuscitation (CPR) or the administration of naloxone or other opioid antagonist for overdose reversal, to an individual experiencing an overdose while another individual seeks or obtains emergency medical attention in accordance with this subdivision;

2. Such individual remains at the scene of the overdose or at any alternative location to which he or the person requiring emergency medical attention has been transported until a law-enforcement officer responds to the report of an overdose. If no law-enforcement officer is present at the scene of the overdose or at the alternative location, then such individual shall cooperate with law enforcement as otherwise set forth herein;

3. Such individual identifies himself to the law-enforcement officer who responds to the

report of the overdose; and

4. The evidence for the prosecution of an offense enumerated in this subsection was obtained as a result of the individual seeking or obtaining emergency medical attention or rendering emergency care or assistance.

C. No individual shall be subject to arrest or prosecution for the unlawful purchase, possession, or consumption of alcohol pursuant to § 4.1-305, unlawful purchase, possession, or consumption of marijuana pursuant to §~~ 4.1-1105.1~~ *4.1-1105*, possession of a controlled substance pursuant to § 18.2-250, intoxication in public pursuant to § 18.2-388, or possession of controlled paraphernalia pursuant to § 54.1-3466 if:

1. Such individual, in good faith, seeks or obtains assistance for himself or another individual from emergency medical services personnel, as defined in § 32.1-111.1, a health care provider, as defined in § 8.01-581.1, or a law-enforcement officer, as defined in § 9.1-101, and seeks to report an act of sexual violence committed against himself or another individual;

2. Such individual identifies himself to the law-enforcement officer who responds to the report of the act of sexual violence; and

3. The evidence for the prosecution of an offense enumerated in this subsection was obtained as a result of the individual seeking or obtaining medical attention, rendering care or assistance, or reporting to law enforcement.

This subsection shall not apply to an individual who is alleged to have committed the act of sexual violence.

D. The provisions of this section shall not apply to any person who seeks or obtains emergency medical attention for himself or another individual, to a person experiencing an overdose or who has experienced an act of sexual violence when another individual seeks or obtains emergency medical attention for him, or to a person who renders emergency care or assistance to an individual experiencing an overdose or who has experienced an act of sexual violence while another person seeks or obtains emergency medical attention during the execution of a search warrant or during the conduct of a lawful search or a lawful arrest.

E. This section does not establish protection from arrest or prosecution for any individual or offense other than those listed in subsection B or C. However, any individual immune to arrest or prosecution under this section shall not have his bail, probation, furlough, supervised release, suspended sentence, or parole revoked for the behavior immune from arrest or prosecution under the provisions of this section.

F. No law-enforcement officer acting in good faith shall be found liable for false arrest if it is later determined that the person arrested was immune from prosecution under this section.

§ 18.2-251.1:1. Possession or distribution of cannabis oil; public schools.

No school nurse employed by a local school board, person employed by a local health

department who is assigned to the public school pursuant to an agreement between the local health department and the school board, or other person employed by or contracted with a local school board to deliver health-related services shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248, ~~18.2-248.1,~~ 18.2-250, or 18.2-255 for the possession or distribution of cannabis oil for storing, dispensing, or administering cannabis oil, in accordance with a policy adopted by the local school board, to a student who has been issued a valid written certification for the use of cannabis oil in accordance with § 4.1-1601.

§ 18.2-251.1:2. Possession or distribution of cannabis oil; nursing homes and certified nursing facilities; hospice and hospice facilities; assisted living facilities.

No person employed by a nursing home, hospice, hospice facility, or assisted living facility and authorized to possess, distribute, or administer medications to patients or residents shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248~~, 18.2-248.1~~, or 18.2-250 for the possession or distribution of cannabis oil for the purposes of storing, dispensing, or administering cannabis oil to a patient or resident who has been issued a valid written certification for the use of cannabis oil in accordance with § 4.1-1601.

§ 18.2-251.1:3. Possession or distribution of cannabis oil, or industrial hemp; laboratories; Department of Agriculture and Consumer Services, Department of Law employees.

A. No person employed by an analytical laboratory to retrieve, deliver, or possess cannabis oil or industrial hemp samples from a permitted pharmaceutical processor, a registered industrial hemp grower, a federally licensed hemp producer, or a registered industrial hemp processor for the purpose of performing required testing shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248, ~~18.2-248.1,~~ 18.2-250, or 18.2-255 for the possession or distribution of cannabis oil or industrial hemp or for storing cannabis oil or industrial hemp for testing purposes in accordance with regulations promulgated by the Board ~~of Pharmacy~~ *of Directors of the Virginia Cannabis Control Authority* and the Board of Agriculture and Consumer Services.

B. No employee of the Department of Agriculture and Consumer Services or of the Department of Law shall be prosecuted under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* § ~~18.2-247,~~ 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ or 18.2-250 for the possession or distribution of industrial hemp or any substance containing tetrahydrocannabinol when possession of industrial hemp or any substance containing tetrahydrocannabinol is necessary in the performance of his duties.

§ 18.2-252. Suspended sentence conditioned upon substance abuse screening, assessment, testing, and treatment or education.

The trial judge or court trying the case of any person found guilty of a criminal violation of any law concerning the use, in any manner, of drugs, controlled substances, narcotics, ~~marijuana,~~ noxious chemical substances and like substances shall condition any suspended sentence by first requiring such person to agree to undergo a substance abuse screening

pursuant to § 18.2-251.01 and to submit to such periodic substance abuse testing, to include alcohol testing, as may be directed by the court. Such testing shall be conducted by the supervising probation agency or by personnel of any program or agency approved by the supervising probation agency. The cost of such testing ordered by the court shall be paid by the Commonwealth and taxed as a part of the costs of such proceedings. The judge or court shall order the person, as a condition of any suspended sentence, to undergo such treatment or education for substance abuse, if available, as the judge or court deems appropriate based upon consideration of the substance abuse assessment. The treatment or education shall be provided by a program or agency licensed by the Department of Behavioral Health and Developmental Services, by a similar program or services available through the Department of Corrections if the court imposes a sentence of one year or more or, if the court imposes a sentence of 12 months or less, by a similar program or services available through a local or regional jail, a local community-based probation services agency established pursuant to § 9.1-174, or an ASAP program certified by the Commission on VASAP.

§ 18.2-254. Commitment of convicted person for treatment for substance abuse.

A. Whenever any person who has not previously been convicted of any criminal offense under this article or under any statute of the United States or of any state relating to narcotic drugs~~, marijuana,~~ *or* stimulant, depressant, or hallucinogenic drugs or has not previously had a proceeding against him for violation of such an offense dismissed as provided in § 18.2-251 is found guilty of violating any law concerning the use, in any manner, of drugs, controlled substances, narcotics,~~ marijuana,~~ noxious chemical substances, and like substances, the judge or court shall require such person to undergo a substance abuse screening pursuant to § 18.2-251.01 and to submit to such periodic substance abuse testing, to include alcohol testing, as may be directed by the court. The cost of such testing ordered by the court shall be paid by the Commonwealth and taxed as a part of the costs of the criminal proceedings. The judge or court shall also order the person to undergo such treatment or education for substance abuse, if available, as the judge or court deems appropriate based upon consideration of the substance abuse assessment. The treatment or education shall be provided by a program or agency licensed by the Department of Behavioral Health and Developmental Services or by a similar program or services available through the Department of Corrections if the court imposes a sentence of one year or more or, if the court imposes a sentence of 12 months or less, by a similar program or services available through a local or regional jail, a local community-based probation services agency established pursuant to § 9.1-174, or an ASAP program certified by the Commission on VASAP.

B. The court trying the case of any person alleged to have committed any criminal offense designated by this article or by the Drug Control Act (§ 54.1-3400 et seq.) or in any other criminal case in which the commission of the offense was motivated by or closely related to the use of drugs and determined by the court, pursuant to a substance abuse screening and assessment, to be in need of treatment for the use of drugs may commit, based upon a consideration of the substance abuse assessment, such person, upon his conviction, to any

facility for the treatment of persons with substance abuse, licensed by the Department of Behavioral Health and Developmental Services, if space is available in such facility, for a period of time not in excess of the maximum term of imprisonment specified as the penalty for conviction of such offense or, if sentence was determined by a jury, not in excess of the term of imprisonment as set by such jury. Confinement under such commitment shall be, in all regards, treated as confinement in a penal institution and the person so committed may be convicted of escape if he leaves the place of commitment without authority. A charge of escape may be prosecuted in either the jurisdiction where the treatment facility is located or the jurisdiction where the person was sentenced to commitment. The court may revoke such commitment at any time and transfer the person to an appropriate state or local correctional facility. Upon presentation of a certified statement from the director of the treatment facility to the effect that the confined person has successfully responded to treatment, the court may release such confined person prior to the termination of the period of time for which such person was confined and may suspend the remainder of the term upon such conditions as the court may prescribe.

C. The court trying a case in which commission of the criminal offense was related to the defendant's habitual abuse of alcohol and in which the court determines, pursuant to a substance abuse screening and assessment, that such defendant is in need of treatment, may commit, based upon a consideration of the substance abuse assessment, such person, upon his conviction, to any facility for the treatment of persons with substance abuse licensed by the Department of Behavioral Health and Developmental Services, if space is available in such facility, for a period of time not in excess of the maximum term of imprisonment specified as the penalty for conviction. Confinement under such commitment shall be, in all regards, treated as confinement in a penal institution and the person so committed may be convicted of escape if he leaves the place of commitment without authority. The court may revoke such commitment at any time and transfer the person to an appropriate state or local correctional facility. Upon presentation of a certified statement from the director of the treatment facility to the effect that the confined person has successfully responded to treatment, the court may release such confined person prior to the termination of the period of time for which such person was confined and may suspend the remainder of the term upon such conditions as the court may prescribe.

§ 18.2-255. Distribution of certain drugs to persons under 18 prohibited; penalty.

A. Except as authorized in the Drug Control Act~~, Chapter 34~~ (§ 54.1-3400 et seq.)~~ of Title 54.1~~, it~~ shall be~~ *is* unlawful for any person who is at least 18 years of age to knowingly or intentionally (i) distribute any drug classified in Schedule I, II, III, or IV~~ or marijuana~~ to any person under 18 years of age who is at least three years his junior or (ii) cause any person under 18 years of age to assist in such distribution of any drug classified in Schedule I, II, III, or IV~~ or marijuana~~. Any person violating this provision shall upon conviction be imprisoned in a state correctional facility for a period not less than 10 nor more than 50 years, and fined not more than $100,000. Five years of the sentence imposed for a conviction under this section involving a Schedule I or II controlled substance~~ or one ounce~~

~~or more of marijuana~~ shall be a mandatory minimum sentence. ~~Two years of the sentence imposed for a conviction under this section involving less than one ounce of marijuana shall be a mandatory minimum sentence.~~

B. It ~~shall be~~ *is* unlawful for any person who is at least 18 years of age to knowingly or intentionally (i) distribute any imitation controlled substance to a person under 18 years of age who is at least three years his junior or (ii) cause any person under 18 years of age to assist in such distribution of any imitation controlled substance. Any person violating this provision ~~shall be~~ *is* guilty of a Class 6 felony.

§ 18.2-255.1. Distribution, sale or display of printed material advertising instruments for use in administering controlled substances to minors; penalty.

It ~~shall be~~ *is* a Class 1 misdemeanor for any person knowingly to sell, distribute, or display for sale to a minor any book, pamphlet, periodical, or other printed matter ~~which~~ *that* he knows advertises for sale any instrument, device, article, or contrivance for advertised use in unlawfully ingesting, smoking, administering, preparing, or growing ~~marijuana or~~ a controlled substance.

§ 18.2-255.2. Prohibiting the sale or manufacture of drugs on or near certain properties; penalty.

A. It ~~shall be~~ *is* unlawful for any person to manufacture, sell, or distribute or possess with intent to sell, give, or distribute any controlled substance~~,~~ *or* imitation controlled substance~~,~~ ~~or marijuana~~ while:

1. Upon the property, including buildings and grounds, of any public or private elementary or secondary school, any institution of higher education, or any clearly marked licensed child day center as defined in § 22.1-289.02;

2. Upon public property or any property open to public use within 1,000 feet of the property described in subdivision 1;

3. On any school bus as defined in § 46.2-100;

4. Upon a designated school bus stop, or upon either public property or any property open to public use which is within 1,000 feet of such school bus stop, during the time when school children are waiting to be picked up and transported to or are being dropped off from school or a school-sponsored activity;

5. Upon the property, including buildings and grounds, of any publicly owned or publicly operated recreation or community center facility or any public library; or

6. Upon the property of any state facility as defined in § 37.2-100 or upon public property or property open to public use within 1,000 feet of such ~~an institution~~ *facility*. It is a violation of the provisions of this section if the person possessed the controlled substance~~,~~ *or* imitation controlled substance~~, or marijuana~~ on the property described in subdivisions 1 through 6, regardless of where the person intended to sell, give, or distribute the controlled substance;

or imitation controlled substance~~, or marijuana~~. Nothing in this section shall prohibit the authorized distribution of controlled substances.

B. Violation of this section shall constitute a separate and distinct felony. Any person violating the provisions of this section shall, upon conviction, be imprisoned for a term of not less than one year nor more than five years and fined not more than $100,000. A second or subsequent conviction hereunder for an offense involving a controlled substance classified in Schedule I, II, or III of the Drug Control Act (§ 54.1-3400 et seq.)~~ or more than one-half ounce of marijuana~~ shall be punished by a mandatory minimum term of imprisonment of one year to be served consecutively with any other sentence. However, if such person proves that he sold such controlled substance~~ or marijuana~~ only as an accommodation to another individual and not with intent to profit thereby from any consideration received or expected nor to induce the recipient or intended recipient of the controlled substance~~ or marijuana~~ to use or become addicted to or dependent upon such controlled substance~~ or marijuana~~, he is guilty of a Class 1 misdemeanor.

C. If a person commits an act violating the provisions of this section, and the same act also violates another provision of law that provides for penalties greater than those provided for by this section, then nothing in this section shall prohibit or bar any prosecution or proceeding under that other provision of law or the imposition of any penalties provided for thereby.

§ 18.2-258. Certain premises deemed common nuisance; penalty.

Any office, store, shop, restaurant, dance hall, theater, poolroom, clubhouse, storehouse, warehouse, dwelling house, apartment, building of any kind, vehicle, vessel, boat, or aircraft, which with the knowledge of the owner, lessor, agent of any such lessor, manager, chief executive officer, operator, or tenant thereof, is frequented by persons under the influence of illegally obtained controlled substances~~ or marijuana~~, as defined in § 54.1-3401, or for the purpose of illegally obtaining possession of, manufacturing, or distributing controlled substances~~ or marijuana~~, or is used for the illegal possession, manufacture, or distribution of controlled substances~~ or marijuana~~ shall be deemed a common nuisance. Any such owner, lessor, agent of any such lessor, manager, chief executive officer, operator, or tenant who knowingly permits, establishes, keeps or maintains such a common nuisance is guilty of a Class 1 misdemeanor and~~,~~ for a second or subsequent offense, a Class 6 felony.

§ 18.2-258.02. Maintaining a fortified drug house; penalty.

Any office, store, shop, restaurant, dance hall, theater, poolroom, clubhouse, storehouse, warehouse, dwelling house, apartment or building or structure of any kind~~ which~~ *that* is (i) substantially altered from its original status by means of reinforcement with the intent to impede, deter or delay lawful entry by a law-enforcement officer into such structure, (ii) being used for the purpose of manufacturing or distributing controlled substances~~ or marijuana~~, and (iii) the object of a valid search warrant, shall be considered a fortified drug house. Any person who maintains or operates a fortified drug house is guilty of a Class 5 felony.

§ 18.2-258.1. Obtaining drugs, procuring administration of controlled substances, etc., by fraud, deceit or forgery.

A. It ~~shall be~~ *is* unlawful for any person to obtain or attempt to obtain any drug or procure or attempt to procure the administration of any controlled substance ~~or marijuana~~: (i) by fraud, deceit, misrepresentation, embezzlement, or subterfuge; (ii) by the forgery or alteration of a prescription or of any written order; (iii) by the concealment of a material fact; or (iv) by the use of a false name or the giving of a false address.

B. It ~~shall be~~ *is* unlawful for any person to furnish false or fraudulent information in or omit any information from, or willfully make a false statement in, any prescription, order, report, record, or other document required by ~~Chapter 34~~ *the Drug Control Act* (§ 54.1-3400 et seq.) ~~of Title 54.1~~.

C. It ~~shall be~~ *is* unlawful for any person to use in the course of the manufacture or distribution of a controlled substance ~~or marijuana~~ a license number ~~which~~ *that* is fictitious, revoked, suspended, or issued to another person.

D. It ~~shall be~~ *is* unlawful for any person, for the purpose of obtaining any controlled substance ~~or marijuana~~, to falsely assume the title of, or represent himself to be, a manufacturer, wholesaler, pharmacist, physician, dentist, veterinarian, or other authorized person.

E. It ~~shall be~~ *is* unlawful for any person to make or utter any false or forged prescription or false or forged written order.

F. It ~~shall be~~ *is* unlawful for any person to affix any false or forged label to a package or receptacle containing any controlled substance.

G. This section shall not apply to officers and employees of the United States, of this Commonwealth or of a political subdivision of this Commonwealth acting in the course of their employment, who obtain such drugs for investigative, research or analytical purposes, or to the agents or duly authorized representatives of any pharmaceutical manufacturer who obtain such drugs for investigative, research or analytical purposes and who are acting in the course of their employment; provided that such manufacturer is licensed under the provisions of the Federal Food, Drug and Cosmetic Act; and provided further, that such pharmaceutical manufacturer, its agents and duly authorized representatives file with the Board such information as the Board may deem appropriate.

H. Except as otherwise provided in this subsection, any person who shall violate any provision herein ~~shall be~~ *is* guilty of a Class 6 felony.

Whenever any person who has not previously been convicted of any offense under this article or under any statute of the United States or of any state relating to narcotic drugs; ~~marijuana,~~ or stimulant, depressant, or hallucinogenic drugs, or has not previously had a proceeding against him for violation of such an offense dismissed, or reduced as provided in this section, pleads guilty to or enters a plea of not guilty to the court for violating this

section, upon such plea if the facts found by the court would justify a finding of guilt, the court may place him on probation upon terms and conditions.

As a term or condition, the court shall require the accused to be evaluated and enter a treatment and/or education program, if available, such as, in the opinion of the court, may be best suited to the needs of the accused. This program may be located in the judicial circuit in which the charge is brought or in any other judicial circuit as the court may provide. The services shall be provided by a program certified or licensed by the Department of Behavioral Health and Developmental Services. The court shall require the person entering such program under the provisions of this section to pay all or part of the costs of the program, including the costs of the screening, evaluation, testing and education, based upon the person's ability to pay unless the person is determined by the court to be indigent.

As a condition of supervised probation, the court shall require the accused to remain drug free during the period of probation and submit to such tests during that period as may be necessary and appropriate to determine if the accused is drug free. Such testing may be conducted by the personnel of any screening, evaluation, and education program to which the person is referred or by the supervising agency.

Unless the accused was fingerprinted at the time of arrest, the court shall order the accused to report to the original arresting law-enforcement agency to submit to fingerprinting.

Upon violation of a term or condition, the court may enter an adjudication of guilt upon the felony and proceed as otherwise provided. Upon fulfillment of the terms and conditions of probation, the court shall find the defendant guilty of a Class 1 misdemeanor.

§ 18.2-265.1. Definition.

As used in this article, "drug paraphernalia" means all equipment, products, and materials of any kind which are either designed for use or which are intended by the person charged with violating § 18.2-265.3 for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, strength testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body ~~marijuana or~~ a controlled substance. "Drug paraphernalia" includes:

1. Kits intended for use or designed for use in planting, propagating, cultivating, growing, or harvesting ~~marijuana or~~ any species of plant which is a controlled substance or from which a controlled substance can be derived;

2. Kits intended for use or designed for use in manufacturing, compounding, converting, producing, processing, or preparing ~~marijuana or~~ controlled substances;

3. Isomerization devices intended for use or designed for use in increasing the potency of ~~marijuana or~~ any species of plant ~~which~~ *that* is a controlled substance;

4. Testing equipment intended for use or designed for use in identifying or in analyzing the strength or effectiveness of ~~marijuana or~~ controlled substances, other than drug checking

products used to determine the presence or concentration of a contaminant that can cause physical harm or death;

5. Scales and balances intended for use or designed for use in weighing or measuring ~~marijuana or~~ controlled substances;

6. Diluents and adulterants, such as quinine hydrochloride, mannitol, or mannite, intended for use or designed for use in cutting controlled substances;

7.~~ Separation gins and sifters intended for use or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana;~~

~~8.~~ Blenders, bowls, containers, spoons, and mixing devices intended for use or designed for use in compounding controlled substances;

~~9.~~ *8.* Capsules, balloons, envelopes, and other containers intended for use or designed for use in packaging small quantities of~~ marijuana or~~ controlled substances;

~~10.~~ *9.* Containers and other objects intended for use or designed for use in storing or concealing~~ marijuana or~~ controlled substances;

~~11.~~ *10.* Hypodermic syringes, needles, and other objects intended for use or designed for use in parenterally injecting controlled substances into the human body;

~~12.~~ *11.* Objects intended for use or designed for use in ingesting, inhaling, or otherwise introducing~~ marijuana,~~ cocaine~~, hashish, or hashish oil~~ into the human body, such as:

a. Metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens,~~ hashish heads,~~ or punctured metal bowls;

b. Water pipes;

c. Carburetion tubes and devices;

d. Smoking and carburetion masks;

e. Roach clips, meaning objects used to hold burning material~~, such as a marijuana cigarette~~, that has become too small or too short to be held in the hand;

f. Miniature cocaine spoons, and cocaine vials;

g. Chamber pipes;

h. Carburetor pipes;

i. Electric pipes;

j. Air-driven pipes;

k. Chillums;

l. Bongs;

m. Ice pipes or chillers.

§ 18.2-265.2. Evidence to be considered in cases under this article.

In determining whether an object is drug paraphernalia, the court may consider, in addition to all other relevant evidence, the following:

1. Constitutionally admissible statements by the accused concerning the use of the object;

2. The proximity of the object to ~~marijuana or~~ controlled substances, which proximity is actually known to the accused;

3. Instructions, oral or written, provided with the object concerning its use;

4. Descriptive materials accompanying the object ~~which~~ *that* explain or depict its use;

5. National and local advertising within the actual knowledge of the accused concerning its use;

6. The manner in which the object is displayed for sale;

7. Whether the accused is a legitimate supplier of like or related items to the community, such as a licensed distributor or dealer of tobacco products;

8. Evidence of the ratio of sales of the objects defined in § 18.2-265.1 to the total sales of the business enterprise;

9. The existence and scope of legitimate uses for the object in the community;

10. Expert testimony concerning its use or the purpose for which it was designed; *and*

11. Relevant evidence of the intent of the accused to deliver it to persons who he knows, or should reasonably know, intend to use the object with an illegal drug. The innocence of an owner, or of anyone in control of the object, as to a direct violation of this article shall not prevent a finding that the object is intended for use or designed for use as drug paraphernalia.

§ 18.2-265.3. Penalties for sale, etc., of drug paraphernalia.

A. Any person who sells or possesses with intent to sell drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it is either designed for use or intended by such person for use to illegally plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body ~~marijuana or~~ a controlled substance, ~~shall be~~ *is* guilty of a Class 1 misdemeanor.

B. Any person ~~eighteen~~ *18* years of age or older who violates subsection A ~~hereof~~ by selling drug paraphernalia to a minor who is at least three years junior to the accused in age ~~shall be~~ *is* guilty of a Class 6 felony.

C. Any person ~~eighteen~~ *18* years of age or older who distributes drug paraphernalia to a

minor ~~shall be~~ *is* guilty of a Class 1 misdemeanor.

§ 18.2-287.2. Wearing of body armor while committing a crime; penalty.

Any person who, while committing a crime of violence as defined in § 18.2-288 (2) or a felony violation of § 18.2-248 ~~or subdivision (a) 2 or 3 of § 18.2-248.1,~~ has in his possession a firearm or knife and is wearing body armor designed to diminish the effect of the impact of a bullet or projectile ~~shall be~~ *is* guilty of a Class 4 felony.

§ 18.2-308.012. Prohibited conduct.

A. Any person permitted to carry a concealed handgun who is under the influence of alcohol, *marijuana,* or illegal drugs while carrying such handgun in a public place is guilty of a Class 1 misdemeanor. Conviction of any of the following offenses shall be prima facie evidence, subject to rebuttal, that the person is "under the influence" for purposes of this section: manslaughter in violation of § 18.2-36.1, maiming in violation of § 18.2-51.4, driving while intoxicated in violation of § 18.2-266, public intoxication in violation of § 18.2-388, or driving while intoxicated in violation of § 46.2-341.24. Upon such conviction that court shall revoke the person's permit for a concealed handgun and promptly notify the issuing circuit court. A person convicted of a violation of this subsection shall be ineligible to apply for a concealed handgun permit for a period of five years.

B. No person who carries a concealed handgun onto the premises of any restaurant or club as defined in § 4.1-100 for which a license to sell and serve alcoholic beverages for on-premises consumption has been granted by the Virginia Alcoholic Beverage Control Authority under Title 4.1 may consume an alcoholic beverage while on the premises. A person who carries a concealed handgun onto the premises of such a restaurant or club and consumes alcoholic beverages is guilty of a Class 2 misdemeanor. However, nothing in this subsection shall apply to a federal, state, or local law-enforcement officer.

§ 18.2-308.4. Possession of firearms while in possession of certain substances.

A. It ~~shall be~~ *is* unlawful for any person unlawfully in possession of a controlled substance classified in Schedule I or II of the Drug Control Act (§ 54.1-3400 et seq.) of Title 54.1 to simultaneously with knowledge and intent possess any firearm. A violation of this subsection is a Class 6 felony and constitutes a separate and distinct felony.

B. It ~~shall be~~ *is* unlawful for any person unlawfully in possession of a controlled substance classified in Schedule I or II of the Drug Control Act (§ 54.1-3400 et seq.) to simultaneously with knowledge and intent possess any firearm on or about his person. A violation of this subsection is a Class 6 felony and constitutes a separate and distinct felony and any person convicted hereunder shall be sentenced to a mandatory minimum term of imprisonment of two years. Such punishment shall be separate and apart from, and shall be made to run consecutively with, any punishment received for the commission of the primary felony.

C. It ~~shall be~~ *is* unlawful for any person to possess, use, or attempt to use any pistol, shotgun, rifle, or other firearm or display such weapon in a threatening manner while

committing or attempting to commit the illegal manufacture, sale, distribution, or the possession with the intent to manufacture, sell, or distribute a controlled substance classified in Schedule I or Schedule II of the Drug Control Act (§ 54.1-3400 et seq.) ~~or more than one pound of marijuana~~. A violation of this subsection is a Class 6 felony, and constitutes a separate and distinct felony and any person convicted hereunder shall be sentenced to a mandatory minimum term of imprisonment of five years. Such punishment shall be separate and apart from, and shall be made to run consecutively with, any punishment received for the commission of the primary felony.

§ 18.2-371.2. Prohibiting purchase or possession of retail tobacco products and hemp products intended for smoking by a person under 21 years of age or sale of retail tobacco products and hemp products intended for smoking to persons under 21 years of age; civil penalties.

A. No person shall sell to, distribute to, purchase for, or knowingly permit the purchase by any person younger than 21 years of age, knowing or having reason to believe that such person is younger than 21 years of age, any retail tobacco product or hemp product intended for smoking.

No person shall sell retail tobacco products or hemp products intended for smoking from a vending machine.

B. No person shall sell a retail tobacco product or hemp product intended for smoking to any individual who does not demonstrate, by producing a driver's license or similar photo identification issued by a government agency, that the individual is at least 21 years of age.

Before a retail dealer may sell retail tobacco products, other than cigar and pipe tobacco products as defined in § 58.1-1021.01, to any consumer, the person selling, offering for sale, giving, or furnishing the retail tobacco products shall verify that the consumer is of legal age by examining from any person who appears to be under 30 years of age a government-issued photographic identification that establishes that the person is of legal age or, if required pursuant to subdivision C 4 b of § 58.1-1021.04:1 or subdivision B 2 b of § 59.1-293.12, verifying the identification presented using identification fraud detection software, technology, or a scanner that confirms the authenticity of such identification.

This subsection shall not apply to mail order or Internet sales, provided that the person offering the retail tobacco product or hemp product intended for smoking for sale through mail order or the Internet (i) prior to the sale of the retail tobacco product or hemp product intended for smoking verifies that the purchaser is at least 21 years of age through a commercially available database that is regularly used by businesses or governmental entities for the purpose of age and identity verification and (ii) uses a method of mailing, shipping, or delivery that requires the signature of a person at least 21 years of age before the retail tobacco product or hemp product intended for smoking will be released to the purchaser.

C. A violation of subsection A or B by an individual or by a separate retail establishment is

punishable by a civil penalty in the amount of $500 for a first violation and a civil penalty in the amount of $2,500 for a second or subsequent violation within a three-year period. If applicable, upon a second or subsequent violation within a three-year period, the Department of Taxation may suspend or revoke any approved license, permit, or registration issued pursuant to subsection C of § 58.1-1021.04:1.

For any violation of this section by an employee of a retail establishment, (i) such penalty shall be assessed against the establishment and (ii) an additional penalty of $100 shall be assessed against the employee.

Any attorney for the Commonwealth of the county or city in which an alleged violation occurred may bring an action to recover the civil penalty, which shall be paid into the state treasury. Any law-enforcement officer may issue a summons for a violation of subsection A or B.

D. 1. Cigarettes and hemp products intended for smoking shall be sold only in sealed packages provided by the manufacturer, with the required health warning. The proprietor of every retail establishment that offers for sale any retail tobacco product or hemp product intended for smoking shall post in a conspicuous manner and place a sign or signs indicating that the sale of retail tobacco products or hemp products intended for smoking to any person under 21 years of age is prohibited by law. Any attorney for the county, city, or town in which an alleged violation of this subsection occurred may enforce this subsection by civil action to recover a civil penalty not to exceed $500. The civil penalty shall be paid into the local treasury. No filing fee or other fee or cost shall be charged to the county, city, or town which instituted the action.

2. For the purpose of compliance with regulations of the Substance Abuse and Mental Health Services Administration published at 61 Federal Register 1492, the Department of Agriculture and Consumer Services may promulgate regulations which allow the Department to undertake the activities necessary to comply with such regulations.

3. Any attorney for the county, city, or town in which an alleged violation of this subsection occurred may enforce this subsection by civil action to recover a civil penalty not to exceed $500. The civil penalty shall be paid into the local treasury. No filing fee or other fee or cost shall be charged to the county, city, or town which instituted the action.

E. Nothing in this section shall be construed to create a private cause of action.

F. Agents of the Virginia Alcoholic Beverage Control Authority designated pursuant to § 4.1-105 may issue a summons for any violation of this section. Additionally, any retailer selling retail tobacco products shall be subject to the enforcement and compliance provisions of Chapter 23.2 (§ 59.1-293.10 et seq.) of Title 59.1.

G. As used in this section:

"Electronic smoking device" means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including an e-cigarette, e-

cigar, e-pipe, vape pen, or e-hookah. "Electronic smoking device" includes any component, part, or accessory of the device, whether or not sold separately, and also includes any substance intended to be aerosolized or vaporized during the use of the device, whether or not the substance contains nicotine. "Electronic smoking device" does not include any (i) battery or battery charger when sold separately or (ii) device used for heated tobacco products. "Electronic smoking device" does not include drugs or devices, as such terms are defined in 21 U.S.C. § 321, or combination products, as such term is used in 21 U.S.C. § 353, if such drugs, devices, or combination products are authorized for sale by the U.S. Food and Drug Administration.

"Hemp product" and "hemp product intended for smoking" mean the same as those terms are defined in § ~~3.2-4112~~ *4.1-600*.

"Retail tobacco product" means (i) any product containing, made of, or derived from tobacco or that contains nicotine that is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, dissolved, inhaled, absorbed, or ingested by other means, including a cigarette, a heated tobacco product, a cigar, pipe tobacco, chewing tobacco, snuff, or snus; (ii) any electronic smoking device and any substances that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine; and (iii) any component, part, or accessory of a product described in clause (i) or (ii), whether or not such component, part, or accessory contains tobacco or nicotine, including filters, rolling papers, blunt or hemp wraps, and pipes. "Retail tobacco product" includes any nicotine vapor product as that term is defined in § 58.1-1021.01. "Retail tobacco product" does not include drugs or devices, as such terms are defined in 21 U.S.C. § 321, or combination products, as such term is used in 21 U.S.C. § 353, if such drugs, devices, or combination products are authorized for sale by the U.S. Food and Drug Administration.

"Wrappings" includes materials made or sold for covering or rolling tobacco or other materials for smoking in a manner similar to a cigarette or cigar.

§ 18.2-460. Obstructing justice; resisting arrest; fleeing from a law-enforcement officer; penalties.

A. If any person without just cause knowingly obstructs a judge, magistrate, justice, juror, attorney for the Commonwealth, witness, any law-enforcement officer, or animal control officer employed pursuant to § 3.2-6555 in the performance of his duties as such or fails or refuses without just cause to cease such obstruction when requested to do so by such judge, magistrate, justice, juror, attorney for the Commonwealth, witness, law-enforcement officer, or animal control officer employed pursuant to § 3.2-6555, he is guilty of a Class 1 misdemeanor.

B. Except as provided in subsection C, any person who, by threats or force, knowingly attempts to intimidate or impede a judge, magistrate, justice, juror, attorney for the Commonwealth, witness, any law-enforcement officer, or an animal control officer employed pursuant to § 3.2-6555 lawfully engaged in his duties as such, or to obstruct or impede the administration of justice in any court, is guilty of a Class 1 misdemeanor.

C. If any person by threats of bodily harm or force knowingly attempts to intimidate or impede a judge, magistrate, justice, juror, attorney for the Commonwealth, witness, ~~any~~ *or* law-enforcement officer, lawfully engaged in the discharge of his duty, or to obstruct or impede the administration of justice in any court relating to a violation of or conspiracy to violate § 18.2-248 ~~or subdivision (a)(3), (b) or (c) of § 18.2-248.1, or §~~, 18.2-46.2, or ~~§~~ 18.2-46.3, or relating to the violation of or conspiracy to violate any violent felony offense listed in subsection C of § 17.1-805, he is guilty of a Class 5 felony.

D. Any person who knowingly and willfully makes any materially false statement or representation to a law-enforcement officer or an animal control officer employed pursuant to § 3.2-6555 who is in the course of conducting an investigation of a crime by another is guilty of a Class 1 misdemeanor.

E. Any person who intentionally prevents or attempts to prevent a law-enforcement officer from lawfully arresting him, with or without a warrant, is guilty of a Class 1 misdemeanor. For purposes of this subsection, intentionally preventing or attempting to prevent a lawful arrest means fleeing from a law-enforcement officer when (i) the officer applies physical force to the person, or (ii) the officer communicates to the person that he is under arrest and (a) the officer has the legal authority and the immediate physical ability to place the person under arrest, and (b) a reasonable person who receives such communication knows or should know that he is not free to leave.

§ 18.2-474.1. Delivery of drugs, firearms, explosives, etc., to prisoners or committed persons.

Notwithstanding the provisions of § 18.2-474, any person who shall willfully in any manner deliver, attempt to deliver, or conspire with another to deliver to any prisoner confined under authority of the Commonwealth of Virginia, or of any political subdivision thereof, or to any person committed to the Department of Juvenile Justice in any juvenile correctional center, any drug ~~which~~ *that* is a controlled substance regulated by the Drug Control Act ~~in Chapter 34~~ (§ 54.1-3400 et seq.) ~~of Title 54.1 or marijuana~~ is guilty of a Class 5 felony. Any person who shall willfully in any manner so deliver or attempt to deliver or conspire to deliver to any such prisoner or confined or committed person, firearms, ammunitions, or explosives of any nature is guilty of a Class 3 felony.

Nothing herein contained shall be construed to repeal or amend § 18.2-473.

§ 19.2-66. When Attorney General or Chief Deputy Attorney General may apply for order authorizing interception of communications.

A. The Attorney General or Chief Deputy Attorney General, if the Attorney General so designates in writing, in any case where the Attorney General is authorized by law to prosecute or pursuant to a request in his official capacity of an attorney for the Commonwealth in any city or county, may apply to a judge of competent jurisdiction for an order authorizing the interception of wire, electronic or oral communications by the Department of State Police, when such interception may reasonably be expected to provide

evidence of the commission of a felonious offense of extortion, bribery, kidnapping, murder, any felony violation of § 18.2-248~~ or 18.2-248.1~~, any felony violation of Chapter 29 (§ 59.1-364 et seq.) of Title 59.1, any felony violation of Article 2 (§ 18.2-38 et seq.), Article 2.1 (§ 18.2-46.1 et seq.), Article 2.2 (§ 18.2-46.4 et seq.), Article 5 (§ 18.2-58 et seq.), Article 6 (§ 18.2-59 et seq.) or any felonies that are not Class 6 felonies in Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2, or any conspiracy to commit any of the foregoing offenses. The Attorney General or Chief Deputy Attorney General may apply for authorization for the observation or monitoring of the interception by a police department of a county or city, by a sheriff's office, or by law-enforcement officers of the United States. Such application shall be made, and such order may be granted, in conformity with the provisions of § 19.2-68.

B. The application for an order under subsection B of § 19.2-68 shall be made as follows:

1. In the case of an application for a wire or electronic interception, a judge of competent jurisdiction shall have the authority to issue an order under subsection B of § 19.2-68 if there is probable cause to believe that an offense was committed, is being committed, or will be committed or the person or persons whose communications are to be intercepted live, work, subscribe to a wire or electronic communication system, maintain an address or a post office box, or are making the communication within the territorial jurisdiction of the court.

2. In the case of an application for an oral intercept, a judge of competent jurisdiction shall have the authority to issue an order under subsection B of § 19.2-68 if there is probable cause to believe that an offense was committed, is being committed, or will be committed or the physical location of the oral communication to be intercepted is within the territorial jurisdiction of the court.

C. For the purposes of an order entered pursuant to subsection B of § 19.2-68 for the interception of a wire or electronic communication, such communication shall be deemed to be intercepted in the jurisdiction where the order is entered, regardless of the physical location or the method by which the communication is captured or routed to the monitoring location.

§ 19.2-81. Arrest without warrant authorized in certain cases.

A. The following officers shall have the powers of arrest as provided in this section:

1. Members of the State Police force of the Commonwealth;

2. Sheriffs of the various counties and cities, and their deputies;

3. Members of any county police force or any duly constituted police force of any city or town of the Commonwealth;

4. The Commissioner, members and employees of the Marine Resources Commission granted the power of arrest pursuant to § 28.2-900;

5. Regular conservation police officers appointed pursuant to § 29.1-200;

6. United States Coast Guard and United States Coast Guard Reserve commissioned,

warrant, and petty officers authorized under § 29.1-205 to make arrests;

7. Conservation officers appointed pursuant to § 10.1-115;

8. Full-time sworn members of the enforcement division of the Department of Motor Vehicles appointed pursuant to § 46.2-217;

9. Special agents of the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority*;

10. Campus police officers appointed under Article 3 (§ 23.1-809 et seq.) of Chapter 8 of Title 23.1; and

11. Members of the Division of Capitol Police.

B. Such officers may arrest without a warrant any person who commits any crime in the presence of the officer and any person whom he has reasonable grounds or probable cause to suspect of having committed a felony not in his presence.

Such officers may arrest without a warrant any person whom the officer has probable cause to suspect of operating any watercraft or motorboat while (i) intoxicated in violation of subsection B of § 29.1-738 or a substantially similar ordinance of any county, city, or town in the Commonwealth or (ii) in violation of an order issued pursuant to § 29.1-738.4 and may thereafter transfer custody of the person arrested to another officer, who may obtain a warrant based upon statements made to him by the arresting officer.

C. Any such officer may, at the scene of any accident involving a motor vehicle, watercraft as defined in § 29.1-733.2 or motorboat, or at any hospital or medical facility to which any person involved in such accident has been transported, or in the apprehension of any person charged with the theft of any motor vehicle, on any of the highways or waters of the Commonwealth, upon reasonable grounds to believe, based upon personal investigation, including information obtained from eyewitnesses, that a crime has been committed by any person then and there present, apprehend such person without a warrant of arrest. For purposes of this section, "the scene of any accident" shall include a reasonable location where a vehicle or person involved in an accident has been moved at the direction of a law-enforcement officer to facilitate the clearing of the highway or to ensure the safety of the motoring public.

D. Such officers may, within three hours of the alleged offense, arrest without a warrant at any location any person whom the officer has probable cause to suspect of driving or operating a motor vehicle, watercraft or motorboat while intoxicated in violation of § 18.2-266, 18.2-266.1, 46.2-341.24, or subsection B of § 29.1-738; or a substantially similar ordinance of any county, city, or town in the Commonwealth, whether or not the offense was committed in such officer's presence. Such officers may, within three hours of the alleged offense, arrest without a warrant at any location any person whom the officer has probable cause to suspect of operating a watercraft or motorboat in violation of an order issued pursuant to § 29.1-738.4, whether or not the offense was committed in such officer's

presence.

E. Such officers may arrest, without a warrant or a capias, persons duly charged with a crime in another jurisdiction upon receipt of a photocopy of a warrant or a capias, telegram, computer printout, facsimile printout, a radio, telephone or teletype message, in which photocopy of a warrant, telegram, computer printout, facsimile printout, radio, telephone or teletype message shall be given the name or a reasonably accurate description of such person wanted and the crime alleged.

F. Such officers may arrest, without a warrant or a capias, for an alleged misdemeanor not committed in his presence when the officer receives a radio message from his department or other law-enforcement agency within the Commonwealth that a warrant or capias for such offense is on file.

G. Such officers may also arrest without a warrant for an alleged misdemeanor not committed in their presence involving (i) shoplifting in violation of § 18.2-96 or 18.2-103 or a similar local ordinance, (ii) carrying a weapon on school property in violation of § 18.2-308.1, (iii) assault and battery, (iv) brandishing a firearm in violation of § 18.2-282, or (v) destruction of property in violation of § 18.2-137, when such property is located on premises used for business or commercial purposes, or a similar local ordinance, when any such arrest is based on probable cause upon reasonable complaint of the person who observed the alleged offense. The arresting officer may issue a summons to any person arrested under this section for a misdemeanor violation involving shoplifting.

§ 19.2-81.1. Arrest without warrant by correctional officers in certain cases.

Any correctional officer, as defined in § 53.1-1, may arrest, in the same manner as provided in § 19.2-81, persons for crimes involving:

~~(a)~~ *1.* The escape of an inmate from a correctional institution, as defined in § 53.1-1;

~~(b)~~ *2.* Assisting an inmate to escape from a correctional institution, as defined in § 53.1-1;

~~(c)~~ *3.* The delivery of contraband to an inmate in violation of § *4.1-1117,* 18.2-474, or ~~§~~ 18.2-474.1; and

~~(d)~~ *4.* Any other criminal offense ~~which~~ *that* may contribute to the disruption of the safety, welfare, or security of the population of a correctional institution.

§ 19.2-83.1. Report of arrest of school employees and adult students for certain offenses.

A. Every state official or agency and every sheriff, police officer, or other local law-enforcement officer or conservator of the peace having the power to arrest for a felony, upon arresting a person who is known or discovered by the arresting official to be a full-time, part-time, permanent, or temporary teacher or any other employee in any local school division in the Commonwealth for a felony or a Class 1 misdemeanor or an equivalent offense in another state, shall file a report of such arrest with the division safety official

designated pursuant to subsection F of § 22.1-279.8 in the school division in which such person is employed as soon as practicable but no later than 48 hours after such arrest. The contents of the report required pursuant to this subsection shall be utilized by the local school division solely to implement the provisions of subsection B of § 22.1-296.2 and § 22.1-315.

B. The report required pursuant to subsection A shall be transmitted to the division safety official (i) via certified mail, return receipt requested, to the mailing address identified by the division superintendent pursuant to subsection F of § 22.1-279.8 or (ii) via email to the email address identified by the division superintendent pursuant to subsection F of § 22.1-279.8. Any certified mail return receipt shall be retained in the case file.

C. (Expires July 1, 2027) In the event that the law-enforcement agency has existing access to Virginia Employment Commission records, each arresting official shall request in writing that the Virginia Employment Commission provide the name of the current employer of each person arrested for an offense set forth in § 9.1-902 for purposes of determining whether a report is required pursuant to subsection A.

D. Every state official or agency and every sheriff, police officer, or other local law-enforcement officer or conservator of the peace having the power to arrest for a felony shall file a report, as soon as practicable, with the division superintendent of the school division in which the student is enrolled upon arresting a person who is known or discovered by the arresting official to be a student age 18 or older in any local school division in the Commonwealth for:

1. A firearm offense pursuant to Article 4 (§ 18.2-279 et seq.), 5 (§ 18.2-288 et seq.), 6 (§ 18.2-299 et seq.), 6.1 (§ 18.2-307.1 et seq.), or 7 (§ 18.2-308.1 et seq.) of Chapter 7 of Title 18.2;

2. Homicide, pursuant to Article 1 (§ 18.2-30 et seq.) of Chapter 4 of Title 18.2;

3. Felonious assault and bodily wounding, pursuant to Article 4 (§ 18.2-51 et seq.) of Chapter 4 of Title 18.2;

4. Criminal sexual assault, pursuant to Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2;

5. Manufacture, sale, gift, distribution or possession of Schedule I or II controlled substances, pursuant to Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2;

6. Manufacture, sale or distribution of marijuana pursuant to ~~Article 1~~ *Chapter 11* (§ ~~18.2-247~~ *4.1-1100* et seq.) ~~of Chapter 7~~ of Title ~~18.2~~ *4.1*;

7. Arson and related crimes, pursuant to Article 1 (§ 18.2-77 et seq.) of Chapter 5 of Title 18.2;

8. Burglary and related offenses, pursuant to §§ 18.2-89 through 18.2-93;

9. Robbery pursuant to § 18.2-58;

10. Prohibited criminal street gang activity pursuant to § 18.2-46.2;

11. Recruitment of juveniles for criminal street gang pursuant to § 18.2-46.3;

12. An act of violence by a mob pursuant to § 18.2-42.1; or

13. Abduction of any person pursuant to § 18.2-47 or 18.2-48.

§ 19.2-188.1. Testimony regarding identification of controlled substances.

A. In any preliminary hearing on a violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1, Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2, or subdivision 6 of § 53.1-203, any law-enforcement officer shall be permitted to testify as to the results of field tests that have been approved by the Department of Forensic Science pursuant to regulations adopted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), regarding whether or not any substance the identity of which is at issue in such hearing is a controlled substance; *or* imitation controlled substance, *as defined in § 18.2-247*, or marijuana, as defined in § ~~18.2-247~~ *4.1-600*.

B. In any trial for a violation of §~~4.1-1105.1~~ *4.1-1104 or 4.1-1105*, any law-enforcement officer shall be permitted to testify as to the results of any marijuana field test approved as accurate and reliable by the Department of Forensic Science pursuant to regulations adopted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), regarding whether or not any plant material, the identity of which is at issue, is marijuana provided the defendant has been given written notice of his right to request a full chemical analysis. Such notice shall be on a form approved by the Supreme Court and shall be provided to the defendant prior to trial.

In any case in which the person accused of a violation of §~~4.1-1105.1~~ *4.1-1104 or 4.1-1105*, or the attorney of record for the accused, desires a full chemical analysis of the alleged plant material, he may, by motion prior to trial before the court in which the charge is pending, request such a chemical analysis. Upon such motion, the court shall order that the analysis be performed by the Department of Forensic Science in accordance with the provisions of § ~~18.2-247~~ *9.1-1101* and shall prescribe in its order the method of custody, transfer, and return of evidence submitted for chemical analysis.

§ 19.2-303.01. Reduction of sentence; substantial assistance to prosecution.

Notwithstanding any other provision of law or rule of court, upon motion of the attorney for the Commonwealth, the sentencing court may reduce the defendant's sentence if the defendant, after entry of the final judgment order, provided substantial assistance in investigating or prosecuting another person for (i) an act of violence as defined in § 19.2-297.1, an act of larceny of a firearm in violation of § 18.2-95, or any violation of § 18.2-248, 18.2-248.01, 18.2-248.02, 18.2-248.03,~~ 18.2-248.1,~~ 18.2-248.5, 18.2-251.2, 18.2-251.3, 18.2-255, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, or 18.2-258.2, or any substantially similar offense in any other jurisdiction, which offense would be a felony if committed in the Commonwealth; (ii) a conspiracy to commit any of the offenses listed in clause (i); or

(iii) violations as a principal in the second degree or accessory before the fact of any of the offenses listed in clause (i). In determining whether the defendant has provided substantial assistance pursuant to the provisions of this section, the court shall consider (a) the court's evaluation of the significance and usefulness of the defendant's assistance, taking into consideration the Commonwealth's evaluation of the assistance rendered; (b) the truthfulness, completeness, and reliability of any information or testimony provided by the defendant; (c) the nature and extent of the defendant's assistance; (d) any injury suffered or any danger or risk of injury to the defendant or his family resulting from his assistance; and (e) the timeliness of the defendant's assistance. If the motion is made more than one year after entry of the final judgment order, the court may reduce a sentence only if the defendant's substantial assistance involved (1) information not known to the defendant until more than one year after entry of the final judgment order, (2) information provided by the defendant within one year of entry of the final judgment order but that did not become useful to the Commonwealth until more than one year after entry of the final judgment order, or (3) information the usefulness of which could not reasonably have been anticipated by the defendant until more than one year after entry of the final judgment order and which was promptly provided to the Commonwealth by the defendant after its usefulness was reasonably apparent.

§ 19.2-386.22. Seizure of property used in connection with or derived from illegal drug transactions.

A. The following property shall be subject to lawful seizure by any officer charged with enforcing the provisions of *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2: (i) all money, medical equipment, office equipment, laboratory equipment, motor vehicles, and all other personal and real property of any kind or character, used in substantial connection with (a) the illegal manufacture, sale or distribution of controlled substances or possession with intent to sell or distribute controlled substances in violation of § 18.2-248, (b) the sale or distribution of marijuana ~~or possession with intent to distribute marijuana~~ in violation of ~~subdivisions (a)(2), (a)(3) and (c) of § 18.2-248.1~~ *§ 4.1-1103*, or (c) a drug-related offense in violation of § *4.1-1117 or* 18.2-474.1; (ii) everything of value furnished, or intended to be furnished, in exchange for a controlled substance in violation of § 18.2-248 or for marijuana in violation of § ~~18.2-248.1~~ *4.1-1103* or for a controlled substance or marijuana in violation of § *4.1-1117 or* 18.2-474.1; and (iii) all moneys or other property, real or personal, traceable to such an exchange, together with any interest or profits derived from the investment of such money or other property. Under the provisions of clause (i), real property shall not be subject to lawful seizure unless the minimum prescribed punishment for the violation is a term of not less than five years.

B. All seizures and forfeitures under this section shall be governed by the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.).

§ 19.2-386.23. Disposal of seized controlled substances, marijuana, and paraphernalia.

A. All controlled substances, imitation controlled substances, marijuana, or paraphernalia,

the lawful possession of which is not established or the title to which cannot be ascertained, which have come into the custody of a peace officer or have been seized in connection with violations of *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2, shall be forfeited and disposed of as follows:

1. Upon written application by (i) the Department of Forensic Science, (ii) the Department of State Police, or (iii) any police department or sheriff's office in a locality, the court may order the forfeiture of any such substance or paraphernalia to the Department of Forensic Science, the Department of State Police, or to such police department or sheriff's office for research and training purposes and for destruction pursuant to regulations of the United States Department of Justice Drug Enforcement Administration and of the Board of Pharmacy once these purposes have been fulfilled.

2. In the event no application is made under subdivision 1, the court shall order the destruction of all such substances or paraphernalia, which order shall state the existence and nature of the substance or paraphernalia, the quantity thereof, the location where seized, the person or persons from whom the substance or paraphernalia was seized, if known, and the manner whereby such item shall be destroyed. However, the court may order that paraphernalia identified in subdivision 5 of § 18.2-265.1 not be destroyed and that it be given to a person or entity that makes a showing to the court of sufficient need for the property and an ability to put the property to a lawful and publicly beneficial use. A return under oath, reporting the time, place and manner of destruction shall be made to the court by the officer to whom the order is directed. A copy of the order and affidavit shall be made a part of the record of any criminal prosecution in which the substance or paraphernalia was used as evidence and shall, thereafter, be prima facie evidence of its contents. In the event a law-enforcement agency recovers, seizes, finds, is given or otherwise comes into possession of any such substances or paraphernalia that are not evidence in a trial in the Commonwealth, the chief law-enforcement officer of the agency or his designee may, with the written consent of the appropriate attorney for the Commonwealth, order destruction of same; provided that a statement under oath, reporting a description of the substances and paraphernalia destroyed and the time, place and manner of destruction, is made to the chief law-enforcement officer by the officer to whom the order is directed.

B. No such substance or paraphernalia used or to be used in a criminal prosecution under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2 shall be disposed of as provided by this section until all rights of appeal have been exhausted, except as provided in § 19.2-386.24.

C. The amount of any specific controlled substance, or imitation controlled substance, retained by any law-enforcement agency pursuant to a court order issued under this section shall not exceed five pounds, or 25 pounds in the case of marijuana. Any written application to the court for controlled substances, imitation controlled substances, or marijuana, shall certify that the amount requested shall not result in the requesting agency's exceeding the limits allowed by this subsection.

D. A law-enforcement agency that retains any controlled substance, imitation controlled substance, or marijuana, pursuant to a court order issued under this section shall (i) be required to conduct an inventory of such substance on a monthly basis, which shall include a description and weight of the substance, and (ii) destroy such substance pursuant to subdivision A 1 when no longer needed for research and training purposes. A written report outlining the details of the inventory shall be made to the chief law-enforcement officer of the agency within 10 days of the completion of the inventory, and the agency shall detail the substances that were used for research and training pursuant to a court order in the immediately preceding fiscal year. Destruction of such substance shall be certified to the court along with a statement prepared under oath, reporting a description of the substance destroyed, and the time, place, and manner of destruction.

§ 19.2-386.24. Destruction of seized controlled substances or marijuana prior to trial.

Where seizures of controlled substances or marijuana are made in excess of 10 pounds in connection with any prosecution or investigation under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2, the appropriate law-enforcement agency may retain 10 pounds of the substance randomly selected from the seized substance for representative purposes as evidence and destroy the remainder of the seized substance.

Before any destruction is carried out under this section, the law-enforcement agency shall cause the material seized to be photographed with identification case numbers or other means of identification and shall prepare a report identifying the seized material. It shall also notify the accused, or other interested party, if known, or his attorney, at least five days in advance that the photography will take place and that they may be present. Prior to any destruction under this section, the law-enforcement agency shall also notify the accused or other interested party, if known, and his attorney at least seven days prior to the destruction of the time and place the destruction will occur. Any notice required under the provisions of this section shall be by first-class mail to the last known address of the person required to be notified. In addition to the substance retained for representative purposes as evidence, all photographs and records made under this section and properly identified shall be admissible in any court proceeding for any purposes for which the seized substance itself would have been admissible.

§ 19.2-386.25. Judge may order law-enforcement agency to maintain custody of controlled substances, etc.

Upon request of the clerk of any court, a judge of the court may order a law-enforcement agency to take into its custody or to maintain custody of substantial quantities of any controlled substances, imitation controlled substances, chemicals, marijuana, or paraphernalia used or to be used in a criminal prosecution under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2. The court in its order may make provision for ensuring integrity of these items until further order of the court.

§ 19.2-389. (Effective until July 1, 2026) Dissemination of criminal history record

information.

A. Criminal history record information shall be disseminated, whether directly or through an intermediary, only to:

1. Authorized officers or employees of criminal justice agencies, as defined by § 9.1-101, for purposes of the administration of criminal justice and the screening of an employment application or review of employment by a criminal justice agency with respect to its own employees or applicants, and dissemination to the Virginia Parole Board, pursuant to this subdivision, of such information on all state-responsible inmates for the purpose of making parole determinations pursuant to subdivisions 1, 2, 3, 4, and 6 of § 53.1-136 shall include collective dissemination by electronic means every 30 days. For purposes of this subdivision, criminal history record information includes information sent to the Central Criminal Records Exchange pursuant to §§ 37.2-819 and 64.2-2014 when disseminated to any full-time or part-time employee of the State Police, a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection of crime and the enforcement of the penal, traffic or highway laws of the Commonwealth for the purposes of the administration of criminal justice;

2. Such other individuals and agencies that require criminal history record information to implement a state or federal statute or executive order of the President of the United States or Governor that expressly refers to criminal conduct and contains requirements or exclusions expressly based upon such conduct, except that information concerning the arrest of an individual may not be disseminated to a noncriminal justice agency or individual if an interval of one year has elapsed from the date of the arrest and no disposition of the charge has been recorded and no active prosecution of the charge is pending;

3. Individuals and agencies pursuant to a specific agreement with a criminal justice agency to provide services required for the administration of criminal justice pursuant to that agreement which shall specifically authorize access to data, limit the use of data to purposes for which given, and ensure the security and confidentiality of the data;

4. Individuals and agencies for the express purpose of research, evaluative, or statistical activities pursuant to an agreement with a criminal justice agency that shall specifically authorize access to data, limit the use of data to research, evaluative, or statistical purposes, and ensure the confidentiality and security of the data;

5. Agencies of state or federal government that are authorized by state or federal statute or executive order of the President of the United States or Governor to conduct investigations determining employment suitability or eligibility for security clearances allowing access to classified information;

6. Individuals and agencies where authorized by court order or court rule;

7. Agencies of any political subdivision of the Commonwealth, public transportation companies owned, operated or controlled by any political subdivision, and any public

service corporation that operates a public transit system owned by a local government for the conduct of investigations of applicants for employment, permit, or license whenever, in the interest of public welfare or safety, it is necessary to determine under a duly enacted ordinance if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment, permit, or license under consideration;

7a. Commissions created pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.)~~ of Title 33.2~~ and their contractors, for the conduct of investigations of individuals who have been offered a position of employment whenever, in the interest of public welfare or safety and as authorized in the Transportation District Act of 1964, it is necessary to determine if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment under consideration;

8. Public or private agencies when authorized or required by federal or state law or interstate compact to investigate (i) applicants for foster or adoptive parenthood or (ii) any individual, and the adult members of that individual's household, with whom the agency is considering placing a child or from whom the agency is considering removing a child due to abuse or neglect, on an emergency, temporary, or permanent basis pursuant to §§ 63.2-901.1 and 63.2-1505, subject to the restriction that the data shall not be further disseminated to any party other than a federal or state authority or court as may be required to comply with an express requirement of law;

9. To the extent permitted by federal law or regulation, public service companies as defined in § 56-1, for the conduct of investigations of applicants for employment when such employment involves personal contact with the public or when past criminal conduct of an applicant would be incompatible with the nature of the employment under consideration;

10. The appropriate authority for purposes of granting citizenship and for purposes of international travel, including, but not limited to, issuing visas and passports;

11. A person requesting a copy of his own criminal history record information as defined in § 9.1-101 at his cost, except that criminal history record information shall be supplied at no charge to a person who has applied to be a volunteer with (i) a Virginia affiliate of Big Brothers/Big Sisters of America; (ii) a volunteer fire company; (iii) the Volunteer Emergency Families for Children; (iv) any affiliate of Prevent Child Abuse, Virginia; (v) any Virginia affiliate of Compeer; or (vi) any board member or any individual who has been offered membership on the board of a Crime Stoppers, Crime Solvers or Crime Line program as defined in § 15.2-1713.1;

12. Administrators and board presidents of and applicants for licensure or registration as a child welfare agency as defined in § 63.2-100 for dissemination to the Commissioner of Social Services' representative pursuant to § 63.2-1702 for the conduct of investigations with respect to employees of and volunteers at such facilities, caretakers, and foster and adoptive parent applicants of private child-placing agencies, pursuant to §§ 63.2-1719, 63.2-1720, and 63.2-1721, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Commissioner of Social

Services' representative or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Commissioner of Social Services' representative from issuing written certifications regarding the results of a background check that was conducted before July 1, 2021, in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

13. The Department of Social Services for the purpose of screening individuals as a condition of licensure, employment, volunteering, or providing services on a regular basis in a licensed child welfare agency pursuant to §§ 63.2-1721 and 63.2-1726 or foster or adoptive home approved by a child-placing agency pursuant to § 63.2-901.1;

14. The school boards of the Commonwealth for the purpose of screening individuals who are offered or who accept public school employment and those current school board employees for whom a report of arrest has been made pursuant to § 19.2-83.1;

15. The Virginia Lottery for the conduct of investigations as set forth in the Virginia Lottery Law (§ 58.1-4000 et seq.) and casino gaming as set forth in Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and the Department of Agriculture and Consumer Services for the conduct of investigations as set forth in Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2;

16. Licensed nursing homes, hospitals and home care organizations for the conduct of investigations of applicants for compensated employment in licensed nursing homes pursuant to § 32.1-126.01, hospital pharmacies pursuant to § 32.1-126.02, and home care organizations pursuant to § 32.1-162.9:1, subject to the limitations set out in subsection E;

17. Licensed assisted living facilities and licensed adult day centers for the conduct of investigations of applicants for compensated employment in licensed assisted living facilities and licensed adult day centers pursuant to § 63.2-1720, subject to the limitations set out in subsection F;

18. The Virginia Alcoholic Beverage Control Authority for the conduct of investigations as set forth in § 4.1-103.1 *or the Virginia Cannabis Control Authority for the conduct of investigations as set forth in § 4.1-622*;

19. The State Board of Elections and authorized officers and employees thereof and general registrars appointed pursuant to § 24.2-110 in the course of conducting necessary investigations with respect to voter registration, limited to any record of felony convictions;

20. The Commissioner of Behavioral Health and Developmental Services (the Commissioner) or his designees for individuals who are committed to the custody of or being evaluated by the Commissioner pursuant to §§ 19.2-168.1, 19.2-169.1, 19.2-169.2, 19.2-169.5, 19.2-169.6, 19.2-182.2, 19.2-182.3, 19.2-182.8, and 19.2-182.9 where such information may be beneficial for the purpose of placement, evaluation, treatment, or discharge planning;

21. Any alcohol safety action program certified by the Commission on the Virginia Alcohol

Safety Action Program for (i) interventions with first offenders under § 18.2-251 or (ii) services to offenders under § 18.2-51.4, 18.2-266, or 18.2-266.1;

22. Residential facilities for juveniles regulated or operated by the Department of Social Services, the Department of Education, or the Department of Behavioral Health and Developmental Services for the purpose of determining applicants' fitness for employment or for providing volunteer or contractual services;

23. The Department of Behavioral Health and Developmental Services and facilities operated by the Department for the purpose of determining an individual's fitness for employment pursuant to departmental instructions;

24. Pursuant to § 22.1-296.3, the governing boards or administrators of private elementary or secondary schools which are accredited pursuant to § 22.1-19 or a private organization coordinating such records information on behalf of such governing boards or administrators pursuant to a written agreement with the Department of State Police;

25. Public institutions of higher education and nonprofit private institutions of higher education for the purpose of screening individuals who are offered or accept employment;

26. Members of a threat assessment team established by a local school board pursuant to § 22.1-79.4, by a public institution of higher education pursuant to § 23.1-805, or by a private nonprofit institution of higher education, for the purpose of assessing or intervening with an individual whose behavior may present a threat to safety; however, no member of a threat assessment team shall redisclose any criminal history record information obtained pursuant to this section or otherwise use any record of an individual beyond the purpose that such disclosure was made to the threat assessment team;

27. Executive directors of community services boards or the personnel director serving the community services board for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the community services board to serve in a direct care position on behalf of the community services board pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

28. Executive directors of behavioral health authorities as defined in § 37.2-600 for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the behavioral health authority to serve in a direct care position on behalf of the behavioral health authority pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

29. The Commissioner of Social Services for the purpose of locating persons who owe child support or who are alleged in a pending paternity proceeding to be a putative father, provided that only the name, address, demographics and social security number of the data

subject shall be released;

30. Authorized officers or directors of agencies licensed pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 by the Department of Behavioral Health and Developmental Services for the purpose of determining if any applicant who accepts employment in any direct care position or requests approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the provider to serve in a direct care position has been convicted of a crime that affects his fitness to have responsibility for the safety and well-being of individuals with mental illness, intellectual disability, or substance abuse pursuant to §§ 37.2-416, 37.2-416.1, 37.2-506, 37.2-506.1, and 37.2-607;

31. The Commissioner of the Department of Motor Vehicles, for the purpose of evaluating applicants for and holders of a motor carrier certificate or license subject to the provisions of Chapters 20 (§ 46.2-2000 et seq.) and 21 (§ 46.2-2100 et seq.) of Title 46.2;

32. The Chairman of the Senate Committee for Courts of Justice or the Chairman of the House Committee for Courts of Justice for the purpose of determining if any person being considered for election to any judgeship has been convicted of a crime;

33. Heads of state agencies in which positions have been identified as sensitive for the purpose of determining an individual's fitness for employment in positions designated as sensitive under Department of Human Resource Management policies developed pursuant to § 2.2-1201.1;

34. The Office of the Attorney General, for all criminal justice activities otherwise permitted under subdivision A 1 and for purposes of performing duties required by the Civil Commitment of Sexually Violent Predators Act (§ 37.2-900 et seq.);

35. Shipyards, to the extent permitted by federal law or regulation, engaged in the design, construction, overhaul, or repair of nuclear vessels for the United States Navy, including their subsidiary companies, for the conduct of investigations of applications for employment or for access to facilities, by contractors, leased laborers, and other visitors;

36. Any employer of individuals whose employment requires that they enter the homes of others, for the purpose of screening individuals who apply for, are offered, or have accepted such employment;

37. Public agencies when and as required by federal or state law to investigate (i) applicants as providers of adult foster care and home-based services or (ii) any individual with whom the agency is considering placing an adult on an emergency, temporary, or permanent basis pursuant to § 63.2-1601.1, subject to the restriction that the data shall not be further disseminated by the agency to any party other than a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination, subject to limitations set out in subsection G;

38. The Department of Medical Assistance Services, or its designee, for the purpose of screening individuals who, through contracts, subcontracts, or direct employment, volunteer, apply for, are offered, or have accepted a position related to the provision of transportation services to enrollees in the Medicaid Program or the Family Access to Medical Insurance Security (FAMIS) Program, or any other program administered by the Department of Medical Assistance Services;

39. The State Corporation Commission for the purpose of investigating individuals who are current or proposed members, senior officers, directors, and principals of an applicant or person licensed under Chapter 16 (§ 6.2-1600 et seq.), Chapter 19 (§ 6.2-1900 et seq.), or Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2. Notwithstanding any other provision of law, if an application is denied based in whole or in part on information obtained from the Central Criminal Records Exchange pursuant to Chapter 16, 19, or 26 of Title 6.2, the Commissioner of Financial Institutions or his designee may disclose such information to the applicant or its designee;

40. The Department of Professional and Occupational Regulation for the purpose of investigating individuals for initial licensure pursuant to § 54.1-2106.1;

41. The Department for Aging and Rehabilitative Services and the Department for the Blind and Vision Impaired for the purpose of evaluating an individual's fitness for various types of employment and for the purpose of delivering comprehensive vocational rehabilitation services pursuant to Article 11 (§ 51.5-170 et seq.) of Chapter 14 of Title 51.5 that will assist the individual in obtaining employment;

42. Bail bondsmen, in accordance with the provisions of § 19.2-120;

43. The State Treasurer for the purpose of determining whether a person receiving compensation for wrongful incarceration meets the conditions for continued compensation under § 8.01-195.12;

44. The Department of Education or its agents or designees for the purpose of screening individuals seeking to enter into a contract with the Department of Education or its agents or designees for the provision of child care services for which child care subsidy payments may be provided;

45. The Department of Juvenile Justice to investigate any parent, guardian, or other adult members of a juvenile's household when completing a predispositional or postdispositional report required by § 16.1-273 or a Board of Juvenile Justice regulation promulgated pursuant to § 16.1-233;

46. The State Corporation Commission, for the purpose of screening applicants for insurance licensure under Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2;

47. Administrators and board presidents of and applicants for licensure or registration as a child day program or family day system, as such terms are defined in § 22.1-289.02, for dissemination to the Superintendent of Public Instruction's representative pursuant to § 22.1-

289.013 for the conduct of investigations with respect to employees of and volunteers at such facilities pursuant to §§ 22.1-289.034 through 22.1-289.037, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Superintendent of Public Instruction's representative, or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Superintendent of Public Instruction's representative from issuing written certifications regarding the results of prior background checks in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

48. The National Center for Missing and Exploited Children for the purpose of screening individuals who are offered or accept employment or will be providing volunteer or contractual services with the National Center for Missing and Exploited Children;

49. The Executive Director or investigators of the Board of Accountancy for the purpose of the enforcement of laws relating to the Board of Accountancy in accordance with § 54.1-4407; and

50. Other entities as otherwise provided by law.

Upon an ex parte motion of a defendant in a felony case and upon the showing that the records requested may be relevant to such case, the court shall enter an order requiring the Central Criminal Records Exchange to furnish the defendant, as soon as practicable, copies of any records of persons designated in the order on whom a report has been made under the provisions of this chapter.

Notwithstanding any other provision of this chapter to the contrary, upon a written request sworn to before an officer authorized to take acknowledgments, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish a copy of conviction data covering the person named in the request to the person making the request; however, such person on whom the data is being obtained shall consent in writing, under oath, to the making of such request. A person receiving a copy of his own conviction data may utilize or further disseminate that data as he deems appropriate. In the event no conviction data is maintained on the data subject, the person making the request shall be furnished at his cost a certification to that effect.

B. Use of criminal history record information disseminated to noncriminal justice agencies under this section shall be limited to the purposes for which it was given and may not be disseminated further, except as otherwise provided in subdivision A 47.

C. No criminal justice agency or person shall confirm the existence or nonexistence of criminal history record information for employment or licensing inquiries except as provided by law.

D. Criminal justice agencies shall establish procedures to query the Central Criminal Records Exchange prior to dissemination of any criminal history record information on offenses required to be reported to the Central Criminal Records Exchange to ensure that the

most up-to-date disposition data is being used. Inquiries of the Exchange shall be made prior to any dissemination except in those cases where time is of the essence and the normal response time of the Exchange would exceed the necessary time period. A criminal justice agency to whom a request has been made for the dissemination of criminal history record information that is required to be reported to the Central Criminal Records Exchange may direct the inquirer to the Central Criminal Records Exchange for such dissemination. Dissemination of information regarding offenses not required to be reported to the Exchange shall be made by the criminal justice agency maintaining the record as required by § 15.2-1722.

E. Criminal history information provided to licensed nursing homes, hospitals and to home care organizations pursuant to subdivision A 16 shall be limited to the convictions on file with the Exchange for any offense specified in §§ 32.1-126.01, 32.1-126.02, and 32.1-162.9:1.

F. Criminal history information provided to licensed assisted living facilities and licensed adult day centers pursuant to subdivision A 17 shall be limited to the convictions on file with the Exchange for any offense specified in § 63.2-1720.

G. Criminal history information provided to public agencies pursuant to subdivision A 37 shall be limited to the convictions on file with the Exchange for any offense set forth in clause (i) of the definition of barrier crime in § 19.2-392.02.

H. Upon receipt of a written request from an employer or prospective employer, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish at the employer's cost a copy of conviction data covering the person named in the request to the employer or prospective employer making the request, provided that the person on whom the data is being obtained has consented in writing to the making of such request and has presented a photo-identification to the employer or prospective employer. In the event no conviction data is maintained on the person named in the request, the requesting employer or prospective employer shall be furnished at his cost a certification to that effect. The criminal history record search shall be conducted on forms provided by the Exchange.

I. The attorney for the Commonwealth shall provide a physical or electronic copy of a person's criminal history record information, including criminal history record information maintained in the National Crime Information Center (NCIC) and the Interstate Identification Index System (III System) that is in his possession, pursuant to the rules of court for obtaining discovery or for review by the court. No criminal history record information provided under this subsection shall be disseminated further.

§ 19.2-389. (Effective July 1, 2026) Dissemination of criminal history record information.

A. Criminal history record information shall be disseminated, whether directly or through an intermediary, only to:

1. Authorized officers or employees of criminal justice agencies, as defined by § 9.1-101, for purposes of the administration of criminal justice and the screening of an employment application or review of employment by a criminal justice agency with respect to its own employees or applicants, and dissemination to the Virginia Parole Board, pursuant to this subdivision, of such information on all state-responsible inmates for the purpose of making parole determinations pursuant to subdivisions 1, 2, 3, 4, and 6 of § 53.1-136 shall include collective dissemination by electronic means every 30 days. For purposes of this subdivision, criminal history record information includes information sent to the Central Criminal Records Exchange pursuant to §§ 37.2-819 and 64.2-2014 when disseminated to any full-time or part-time employee of the State Police, a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection of crime and the enforcement of the penal, traffic or highway laws of the Commonwealth for the purposes of the administration of criminal justice;

2. Such other individuals and agencies that require criminal history record information to implement a state or federal statute or executive order of the President of the United States or Governor that expressly refers to criminal conduct and contains requirements or exclusions expressly based upon such conduct, except that information concerning the arrest of an individual may not be disseminated to a noncriminal justice agency or individual if an interval of one year has elapsed from the date of the arrest and no disposition of the charge has been recorded and no active prosecution of the charge is pending;

3. Individuals and agencies pursuant to a specific agreement with a criminal justice agency to provide services required for the administration of criminal justice pursuant to that agreement which shall specifically authorize access to data, limit the use of data to purposes for which given, and ensure the security and confidentiality of the data;

4. Individuals and agencies for the express purpose of research, evaluative, or statistical activities pursuant to an agreement with a criminal justice agency that shall specifically authorize access to data, limit the use of data to research, evaluative, or statistical purposes, and ensure the confidentiality and security of the data;

5. Agencies of state or federal government that are authorized by state or federal statute or executive order of the President of the United States or Governor to conduct investigations determining employment suitability or eligibility for security clearances allowing access to classified information;

6. Individuals and agencies where authorized by court order or court rule;

7. Agencies of any political subdivision of the Commonwealth, public transportation companies owned, operated or controlled by any political subdivision, and any public service corporation that operates a public transit system owned by a local government for the conduct of investigations of applicants for employment, permit, or license whenever, in the interest of public welfare or safety, it is necessary to determine under a duly enacted

ordinance if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment, permit, or license under consideration;

7a. Commissions created pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.)~~ of Title 33.2~~ and their contractors, for the conduct of investigations of individuals who have been offered a position of employment whenever, in the interest of public welfare or safety and as authorized in the Transportation District Act of 1964, it is necessary to determine if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment under consideration;

8. Public or private agencies when authorized or required by federal or state law or interstate compact to investigate (i) applicants for foster or adoptive parenthood or (ii) any individual, and the adult members of that individual's household, with whom the agency is considering placing a child or from whom the agency is considering removing a child due to abuse or neglect, on an emergency, temporary, or permanent basis pursuant to §§ 63.2-901.1 and 63.2-1505, subject to the restriction that the data shall not be further disseminated to any party other than a federal or state authority or court as may be required to comply with an express requirement of law;

9. To the extent permitted by federal law or regulation, public service companies as defined in § 56-1, for the conduct of investigations of applicants for employment when such employment involves personal contact with the public or when past criminal conduct of an applicant would be incompatible with the nature of the employment under consideration;

10. The appropriate authority for purposes of granting citizenship and for purposes of international travel, including, but not limited to, issuing visas and passports;

11. A person requesting a copy of his own criminal history record information as defined in § 9.1-101 at his cost, except that criminal history record information shall be supplied at no charge to a person who has applied to be a volunteer with (i) a Virginia affiliate of Big Brothers/Big Sisters of America; (ii) a volunteer fire company; (iii) the Volunteer Emergency Families for Children; (iv) any affiliate of Prevent Child Abuse, Virginia; (v) any Virginia affiliate of Compeer; or (vi) any board member or any individual who has been offered membership on the board of a Crime Stoppers, Crime Solvers or Crime Line program as defined in § 15.2-1713.1;

12. Administrators and board presidents of and applicants for licensure or registration as a child welfare agency as defined in § 63.2-100 for dissemination to the Commissioner of Social Services' representative pursuant to § 63.2-1702 for the conduct of investigations with respect to employees of and volunteers at such facilities, caretakers, and foster and adoptive parent applicants of private child-placing agencies, pursuant to §§ 63.2-1719, 63.2-1720, and 63.2-1721, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Commissioner of Social Services' representative or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Commissioner of Social Services'

representative from issuing written certifications regarding the results of a background check that was conducted before July 1, 2021, in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

13. Administrators and board presidents of and applicants for licensure as a prescribed pediatric extended care center for dissemination to the State Health Commissioner's representative pursuant to §§ 32.1-162.15:1.5 and 32.1-162.15:1.10 for the conduct of investigations with respect to employees of and volunteers at such centers, pursuant to § 32.1-162.15:1.17, subject to the restriction that the data shall not be further disseminated by the center to any party other than the data subject, the State Health Commissioner's representative, or a federal or state authority or court as may be required to comply with an express requirement of law;

14. The Department of Social Services for the purpose of screening individuals as a condition of licensure, employment, volunteering, or providing services on a regular basis in a licensed child welfare agency pursuant to §§ 63.2-1721 and 63.2-1726 or foster or adoptive home approved by a child-placing agency pursuant to § 63.2-901.1;

15. The school boards of the Commonwealth for the purpose of screening individuals who are offered or who accept public school employment and those current school board employees for whom a report of arrest has been made pursuant to § 19.2-83.1;

16. The Virginia Lottery for the conduct of investigations as set forth in the Virginia Lottery Law (§ 58.1-4000 et seq.) and casino gaming as set forth in Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and the Department of Agriculture and Consumer Services for the conduct of investigations as set forth in Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2;

17. Licensed prescribed pediatric extended care centers for the conduct of investigations of applicants for compensated employment and volunteers in licensed prescribed pediatric extended care centers pursuant to § 32.1-162.15:1.17;

18. Licensed nursing homes, hospitals and home care organizations for the conduct of investigations of applicants for compensated employment in licensed nursing homes pursuant to § 32.1-126.01, hospital pharmacies pursuant to § 32.1-126.02, and home care organizations pursuant to § 32.1-162.9:1, subject to the limitations set out in subsection E;

19. Licensed assisted living facilities and licensed adult day centers for the conduct of investigations of applicants for compensated employment in licensed assisted living facilities and licensed adult day centers pursuant to § 63.2-1720, subject to the limitations set out in subsection F;

20. The Virginia Alcoholic Beverage Control Authority for the conduct of investigations as set forth in § 4.1-103.1 *or the Virginia Cannabis Control Authority for the conduct of investigations as set forth in § 4.1-622*;

21. The State Board of Elections and authorized officers and employees thereof and general registrars appointed pursuant to § 24.2-110 in the course of conducting necessary

investigations with respect to voter registration, limited to any record of felony convictions;

22. The Commissioner of Behavioral Health and Developmental Services (the Commissioner) or his designees for individuals who are committed to the custody of or being evaluated by the Commissioner pursuant to §§ 19.2-168.1, 19.2-169.1, 19.2-169.2, 19.2-169.5, 19.2-169.6, 19.2-182.2, 19.2-182.3, 19.2-182.8, and 19.2-182.9 where such information may be beneficial for the purpose of placement, evaluation, treatment, or discharge planning;

23. Any alcohol safety action program certified by the Commission on the Virginia Alcohol Safety Action Program for (i) interventions with first offenders under § 18.2-251 or (ii) services to offenders under § 18.2-51.4, 18.2-266, or 18.2-266.1;

24. Residential facilities for juveniles regulated or operated by the Department of Social Services, the Department of Education, or the Department of Behavioral Health and Developmental Services for the purpose of determining applicants' fitness for employment or for providing volunteer or contractual services;

25. The Department of Behavioral Health and Developmental Services and facilities operated by the Department for the purpose of determining an individual's fitness for employment pursuant to departmental instructions;

26. Pursuant to § 22.1-296.3, the governing boards or administrators of private elementary or secondary schools which are accredited pursuant to § 22.1-19 or a private organization coordinating such records information on behalf of such governing boards or administrators pursuant to a written agreement with the Department of State Police;

27. Public institutions of higher education and nonprofit private institutions of higher education for the purpose of screening individuals who are offered or accept employment;

28. Members of a threat assessment team established by a local school board pursuant to § 22.1-79.4, by a public institution of higher education pursuant to § 23.1-805, or by a private nonprofit institution of higher education, for the purpose of assessing or intervening with an individual whose behavior may present a threat to safety; however, no member of a threat assessment team shall redisclose any criminal history record information obtained pursuant to this section or otherwise use any record of an individual beyond the purpose that such disclosure was made to the threat assessment team;

29. Executive directors of community services boards or the personnel director serving the community services board for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the community services board to serve in a direct care position on behalf of the community services board pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

30. Executive directors of behavioral health authorities as defined in § 37.2-600 for the

purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the behavioral health authority to serve in a direct care position on behalf of the behavioral health authority pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

31. The Commissioner of Social Services for the purpose of locating persons who owe child support or who are alleged in a pending paternity proceeding to be a putative father, provided that only the name, address, demographics and social security number of the data subject shall be released;

32. Authorized officers or directors of agencies licensed pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 by the Department of Behavioral Health and Developmental Services for the purpose of determining if any applicant who accepts employment in any direct care position or requests approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the provider to serve in a direct care position has been convicted of a crime that affects his fitness to have responsibility for the safety and well-being of individuals with mental illness, intellectual disability, or substance abuse pursuant to §§ 37.2-416, 37.2-416.1, 37.2-506, 37.2-506.1, and 37.2-607;

33. The Commissioner of the Department of Motor Vehicles, for the purpose of evaluating applicants for and holders of a motor carrier certificate or license subject to the provisions of Chapters 20 (§ 46.2-2000 et seq.) and 21 (§ 46.2-2100 et seq.) of Title 46.2;

34. The Chairman of the Senate Committee for Courts of Justice or the Chairman of the House Committee for Courts of Justice for the purpose of determining if any person being considered for election to any judgeship has been convicted of a crime;

35. Heads of state agencies in which positions have been identified as sensitive for the purpose of determining an individual's fitness for employment in positions designated as sensitive under Department of Human Resource Management policies developed pursuant to § 2.2-1201.1;

36. The Office of the Attorney General, for all criminal justice activities otherwise permitted under subdivision A 1 and for purposes of performing duties required by the Civil Commitment of Sexually Violent Predators Act (§ 37.2-900 et seq.);

37. Shipyards, to the extent permitted by federal law or regulation, engaged in the design, construction, overhaul, or repair of nuclear vessels for the United States Navy, including their subsidiary companies, for the conduct of investigations of applications for employment or for access to facilities, by contractors, leased laborers, and other visitors;

38. Any employer of individuals whose employment requires that they enter the homes of others, for the purpose of screening individuals who apply for, are offered, or have accepted

such employment;

39. Public agencies when and as required by federal or state law to investigate (i) applicants as providers of adult foster care and home-based services or (ii) any individual with whom the agency is considering placing an adult on an emergency, temporary, or permanent basis pursuant to § 63.2-1601.1, subject to the restriction that the data shall not be further disseminated by the agency to any party other than a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination, subject to limitations set out in subsection G;

40. The Department of Medical Assistance Services, or its designee, for the purpose of screening individuals who, through contracts, subcontracts, or direct employment, volunteer, apply for, are offered, or have accepted a position related to the provision of transportation services to enrollees in the Medicaid Program or the Family Access to Medical Insurance Security (FAMIS) Program, or any other program administered by the Department of Medical Assistance Services;

41. The State Corporation Commission for the purpose of investigating individuals who are current or proposed members, senior officers, directors, and principals of an applicant or person licensed under Chapter 16 (§ 6.2-1600 et seq.), Chapter 19.1 (§ 6.2-1922 et seq.), or Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2. Notwithstanding any other provision of law, if an application is denied based in whole or in part on information obtained from the Central Criminal Records Exchange pursuant to Chapter 16, 19, or 26 of Title 6.2, the Commissioner of Financial Institutions or his designee may disclose such information to the applicant or its designee;

42. The Department of Professional and Occupational Regulation for the purpose of investigating individuals for initial licensure pursuant to § 54.1-2106.1;

43. The Department for Aging and Rehabilitative Services and the Department for the Blind and Vision Impaired for the purpose of evaluating an individual's fitness for various types of employment and for the purpose of delivering comprehensive vocational rehabilitation services pursuant to Article 11 (§ 51.5-170 et seq.) of Chapter 14 of Title 51.5 that will assist the individual in obtaining employment;

44. Bail bondsmen, in accordance with the provisions of § 19.2-120;

45. The State Treasurer for the purpose of determining whether a person receiving compensation for wrongful incarceration meets the conditions for continued compensation under § 8.01-195.12;

46. The Department of Education or its agents or designees for the purpose of screening individuals seeking to enter into a contract with the Department of Education or its agents or designees for the provision of child care services for which child care subsidy payments may be provided;

47. The Department of Juvenile Justice to investigate any parent, guardian, or other adult

members of a juvenile's household when completing a predispositional or postdispositional report required by § 16.1-273 or a Board of Juvenile Justice regulation promulgated pursuant to § 16.1-233;

48. The State Corporation Commission, for the purpose of screening applicants for insurance licensure under Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2;

49. Administrators and board presidents of and applicants for licensure or registration as a child day program or family day system, as such terms are defined in § 22.1-289.02, for dissemination to the Superintendent of Public Instruction's representative pursuant to § 22.1-289.013 for the conduct of investigations with respect to employees of and volunteers at such facilities pursuant to §§ 22.1-289.034 through 22.1-289.037, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Superintendent of Public Instruction's representative, or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Superintendent of Public Instruction's representative from issuing written certifications regarding the results of prior background checks in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

50. The National Center for Missing and Exploited Children for the purpose of screening individuals who are offered or accept employment or will be providing volunteer or contractual services with the National Center for Missing and Exploited Children;

51. The Executive Director or investigators of the Board of Accountancy for the purpose of the enforcement of laws relating to the Board of Accountancy in accordance with § 54.1-4407; and

52. Other entities as otherwise provided by law.

Upon an ex parte motion of a defendant in a felony case and upon the showing that the records requested may be relevant to such case, the court shall enter an order requiring the Central Criminal Records Exchange to furnish the defendant, as soon as practicable, copies of any records of persons designated in the order on whom a report has been made under the provisions of this chapter.

Notwithstanding any other provision of this chapter to the contrary, upon a written request sworn to before an officer authorized to take acknowledgments, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish a copy of conviction data covering the person named in the request to the person making the request; however, such person on whom the data is being obtained shall consent in writing, under oath, to the making of such request. A person receiving a copy of his own conviction data may utilize or further disseminate that data as he deems appropriate. In the event no conviction data is maintained on the data subject, the person making the request shall be furnished at his cost a certification to that effect.

B. Use of criminal history record information disseminated to noncriminal justice agencies

under this section shall be limited to the purposes for which it was given and may not be disseminated further, except as otherwise provided in subdivision A 49.

C. No criminal justice agency or person shall confirm the existence or nonexistence of criminal history record information for employment or licensing inquiries except as provided by law.

D. Criminal justice agencies shall establish procedures to query the Central Criminal Records Exchange prior to dissemination of any criminal history record information on offenses required to be reported to the Central Criminal Records Exchange to ensure that the most up-to-date disposition data is being used. Inquiries of the Exchange shall be made prior to any dissemination except in those cases where time is of the essence and the normal response time of the Exchange would exceed the necessary time period. A criminal justice agency to whom a request has been made for the dissemination of criminal history record information that is required to be reported to the Central Criminal Records Exchange may direct the inquirer to the Central Criminal Records Exchange for such dissemination. Dissemination of information regarding offenses not required to be reported to the Exchange shall be made by the criminal justice agency maintaining the record as required by § 15.2-1722.

E. Criminal history information provided to licensed nursing homes, hospitals and to home care organizations pursuant to subdivision A 18 shall be limited to the convictions on file with the Exchange for any offense specified in §§ 32.1-126.01, 32.1-126.02, and 32.1-162.9:1.

F. Criminal history information provided to licensed assisted living facilities and licensed adult day centers pursuant to subdivision A 19 shall be limited to the convictions on file with the Exchange for any offense specified in § 63.2-1720.

G. Criminal history information provided to public agencies pursuant to subdivision A 39 shall be limited to the convictions on file with the Exchange for any offense set forth in clause (i) of the definition of barrier crime in § 19.2-392.02.

H. Upon receipt of a written request from an employer or prospective employer, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish at the employer's cost a copy of conviction data covering the person named in the request to the employer or prospective employer making the request, provided that the person on whom the data is being obtained has consented in writing to the making of such request and has presented a photo-identification to the employer or prospective employer. In the event no conviction data is maintained on the person named in the request, the requesting employer or prospective employer shall be furnished at his cost a certification to that effect. The criminal history record search shall be conducted on forms provided by the Exchange.

I. The attorney for the Commonwealth shall provide a physical or electronic copy of a person's criminal history record information, including criminal history record information

maintained in the National Crime Information Center (NCIC) and the Interstate Identification Index System (III System) that is in his possession, pursuant to the rules of court for obtaining discovery or for review by the court. No criminal history record information provided under this subsection shall be disseminated further.

§ 19.2-389.3. (Repealed effective July 1, 2026) Marijuana possession; limits on dissemination of criminal history record information; prohibited practices by employers, educational institutions, and state and local governments; penalty.

A. Records relating to the arrest, criminal charge, or conviction of a person for a misdemeanor violation of *former* § 18.2-248.1 or a violation of *former* § 18.2-250.1, including any violation charged under ~~§§~~ *former §* 18.2-248.1 or *former §* 18.2-250.1 that was deferred and dismissed pursuant to § 18.2-251, maintained in the Central Criminal Records Exchange shall not be open for public inspection or otherwise disclosed, provided that such records may be disseminated (i) to make the determination as provided in § 18.2-308.2:2 of eligibility to possess or purchase a firearm; (ii) to aid in the preparation of a pretrial investigation report prepared by a local pretrial services agency established pursuant to Article 5 (§ 19.2-152.2 et seq.) of Chapter 9, a pre-sentence or post-sentence investigation report pursuant to § 19.2-299 or in the preparation of the discretionary sentencing guidelines worksheets pursuant to subsection C of § 19.2-298.01; (iii) to aid local community-based probation services agencies established pursuant to the Comprehensive Community Corrections Act for Local-Responsible Offenders (§ 9.1-173 et seq.) with investigating or serving adult local-responsible offenders and all court service units serving juvenile delinquent offenders; (iv) for fingerprint comparison utilizing the fingerprints maintained in the Automated Fingerprint Information System computer; (v) to attorneys for the Commonwealth to secure information incidental to sentencing and to attorneys for the Commonwealth and probation officers to prepare the discretionary sentencing guidelines worksheets pursuant to subsection C of § 19.2-298.01; (vi) to any full-time or part-time employee of the State Police, a police department, or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection of crime and the enforcement of the penal, traffic, or highway laws of the Commonwealth, for purposes of the administration of criminal justice as defined in § 9.1-101; (vii) to the Virginia Criminal Sentencing Commission for research purposes; (viii) to any full-time or part-time employee of the State Police or a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof for the purpose of screening any person for full-time or part-time employment with the State Police or a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof; (ix) to the State Health Commissioner or his designee for the purpose of screening any person who applies to be a volunteer with or an employee of an emergency medical services agency as provided in § 32.1-111.5; (x) to any full-time or part-time employee of the Department of Forensic Science for the purpose of screening any person for full-time or part-time employment with the Department of Forensic Science; (xi) to the chief law-enforcement officer of a locality, or his designee who shall be an individual employed

as a public safety official of the locality, that has adopted an ordinance in accordance with §§ 15.2-1503.1 and 19.2-389 for the purpose of screening any person who applies to be a volunteer with or an employee of an emergency medical services agency as provided in § 32.1-111.5; and (xii) to any full-time or part-time employee of the Department of Motor Vehicles, any employer as defined in § 46.2-341.4, or any medical examiner as defined in 49 C.F.R. § 390.5 for the purpose of complying with the regulations of the Federal Motor Carrier Safety Administration.

B. An employer or educational institution shall not, in any application, interview, or otherwise, require an applicant for employment or admission to disclose information concerning any arrest, criminal charge, or conviction against him when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A. An applicant need not, in answer to any question concerning any arrest, criminal charge, or conviction, include a reference to or information concerning any arrest, criminal charge, or conviction when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A.

C. Agencies, officials, and employees of the state and local governments shall not, in any application, interview, or otherwise, require an applicant for a license, permit, registration, or governmental service to disclose information concerning any arrest, criminal charge, or conviction against him when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A. An applicant need not, in answer to any question concerning any arrest, criminal charge, or conviction, include a reference to or information concerning any arrest, criminal charge, or conviction when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A. Such an application may not be denied solely because of the applicant's refusal to disclose information concerning any such arrest, criminal charge, or conviction.

D. A person who willfully violates subsection B or C is guilty of a Class 1 misdemeanor for each violation.

§ 19.2-392.02. National criminal background checks by businesses and organizations regarding employees or volunteers providing care to children or the elderly or disabled.

A. For purposes of this section:

"Barrier crime" means (i) a felony violation of § 16.1-253.2; any violation of § 18.2-31, 18.2-32, 18.2-32.1, 18.2-32.2, 18.2-33, 18.2-35, 18.2-36, 18.2-36.1, 18.2-36.2, 18.2-41, or 18.2-42; any felony violation of § 18.2-46.2, 18.2-46.3, 18.2-46.3:1, or 18.2-46.3:3; any violation of § 18.2-46.5, 18.2-46.6, or 18.2-46.7; any violation of subsection A or B of § 18.2-47; any violation of § 18.2-48, 18.2-49, or 18.2-50.3; any violation of § 18.2-51, 18.2-51.1, 18.2-51.2, 18.2-51.3, 18.2-51.4, 18.2-51.5, 18.2-51.6, 18.2-52, 18.2-52.1, 18.2-53, 18.2-53.1, 18.2-54.1, 18.2-54.2, 18.2-55, 18.2-55.1, 18.2-56, 18.2-56.1, 18.2-56.2, 18.2-57, 18.2-57.01, 18.2-57.02, 18.2-57.2, 18.2-58, 18.2-58.1, 18.2-59, 18.2-60, or 18.2-60.1; any

felony violation of § 18.2-60.3 or 18.2-60.4; any violation of § 18.2-61, 18.2-63, 18.2-64.1, 18.2-64.2, 18.2-67.1, 18.2-67.2, 18.2-67.3, 18.2-67.4, 18.2-67.4:1, 18.2-67.4:2, 18.2-67.5, 18.2-67.5:1, 18.2-67.5:2, 18.2-67.5:3, 18.2-77, 18.2-79, 18.2-80, 18.2-81, 18.2-82, 18.2-83, 18.2-84, 18.2-85, 18.2-86, 18.2-87, 18.2-87.1, or 18.2-88; any felony violation of § 18.2-279, 18.2-280, 18.2-281, 18.2-282, 18.2-282.1, 18.2-286.1, or 18.2-287.2; any violation of § 18.2-289, 18.2-290, 18.2-300, 18.2-308.4, or 18.2-314; any felony violation of § 18.2-346.01, 18.2-348, or 18.2-349; any violation of § 18.2-355, 18.2-356, 18.2-357, or 18.2-357.1; any violation of subsection B of § 18.2-361; any violation of § 18.2-366, 18.2-369, 18.2-370, 18.2-370.1, 18.2-370.2, 18.2-370.3, 18.2-370.4, 18.2-370.5, 18.2-370.6, 18.2-371.1, 18.2-374.1, 18.2-374.1:1, 18.2-374.3, 18.2-374.4, 18.2-379, 18.2-386.1, or 18.2-386.2; any felony violation of § 18.2-405 or 18.2-406; any violation of § 18.2-408, 18.2-413, 18.2-414, 18.2-423, 18.2-423.01, 18.2-423.1, 18.2-423.2, 18.2-433.2, 18.2-472.1, 18.2-474.1, 18.2-477, 18.2-477.1, 18.2-477.2, 18.2-478, 18.2-479, 18.2-480, 18.2-481, 18.2-484, 18.2-485, 37.2-917, or 53.1-203; or any substantially similar offense under the laws of another jurisdiction; (ii) any violation of § 18.2-89, 18.2-90, 18.2-91, 18.2-92, 18.2-93, or 18.2-94 or any substantially similar offense under the laws of another jurisdiction; (iii) any felony violation of § 4.1-1101, *4.1-1114*, 18.2-248, 18.2-248.01, 18.2-248.02, 18.2-248.03, ~~18.2-248.1,~~ 18.2-248.5, 18.2-251.2, 18.2-251.3, 18.2-255, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, or 18.2-258.2 or any substantially similar offense under the laws of another jurisdiction; (iv) any felony violation of § 18.2-250 or any substantially similar offense under the laws of another jurisdiction; (v) any offense set forth in § 9.1-902 that results in the person's requirement to register with the Sex Offender and Crimes Against Minors Registry pursuant to § 9.1-901, including any finding that a person is not guilty by reason of insanity in accordance with Chapter 11.1 (§ 19.2-182.2 et seq.) of Title 19.2 of an offense set forth in § 9.1-902 that results in the person's requirement to register with the Sex Offender and Crimes Against Minors Registry pursuant to § 9.1-901; any substantially similar offense under the laws of another jurisdiction; or any offense for which registration in a sex offender and crimes against minors registry is required under the laws of the jurisdiction where the offender was convicted; or (vi) any other felony not included in clause (i), (ii), (iii), (iv), or (v) unless five years have elapsed from the date of the conviction.

"Barrier crime information" means the following facts concerning a person who has been arrested for, or has been convicted of, a barrier crime, regardless of whether the person was a juvenile or adult at the time of the arrest or conviction: full name, race, sex, date of birth, height, weight, fingerprints, a brief description of the barrier crime or offenses for which the person has been arrested or has been convicted, the disposition of the charge, and any other information that may be useful in identifying persons arrested for or convicted of a barrier crime.

"Care" means the provision of care, treatment, education, training, instruction, supervision, or recreation to children or the elderly or disabled.

"Department" means the Department of State Police.

"Employed by" means any person who is employed by, volunteers for, seeks to be employed

by, or seeks to volunteer for a qualified entity.

"Identification document" means a document made or issued by or under the authority of the United States government, a state, a political subdivision of a state, a foreign government, political subdivision of a foreign government, an international governmental or an international quasi-governmental organization that, when completed with information concerning a particular individual, is of a type intended or commonly accepted for the purpose of identification of individuals.

"Provider" means a person who (i) is employed by a qualified entity and has, seeks to have, or may have unsupervised access to a child or to an elderly or disabled person to whom the qualified entity provides care; (ii) is a volunteer of a qualified entity and has, seeks to have, or may have unsupervised access to a child to whom the qualified entity provides care; or (iii) owns, operates, or seeks to own or operate a qualified entity.

"Qualified entity" means a business or organization that provides care to children or the elderly or disabled, whether governmental, private, for profit, nonprofit, or voluntary, except organizations exempt pursuant to subdivision A 7 of § 22.1-289.030.

B. A qualified entity may request the Department of State Police to conduct a national criminal background check on any provider who is employed by such entity. No qualified entity may request a national criminal background check on a provider until such provider has:

1. Been fingerprinted; and

2. Completed and signed a statement, furnished by the entity, that includes (i) his name, address, and date of birth as it appears on a valid identification document; (ii) a disclosure of whether or not the provider has ever been convicted of or is the subject of pending charges for a criminal offense within or outside the Commonwealth, and if the provider has been convicted of a crime, a description of the crime and the particulars of the conviction; (iii) a notice to the provider that the entity may request a background check; (iv) a notice to the provider that he is entitled to obtain a copy of any background check report, to challenge the accuracy and completeness of any information contained in any such report, and to obtain a prompt determination as to the validity of such challenge before a final determination is made by the Department; and (v) a notice to the provider that prior to the completion of the background check the qualified entity may choose to deny the provider unsupervised access to children or the elderly or disabled for whom the qualified entity provides care.

C. Upon receipt of (i) a qualified entity's written request to conduct a background check on a provider, (ii) the provider's fingerprints, and (iii) a completed, signed statement as described in subsection B, the Department shall make a determination whether the provider has been convicted of or is the subject of charges of a barrier crime. To conduct its determination regarding the provider's barrier crime information, the Department shall access the national criminal history background check system, which is maintained by the Federal Bureau of Investigation and is based on fingerprints and other methods of identification, and shall

access the Central Criminal Records Exchange maintained by the Department. If the Department receives a background report lacking disposition data, the Department shall conduct research in whatever state and local recordkeeping systems are available in order to obtain complete data. The Department shall make reasonable efforts to respond to a qualified entity's inquiry within 15 business days.

D. Any background check conducted pursuant to this section for a provider employed by a private entity shall be screened by the Department of State Police. If the provider has been convicted of or is under indictment for a barrier crime, the qualified entity shall be notified that the provider is not qualified to work or volunteer in a position that involves unsupervised access to children or the elderly or disabled.

E. Any background check conducted pursuant to this section for a provider employed by a governmental entity shall be provided to that entity.

F. In the case of a provider who desires to volunteer at a qualified entity and who is subject to a national criminal background check, the Department and the Federal Bureau of Investigation may each charge the provider the lesser of $18 or the actual cost to the entity of the background check conducted with the fingerprints.

G. The failure to request a criminal background check pursuant to subsection B shall not be considered negligence per se in any civil action.

§ 19.2-392.6. (Effective July 1, 2026) Automatic sealing of offenses resulting in conviction.

A. If a person was convicted of a violation of any of the following sections with an offense date on or after January 1, 1986, such conviction, including any records relating to such conviction, shall be ordered to be automatically sealed in the manner set forth in § 19.2-392.7, subject to the provisions of subsections B and C: a misdemeanor violation of § 18.2-96 or 18.2-103; § 18.2-119, 18.2-120, or 18.2-134; a misdemeanor violation of *former* § 18.2-248.1; or § 18.2-415.

B. Subject to the provisions of subsection C, any conviction listed under subsection A shall be ordered to be automatically sealed if seven years have passed since the date of the conviction and the person convicted of such offense has not been convicted of violating any law of the Commonwealth that requires a report to the Central Criminal Records Exchange under subsection A of § 19.2-390 or any other state, the District of Columbia, or the United States or any territory thereof, excluding traffic infractions under Title 46.2, during that time period.

C. No conviction listed under subsection A shall be automatically sealed if, on the date of the conviction, the person was convicted of another offense that is not eligible for automatic sealing under subsection A.

This section shall not be construed as prohibiting a person from seeking sealing in the circuit court pursuant to the provisions of § 19.2-392.12 or 19.2-392.12:1.

§ 19.2-392.12:1. (Effective July 1, 2026) Sealing of charges and convictions related to automatic sealing; petition.

A. A person who has been convicted of or had a charge deferred and dismissed for a violation of § 4.1-305; a misdemeanor violation of § 18.2-96 or 18.2-103; a violation of § 18.2-119, 18.2-120, or 18.2-134; a misdemeanor violation of *former* § 18.2-248.1; a violation of subsection A of § 18.2-265.3; or a violation of § 18.2-415, where the offense date for any such offense was on or after January 1, 1986, may file a petition setting forth the relevant facts and requesting the sealing of the criminal history record information and court records relating to the charge or conviction. In addition to requesting the sealing of a charge or conviction, such petition may also request the sealing of any specifically identified ancillary matter related to such charge or conviction.

B. A person who had a conviction or offense automatically sealed pursuant to § 19.2-392.7 or 19.2-392.11 where the offense date for such conviction or offense was on or after January 1, 1986, or who had an offense sealed pursuant to § 19.2-392.6:1 regardless of the date of the offense, may file a petition setting forth the relevant facts and requesting sealing of the criminal history record information and court records of any specifically identified ancillary matter related to that charge or conviction.

C. A person shall not be required to pay any court fees or costs for filing a petition pursuant to this section.

D. The petition under subsection A or B, with a copy of the warrant, summons, or indictment, if reasonably available, shall be filed in the circuit court of the county or city in which the case was disposed of and shall contain, except when not reasonably available, (i) the date of arrest; (ii) the name of the arresting agency; (iii) the date of conviction, deferred dismissal, or final disposition of any ancillary matter; and (iv) the case number associated with each court record that is the subject of the petition. When this information is not reasonably available, the petition shall state the reason for such unavailability. The petition shall further state (a) the charge, conviction, or ancillary matter to be sealed; (b) the date of final disposition of the charge, conviction, or ancillary matter as set forth in the petition; (c) the petitioner's date of birth, sex, race, and social security number, if available; and (d) the full name used by the petitioner at the time of arrest or summons. A petition may request the sealing of the criminal history record information and court records for multiple charges, convictions, or ancillary matters as set forth in subsections A and B, provided that all such charges, convictions, and ancillary matters are eligible for sealing under this section. A petition may not request the sealing of the criminal history record information and court records where the charge, conviction, or ancillary matter was finalized on the same date as a conviction or deferred dismissal that is not eligible for sealing under this section.

E. A petitioner is not limited in the number of petitions that may be granted pursuant to this section within his lifetime. Any petition granted pursuant to this section shall not be counted toward the lifetime maximum of two petitions set forth in § 19.2-392.12.

F. The Commonwealth shall be made party to the proceeding. The petitioner shall provide a copy of the petition under subsection A or B by delivery or by first-class mail, postage prepaid, to the attorney for the Commonwealth of the county or city in which the petition is filed. The attorney for the Commonwealth may file an objection or answer to the petition or may give written notice to the court that he does not object to the petition within 30 days after it is delivered to him or received in the mail.

G. In addition to the filing of the petition under subsection D, the petitioner shall request that the Central Criminal Records Exchange (CCRE) electronically forward a copy of the petitioner's Virginia and national criminal history record to the circuit court in which the petition was filed. Upon receiving such request, the CCRE shall electronically forward such record to the circuit court; however, if the circuit court is unable to receive an electronic transmission, the CCRE shall forward a copy of such record to the circuit court which shall be maintained under seal by the clerk unless otherwise ordered by the court. Upon completion of the hearing, the court shall cause the criminal history record to be destroyed unless, within 30 days of the date of the entry of the final order in the matter, the petitioner or the attorney for the Commonwealth notes an appeal as provided by law in civil cases.

H. After receiving the criminal history record of the petitioner, the court may conduct a hearing on the petition.

I. For a petition filed pursuant to subsection A, the court shall enter an order requiring the sealing of the records related to the charge, conviction, or ancillary matter if the court finds that seven years have passed since the date of conviction or of dismissal of the deferred charge listed in subsection A and the petitioner has not been convicted of violating any law of the Commonwealth that requires a report to the Central Criminal Records Exchange under subsection A of § 19.2-390 or any other state, the District of Columbia, or the United States or any territory thereof, excluding traffic infractions under Title 46.2, during that time period.

J. For a petition filed pursuant to subsection B, the court shall enter an order to seal the ancillary matter if the charge or conviction identified in the petition has been sealed pursuant to § 19.2-392.6:1, 19.2-392.7, or 19.2-392.11.

K. If the attorney for the Commonwealth of the county or city in which the petition is filed (i) gives written notice to the court pursuant to subsection F that he does not object to the petition and (ii) stipulates in such written notice that the petitioner is eligible to have such charge, conviction, or ancillary matter sealed, the court may enter an order of sealing without conducting a hearing.

L. Any party aggrieved by the decision of the court may appeal, as provided by law in civil cases.

M. Upon the entry of an order of sealing, the clerk of the court shall maintain a copy of such order under seal and shall cause an electronic notification of such order to be forwarded to the Department of State Police. Such electronic notification shall contain (i) the petitioner's

full name, date of birth, sex, race, and social security number, if available; (ii) the full name used by the petitioner at the time of arrest or summons; (iii) the petitioner's state identification number from the criminal history record; (iv) the court case number of the charge, conviction, or ancillary matter to be sealed, if available; and (v) the document control number, if available. The Department of State Police shall validate the accuracy of any criminal history record ordered to be sealed pursuant to this section but shall not validate whether such record is eligible for sealing. Upon receipt of such electronic notification, the Department of State Police shall seal such records in accordance with § 19.2-392.13. The Department of State Police shall also electronically notify the Office of the Executive Secretary of the Supreme Court and any other agencies and individuals known to maintain or to have obtained such a record that such record has been ordered to be sealed and may only be disseminated in accordance with § 19.2-392.13.

N. Any order entered where (i) the court or parties failed to strictly comply with the procedures set forth in this section or (ii) the court entered an order for the sealing of records contrary to law shall be voidable upon motion and notice made within two years of the entry of such order.

O. A petition filed under this section and any responsive pleadings filed by the attorney for the Commonwealth shall be maintained under seal by the clerk unless otherwise ordered by the court. Any order to seal issued pursuant to this section shall be sealed and may only be disseminated for the purposes set forth in § 19.2-392.13.

P. Nothing in this chapter shall prohibit the circuit court from entering an order to seal a charge, conviction, or ancillary matter under this section when such charge, conviction, or ancillary matter is eligible for sealing under some other section of this chapter.

§ 22.1-206. Instruction concerning drugs, alcohol, substance abuse, retail tobacco products, hemp products intended for smoking, and gambling.

A. Instruction concerning drugs and drug abuse shall be provided by the public schools as prescribed by the Board of Education.

B. Instruction concerning the public safety hazards and dangers of alcohol abuse, underage drinking, *underage marijuana use,* and drunk driving shall be provided in the public schools. The Virginia Alcoholic Beverage Control Authority *and the Virginia Cannabis Control Authority* shall provide educational materials to the Department of Education. The Department of Education shall review and shall distribute such materials as are approved to the public schools.

The Virginia Foundation for Healthy Youth shall develop and the Department of Education shall distribute to each local school division educational materials concerning the health and safety risks of using retail tobacco products and hemp products intended for smoking, as such terms are defined in § 18.2-371.2. Instruction concerning the health and safety risks of using *retail* tobacco products and hemp products intended for smoking, as such terms are defined in § 18.2-371.2, shall be provided in each public elementary and secondary school in

the Commonwealth, consistent with such educational materials.

C. Instruction concerning gambling and the addictive potential thereof shall be provided by the public schools as prescribed by the Board.

§ 22.1-277.08. Expulsion of students for certain drug offenses.

A. School boards shall expel from school attendance any student whom such school board has determined, in accordance with the procedures set forth in this article, to have brought a controlled substance~~,~~ *or* imitation controlled substance~~, or marijuana~~ as *those terms are* defined in § 18.2-247 onto school property or to a school-sponsored activity. A school administrator, pursuant to school board policy, or a school board may, however, determine, based on the facts of a particular situation, that special circumstances exist and no disciplinary action or another disciplinary action or another term of expulsion is appropriate. A school board may, by regulation, authorize the division superintendent or his designee to conduct a preliminary review of such cases to determine whether a disciplinary action other than expulsion is appropriate. Such regulations shall ensure that, if a determination is made that another disciplinary action is appropriate, any such subsequent disciplinary action is to be taken in accordance with the procedures set forth in this article. Nothing in this section shall be construed to require a student's expulsion regardless of the facts of the particular situation.

B. Each school board shall revise its standards of student conduct to incorporate the requirements of this section no later than three months after the date on which this act becomes effective.

§ 23.1-1301. Governing boards; powers.

A. The board of visitors of each baccalaureate public institution of higher education or its designee may:

1. Make regulations and policies concerning the institution;

2. Manage the funds of the institution and approve an annual budget;

3. Appoint the chief executive officer of the institution;

4. Appoint professors and fix their salaries; and

5. Fix the rates charged to students for tuition, mandatory fees, and other necessary charges.

B. The governing board of each public institution of higher education or its designee may:

1. In addition to the powers set forth in Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et seq.), lease or sell and convey its interest in any real property that it has acquired by purchase, will, or deed of gift, subject to the prior approval of the Governor and any terms and conditions of the will or deed of gift, if applicable. The proceeds shall be held, used, and administered in the same manner as all other gifts and bequests;

2. Grant easements for roads, streets, sewers, waterlines, electric and other utility lines, or other purposes on any property owned by the institution;

3. Adopt regulations or institution policies for parking and traffic on property owned, leased, maintained, or controlled by the institution;

4. Adopt regulations or institution policies for the employment and dismissal of professors, teachers, instructors, and other employees;

5. Adopt regulations or institution policies for the acceptance and assistance of students in addition to the regulations or institution policies required pursuant to § 23.1-1303;

6. Adopt regulations or institution policies for the conduct of students in attendance and for the rescission or restriction of financial aid, suspension, and dismissal of students who fail or refuse to abide by such regulations or policies;

7. Establish programs, in cooperation with the Council and the Office of the Attorney General, to promote (i) student compliance with state laws on the use of alcoholic beverages *and marijuana* and (ii) the awareness and prevention of sexual crimes committed upon students;

8. Establish guidelines for the initiation or induction of students into any social fraternity or sorority in accordance with the prohibition against hazing as defined in § 18.2-56;

9. Assign any interest it possesses in intellectual property or in materials in which the institution claims an interest, provided such assignment is in accordance with the terms of the institution's intellectual property policies adopted pursuant to § 23.1-1303. The Governor's prior written approval is required for transfers of such property (i) developed wholly or predominantly through the use of state general funds, exclusive of capital assets and (ii)(a) developed by an employee of the institution acting within the scope of his assigned duties or (b) for which such transfer is made to an entity other than (1) the Innovation and Entrepreneurship Investment Authority, (2) an entity whose purpose is to manage intellectual properties on behalf of nonprofit organizations, colleges, and universities, or (3) an entity whose purpose is to benefit the respective institutions. The Governor may attach conditions to these transfers as he deems necessary. In the event the Governor does not approve such transfer, the materials shall remain the property of the respective institutions and may be used and developed in any manner permitted by law;

10. Conduct closed meetings pursuant to §§ 2.2-3711 and 2.2-3712 and conduct business through electronic communication means pursuant to § 2.2-3708.3; and

11. Adopt a resolution to require the governing body of a locality that is contiguous to the institution to enforce state statutes and local ordinances with respect to offenses occurring on the property of the institution. Upon receipt of such resolution, the governing body of such locality shall enforce statutes and local ordinances with respect to offenses occurring on the property of the institution.

§ 46.2-105.2. Obtaining documents from the Department when not entitled thereto; penalty.

A. It shall be unlawful for any person to obtain a Virginia driver's license, special identification card, vehicle registration, certificate of title, or other document issued by the Department if such person has not satisfied all legal and procedural requirements for the issuance thereof, or is otherwise not legally entitled thereto, including obtaining any document issued by the Department through the use of counterfeit, forged, or altered documents.

B. It shall be unlawful to aid any person to obtain any driver's license, special identification card, vehicle registration, certificate of title, or other document in violation of the provisions of subsection A.

C. It shall be unlawful to knowingly possess or use for any purpose any driver's license, special identification card, vehicle registration, certificate of title, or other document obtained in violation of the provisions of subsection A.

D. A violation of any provision of this section shall constitute a Class 2 misdemeanor if a person is charged and convicted of a violation of this section that involved the unlawful obtaining or possession of any document issued by the Department for the purpose of engaging in any age-limited activity, including but not limited to obtaining, possessing, or consuming alcoholic beverages *or marijuana*. However, if a person is charged and convicted of any other violation of this section, such offense shall constitute a Class 6 felony.

E. Whenever it appears to the satisfaction of the Commissioner that any driver's license, special identification card, vehicle registration, certificate of title, or other document issued by the Department has been obtained in violation of this section, it may be cancelled by the Commissioner, who shall mail notice of the cancellation to the address of record maintained by the Department.

F. A violation of this section may be prosecuted in the jurisdiction (i) from which any person obtained any document issued by the Department, (ii) where any person received or created any counterfeit, forged, or altered document used to obtain any document issued by the Department, or (iii) where any counterfeit, forged, or altered document has been filed with the Department.

§ 46.2-347. Fraudulent use of driver's license or Department of Motor Vehicles identification card to obtain alcoholic beverages or marijuana; penalties.

Any underage person as specified in § 4.1-304 who knowingly uses or attempts to use a forged, deceptive or otherwise nongenuine driver's license issued by any state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any foreign country or government; United States Armed Forces identification card; United States passport or foreign government visa; Virginia Department of Motor Vehicles special identification card; official identification issued by any other federal, state or foreign

government agency; or official student identification card of an institution of higher education to obtain alcoholic beverages ~~shall be~~ *or marijuana is* guilty of a Class 3 misdemeanor, and upon conviction of a violation of this section, the court shall revoke such convicted person's driver's license or privilege to drive a motor vehicle for a period of not less than 30 days nor more than one year.

§ 48-17.1. Temporary injunctions against alcoholic beverage sales or marijuana sales.

A. Any locality by or through its mayor, chief executive, or attorney may petition a circuit court to temporarily enjoin the sale of alcohol *or marijuana* at any establishment licensed by the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority*. The basis for such petition shall be the operator of the establishment has allowed it to become a meeting place for persons committing serious criminal violations of the law on or immediately adjacent to the premises so frequent and serious as to be deemed a continuing threat to public safety, as represented in an affidavit by the chief law-enforcement officer of the locality, supported by records of such criminal acts. The court shall, upon the presentation of evidence at a hearing on the matter, grant a temporary injunction, without bond, enjoining the sale of alcohol *or marijuana* at the establishment, if it appears to the satisfaction of the court that the threat to public safety complained of exists and is likely to continue if such injunction is not granted. The court hearing on the petition shall be held within 10 days of service upon the respondent. The respondent shall be served with notice of the time and place of the hearing and copies of all documentary evidence to be relied upon by the complainant at such hearing. Any injunction issued by the court shall be dissolved in the event the court later finds that the threat to public safety that is the basis of the injunction has been abated by reason of a change of ownership, management, or business operations at the establishment, or other change in circumstance.

B. The Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority* shall be given notice of any hearing under this section. In the event an injunction is granted, the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority* shall initiate an investigation into the activities at the establishment complained of and conduct an administrative hearing. After the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority* hearing and when a final determination has been issued by the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority*, regardless of disposition, any injunction issued hereunder shall be null, without further action by the complainant, respondent, or the court.

§ 53.1-231.2. Restoration of the civil right to be eligible to register to vote to certain persons.

This section shall apply to any person who is not a qualified voter because of a felony conviction, who seeks to have his right to register to vote restored and become eligible to register to vote, and who meets the conditions and requirements set out in this section.

Any person, other than a person (i) convicted of a violent felony as defined in § 19.2-297.1 or in subsection C of § 17.1-805 and any crime ancillary thereto; (ii) convicted of a felony

pursuant to § 4.1-1101, *4.1-1114,* 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ 18.2-255, 18.2-255.2, or 18.2-258.02; or (iii) convicted of a felony pursuant to § 24.2-1016, may petition the circuit court of the county or city in which he was convicted of a felony, or the circuit court of the county or city in which he presently resides, for restoration of his civil right to be eligible to register to vote through the process set out in this section. On such petition, the court may approve the petition for restoration to the person of his right if the court is satisfied from the evidence presented that the petitioner has completed, five or more years previously, service of any sentence and any modification of sentence including probation, parole, and suspension of sentence; that the petitioner has demonstrated civic responsibility through community or comparable service; and that the petitioner has been free from criminal convictions, excluding traffic infractions, for the same period.

If the court approves the petition, it shall so state in an order, provide a copy of the order to the petitioner, and transmit its order to the Secretary of the Commonwealth. The order shall state that the petitioner's right to be eligible to register to vote may be restored by the date that is 90 days after the date of the order, subject to the approval or denial of restoration of that right by the Governor. The Secretary of the Commonwealth shall transmit the order to the Governor who may grant or deny the petition for restoration of the right to be eligible to register to vote approved by the court order. The Secretary of the Commonwealth shall send, within 90 days of the date of the order, to the petitioner at the address stated on the court's order, a certificate of restoration of that right or notice that the Governor has denied the restoration of that right. The Governor's denial of a petition for the restoration of voting rights shall be a final decision and the petitioner shall have no right of appeal. The Secretary shall notify the court and the State Board of Elections in each case of the restoration of the right or denial of restoration by the Governor.

On receipt of the certificate of restoration of the right to register to vote from the Secretary of the Commonwealth, the petitioner, who is otherwise a qualified voter, shall become eligible to register to vote.

§ 54.1-2903. What constitutes practice; advertising in connection with medical practice.

A. Any person shall be regarded as practicing the healing arts who actually engages in such practice as defined in this chapter, or who opens an office for such purpose, or who advertises or announces to the public in any manner a readiness to practice or who uses in connection with his name the words or letters "Doctor," "Dr.," "M.D.," "D.O.," "D.P.M.," "D.C.," "Healer," "N.P.," or any other title, word, letter or designation intending to designate or imply that he is a practitioner of the healing arts or that he is able to heal, cure or relieve those suffering from any injury, deformity or disease.

Signing a birth or death certificate, or signing any statement certifying that the person so signing has rendered professional service to the sick or injured, or signing or issuing a prescription for drugs or other remedial agents, shall be prima facie evidence that the person signing or issuing such writing is practicing the healing arts within the meaning of this chapter except where persons other than physicians are required to sign birth certificates.

B. No person regulated under this chapter shall use the title "Doctor" or the abbreviation "Dr." in writing or in advertising in connection with his practice unless he simultaneously uses words, initials, an abbreviation or designation, or other language that identifies the type of practice for which he is licensed. No person regulated under this chapter shall include in any advertisement a reference to marijuana, as defined in § ~~18.2-247~~ *54.1-3401*, unless such advertisement is for the treatment of addiction or substance abuse. However, nothing in this subsection shall prevent a person from including in any advertisement that such person is registered with the Board of Directors of the Virginia Cannabis Control Authority to issue written certifications for the use of cannabis products, as defined in § 4.1-1600.

§ 54.1-3401. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Administer" means the direct application of a controlled substance, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by (i) a practitioner or by his authorized agent and under his direction or (ii) the patient or research subject at the direction and in the presence of the practitioner.

"Advertisement" means all representations disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of drugs or devices.

"Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. "Agent" does not include a common or contract carrier, public warehouseman, or employee of the carrier or warehouseman.

"Anabolic steroid" means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, and dehydroepiandrosterone.

"Animal" means any nonhuman animate being endowed with the power of voluntary action.

"Automated drug dispensing system" means a mechanical or electronic system that performs operations or activities, other than compounding or administration, relating to pharmacy services, including the storage, dispensing, or distribution of drugs and the collection, control, and maintenance of all transaction information, to provide security and accountability for such drugs.

"Biological product" means a virus, therapeutic serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, protein other than a chemically synthesized polypeptide, or analogous product, or arsphenamine or any derivative of arsphenamine or any other trivalent organic arsenic compound, applicable to the prevention, treatment, or cure of a disease or condition of human beings.

"Biosimilar" means a biological product that is highly similar to a specific reference biological product, notwithstanding minor differences in clinically inactive compounds, such

that there are no clinically meaningful differences between the reference biological product and the biological product that has been licensed as a biosimilar pursuant to 42 U.S.C. § 262(k) in terms of safety, purity, and potency of the product.

"Board" means the Board of Pharmacy.

"Bulk drug substance" means any substance that is represented for use, and that, when used in the compounding, manufacturing, processing, or packaging of a drug, becomes an active ingredient or a finished dosage form of the drug; however, "bulk drug substance" does not include intermediates that are used in the synthesis of such substances.

"Change of ownership" of an existing entity permitted, registered, or licensed by the Board means (i) the sale or transfer of all or substantially all of the assets of the entity or of any corporation that owns or controls the entity; (ii) the creation of a partnership by a sole proprietor, the dissolution of a partnership, or a change in partnership composition; (iii) the acquisition or disposal of 50 percent or more of the outstanding shares of voting stock of a corporation owning the entity or of the parent corporation of a wholly owned subsidiary owning the entity, except that this shall not apply to any corporation the voting stock of which is actively traded on any securities exchange or in any over-the-counter market; (iv) the merger of a corporation owning the entity or of the parent corporation of a wholly owned subsidiary owning the entity with another business or corporation; or (v) the expiration or forfeiture of a corporation's charter.

"Co-licensed partner" means a person who, with at least one other person, has the right to engage in the manufacturing or marketing of a prescription drug, consistent with state and federal law.

"Compounding" means the combining of two or more ingredients to fabricate such ingredients into a single preparation and includes the mixing, assembling, packaging, or labeling of a drug or device (i) by a pharmacist, or within a permitted pharmacy, pursuant to a valid prescription issued for a medicinal or therapeutic purpose in the context of a bona fide practitioner-patient-pharmacist relationship, or in expectation of receiving a valid prescription based on observed historical patterns of prescribing and dispensing; (ii) by a practitioner of medicine, osteopathy, podiatry, dentistry, or veterinary medicine as an incident to his administering or dispensing, if authorized to dispense, a controlled substance in the course of his professional practice; or (iii) for the purpose of, or as incident to, research, teaching, or chemical analysis and not for sale or for dispensing. The mixing, diluting, or reconstituting of a manufacturer's product drugs for the purpose of administration to a patient, when performed by a practitioner of medicine or osteopathy licensed under Chapter 29 (§ 54.1-2900 et seq.), a person supervised by such practitioner pursuant to subdivision A 6 or 19 of § 54.1-2901, or a person supervised by such practitioner or a licensed advanced practice registered nurse or physician assistant pursuant to subdivision A 4 of § 54.1-2901 shall not be considered compounding.

"Controlled substance" means a drug, substance, or immediate precursor in Schedules I through VI of this chapter. "Controlled substance" does not include distilled spirits, wine,

malt beverages, or tobacco as those terms are defined or used in Title 3.2 or Title 4.1. The term "controlled substance" includes a controlled substance analog that has been placed into Schedule I or II by the Board pursuant to the regulatory authority in subsection D of § 54.1-3443.

"Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and either (i) which has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II or (ii) with respect to a particular person, which such person represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II. "Controlled substance analog" does not include (a) any substance for which there is an approved new drug application as defined under § 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) or that is generally recognized as safe and effective pursuant to §§ 501, 502, and 503 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §§ 351, 352, and 353) and 21 C.F.R. Part 330; (b) with respect to a particular person, any substance for which an exemption is in effect for investigational use for that person under § 505 of the Federal Food, Drug, and Cosmetic Act to the extent that the conduct with respect to that substance is pursuant to such exemption; or (c) any substance to the extent not intended for human consumption before such an exemption takes effect with respect to that substance.

"DEA" means the Drug Enforcement Administration, U.S. Department of Justice, or its successor agency.

"Deliver" or "delivery" means the actual, constructive, or attempted transfer of any item regulated by this chapter, whether or not there exists an agency relationship, including delivery of a Schedule VI prescription device to an ultimate user or consumer on behalf of a medical equipment supplier by a manufacturer, nonresident manufacturer, wholesale distributor, nonresident wholesale distributor, warehouser, nonresident warehouser, third-party logistics provider, or nonresident third-party logistics provider at the direction of a medical equipment supplier in accordance with § 54.1-3415.1.

"Device" means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or animals or to affect the structure or any function of the body of man or animals.

"Dialysis care technician" or "dialysis patient care technician" means an individual who is certified by an organization approved by the Department of Health Professions pursuant to Chapter 27.01 (§ 54.1-2729.1 et seq.) and who, under the supervision of a licensed physician, an advanced practice registered nurse, a physician assistant, or a registered nurse, assists in the care of patients undergoing renal dialysis treatments in a Medicare-certified

renal dialysis facility.

"Dialysis solution" means either the commercially available, unopened, sterile solutions whose purpose is to be instilled into the peritoneal cavity during the medical procedure known as peritoneal dialysis, or commercially available solutions whose purpose is to be used in the performance of hemodialysis not to include any solutions administered to the patient intravenously.

"Dispense" means to deliver a drug to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing and administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery. However, "dispensing" does not include the transportation of drugs mixed, diluted, or reconstituted in accordance with this chapter to other sites operated by such practitioner or that practitioner's medical practice for the purpose of administration of such drugs to patients of the practitioner or that practitioner's medical practice at such other sites. For practitioners of medicine or osteopathy, "dispense" includes only the provision of drugs by a practitioner to patients to take with them away from the practitioner's place of practice.

"Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or dispensing a controlled substance.

"Distributor" means a person who distributes.

"Drug" means (i) articles or substances recognized in the official United States Pharmacopoeia National Formulary or official Homeopathic Pharmacopoeia of the United States, or any supplement to any of them; (ii) articles or substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or animals; (iii) articles or substances, other than food, intended to affect the structure or any function of the body of man or animals; (iv) articles or substances intended for use as a component of any article specified in clause (i), (ii), or (iii); or (v) a biological product. "Drug" does not include devices or their components, parts, or accessories.

"Drug product" means a specific drug in dosage form from a known source of manufacture, whether by brand or therapeutically equivalent drug product name.

"Electronic prescription" means a written prescription that is generated on an electronic application and is transmitted to a pharmacy as an electronic data file; Schedules II through V prescriptions shall be transmitted in accordance with 21 C.F.R. Part 1300.

"Facsimile (FAX) prescription" means a written prescription or order that is transmitted by an electronic device over telephone lines that sends the exact image to the receiving pharmacy in hard copy form.

"FDA" means the U.S. Food and Drug Administration.

"Immediate precursor" means a substance which the Board of Pharmacy has found to be and

by regulation designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance, the control of which is necessary to prevent, curtail, or limit manufacture.

"Interchangeable" means a biosimilar that meets safety standards for determining interchangeability pursuant to 42 U.S.C. § 262(k)(4).

"Label" means a display of written, printed, or graphic matter upon the immediate container of any article. A requirement made by or under authority of this chapter that any word, statement, or other information appear on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any, of the retail package of such article or is easily legible through the outside container or wrapper.

"Labeling" means all labels and other written, printed, or graphic matter on an article or any of its containers or wrappers, or accompanying such article.

"Manufacture" means the production, preparation, propagation, conversion, or processing of any item regulated by this chapter, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. "Manufacture" does not include compounding.

"Manufacturer" means every person who manufactures, a manufacturer's co-licensed partner, or a repackager.

"Marijuana" means any part of a plant of the genus Cannabis whether growing or not, its seeds, or its resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seeds of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product, as defined in § ~~3.2-4112~~ *4.1-600*; (v) an industrial hemp extract, as defined in § 3.2-5145.1; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.

"Medical equipment supplier" means any person, as defined in § 1-230, engaged in the delivery to the ultimate consumer, pursuant to the lawful order of a practitioner, of hypodermic syringes and needles, medicinal oxygen, Schedule VI controlled devices, those

Schedule VI controlled substances with no medicinal properties that are used for the operation and cleaning of medical equipment, solutions for peritoneal dialysis, and sterile water or saline for irrigation.

"Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis: (i) opium, opiates, and any salt, compound, derivative, or preparation of opium or opiates; (ii) any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in clause (i), but not including the isoquinoline alkaloids of opium; (iii) opium poppy and poppy straw; or (iv) coca leaves and any salt, compound, derivative, or preparation of coca leaves, and any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, but not including decocainized coca leaves or extraction of coca leaves which do not contain cocaine or ecgonine.

"New drug" means (i) any drug, except a new animal drug or an animal feed bearing or containing a new animal drug, the composition of which is such that such drug is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the conditions prescribed, recommended, or suggested in the labeling, except that such a drug not so recognized shall not be deemed to be a "new drug" if at any time prior to the enactment of this chapter it was subject to the Food and Drugs Act of June 30, 1906, as amended, and if at such time its labeling contained the same representations concerning the conditions of its use, or (ii) any drug, except a new animal drug or an animal feed bearing or containing a new animal drug, the composition of which is such that such drug, as a result of investigations to determine its safety and effectiveness for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions.

"Nuclear medicine technologist" means an individual who holds a current certification with the American Registry of Radiological Technologists or the Nuclear Medicine Technology Certification Board.

"Official compendium" means the official United States Pharmacopoeia National Formulary, official Homeopathic Pharmacopoeia of the United States, or any supplement to any of them.

"Official written order" means an order written on a form provided for that purpose by the U.S. Drug Enforcement Administration, under any laws of the United States making provision therefor, if such order forms are authorized and required by federal law, and if no such order form is provided then on an official form provided for that purpose by the Board of Pharmacy.

"Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having such addiction-

forming or addiction-sustaining liability. "Opiate" does not include, unless specifically designated as controlled under Article 4 (§ 54.1-3437 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). "Opiate" does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species Papaver somniferum L., except the seeds thereof.

"Original package" means the unbroken container or wrapping in which any drug or medicine is enclosed together with label and labeling, put up by or for the manufacturer, wholesaler, or distributor for use in the delivery or display of such article.

"Outsourcing facility" means a facility that is engaged in the compounding of sterile drugs and is currently registered as an outsourcing facility with the U.S. Secretary of Health and Human Services and that complies with all applicable requirements of federal and state law, including the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq.

"Person" means both the plural and singular, as the case demands, and includes an individual, partnership, corporation, association, governmental agency, trust, or other institution or entity.

"Pharmacist-in-charge" means the person who, being licensed as a pharmacist, signs the application for a pharmacy permit and assumes full legal responsibility for the operation of the relevant pharmacy in a manner complying with the laws and regulations for the practice of pharmacy and the sale and dispensing of controlled substances; the "pharmacist-in-charge" shall personally supervise the pharmacy and the pharmacy's personnel as required by § 54.1-3432.

"Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

"Practitioner" means a physician, dentist, licensed advanced practice registered nurse pursuant to § 54.1-2957.01, licensed physician assistant pursuant to § 54.1-2952.1, pharmacist pursuant to § 54.1-3300, TPA-certified optometrist pursuant to Article 5 (§ 54.1-3222 et seq.) of Chapter 32, veterinarian, scientific investigator, or other person licensed, registered, or otherwise permitted to distribute, dispense, prescribe and administer, or conduct research with respect to a controlled substance in the course of professional practice or research in the Commonwealth.

"Prescriber" means a practitioner who is authorized pursuant to §§ 54.1-3303 and 54.1-3408 to issue a prescription.

"Prescription" means an order for drugs or medical supplies, written or signed or transmitted by word of mouth, telephone, telegraph, or other means of communication to a pharmacist by a duly licensed physician, dentist, veterinarian, or other practitioner authorized by law to prescribe and administer such drugs or medical supplies.

"Prescription drug" means any drug required by federal law or regulation to be dispensed only pursuant to a prescription, including finished dosage forms and active ingredients

subject to § 503(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 353(b)).

"Production" or "produce" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled substance or marijuana.

"Proprietary medicine" means a completely compounded nonprescription drug in its unbroken, original package which does not contain any controlled substance or marijuana as defined in this chapter and is not in itself poisonous, and which is sold, offered, promoted, or advertised directly to the general public by or under the authority of the manufacturer or primary distributor, under a trademark, trade name, or other trade symbol privately owned, and the labeling of which conforms to the requirements of this chapter and applicable federal law. However, "proprietary medicine" does not include a drug that is only advertised or promoted professionally to licensed practitioners, a narcotic or drug containing a narcotic, a drug that may be dispensed only upon prescription or the label of which bears substantially the statement "Warning may be habit-forming," or a drug intended for injection.

"Radiopharmaceutical" means any drug that exhibits spontaneous disintegration of unstable nuclei with the emission of nuclear particles or photons and includes any non-radioactive reagent kit or radionuclide generator that is intended to be used in the preparation of any such substance, but does not include drugs such as carbon-containing compounds or potassium-containing salts that include trace quantities of naturally occurring radionuclides. "Radiopharmaceutical" also includes any biological product that is labeled with a radionuclide or intended solely to be labeled with a radionuclide.

"Reference biological product" means the single biological product licensed pursuant to 42 U.S.C. § 262(a) against which a biological product is evaluated in an application submitted to the U.S. Food and Drug Administration for licensure of biological products as biosimilar or interchangeable pursuant to 42 U.S.C. § 262(k).

"Remote dispensing system" means a profile-driven automated drug dispensing system that performs operations or activities relative to the storage, packaging, labeling, or dispensing of medications employing bidirectional audio-visual technology to facilitate pharmacist communication with a patient, authorized agent of the patient, or person licensed to administer drugs, and collects, controls, and maintains all information online. Drugs intended to be administered by the patient or a person not licensed to administer drugs must fully comply with the labeling requirements in §§ 54.1-3410 and 54.1-3463 and Board regulations. Directions for use may only be abbreviated when drugs are administered exclusively by persons licensed to administer drugs.

"Sale" includes barter, exchange, or gift, or offer therefor, and each such transaction made by any person, whether as an individual, proprietor, agent, servant, or employee.

"Tetrahydrocannabinol" means any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable

amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.

"Therapeutically equivalent drug products" means drug products that contain the same active ingredients and are identical in strength or concentration, dosage form, and route of administration and that are classified as being therapeutically equivalent by the U.S. Food and Drug Administration pursuant to the definition of "therapeutically equivalent drug products" set forth in the most recent edition of the Approved Drug Products with Therapeutic Equivalence Evaluations, otherwise known as the "Orange Book."

"Third-party logistics provider" means a person that provides or coordinates warehousing of or other logistics services for a drug or device in interstate commerce on behalf of a manufacturer, wholesale distributor, or dispenser of the drug or device but does not take ownership of the product or have responsibility for directing the sale or disposition of the product.

"Total tetrahydrocannabinol" means the sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.

"USP-NF" means the current edition of the United States Pharmacopeia-National Formulary.

"Warehouser" means any person, other than a wholesale distributor, manufacturer, or third-party logistics provider, engaged in the business of (i) selling or otherwise distributing prescription drugs or devices to any person who is not the ultimate user or consumer and (ii) delivering Schedule VI prescription devices to the ultimate user or consumer pursuant to § 54.1-3415.1. No person shall be subject to any state or local tax by reason of this definition.

"Wholesale distribution" means (i) distribution of prescription drugs to persons other than consumers or patients and (ii) delivery of Schedule VI prescription devices to the ultimate user or consumer pursuant to § 54.1-3415.1, subject to the exemptions set forth in the federal Drug Supply Chain Security Act.

"Wholesale distributor" means any person other than a manufacturer, a manufacturer's co-licensed partner, a third-party logistics provider, or a repackager that engages in wholesale distribution.

The words "drugs" and "devices" as used in Chapter 33 (§ 54.1-3300 et seq.) and in this chapter do not include surgical or dental instruments, physical therapy equipment, X-ray apparatus, or glasses or lenses for the eyes.

The terms "pharmacist," "pharmacy," and "practice of pharmacy" as used in this chapter have the same meanings as provided in Chapter 33 (§ 54.1-3300 et seq.) unless the context requires a different meaning.

§ 54.1-3443. Board to administer article.

A. The Board shall administer this article and may add substances to or deschedule or reschedule all substances enumerated in the schedules in this article pursuant to the procedures of the Administrative Process Act (§ 2.2-4000 et seq.). In making a determination regarding a substance, the Board shall consider the following:

1. The actual or relative potential for abuse;

2. The scientific evidence of its pharmacological effect, if known;

3. The state of current scientific knowledge regarding the substance;

4. The history and current pattern of abuse;

5. The scope, duration, and significance of abuse;

6. The risk to the public health;

7. The potential of the substance to produce psychic or physical dependence; and

8. Whether the substance is an immediate precursor of a substance already controlled under this article.

B. After considering the factors enumerated in subsection A, the Board shall make findings and issue a regulation controlling the substance if it finds the substance has a potential for abuse.

C. If the Board designates a substance as an immediate precursor, substances which are precursors of the controlled precursor shall not be subject to control solely because they are precursors of the controlled precursor.

D. If the Board, in consultation with the Department of Forensic Science, determines the substance shall be placed into Schedule I or II pursuant to § 54.1-3445 or 54.1-3447, the Board may amend its regulations pursuant to Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act. Prior to making such amendments, the Board shall conduct a public hearing. At least 30 days prior to conducting such hearing, it shall post notice of the hearing on the Virginia Regulatory Town Hall and shall send notice of the hearing to any persons requesting to be notified of a regulatory action. In the notice, the Board shall include a list of all substances it intends to schedule by regulation. The Board shall notify the House and Senate Committees for Courts of Justice of any new substance added to Schedule I or II pursuant to this subsection. Any substance added to Schedule I or II pursuant to this subsection shall remain on Schedule I or II for a period of 18 months. Upon expiration of such 18-month period, such substance shall be descheduled unless a general law is enacted adding such substance to Schedule I or II. Nothing in this subsection shall preclude the Board from adding substances to or descheduling or rescheduling all substances enumerated in the schedules pursuant to the provisions of subsections A, B, and E.

E. If any substance is designated, rescheduled, or descheduled as a controlled substance under federal law and notice of such action is given to the Board, the Board may similarly

control the substance under this chapter after the expiration of 30 days from publication in the Federal Register of a final or interim final order or rule designating a substance as a controlled substance or rescheduling or descheduling a substance by amending its regulations in accordance with the requirements of Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act. Prior to making such amendments, the Board shall post notice of the hearing on the Virginia Regulatory Town Hall and shall send notice of the hearing to any persons requesting to be notified of a regulatory action. The Board shall include a list of all substances it intends to schedule by regulation in such notice.

F. Authority to control under this section does not extend to distilled spirits, wine, malt beverages, or tobacco as those terms are defined or used in Title 4.1.

G. The Board shall exempt any nonnarcotic substance from a schedule if such substance may, under the provisions of the federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.) or state law, be lawfully sold over the counter without a prescription.

H. Any tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether scheduled pursuant to this section shall not be included in the definition of marijuana set forth in § 4.1-600~~, 18.2-247,~~ or 54.1-3401.

§ 54.1-4426. Accounting services for licensed marijuana establishments.

A. As used in this section, "licensed" and "marijuana establishment" have the same meanings as provided in § 4.1-600.

B. A CPA, CPA firm, or officer, director, or employee of a CPA or CPA firm that provides accounting services to a licensed marijuana establishment shall not be held liable pursuant to any state law or regulation solely for providing such accounting services.

C. Nothing in this section shall require a CPA or CPA firm to provide accounting services to a licensed marijuana establishment.

§ 58.1-301. Conformity to Internal Revenue Code.

A. Any term used in this chapter shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required.

B. Any reference in this chapter to the laws of the United States relating to federal income taxes shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, except for:

1. The special depreciation allowance for certain property provided for under §§ 168(k), 168(l), 168(m), 1400L, and 1400N of the Internal Revenue Code;

2. The carry-back of certain net operating losses for five years under § 172(b)(1)(H) of the Internal Revenue Code;

3. The original issue discount on applicable high yield discount obligations under § 163(e)(5)(F) of the Internal Revenue Code;

4. The deferral of certain income under § 108(i) of the Internal Revenue Code. For Virginia income tax purposes, income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument" (as defined under § 108(i) of the Internal Revenue Code) reacquired in the taxable year shall be fully included in the taxpayer's Virginia taxable income for the taxable year, unless the taxpayer elects to include such income in the taxpayer's Virginia taxable income ratably over a three-taxable-year period beginning with taxable year 2009 for transactions completed in taxable year 2009, or over a three-taxable-year period beginning with taxable year 2010 for transactions completed in taxable year 2010 on or before April 21, 2010. For purposes of such election, all other provisions of § 108(i) of the Internal Revenue Code shall apply mutatis mutandis. No other deferral shall be allowed for income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument";

5. For taxable years beginning on and after January 1, 2019, the suspension of the overall limitation on itemized deductions under § 68(f) of the Internal Revenue Code;

6. For taxable years beginning on and after January 1, 2017, but before January 1, 2018, and for taxable years beginning on and after January 1, 2019, the 7.5 percent of federal adjusted gross income threshold set forth in § 213(a) of the Internal Revenue Code that is used for purposes of computing the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code. For such taxable years, the threshold utilized for Virginia income tax purposes to compute the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code shall be 10 percent of federal adjusted gross income;

7. The provisions of §§ 2303(a) and 2303(b) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the net operating loss limitation and carryback;

8. The provisions of § 2304(a) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to a loss limitation applicable to taxpayers other than corporations;

9. The provisions of § 2306 of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the limitation on business interest;

10. For taxable years beginning before January 1, 2021, the provisions of §§ 276(a), 276(b)(2), 276(b)(3), 278(a)(2), 278(a)(3), 278(b)(2), 278(b)(3), 278(c)(2), 278(c)(3), 278(d)(2), and 278(d)(3) of the federal Consolidated Appropriations Act, P.L. 116-260 (2020), and §§ 9672(2), 9672(3), 9673(2), and 9673(3) of the federal American Rescue Plan Act, P.L. 117-2 (2021) related to deductions, tax attributes, and basis increases for certain loan forgiveness and other business financial assistance; ~~and~~

11. a. (1) Any amendment enacted on or after January 1, 2023, with a projected impact that would increase or decrease general fund revenues by greater than $15 million in the fiscal year in which the amendment was enacted or any of the succeeding four fiscal years. The provisions of this subdivision shall not apply to any amendment to federal income tax law that is either subsequently adopted by the General Assembly or a federal tax extender as defined in subdivision b.

(2) All amendments enacted on or after January 1, 2023, and occurring between adjournment sine die of the previous regular session of the General Assembly and the first day of the subsequent regular session of the General Assembly if the cumulative projected impact of such amendments would increase or decrease general fund revenues by greater than $75 million in the fiscal year in which the amendments were enacted or any of the succeeding four fiscal years. The provisions of this subdivision shall not apply to any amendment to federal income tax law that is (i) subsequently adopted by the General Assembly, (ii) a federal tax extender as defined in subdivision b, or (iii) enacted before the date on which the cumulative projected impact is met. However, any amendment conformed to pursuant to clause (iii) shall be included in the calculation of the $75 million threshold for purposes of determining whether such threshold has been met.

(3) Beginning January 1, 2024, the threshold provided by subdivision (1) shall be adjusted annually based on the preceding change in the Chained Consumer Price Index for All Urban Consumers (C-CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor or any successor index for the previous year.

b. For purposes of this subdivision 11, "amendment" means a single amendment to federal income tax law or a group of such amendments enacted in the same act of Congress that collectively surpass the threshold impact, and "federal tax extender" means an amendment to federal tax law that extends the expiration date of a federal tax provision to which Virginia conforms or has previously conformed.

c. The Secretary of Finance, in consultation with the Chairmen of the Senate Committee on Finance and Appropriations and the House Committees on Appropriations and Finance, shall be responsible for determining whether the criteria of subdivision a are met.

d. The Secretary of Finance shall annually provide a report on or before November 15 of each year on the fiscal impact of amendments to federal income tax law occurring since the adjournment sine die of the preceding regular session of the General Assembly to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committees on Appropriations and Finance. The Secretary of Finance shall also provide updates to the same Chairmen on any further amendments to federal income tax law occurring between submission of the required report and the first day of the subsequent regular session of the General Assembly*; and*

12. For taxable years beginning on and after January 1, 2026, the prohibition on utilizing tax deductions for ordinary and necessary expenditures made in connection with carrying

on a trade or business licensed in Virginia pursuant to the Cannabis Control Act (§ 4.1-600 et seq.) under § 280E of the Internal Revenue Code.

C. The Department of Taxation is hereby authorized to develop procedures or guidelines for implementation of the provisions of this section, which procedures or guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

§ 59.1-200. Prohibited practices.

A. The following fraudulent acts or practices committed by a supplier in connection with a consumer transaction are hereby declared unlawful:

1. Misrepresenting goods or services as those of another;

2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;

3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services, with another;

4. Misrepresenting geographic origin in connection with goods or services;

5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits;

6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;

7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished, deteriorated, or reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly and unequivocally indicating in the advertisement or offer for sale that the goods are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds," irregulars, imperfects, or "not first class";

8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell at the price or upon the terms advertised.

In any action brought under this subdivision, the refusal by any person, or any employee, agent, or servant thereof, to sell any goods or services advertised or offered for sale at the price or upon the terms advertised or offered, shall be prima facie evidence of a violation of this subdivision. This paragraph shall not apply when it is clearly and conspicuously stated in the advertisement or offer by which such goods or services are advertised or offered for sale, that the supplier or offeror has a limited quantity or amount of such goods or services for sale, and the supplier or offeror at the time of such advertisement or offer did in fact have or reasonably expected to have at least such quantity or amount for sale;

9. Making false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;

10. Misrepresenting that repairs, alterations, modifications, or services have been performed or parts installed;

11. Misrepresenting by the use of any written or documentary material that appears to be an invoice or bill for merchandise or services previously ordered;

12. Notwithstanding any other provision of law, using in any manner the words "wholesale," "wholesaler," "factory," or "manufacturer" in the supplier's name, or to describe the nature of the supplier's business, unless the supplier is actually engaged primarily in selling at wholesale or in manufacturing the goods or services advertised or offered for sale;

13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of defense, or attempting to collect any liquidated damages or penalties under any clause, waiver, damages, or penalties that are void or unenforceable under any otherwise applicable laws of the Commonwealth, or under federal statutes or regulations;

13a. Failing to provide to a consumer, or failing to use or include in any written document or material provided to or executed by a consumer, in connection with a consumer transaction any statement, disclosure, notice, or other information however characterized when the supplier is required by 16 C.F.R. Part 433 to so provide, use, or include the statement, disclosure, notice, or other information in connection with the consumer transaction;

14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction;

15. Violating any provision of § 3.2-6509, 3.2-6512, 3.2-6513, 3.2-6513.1, 3.2-6514, 3.2-6515, 3.2-6516, or 3.2-6519 is a violation of this chapter;

16. Failing to disclose all conditions, charges, or fees relating to:

a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign attached to the goods, or placed in a conspicuous public area of the premises of the supplier, so as to be readily noticeable and readable by the person obtaining the goods from the supplier. If the supplier does not permit a refund, exchange, or credit for return, he shall so state on a similar sign. The provisions of this subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not less than 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for the return of defective, unused, or undamaged merchandise upon presentation of proof of purchase. In the case of merchandise paid for by check, the purchase shall be treated as a cash purchase and any refund may be delayed for a period of 10 banking days to allow for the check to clear. This subdivision does not apply to sale merchandise that is obviously distressed, out of date, post season, or otherwise reduced for clearance; nor does this subdivision apply to special order purchases where the purchaser has requested the supplier to order merchandise of a specific or unusual size, color, or brand not ordinarily carried in the store or the store's catalog; nor shall this subdivision apply in connection with a transaction for the sale or lease of motor vehicles, farm tractors, or motorcycles as defined in § 46.2-100;

b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the time of the layaway agreement, or (ii) by means of a sign placed in a conspicuous public

area of the premises of the supplier, so as to be readily noticeable and readable by the consumer, or (iii) on the bill of sale. Disclosure shall include the conditions, charges, or fees in the event that a consumer breaches the agreement;

16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of $5 (i) on an account maintained by the supplier and (ii) resulting from such consumer's overpayment on such account. Suppliers shall give consumers written notice of such credit balances within 60 days of receiving overpayments. If the credit balance information is incorporated into statements of account furnished consumers by suppliers within such 60-day period, no separate or additional notice is required;

17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in connection with a consumer transaction, failing to adhere to the terms and conditions of such an agreement;

18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.);

19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1 et seq.);

20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1 et seq.);

21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-207.17 et seq.);

22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.);

23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-424 et seq.);

24. Violating any provision of § 54.1-1505;

25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6 (§ 59.1-207.34 et seq.);

26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;

27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.);

28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.);

29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et seq.);

30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40 et seq.);

31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.);

32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;

33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;

34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;

35. Using the consumer's social security number as the consumer's account number with the supplier, if the consumer has requested in writing that the supplier use an alternate number not associated with the consumer's social security number;

36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;

37. Violating any provision of § 8.01-40.2;

38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;

39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.);

40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;

41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§ 59.1-525 et seq.). For the purposes of this subdivision, "consumer transaction" has the same meaning as provided in § 59.1-526;

42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.);

43. Violating any provision of § 59.1-443.2;

44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.);

45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;

46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;

47. Violating any provision of § 18.2-239;

48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);

49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable presumption that a supplier has reason to know a children's product was recalled if notice of the recall has been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale on the website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's products that are used, secondhand or "seconds";

50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);

51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;

52. Violating any provision of § 8.2-317.1;

53. Violating subsection A of § 9.1-149.1;

54. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential dwelling in the Commonwealth, any drywall that the supplier knows or has reason to know is defective drywall. This subdivision shall not apply to the sale or offering for sale of any building or structure in which defective drywall has been permanently installed or affixed;

55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while engaged in a transaction that was initiated (i) during a declared state of emergency as defined in § 44-146.16 or (ii) to repair damage resulting from the event that prompted the declaration of a state of emergency, regardless of whether the supplier is licensed as a contractor in the Commonwealth pursuant to Chapter 11 (§ 54.1-1100 et seq.) of Title 54.1;

56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);

57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;

58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.). For the purposes of this subdivision, "consumer transaction" also includes transactions involving an automatic renewal or continuous service offer by a supplier to a small business, as those terms are defined in § 59.1-207.45;

59. Violating any provision of subsection E of § 32.1-126;

60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession licensed under Chapter 11 (§ 54.1-1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;

61. Violating any provision of § 2.2-2001.5;

62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;

63. Violating any provision of § 6.2-312;

64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;

65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2;

66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);

67. Knowingly violating any provision of § 8.01-27.5;

68. Failing to, in accordance with § 59.1-207.46, (i) make available a conspicuous online option to cancel a recurring purchase of a good or service or (ii) with respect to a free trial lasting more than 30 days, notify a consumer of his option to cancel such free trial within 30 days of the end of the trial period to avoid an obligation to pay for the goods or services;

69. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains a synthetic derivative of tetrahydrocannabinol. As used in this

subdivision, "synthetic derivative" means a chemical compound produced by man through a chemical transformation to turn a compound into a different compound by adding or subtracting molecules to or from the original compound. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under ~~Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1~~ *the Cannabis Control Act (§ 4.1-600 et seq.)*;

70. Selling or offering for sale to a person younger than 21 years of age any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under ~~Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1~~ *the Cannabis Control Act (§ 4.1-600 et seq.)*;

71. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol, unless such substance is (i) contained in child-resistant packaging, as defined in § 4.1-600; (ii) equipped with a label that states, in English and in a font no less than 1/16 of an inch, (a) that the substance contains tetrahydrocannabinol and may not be sold to persons younger than 21 years of age, (b) all ingredients contained in the substance, (c) the amount of such substance that constitutes a single serving, and (d) the total percentage and milligrams of tetrahydrocannabinol included in the substance and the number of milligrams of tetrahydrocannabinol that are contained in each serving; and (iii) accompanied by a certificate of analysis, produced by ~~an independent laboratory that is accredited pursuant to standard ISO/IEC 17025 of the International Organization of Standardization by a third-party accrediting body~~ *a licensed marijuana testing facility*, that states the tetrahydrocannabinol concentration of the substance or the tetrahydrocannabinol concentration of the batch from which the substance originates. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under ~~Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1~~ *the Cannabis Control Act (§ 4.1-600 et seq.)*;

72. Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as defined in § 3.2-5145.1, a food containing an industrial hemp extract, or a substance containing tetrahydrocannabinol that depicts or is in the shape of a human, animal, vehicle, or fruit;

73. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol and, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance;

74. Selling or offering for sale a topical hemp product, as defined in § ~~3.2-4112~~ *4.1-600*, that does not include a label stating that the product is not intended for human consumption. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.), (ii) be construed to prohibit any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1, or (iii) apply to topical hemp products that were manufactured prior to July 1, 2023, provided that the person provides documentation of the date of manufacture if requested;

75. Violating any provision of § 59.1-466.8;

76. Violating subsection F of § 36-96.3:1;

77. Selling or offering for sale (i) any kratom product to a person younger than 21 years of age or (ii) any kratom product that does not include a label listing all ingredients and with the following guidance: "This product may be harmful to your health, has not been evaluated by the FDA, and is not intended to diagnose, treat, cure, or prevent any disease." As used in this subdivision, "kratom" means any part of the leaf of the plant Mitragyna speciosa or any extract thereof;

78. Advertising of any ignition interlock system in Virginia by an ignition interlock vendor not approved by the Commission on the Virginia Alcohol Safety Action Program to operate in Virginia; targeted advertising of any ignition interlock system to a person before determination of guilt; and any advertising, whether before or after determination of guilt, without a conspicuous statement that such advertisement is not affiliated with any government agency. For purposes of this subdivision, "ignition interlock system" has the same meaning as ascribed to that term in § 18.2-270.1 and "targeted advertising" has the same meaning ascribed to that term in § 59.1-575 and includes direct mailings to an individual. This provision shall not apply to ignition interlock service vendor ads, pamphlets, or kiosk advertisements approved by the Commission on the Virginia Alcohol Safety Action Program and provided at a Commission-approved location;

79. Failing to disclose the total cost of a good or continuous service, as defined in § 59.1-207.45, to a consumer, including any mandatory fees or charges, prior to entering into an agreement for the sale of any such good or provision of any such continuous service;

80. Violating any provision of the Unfair Real Estate Service Agreement Act (§ 55.1-3200 et seq.);

81. Selling or offering for sale services as a professional mold remediator to be performed upon any residential dwelling without holding a mold remediation certification from a nationally or internationally recognized certifying body for mold remediation, and failing to comply with (i) the U.S. Environmental Protection Agency's publication on Mold Remediation in Schools and Commercial Buildings, as revised; (ii) the ANSI/IICRC S520 Standard for Professional Mold Remediation, as revised; or (iii) any other equivalent ANSI-accredited mold remediation standard, when conducting or offering to conduct mold remediation in the Commonwealth;

82. Willfully violating any provision of § 59.1-444.4;

83. Violating any provision of Chapter 23.2 (§ 59.1-293.10 et seq.);

84. Selling any food that is required by the FDA to have a nutrition label that does not meet the requirements of 21 C.F.R. Part 101;

85. Obtaining, disclosing, selling, or disseminating any personally identifiable reproductive or sexual health information without the consent of the consumer;

86. Violating any provision of Chapter 58 (§ 59.1-607 et seq.); and

87. (Effective July 1, 2026) Violating any provision of the Medical Debt Protection Act (§ 59.1-611 et seq.).

B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or lease solely by reason of the failure of such contract or lease to comply with any other law of the Commonwealth or any federal statute or regulation, to the extent such other law, statute, or regulation provides that a violation of such law, statute, or regulation shall not invalidate or make unenforceable such contract or lease.

2. That §§ 3.2-4112 and 3.2-5145.2:1 of the Code of Virginia are amended and reenacted and that the § 4.1-700 of the Code of Virginia, as created by the first enactment of this act, is amended and reenacted as follows:

§ 3.2-4112. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Cannabis sativa product" means a product made from any part of the plant Cannabis sativa with a concentration of tetrahydrocannabinol that is greater than that allowed by federal law.

~~"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.~~

"Federally licensed hemp producer" means a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990.

"Grow" means to plant, cultivate, or harvest a plant or crop.

"Grower" means any person registered pursuant to subsection A of § 3.2-4115 to grow industrial hemp.

"Handle" means to temporarily possess industrial hemp grown in compliance with state or federal law that (i) has not been processed and (ii) was not grown by and will not be processed by the person temporarily possessing it.

"Handler" means any person who is registered pursuant to subsection A of § 3.2-4115 to handle industrial hemp. "Handler" does not include a retail establishment that sells or offers for sale a hemp product.

"Handler's storage site" means the location at which a handler stores or intends to store the industrial hemp he handles.

"Hemp product" means ~~a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains either no more than two milligrams of total tetrahydrocannabinol per package or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~ *the same as that term is defined in § 4.1-600.*

~~"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.~~

"Industrial hemp" means any part of the plant Cannabis sativa, including seeds thereof, whether growing or not, with a concentration of tetrahydrocannabinol that is no greater than that allowed by federal law. "Industrial hemp" includes an industrial hemp extract that has not completed all stages of processing needed to convert the extract into a hemp product.

"Process" means to convert industrial hemp into a hemp product.

"Processor" means a person registered pursuant to subsection A of § 3.2-4115 to process industrial hemp.

"Process site" means the location at which a processor processes or intends to process industrial hemp.

"Production field" means the land or area on which a grower or a federally licensed hemp producer is growing or intends to grow industrial hemp.

~~"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.~~

"Tetrahydrocannabinol" means ~~any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers~~ *the same as that term is defined in § 4.1-600.*

~~"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.~~

"Total tetrahydrocannabinol" means the ~~sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid~~ *same as that term is defined in § 4.1-600.*

§ 3.2-5145.2:1. Manufacturers of industrial hemp extract; penalties.

A. Any person who manufactures~~, sells, or offers for sale~~ an industrial hemp extract or food containing an industrial hemp extract shall be subject to the requirements of this chapter and regulations adopted pursuant to this chapter.

B. Any person who (i) manufactures~~, sells, or offers for sale~~ an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100~~, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130~~; (ii) continues to manufacture~~, sell, or offer for sale~~ an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture~~, sell, or offer for sale~~ a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) ~~sells or offers for sale at retail a food that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package; (v)~~ manufactures~~, offers for sale, or sells~~ in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or ~~(vi)~~ *(v)* otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Commissioner and the proceeds shall be payable to the State Treasurer for remittance to the Department.

C. Any person who (i) manufactures~~, sells, or offers for sale~~ an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100~~, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130~~; (ii) continues to manufacture~~, sell, or offer for sale~~ an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture~~, sell, or offer for sale~~ a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) manufactures~~, offers for sale, or sells~~ in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or (v) otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is guilty of a Class 1 misdemeanor. Each day in which a violation occurs shall constitute a separate offense.

D. The Commissioner may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny, suspend, or revoke a permit issued pursuant to § 3.2-5100 if the permitted entity is found to have violated subdivision A 69, 70, 71, 72, 73, or 74 of § 59.1-200 by a court of competent jurisdiction.

E. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 4.1-700. Exemptions from licensure.

The licensure requirements of this subtitle shall not apply to (i) a handler, grower, or processor of industrial hemp that is registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 and is acting in accordance with the provisions of Title 3.2; (ii) a person that has been issued a regulated hemp product retail facility registration and is acting in accordance with the provisions of Chapter 17 (§ 4.1-1700 et seq.); (iii) a manufacturer of an edible hemp product operating in accordance with Article 5 (§ 3.2-5145.1 et seq.) of Chapter 51 of Title 3.2; or (iv) a person who cultivates marijuana at home for personal use pursuant to § 4.1-1101. Nothing in this subtitle shall be construed to (a) prevent any person described in clauses (i) through (iii) from obtaining a license pursuant to this subtitle, provided such person satisfies applicable licensing requirements; (b) prevent a licensee from acquiring hemp products from an industrial hemp processor in accordance with the provisions of Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2; or (c) prevent a cultivation, processing, transporter, microbusiness, or retail licensee from operating on the licensed premises of an industrial hemp processing facility in accordance with Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.

3. That § 4.1-600 of the Code of Virginia is amended and reenacted as follows:

§ 4.1-600. Definitions.

As used in this subtitle, unless the context requires a different meaning:

"Advertisement" or "advertising" means any written or verbal statement, illustration, or depiction that is calculated to induce sales of ~~retail~~ marijuana, ~~retail~~ marijuana products, marijuana plants, or marijuana seeds, including any written, printed, graphic, digital, electronic, or other material, billboard, sign, or other outdoor display, publication, or radio or television broadcast.

"Authority" means the Virginia Cannabis Control Authority created pursuant to this subtitle.

"Board" means the Board of Directors of the Virginia Cannabis Control Authority.

"Cannabis Control Act" means Subtitle II (§ 4.1-600 et seq.).

"Canopy" means the space used by a licensee to produce flowering marijuana plants, including areas between plants, pathways, walkways, and empty space between rows that allow for airflow, light, growth, access for watering, trimming, and other activities associated with marijuana cultivation. "Canopy" does not include space used for mother plants, clones, immature or nonflowering plants, processing, drying, curing, trimming, storage, offices, hallways, work areas, or other administrative and nonproduction uses. If flowering marijuana plants are cultivated using a shelving or other layered system, the

surface area of each level shall be included for purposes of calculating canopy.

"Child-resistant" means, with respect to packaging or a container, (i) specially designed or constructed to be significantly difficult for a typical child ~~under~~ *younger than* five years of age to open and not to be significantly difficult for a typical adult to open and reseal and (ii) for any product intended for more than a single use or that contains multiple servings, resealable.

"Cultivation" or "cultivate" means the planting, propagation, growing, harvesting, drying, curing, grading, trimming, *packaging,* or other similar ~~processing~~ *manufacturing* of marijuana for use or sale. "Cultivation" or "cultivate" does not include ~~manufacturing~~ *processing* or testing.

"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.

"Edible marijuana product" means a marijuana product intended to be consumed orally, including marijuana intended to be consumed orally or marijuana concentrate intended to be consumed orally.

"Hemp product" means a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains no more than two milligrams of total tetrahydrocannabinol per package.

"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.

"Historically economically disadvantaged community" means either (i) a jurisdiction identified by the Board utilizing census tract data made available by the United States Census Bureau in which offenses for marijuana possession were committed at a rate in excess of 150 percent of the statewide average for marijuana possession offenses during the 10-year period of 2009 to 2019 or (ii) a historically underutilized business zone as defined in 15 U.S.C. § 657a.

"Immature plant" means a nonflowering marijuana plant that is no taller than eight inches and no wider than eight inches, is produced from a cutting, clipping, or seedling, and is growing in a container.

"Impact licensee" means a licensee that meets the criteria set forth in subdivision B 13 of § 4.1-606.

"Industrial hemp" means the same as that term is defined in § 3.2-4112.

"Industrial hemp extract" means the same as that term is defined in § 3.2-5145.1.

"Inhalable marijuana product" means a marijuana product that is intended to be inhaled, including marijuana intended to be inhaled or marijuana concentrate intended to be

inhaled.

"Licensed" means the holding of a valid license *or permit* granted by the Authority.

"Licensee" means any person to whom a license *or permit* has been granted by the Authority.

~~"Manufacturing" or "manufacture" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana and marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Manufacturing" or "manufacture" does not include cultivation or testing.~~

"Marijuana" means any part of a plant of the genus Cannabis, whether growing or not, its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seed of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product~~, as defined in § 3.2-4112~~; (v) an industrial hemp extract~~, as defined in § 3.2-5145.1~~; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.

"Marijuana concentrate" means marijuana that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a marijuana plant is a concentrate for purposes of this subtitle.

"Marijuana cultivation facility" means a facility licensed ~~under this subtitle to cultivate, label, and package retail marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell retail marijuana, immature marijuana plants, and marijuana seeds to marijuana wholesalers and retail marijuana stores; to transfer possession of and sell retail marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell retail marijuana to marijuana manufacturing facilities; and to sell immature marijuana plants and marijuana seeds to consumers for the purpose of cultivating marijuana at home for personal use~~ *by the Board to cultivate, label, and package marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell marijuana, immature marijuana plants, and marijuana seeds to retail marijuana stores; to transfer possession of marijuana, immature marijuana plants, and marijuana seeds to marijuana transporters; to transfer possession of and sell marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell marijuana to marijuana processing facilities; and to*

transport marijuana, immature marijuana plants, and marijuana seeds from the marijuana cultivation facility's licensed premises to another licensed marijuana establishment.

"Marijuana delivery operator" means an entity licensed by the Board to take possession of marijuana or marijuana products from a retail marijuana store, microbusiness, pharmaceutical processor, or cannabis dispensing facility and deliver such marijuana or marijuana products only in person to patients or consumers at their residence or business.

"Marijuana establishment" means a marijuana cultivation facility, ~~a~~ *marijuana microbusiness, marijuana delivery operator*, marijuana testing facility, ~~a~~ marijuana ~~manufacturing~~ *processing* facility, ~~a~~ marijuana ~~wholesaler~~ *transporter*, ~~or a~~ retail marijuana store*, or pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges*.

~~"Marijuana manufacturing facility" means a facility licensed under § 4.1-801this subtitle to manufacture, label, and package retail marijuana and retail marijuana products; to purchase or take possession of retail marijuana from a marijuana cultivation facility or another marijuana manufacturing facility; and to transfer possession of and sell retail marijuana and retail marijuana products to marijuana wholesalers, retail marijuana stores, or other marijuana manufacturing facilities.~~

"Marijuana paraphernalia" means all equipment, products, and materials of any kind that are either designed for use or are intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, strength testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body marijuana.

"Marijuana processing facility" means a facility licensed by the Board to process, label, and package marijuana and marijuana products; to purchase or take possession of marijuana from a marijuana cultivation facility or another marijuana processing facility; to transfer possession of and sell marijuana and marijuana products to retail marijuana stores or other marijuana processing facilities; to transfer possession of marijuana and marijuana products to marijuana transporters; and to transport marijuana and marijuana products from the marijuana processing facility's licensed premises to another licensed marijuana establishment.

"Marijuana products" means (i) products that are composed of marijuana and other ingredients and are intended for use or consumption, ointments, and tinctures or (ii) marijuana concentrate.

"Marijuana testing facility" means a facility licensed ~~under this subtitle to develop, research, or test marijuana, marijuana products, and other substances~~ *by the Board to develop, research, transport, or test marijuana, marijuana products, and other substances*.

"Marijuana ~~wholesaler~~ *transporter*" means a facility ~~licensed under this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana manufacturing~~

~~facility, or another marijuana wholesaler and to transfer possession and sell or resell retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana manufacturing facility, retail marijuana store, or another marijuana wholesaler~~ *by the Board to take possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana processing facility, a retail marijuana store, a microbusiness, or another marijuana transporter; to transfer possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana processing facility, retail marijuana store, microbusiness, or another marijuana transporter; and to transport marijuana, marijuana products, immature marijuana plants, and marijuana seeds from one licensed establishment to another.*

~~"Non-retail marijuana" means marijuana that is not cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Non-retail marijuana products" means marijuana products that are not manufactured and sold by a licensed marijuana establishment.~~

"Microbusiness" means a facility licensed by the Board to conduct any activities authorized for marijuana cultivation facilities, marijuana processing facilities, and retail marijuana stores, as determined by the Board.

"Outdoor cultivation" means cultivation in an area exposed to natural sunlight and open to environmental conditions, including variable temperature, precipitation, and wind.

"Place or premises" means the real estate, together with any buildings or other improvements thereon, designated in the application for a license as the place at which the cultivation, *manufacture processing,* sale, or testing of ~~retail~~ marijuana or ~~retail~~ marijuana products shall be performed~~, except that portion of any such building or other improvement actually and exclusively used as a private residence~~.

"Principal" means (i) any individual who solely or together with his immediate family members (a) owns or controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or permittee or (b) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership interests of such entity and (ii) any person who manages marijuana establishment operations on behalf of a licensee or permittee.

"Processing" or "process" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana or marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Processing" or "process" does not include cultivation or testing.

"Public place" means any place, building, or conveyance to which the public has, or is permitted to have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels, and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any highway, street, or lane.

"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.

"Residence" means any building or part of a building or structure where a person resides, but does not include any part of a building that is not actually and exclusively used as a private residence, nor any part of a hotel or club other than a private guest room thereof.

~~"Retail marijuana" means marijuana that is cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Retail marijuana products" means marijuana products that are manufactured and sold by a licensed marijuana establishment.~~

"Retail marijuana store" means a facility licensed ~~under this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility, marijuana manufacturing facility, or marijuana wholesaler and to sell retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds to consumers~~ *by the Board to purchase or take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility or marijuana processing facility; to take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana transporter; to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to consumers on premises approved by the Board; to deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds only in person to consumers; to transfer possession of marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to marijuana delivery operators; and to transport marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, and marijuana seeds from the retail marijuana store's licensed premises to another retail marijuana store.*

"Security" means the same as that term is defined in § 13.1-501. If the Board finds that any obligation, stock, or other equity interest creates control of or voice in the management operations of an entity in the manner of a security, then such interest shall be considered a security.

"Sale" and "sell" includes soliciting or receiving an order ~~for~~; keeping, offering, or exposing for sale; peddling, exchanging, or bartering; or delivering ~~otherwise~~ *other* than gratuitously, by any means~~, retail marijuana or retail marijuana products~~.

"Secure agricultural greenhouse" means an enclosed structure that has transparent walls and roofing and is used for controlled-environment agriculture.

"Special agent" means an employee, *agent, or contractor* of the Virginia Cannabis Control Authority whom the Board has designated as a law-enforcement officer pursuant to this subtitle.

"Testing" or "test" means the research and analysis of marijuana, marijuana products, or other substances for contaminants, safety, or potency. "Testing" or "test" does not include cultivation or ~~manufacturing~~ *processing*.

"Tetrahydrocannabinol" means ~~the same as that term is defined in § 3.2-4112~~ *any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.*

"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.

"Topical marijuana product" means a marijuana product that is intended to be applied topically to the skin.

"Total tetrahydrocannabinol" means the ~~same as that term is defined in § 3.2-4112~~ *sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.*

4. That Article 4 (§§ 3.2-4122 through 3.2-4126) of Chapter 41.1 of Title 3.2 and §§ 3.2-5145.4:1, 4.1-1101.1, 4.1-1105.1, 18.2-248.1, and 18.2-251.1 of the Code of Virginia are repealed.

5. That the provisions of §§ 3.2-4112, 3.2-4116, 3.2-4126, 3.2-5145.1, 3.2-5145.2:1, and 3.2-5145.4 of the Code of Virginia, as amended by the first enactment of this act, and the provisions of the third enactment of this act shall become effective on August 15, 2026.

6. That the following provisions of the first enactment of this act shall become effective on July 1, 2027: (i) §§ 2.2-2499.8, 3.2-4113, 4.1-1108, 4.1-1121, 4.1-1601, 4.1-1604, 16.1-260, 16.1-273, 16.1-278.9, 18.2-46.1, 18.2-247, 18.2-248, 18.2-248.01, 18.2-251, 18.2-251.03, 18.2-251.1:1, 18.2-251.1:2, 18.2-251.1:3, 18.2-252, 18.2-254, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, 18.2-265.1, 18.2-265.2, 18.2-265.3, 18.2-287.2, 18.2-308.4, 18.2-460, 18.2-474.1, 19.2-66, 19.2-81.1, 19.2-83.1, 19.2-188.1, 19.2-303.01, 19.2-386.22, 19.2-389.3, 19.2-392.02, 19.2-392.6, 19.2-392.12:1, 22.1-277.08, 46.2-105.2, 46.2-347, 53.1-231.2, 54.1-2903, 54.1-3443, and 59.1-200 of the Code of Virginia, as amended by this act; (ii) §§ 4.1-1102 through 4.1-1105, 4.1-1106, 4.1-1113, 4.1-1114, 4.1-1115, 4.1-1117, 4.1-1118, 4.1-1119, 4.1-1300, 4.1-1301, 4.1-1303 through 4.1-1309, and Chapter 17 (§§ 4.1-1700 through 4.1-1704) of Title 4.1 of the Code of Virginia, as created by this act; and (iii) Article 4 (§§ 3.2-4122 through 3.2-4126) of Chapter 41.1 of Title 3.2 and §§ 3.2-5145.4:1, 4.1-1101.1, 4.1-1105.1, 18.2-248.1, and 18.2-251.1 of the Code of Virginia, as repealed by this act.

7. That the provisions of the second enactment of this act shall become effective on July 1, 2027.

8. That on or before May 1, 2027, the Virginia Cannabis Control Authority (the Authority) may issue up to 100 microbusiness licenses pursuant to § 4.1-803 of the Code of Virginia, as created by this act, to applicants that (i) (a) are industrial hemp processors or growers that (1) are registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia, completed such registration prior to January 1, 2021, and are in good standing as of September 1, 2026, or (2) were previously registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia, completed such registration prior to January 1, 2021, were in good standing prior to forfeiting such registration or allowing such registration to expire, and have established the reason for the previous forfeiture or lapse of such registration and disclosed any violations, enforcement actions, or compliance issues related to the previous registration; (b) qualify as an impact license applicant pursuant to subdivision B 13 of § 4.1-606 of the Code of Virginia, as amended by this act; or (c) qualify as a farmer under the U.S. Department of Agriculture qualifications and (ii) meet any applicable licensing requirements and financial, security, and operational readiness criteria as established by the Authority. The Authority shall begin accepting applications for such microbusiness licenses on or before February 1, 2027.

9. That a pharmaceutical processor issued a permit by the Board of Directors (the Board) of the Virginia Cannabis Control Authority (the Authority) pursuant to Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia shall apply to the Board for dual-use privileges pursuant to § 4.1-1602.1 of the Code of Virginia, as created by this act, in a manner and by date prescribed by the Board. On or before February 1, 2027, the Authority shall create a streamlined application process for pharmaceutical processors to apply for such dual-use privileges which shall include a requirement that a pharmaceutical processor submit to and obtain approval from the Authority for a detailed medical cannabis program preservation plan describing how such processor will prioritize sales and access to medical cannabis products for qualifying patients, including a plan for managing customer traffic flow, preventing supply shortages, and ensuring appropriate staffing. Provided the applicable licensing requirements are met and upon (i) the payment in full of a one-time $10 million fee to the Authority by the pharmaceutical processor on or before May 1, 2027, or (ii) the pharmaceutical processor's entry, on or before May 1, 2027, into an installment payment plan approved by the Board for payment of such fee, the Board shall verify that such pharmaceutical processor and its cannabis dispensing facilities may exercise dual-use privileges pursuant to § 4.1-1602.1 of the Code of Virginia, as created by this act. The Board shall allow a pharmaceutical processor to pay such fee in installments over a period not to exceed three years pursuant to terms and conditions established by

the Board. In addition, in order to exercise such dual-use privileges, a pharmaceutical processor shall enter into an agreement to participate in an impact licensee business accelerator plan, as defined by the Cannabis Impact Business Support Team pursuant to § 4.1-604 of the Code of Virginia, as amended by this act, for at least three years after dual-use privilege verification. On and after May 1, 2027, a pharmaceutical processor issued a permit pursuant to Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia that has not applied for verification to exercise dual-use privileges and paid the conversion fee in full or entered into an approved installment payment plan shall not exercise such dual-use privileges or renew its permit.

10. That on or before May 1, 2027, the Virginia Cannabis Control Authority (the Authority) shall issue up to 20 licenses, consisting of no more than 10 marijuana cultivation facility licenses and no more than 10 marijuana processing facility licenses, to applicants that are industrial processors or growers that (i)(a) are registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia and completed such registration prior to January 1, 2021, or (b) (1) were previously registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia; (2) completed such registration prior to January 1, 2021; (3) were in good standing prior to forfeiting such registration or allowing such registration to expire; and (4) have established the reason for the previous forfeiture or lapse of such registration and disclosed any violations, enforcement actions, or compliance issues related to the previous registration; (ii) meet any applicable licensing requirements; and (iii) pay a one-time $500,000 fee to the Authority. The Board shall allow such applicants to pay such $500,000 fee in installments over a period not to exceed three years pursuant to terms and conditions established by the Board. No later than February 1, 2027, the Authority shall create a streamlined application process for such industrial hemp processors or growers to apply for such licenses.

11. That the Virginia Cannabis Control Authority (the Authority) may, on and after, February 1, 2027, begin accepting license applications and may, on and after May 1, 2027, begin issuing licenses pursuant to the provisions of § 4.1-1000 of the Code of Virginia, as created by this act.

12. That on or before May 1, 2027, the Virginia Cannabis Control Authority (the Authority) (i) may issue up to 100 microbusiness licenses pursuant to the eighth enactment of this act; (ii) shall verify the pharmaceutical processors' dual-use privileges as required by the ninth enactment of this act; (iii) shall issue no more than 10 marijuana cultivation facility licenses and shall issue no more than 10 marijuana processing facility licenses to industrial hemp growers or processors as required by the tenth enactment of this act. Additionally, the Authority shall issue at least 55 additional licenses distributed among impact licensees and other license types determined by the Board of Directors of the Authority on or before July 1, 2027.

13. That, notwithstanding the sixth enactment of this act, any applicant issued a license

by the Virginia Cannabis Control Authority (the Authority) or pharmaceutical processor that the Board of Directors (the Board) of the Authority has verified may exercise dual-use privileges may operate in accordance with the provisions of this act prior to July 1, 2027; however, prior to July 1, 2027, no licensee may engage in the retail sale of marijuana, marijuana products, immature marijuana plants, or marijuana seeds unless such licensee is (i) a pharmaceutical processor or cannabis dispensing facility dispensing cannabis products to a patient, his registered agent, or if such patient is a minor or vulnerable adult as defined in § 18.2-369 of the Code of Virginia, such patient's parent or legal guardian and (ii) acting in accordance with the provisions of Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia. Notwithstanding any other provision of law, on or after February 1, 2027, and prior to July 1, 2027, no marijuana cultivation facility licensee, marijuana processing facility licensee, marijuana transporter licensee, marijuana delivery operator, retail marijuana store licensee, microbusiness licensee, marijuana testing facility licensee, or agent or employee thereof shall be subject to arrest or prosecution for a violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 of the Code of Virginia or § 18.2-248, 18.2-248.01, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-265.3, or 18.2-308.4 of the Code of Virginia, as amended by this act, or § 18.2-248.1 of the Code of Virginia, as repealed by this act, involving marijuana if such violation is related to acts committed within the scope of the permit, licensure, or employment and in accordance with the provisions of the Cannabis Control Act (§ 4.1-600 et seq. of the Code of Virginia) and this enactment. By no later than February 1, 2027, the Board shall have promulgated regulations governing outdoor growth pursuant to § 4.1-606 of the Code of Virginia, as amended by this act.

14. That the Board of Directors of the Virginia Cannabis Control Authority shall establish a seed-to-sale tracking system pursuant to § 4.1-611 of the Code of Virginia, as amended by this act, by February 1, 2027.

15. That the Virginia Cannabis Control Authority (the Authority) shall (i) analyze whether any limits should be placed on the number of licenses issued to operate a marijuana establishment, (ii) analyze and identify any necessary adjustments regarding canopy limits for marijuana cultivation facility licensees, and (iii) report its findings to the General Assembly by November 1, 2026. The Authority shall continue such analysis and submit updated findings to the General Assembly for two years after such initial report and shall submit such updated findings by November 1 during the two subsequent years.

16. That the Board of Directors (the Board) of the Virginia Cannabis Control Authority shall promulgate regulations to implement the provisions of this act by February 1, 2027. With the exception of § 2.2-4031 of the Code of Virginia, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) nor public participation guidelines adopted pursuant thereto shall apply to the Board's initial adoption of such regulations.

17. That, from May 1, 2027, to May 1, 2028, the Virginia Cannabis Control Authority (the Authority) shall deposit 75 percent of all funds collected through marijuana establishment annual license fees into the Cannabis Equity Business Loan Fund established pursuant to § 4.1-1501 of the Code of Virginia, as amended by this act. Such deposits shall occur within 60 days of the Authority's receipt of such license fees.

18. That the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market (the Joint Commission) shall consider and make recommendations on (i) the establishment and implementation of (a) on-site consumption licenses allowing adults to use cannabis on the premises of a licensed marijuana establishment and (b) microbusiness cannabis event permits allowing microbusiness licensees to hold temporary age-restricted sales events at approved venues such as farmers markets or pop-up locations where such licensees may sell marijuana or marijuana products directly to consumers outside of their licensed premises and (ii) the benefits, limitations, and feasibility of the Virginia Alcoholic Beverage Control Authority's involvement in the enforcement of laws and regulations related to the cannabis retail market in the Commonwealth. The Joint Commission shall report its findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services by November 1, 2027.

19. That the Virginia Alcoholic Beverage Control Authority (the ABC) and the Virginia Cannabis Control Authority (the Authority), in coordination with the Secretary of Public Safety and Homeland Security, shall jointly submit to the Governor and the Chairs of the House Committees on General Laws and Appropriations and the Senate Committees on Rehabilitation and Social Services and Finance and Appropriations, no later than July 1, 2027, a plan describing the respective organizational structures and enforcement roles of the ABC and the Authority with respect to the retail marijuana market in the Commonwealth. The Secretary of Public Safety and Homeland Security may hire an outside consultant to assist with the plan and such plan shall include (i) the current organizational structures of the ABC and the Authority as they relate to marijuana regulation and enforcement; (ii) the delineation of enforcement and regulatory responsibilities between the ABC and the Authority; (iii) identification of any areas of overlapping or shared authority; (iv) an analysis of the fiscal and operational implications of any such overlap; (v) opportunities for coordination, efficiencies, or cost savings; (vi) estimated staffing levels, personnel classifications, and other resource needs associated with carrying out such regulatory and enforcement responsibilities; and (vii) and any recommendations for statutory, regulatory, or organizational changes to improve enforcement and coordination between the ABC and the Authority. The ABC and the Authority shall also enter into a temporary memorandum of understanding to be prepared by the Secretary of Public Safety and Homeland Security in consultation with the ABC and the Authority. The temporary memorandum of understanding shall be entered into no

later than March 1, 2027, and shall include an expiration date no later than March 1, 2029. The temporary memorandum of understanding shall provide that ABC shall, as requested by the Authority, support and assist the Authority in developing enforcement capabilities pursuant to this provisions of this act, including through the temporary assignment or use of ABC special agents as requested by the Authority, until the Authority is fully operational for enforcement purposes. The temporary memorandum of understanding shall specify that such special agents operating under such agreement shall (a) support and assist only to the extent and for such purposes as requested by the Authority and (b) remain subject to the oversight of the Secretary of Public Safety and Homeland Security pursuant to § 2.2-221 of the Code of Virginia.

20. That the Virginia Department of Education (the Department), with assistance from the Virginia Cannabis Control Authority (the Authority) and other appropriate agencies, local school divisions, and appropriate experts, shall implement a plan to ensure that teachers have access to sufficient information, resources, and lesson ideas to assist them in teaching about the harms of marijuana use among the youth and about substance abuse, as provided in the 2025 Health Standards of Learning. The Department shall (i) review resources currently provided to teachers to determine if additional or updated material or lesson ideas are needed and (ii) provide or develop any additional materials and resources deemed necessary and make the same available to teachers by July 1, 2027.

21. That the Secretary of Education, in conjunction with the Virginia Department of Education, shall develop a plan for introducing teachers, particularly those teaching health, to the information and resources available to them to assist them in teaching the 2025 Health Standards of Learning as it relates to marijuana use. Such plan shall include providing professional development webinars as soon as practicable, as well as ongoing periodic professional development relating to marijuana, as well as alcohol, tobacco, and other drugs as appropriate. The plan shall include the estimated cost of implementation and any potential source of funds to cover such cost and shall be submitted to the Governor and the General Assembly by November 1, 2026.

22. That the Secretary of Education, the State Council of Higher Education for Virginia, the Virginia Higher Education Substance Use Advisory Committee, and the Department of Behavioral Health and Developmental Services shall work with existing collegiate recovery programs to determine what, if any, additional evidence-based efforts should be undertaken for college-age individuals to promote education and prevention strategies relating to marijuana. The plan shall include the estimated cost of implementation and any potential source of funds to cover such cost and shall be submitted to the Governor and the General Assembly by November 1, 2026.

23. That the Virginia Cannabis Control Authority shall be vested with all the powers and duties held by the Department of Agriculture and Consumer Services prior to July 1, 2027, in its administration of the provisions set forth in Article 4 (§ 3.2-4122 et seq.) of Chapter 41.1 of Title 3.2 of the Code of Virginia, as repealed by this act.

24. That any valid, active registration issued by the Commissioner of Agriculture and Consumer Services pursuant to § 3.2-4122 of the Code of Virginia, as repealed by this act, prior to July 1, 2027, shall remain valid until its expiration date and be considered to have been issued by the Board of Directors of the Virginia Cannabis Control Authority.

25. That the regulations governing the manufacturing and sale of products that contain industrial hemp extracts intended for human consumption in 2VAC5-595 of the Virginia Administrative Code as promulgated or amended by the Board of Agriculture and Consumer Services pursuant to Article 5 (§ 3.2-5145.1 et seq.) of Chapter 51 of Title 3.2 of the Code of Virginia shall remain in full force and effect and shall be administered by the Virginia Cannabis Control Authority (the Authority) until the Board of Directors of the Authority promulgates regulations governing the sale of regulated hemp products pursuant to § 4.1-606 of the Code of Virginia, as amended by this act. The Board of Agriculture and Consumer Services shall repeal the regulations governing the manufacturing and sale of products that contain industrial hemp extracts intended for human consumption in 2VAC5-595 of the Virginia Administrative Code upon the effective date of the regulations promulgated by the Board of Directors of the Authority governing the sale of regulated hemp products pursuant to § 4.1-606 of the Code of Virginia, as amended by this act. With the exception of § 2.2-4031 of the Code of Virginia, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) nor public participation guidelines adopted pursuant thereto shall apply to the Board of Agriculture and Consumer Services' repeal of regulations governing the manufacturing and sale of products that contain industrial hemp extracts intended for human consumption in 2VAC5-595 of the Virginia Administrative Code.

26. That notwithstanding any other provision of law, the Virginia Cannabis Control Authority (the Authority) shall give preference in hiring to employees of the Department of Agriculture and Consumer Services (the Department). The Authority shall issue a written notice to all persons whose employment at the Department will be transferred to the Authority. The date upon which such written notice is issued shall be referred to herein as the "Option Date." In order to facilitate an orderly and efficient transition and ensure the continuation of operations during the transition from the Department to the Authority, the Authority shall have discretion, subject to the time limitations contained herein, to determine the date upon which any employee's employment with the Department will end or be transferred to the Authority. This date shall be stated in the written notice and shall be referred to herein as the "Transition Date." No Transition Date shall occur prior to January 1, 2027, without the mutual agreement of the employee and the Authority. No Transition Date shall be set beyond July 1, 2027. Each person whose employment will be transferred to the Authority may, by written request made within 120 days of the Option Date, elect not to become employed by the Authority. Any employee of the Department who (i) is not

offered the opportunity to transfer to employment by the Authority or (ii) is not offered a position with the Authority for which the employee is qualified or is offered a position that requires relocation or a reduction in salary shall be eligible for the severance benefits conferred by the provisions of the Workforce Transition Act (§ 2.2-3200 et seq. of the Code of Virginia). Any employee who accepts employment with the Authority shall not be considered to be involuntarily separated from state employment and shall not be eligible for the severance benefits conferred by the provisions of the Workforce Transition Act. Any eligibility for such severance benefits shall be contingent on the continued employment through an employee's Transition Date.

27. That notwithstanding any other provision of law to the contrary, any person whose employment is transferred to the Authority as a result of the twenty-sixth enactment of this act and who is a member of any plan for providing health insurance coverage pursuant to Chapter 28 (§ 2.2-2800 et seq.) of Title 2.2 of the Code of Virginia shall continue to be a member of such health insurance plan under the same terms and conditions as if no transfer had occurred.

28. That notwithstanding any other provision of law to the contrary, any person whose employment is transferred to the Authority as a result of the twenty-sixth enactment this act and who is a member of the Virginia Retirement System or other retirement plan as authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1 of the Code of Virginia shall continue to be a member of the Virginia Retirement System or other such authorized retirement plan under the same terms and conditions as if no transfer had occurred.

29. That the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market (the Joint Commission) shall consider and make recommendations on (i) the best distribution of net profits collected pursuant to § 4.1-614 of the Code of Virginia, as amended by this act, that shall only be used (a) to support early childhood care, early childhood education, and elementary and secondary education in the Commonwealth, (b) for the Cannabis Equity Reinvestment Fund established pursuant to § 2.2-2499.8 of the Code of Virginia, as amended by this act, (c) for the Department of Behavioral Health and Developmental Services, which shall distribute such appropriated funds to community services boards for the purpose of administering substance use disorder prevention and treatment programs, and (d) for public health programs, including public awareness campaigns that are designed to prevent drugged driving, discourage consumption by persons younger than 21 years of age, and (ii) ways to inform the public of other potential risks. The Joint Commission shall report its findings and recommendations for relevant changes to be included in subsequent appropriation acts to the Secretary of Finance and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations by November 1, 2026.

30. That the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market (the Joint Commission) shall consider and make

recommendations on the benefits, limitations, and feasibility of creating, operating, and maintaining a testing facility, operated by the Commonwealth, for marijuana and marijuana products. The Joint Commission shall report its findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services by November 1, 2027."
Page 668, line 30, strike "**8.**" and insert "**9.**"
Page 668, line 31, strike "**9.**" and insert "**10.**"
Page 668, line 31, after "**third,**" strike "**and**"
Page 668, line 31, after "**fourth**" insert "**, and eighth.**".

Explanation:

(This amendment creates a framework for the establishment of a regulated adult-use cannabis marketplace.)