

## Virginia Viewpoint: Executive Edits

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When the General Assembly reconvenes in Richmond next week, legislators will face a staggeringly full agenda.

Ahead of Monday's 11:59 PM deadline, Governor Youngkin acted on more than 900 bills — vetoing 157, amending 159, and signing 599 into law. While this year's veto count is high, it falls short of the record-setting 201 vetoes he issued last year.

Unless otherwise noted in the legislation, the majority of approved bills will go into effect on July 1, 2025.

In addition to his action on legislation, Governor Youngkin announced eight line-item vetoes and offered 205 recommendations to the General Assembly's enrolled budget. During his press conference, he emphasized the need for fiscal discipline at the federal level while acknowledging the uncertainty it brings to Virginia. He also underscored the importance of balancing tax relief with growing the state's rainy-day fund.

Although the Governor's top priority—eliminating the car tax—was excluded from the enrolled budget, he voiced support for the General Assembly's plan to issue a one-time tax rebate of \$200 for individual filers and \$400 for joint filers this fall.

While many of the Governor's amendments are technical, several are expected to draw opposition from the Democratic-led General Assembly, which can approve or reject them with a simple majority. However, overturning any vetoes will be far more difficult, as doing so requires a two-thirds majority in each chamber. The General Assembly will reconvene next Wednesday, April 2 to consider the Governor's actions on the budget and legislation.

It is important to note that since this is an "amended" budget year, the Governor is not required to sign the budget if an agreement cannot be reached with the General Assembly. In that case, last year's biennial budget will remain in effect. At this point, all options remain on the table depending on the General Assembly's actions next week.

### Overview of Governor's Budget Amendments:

Below are the key components of the Governor's budget amendments. His office released a budget overview which can be viewed [here](#).

**Teacher bonuses preserved:** The Governor preserved the teacher bonuses that were included in the General Assembly's conference report. The measure allocates \$134.4 million from the general fund in the first year to provide up to a \$1,000 bonus for each funded Standards of Quality (SOQ) instructional and support position. The bonus must be distributed by June 1, 2025, and no local match is required.

**Tax rebates preserved:** The Governor endorsed the General Assembly's decision to provide one-time tax rebates of \$200 for individual filers and \$400 for joint filers. Rebates are scheduled to be distributed by mid-October.

**K-12 support position staffing ratio funding modified:** The Governor's amendments modify the funded support position staffing ratio found in the General Assembly's conference report from



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27.89 support positions per 1,000 students to 25.50 support positions per 1,000 students.

**Disaster Relief Funding expanded:** \$50 million has been allocated for Hurricane Helene recovery—less than the Governor’s December request but twice the House’s proposal. The Governor’s amendments broaden how the funds can be used, including for storms that impacted Southwest Virginia in February. They also expand disaster mitigation language to address eligibility and matching funds, and allow the DHCD Director to shift funds from mitigation to disaster assistance if claims exceed the \$25 million set aside for relief.

**Business Ready Sites Funding increased:** The Governor’s budget amendments include an additional \$20 million in FY 25-26 for the Virginia Business Ready Sites program, bringing the base appropriation to \$40 million in the second year of the biennium to promote economic development.

**Referendum for Henrico historical horse racing vetoed:** Among the eight line-item vetoes in the budget was a public referendum required to authorize pari-mutuel wagering. Barring an override by the General Assembly, the veto gives the green light for plans to move forward for a new gambling facility in Henrico County.

**Roanoke-Blacksburg Regional Airport runway extension:** A \$20 million line of credit to support runway extension at the Roanoke-Blacksburg Regional Airport was restored in the Governor’s budget recommendations.

#### **Vetoed Items:**

The Governor vetoed the following bills outright. The full list of vetoes can be found [here](#).

#### **Minimum wage: HB 1928**

Increases the minimum wage to \$13.50 in 2026 and \$15.00 in 2027.

*Vetoed:* Like last year, Governor Youngkin vetoed the legislation, expressing his concerns to a wage mandate that could curtail economic competitiveness. He also vetoed legislation (HB 1625) that would have eliminated the exemptions from Virginia’s minimum wage requirements for farm laborers, farm employees, and temporary foreign workers.

#### **Paid leave insurance program established: HB 2531**

Requires the Virginia Employment Commission to establish and administer a paid family and medical leave insurance program with benefits beginning January 1, 2028. Under the program, benefits are paid to covered individuals, as defined in the bill, for family and medical leave. Funding for the program is provided through premiums assessed to employers and employees beginning January 1, 2027.

*Vetoed:* The Governor vetoed the bill, citing his opposition to “broad-based mandates that deter investment and job creation.”

#### **Retail cannabis market framework: SB 970/HB 2485**

Establishes a framework for the creation of a retail marijuana market in the Commonwealth, to be administered by the Virginia Cannabis Control Authority. The bill allows the Authority to begin issuing all marijuana licenses on September 1, 2025, but provides that no retail sales may occur prior to May 1, 2026.

*Vetoed:* The Governor vetoed the bill, citing health and safety concerns as well as his own opposition to the underlying policy.

#### **Additional public works contractor requirements: SB 962/HB2482**

Mandates contractor participation in an apprenticeship program, creating unnecessary barriers for local contractors and favoring out-of-state firms. It also requires 8% of total labor hours to be performed by apprentices.

*Vetoed:* The Governor labeled the 8% threshold as “an arbitrary percentage” that does not guarantee development of skill trades and cited concerns related to creating financial barriers for



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public projects as the main reasons for his veto.

### **Notable Recommendations:**

#### ***Vicarious liability on employers: SB 894/HB 1730***

The bill as enrolled expands employer liability for personal injury or wrongful death of vulnerable victims by holding employers vicariously liable based on employee contact likelihood and lack of reasonable care.

*Governor's Recommendation:* The bill has been amended by the Governor with a more narrowed scope that applies only to conduct that would constitute criminal sexual assault, child abuse or neglect, or malicious wounding of a minor.

#### ***Requiring disclosure for junk fees: SB1212/HB 2515***

The bill, which prohibits a supplier from advertising or displaying a price for goods or services without clearly and conspicuously displaying the total price for a consumer transaction, has been amended by the Governor.

*Governor's Recommendation:* The amendments include tweaking language so that the disclosure of fees by food delivery platforms occurs "prior to checkout" rather than "at the point when a consumer selects items" and adds health club services to the list of exclusions.

#### ***Establishes the right to obtain contraception: SB 1105/HB 1716***

The bill establishes a right to obtain contraceptives and engage in contraception and creates a cause of action that may be instituted against anyone who infringes on such right.

*Governor's Recommendation:* Rather than veto the legislation, the Governor offered substitute language that considers the right to access contraception as the public policy of the Commonwealth, but includes religious and conscientious exceptions and removes liability.

### **Next Steps**

The General Assembly returns for Reconvened Session next Wednesday, April 2. They will act on the amendments offered by the Governor and will have the opportunity to override any veto, though the likelihood of the latter is low considering that it takes a higher two-thirds threshold – 67 votes in the House and 27 votes in the Senate – to successfully do so.

If all amendments are adopted, the legislation is approved. If any amendment is rejected, the bill will return to the Governor, who then has 30 days to sign or veto it. Vetoed bills after the Reconvened Session face no further action.

Youngkin wants to extend flood relief to cover February's storm and add funding for VMI center to state budget

By Elizabeth Beyer, Cardinal News

Youngkin tweaks state budget with eye on federal cuts, but embraces key spending

By Markus Schmidt, Virginia Mercury

Youngkin vetoes referendums for gambling facilities in state budget, Rosie's Henrico construction can continue

By Tannock Blair, ABC 8 News

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