



Reconvene Session of the Virginia General Assembly

By: Hon. David B. Albo & Nicole Lawter

04.24.2020

Virginia General Assembly Takes ?Socially Distant? Approach to Legislating. While other states continue to grapple with how to legislate during the COVID-19 pandemic, the Virginia General Assembly returned to Richmond on Wednesday, April 22, to hold a constitutionally mandated Reconvene Session to consider the Governor?s amendments to bills and the budgets. The marathon session convened Wednesday, April 22, at 12:00 pm and concluded at 10:16 pm with the Democrat-controlled legislature adopting the vast majority of Governor Northam?s amendments to bills and the budgets.

To provide the space necessary to accommodate social distancing, the House conducted its business under a tent on Capitol Square, while the Senate chose to meet two and a half miles away in the auditorium of the Science Museum of Virginia. The day was filled with technology and logistics hiccups, as well as innovative solutions that allowed business to be conducted in this difficult time. For example, legislators in both bodies conducted business from their own individual tables, that were spaced at least six feet apart. In the Senate meeting, one member with a compromised health system participated from within a plexiglass box. At the House meeting location, the voting system failed and took almost an hour to fix, resulting in temporary 100-person roll call votes.

A planned protest to reopen the economy had hundreds of protesters circling Capitol Square in their vehicles and blaring car horns that could easily be heard from within the tent where the House was conducting its business. Three hours after the start of the session, the Speaker of the House, Eileen Filler-Corn, fainted. Fortunately, she was able to return to the dais after 45 minutes and continued presiding for the rest of the day. Although legislators and staff were not required to wear face masks, the majority of legislators and staff chose to do so.

Despite the challenges, the General Assembly completed its business within the day it had allotted and considered multiple amendments to 102 bills, 181 amendments to two different budgets, and one veto (which was sustained).

Key Governor?s Amendments. During the Reconvene Session, the General Assembly approved the

vast majority of the Governor's amendments to bills that passed in the final days of the general session, which adjourned on March 12. Below are some of the key amendments approved or rejected by the General Assembly:

- Approved (HB 395/SB 7): A five-month delay in increasing the state's minimum hourly wage to \$9.50, which will now take effect May 1, 2021. The minimum wage will increase to \$11.00 by January 2022, \$12.00 in January 2023, \$13.50 in January 2025, and to \$15.00 in January 2026. For January 2027 and thereafter, the annual minimum wage will be adjusted to reflect increases in the consumer price index.
- Approved (HB 881): A one-year delay of a statewide ban on "skill games," which will allow continued operation of the machines through July 1, 2021. There will be a new monthly tax of \$1,200 per machine that will go to a COVID-19 emergency fund to support small businesses and others financially affected by the virus.
- Rejected (HB 795): Amendments requiring the General Assembly to reenact in 2021 approval of "association health plans," which would allow qualified associations to offer accident and sickness insurance to its members. The bill goes back to the Governor to either sign as passed by the General Assembly or veto.
- Rejected in part/approved in part (HB 972/SB 2): Several amendments to marijuana decriminalization passed, but an effort by the Governor to delay the study of legalization of marijuana by one year and to remove the right to a jury trial failed.

Budget Amendments. While there were some amendments to the bills and budget dealing directly with COVID-19-related issues at the state and local level, the main focus of the Governor's amendments to each of the biennial budgets was achieving the constitutional mandate of a balanced budget.

During the 2020 Session, the General Assembly passed a series of amendments to the current fiscal year budget (HB 29), which ends on June 30 of this year. These amendments were considered prior to the onset of COVID-19 and included a roughly \$600 million deposit in the state Rainy Day Fund and a nearly \$600 million unappropriated balance, due largely to revenues exceeding forecasts during the third quarter of the state's fiscal year. As the economy in Virginia has slowly closed, the Secretary of Finance now projects an estimated \$1 billion shortfall in revenue through the close of the fiscal year. To cover the loss of revenue, the Governor proposed, and the General Assembly adopted, measures to utilize the unappropriated balance and to eliminate the planned contribution to the Rainy Day Fund.

In addressing the new biennial budget (HB 30) and the expected shortfall for the next two fiscal years, the Governor proposed, and the General Assembly accepted, a novel budget maneuver that "unallots" all new discretionary spending. This approach maintains the appropriations for all new discretionary spending but removes the authority for the expenditure of the unallotted funds. The rationale for this approach is that the Governor will not be able to accurately forecast the full extent of revenue losses until the start of the next fiscal year (July 1). The uncertainty in revenue forecasts is attributed to two primary factors. Nearly two-thirds of the Commonwealth's General Fund revenue comes from payroll withholding (which is declining quickly), and the Governor is unsure of how much federal stimulus money Virginia will receive and how it will be able to spend that money. In balancing the next biennial

budget, the Governor also issued many additional amendments, including a freeze on capital outlay projects.

The Governor announced that he plans to call a special session in late summer/early fall to propose new revenue forecasts, review the unallotted appropriations, and propose any cuts in spending or adjustments needed to address the economic downturn associated with COVID-19.

A full list of the Governor's bill and budget amendments approved during the Reconvene Session is located in the links below:

- Bills
- HB 29 (current biennial budget)
- HB 30 (FY21/FY22 budget)

Related People

- Hon. David B. Albo ? 703.760.5210 ? dalbo@williamsmullen.com
- Nicole Lawter ? 703.760.5241 ? nlawter@williamsmullen.com

Related Services

- Government Relations