



**Virginia General Assembly
Session Crossover Report
February 4, 2025**

The 2025 Virginia General Assembly session began on Wednesday, January 8. To be considered for adoption, all bills must pass their chamber of origin by today, February 4 – the date of crossover.

The Chamber's policy priorities are currently in a positive position in the General Assembly at the time of crossover. Here is a summary of the Chamber's priority legislation and the results as of Tuesday, February 4.

Government and Business Climate

The Arlington Chamber supports legislation that minimizes the regulatory and administrative burden for Virginia businesses operating or investing in the Commonwealth and opposes legislation that adds unnecessary and extraneous regulations or restrictions to Virginia businesses.

The Chamber opposes SB1489 (Bagby)/ HB2559 (Lopez), which would allow localities to institute new mandates for the retention of building service contract staff of buildings in that locality. This would allow localities to create unreasonable restrictions on building service employees, and limit employers' abilities to choose their employees upon beginning new contracts for building services. SB1489 passed the Senate by a vote of 21-19 on February 4. HB2559 passed the House by a vote of 51-46 on February 4.

Economic Development

The Arlington Chamber supports economic development programs that broaden our economic base and ensure a sustainable commercial office and real estate sector for the Commonwealth, which benefits our economy and our vibrancy.

The Chamber supports HB1702 (Bulova), which would direct the Department of Housing and Community Development to develop guidelines for the use of funds from the Urban Public-Private Partnership Redevelopment Fund. These funds are meant to incentivize the redevelopment of underutilized urban land throughout the Commonwealth to encourage economic development. HB1702 passed the House by a vote of 90-6 on January 23 and will be heard by the Senate Finance and Appropriations Committee following crossover.

Housing Affordability and Workforce Housing

Growing and maintaining a diverse housing stock for Virginians is a crucial economic development issue. Supporting housing policies that increase the availability of all types of

housing and opposing those that restrict availability, is a key priority for the Arlington Chamber this legislative session.

The Chamber opposes SB1136 (Boysko)/ HB2175 (Clark), which would allow localities to have the power to implement rent control policies. While the bills refer to rent price gouging, the proposed policy would not help alleviate real rent gouging. The implementation of rent control policies would drastically reduce incentives to construct new housing units in the Commonwealth and go against the best interests of the business community. The Senate General Laws Committee failed to report SB1136 on January 29, defeating the bill in committee. HB2175 reported out of the House Cities, Counties and Towns Committee on January 30, but was referred to the House Courts of Justice Committee on February 2 instead of being voted on by the House. This action had the effect of killing the bill, as it was left in the Courts of Justice Committee at the crossover deadline. The Chamber was pleased to see that neither bill will move forward, but we will continue to monitor and oppose future attempts at rent control policies.

Additionally, the Chamber supported SB1139 (Sturtevant), which would establish a Virginia Workforce Housing Assistance Program, providing grants to employers who set up housing down payment assistance programs for their employees. The Chamber supported this bill to encourage attainable workforce housing in the Commonwealth. The Senate General Laws Committee voted to “pass by indefinitely” SB1139 on January 29, meaning this bill will not be moving forward.

Land Use, Zoning and Planning

The Chamber supports efforts to provide greater flexibility in land use and zoning regulations to attract greater commercial and residential development. Land use and zoning issues have been a topic of discussion during this legislative session.

The Chamber supports SB1178 (Hashmi)/HB2153 (Carr), also known as the “Faith in Housing for the Commonwealth Act”. The bills would remove regulatory red tape that pertains to houses of worship who currently own land and wish to develop affordable housing on their property. The Chamber supports removing restrictions on houses of worship for creating housing in their communities if they choose to do so. SB1178 incorporated language from a similar bill, SB1351 (Srinivasan), which also sought to reduce regulatory red tape for houses of worship who wished to redevelop their property into affordable housing. SB1178 reported from the Senate Local Government Committee on January 20 but was referred to the Senate Finance and Appropriations Committee, which left it in committee due to insufficient funds for the implementation of the bill. As a result, it will not be moving forward this session. HB2153 passed the House by a vote of 52-45 on February 4.

In addition, the Chamber supports SB932 (Salim)/HB2533 (Sewell), two bills which would liberalize regulations concerning accessory dwelling units throughout the commonwealth. The Chamber has been a supporter of permitting homeowners to utilize accessory dwelling units when they wish as a means to increase the support of much needed housing units. SB932

passed the Senate by a vote of 30-10 on January 30. HB2533 passed the House by a vote of 96-0 also on January 30, and following crossover, the Senate Local Government Committee will hear it.

Taxes and Fiscal Policy

Supporting changes to tax and fiscal policy that benefit small businesses is a key aspect of the Chamber's tax-related advocacy during this legislative session.

The Chamber supported HB2514 (Lopez), creating a tax credit for small businesses for their advertising expenses when they advertise in specific local media. The Chamber supports this bill as a policy that would benefit both small businesses and local media in the Commonwealth. The House Finance Committee did not act on HB2514 by the crossover deadline.

The Chamber additionally supported SB1113 (Williams Graves). This bill would create a tax credit for developers seeking to repurpose underutilized structures like office buildings into residential uses. Tackling a historically high commercial office vacancy rate is a major policy focus for the Chamber, and this legislation would have incentivized more adaptive reuse and repurposing of obsolete office stock. The Senate Finance and Appropriations Committee did not act on SB1113 by the crossover deadline.

The Chamber supports HB1598 (Cole), which would implement a one-time income tax credit of \$10,000 for first-time Virginia homebuyers. The Chamber supports policies that incentivize the ability for Virginians to own their own home, as part of our mission to promote housing units both to own and to rent. HB1598 passed the House by a vote of 52-47 on February 4.

The Chamber also supports HB1743 (Watts), which would alter the gross receipt tax filings to be more accommodating to businesses that conduct business across state lines. The Chamber supports this legislation, as it would ensure that businesses who work in multiple states do not have to pay additional business taxes and would help make Virginia businesses more competitive. HB1743 passed the House by a unanimous vote on February 4.

The Chamber also supported HB2004 (McNamara), which would place a cap on locally instituted meals taxes at 4%. The House Finance Committee did not act on HB2004 by the crossover deadline, and it will not move forward.

Education and Workforce Development

Policies to promote workforce development for Virginians, as well as to increase the number of accessible, affordable, quality child care slots in Virginia, are key priorities for the Arlington Chamber during this legislative session.

Two significant bills for the Chamber are SB1414 (Hashmi)/ HB1771 (McClure), which incentivize employers to invest in their employees' child care by providing employers with matching funds from the Commonwealth. We support such policies that incentivize businesses to invest in their workforce's needs. HB1771 passed the House by a vote of 84-15 on January

28. SB1414 reported from the Senate Education and Health Committee on January 23 but was referred to the Senate Finance and Appropriations Committee, which left it in committee due to insufficient funds for its implementation. As a result, SB1414 will not be moving forward.

The Chamber supports SB877 (Ebbin)/HB1759 (Gardner), which would direct the newly formed Department of Workforce Development and Advancement to work with the Department of Corrections assist those released from incarceration with job search services. The Chamber supported the Department of Workforce Development's creation in 2023, and we appreciate legislation that will broaden the mission of the Department to assist Virginians returning to society post-incarceration with finding employment. SB877 passed the Senate by a unanimous vote on January 31. HB1759 passed the House, also by a unanimous vote, on January 30.

The Chamber is supporting HB2454 (Rasoul)/SB784 (Suetterlein) which would revise the Board of Education's Readiness Framework to create a post-secondary readiness indicator for high school students that incentivizes work-based learning experiences. The Chamber supports this as a modernization of standards that encourage students to participate and complete work-based learning opportunities. HB2454 passed the House by a vote of 52-46 on January 28 and has been referred to the Senate Education and Health Committee. SB784 passed the Senate by a vote of 39-0, also on January 28, and has been referred to the House Education Committee.

Hospitality and Tourism

The Chamber supports policy changes to streamline the Commonwealth's alcoholic beverage control regulations to provide flexibility to restaurants and our hospitality sector.

The Chamber supports SB811 (Rouse)/HB2058 (Krizek), bills that would clarify that restaurants may sell alcoholic beverages for off-premises consumption and maintain the issuance of licenses for delivery of such mixed beverages. SB811 passed the Senate unanimously on January 22. HB2058 passed the House by a vote of 90-6 on January 29 and has been referred to the Senate Committee on Rehabilitation and Social Services.