



**Virginia General Assembly
End of Session Report
April 2, 2025**

The Virginia General Assembly adjourned sine die on February 22. The Governor signed, vetoed, or recommended amendments for all bills that passed both houses of the General Assembly. The General Assembly reconvened on April 2 to consider all vetoed legislation and all amendments from the Governor, concluding the 2025 General Assembly session.

The 2025 session ends in a positive position for the Arlington Chamber, as multiple priority bills were signed into law, and bills that the Chamber strongly opposed were defeated. Here is a summary of the Chamber's priority legislation at the conclusion of the reconvened session on April 2.

Legislation that Passed Both Houses

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 opposed 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, creating unreasonable restrictions on building service employers. SB1489 passed the Senate on February 4 and passed the House on February 19. HB2559 passed the House on February 4 and passed the Senate on February 14. Both bills passed with an amendment that would exempt all buildings owned by the Commonwealth and all institutions of higher education from potential local mandates. Both bills were vetoed by the Governor, and the General Assembly sustained both vetoes.

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.

The Chamber supported SB1178 (Hashmi)/HB2153 (Carr), two bills that would require localities to incorporate strategies, such as removing regulatory red tape, to encourage affordable housing developments by houses of worship who currently own land and wish to develop affordable housing on their property. SB1178 was left in committee at the crossover deadline. HB2153 received a substitute that would expand its scope to encompass all property tax-exempt nonprofit organizations and passed the House on February 4 and passed the Senate on February 18. The Governor presented a substitute to HB2153, which now directs the

Department of Housing and Community Development to develop policies to encourage the development of housing by property tax-exempt nonprofit organizations. The General Assembly accepted the substitute on April 2.

In addition, the Chamber supported SB932 (Salim)/HB2533 (Sewell), two bills which would liberalize regulations concerning accessory dwelling units throughout the commonwealth. SB932 passed the Senate on January 30 but was then left in the House Rules Committee at the crossover deadline on February 4. HB2533 passed the House on January 30 and passed the Senate on February 12. The Governor signed HB2533 on March 24.

Taxes and Fiscal Policy

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

The Chamber supported HB1743 (Watts), which would alter the gross receipt tax filings to be more accommodating to businesses that conduct business across state lines. This legislation 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 on February 4 and passed the Senate on February 12, both unanimously. The Governor signed HB1743 on March 21.

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, were priorities for the Arlington Chamber during this legislative session.

The Chamber was a strong supporter of SB1414 (Hashmi)/ HB1771 (McClure), which would implement an Employee Child Care Assistance Pilot Program to 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. SB1414 was referred to the Senate Finance and Appropriations Committee, which left it in committee due to insufficient funds for its implementation. HB1771 passed the House on January 28. The Senate Finance and Appropriations Committee did not report HB1771 out of committee, but did appropriate \$25 million in funds for the creation of Pilot Program. The Chamber submitted a letter of support for this budget item to the Budget Conference Committee. The General Assembly included the \$25 million in their final budget amendment. The Governor proposed an amendment on March 24 to remove this funding from the budget, but it was restored by the General Assembly on April 2. The funding is still subject to negotiation.

The Chamber supported SB877 (Ebbin)/HB1759 (Gardner), which directs 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. SB877 passed the Senate on January 31, and the House on February 12, both unanimously. HB1759 passed

the House on January 30, and the Senate on February 14, both also unanimously. The Governor signed both bills on March 21.

The Chamber supported 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. HB2454 passed the House on January 28 and passed the Senate on February 12. SB784 passed the Senate on January 28 and passed the House on February 12. The Governor sent a recommendation for a reenactment clause for both bills to the General Assembly on March 24. The Senate rejected the Governor's amendment on April 2. The House did not act on the Governor's amendment. The Governor must now therefore sign or veto the two bills without the reenactment clauses.

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 supported 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 on January 22 and passed the House on February 7. HB2058 passed the House on January 29 and passed the Senate on February 12. The Governor signed both bills on March 21.

Legislation Left in Committee

Economic Development

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

The Chamber supported HB1702 (Bulova), which would have directed 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 were meant to incentivize the redevelopment of underutilized urban land throughout the Commonwealth to encourage economic development. HB1702 passed the House on January 23 but was “passed by indefinitely” by the Senate Finance and Appropriations Committee on February 12.

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, was a priority for the Arlington Chamber during this legislative session.

The Chamber opposed SB1136 (Boysko)/ HB2175 (Clark), which would allow localities to have the power to implement rent control policies. While the bills referred to rent price gouging, the proposed policy would allow for the implementation of rent control, reducing incentives to construct new housing units in parts of the Commonwealth, and does not actually alleviate rent gouging. The Senate General Laws Committee failed to report SB1136 on January 29, defeating the bill in committee. HB2175 was reported favorably out of the House Cities, Counties and Towns Committee on January 30, but was then referred to the House Courts of Justice Committee on February 2 instead of a House floor vote. This action had the effect of killing the bill, as it was left in the Courts of Justice Committee at the crossover deadline on February 4. Given the current shortage of attainable housing of all types in Virginia, rent control policies would discourage new construction and intensify the shortage. For that reason, the Chamber was pleased that neither bill moved forward. The Chamber 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. SB1139 was passed by indefinitely by the Senate General Laws Committee on January 29.

Taxes and Fiscal Policy

Supporting changes to tax and fiscal policy that benefit small businesses was a priority for the Chamber’s tax-related advocacy during this legislative session.

The Chamber supported HB2514 (Lopez), which would have created a tax credit for small businesses for their advertising expenses when they advertise in specific local media. The House Finance Committee did not act on HB2514 by the crossover deadline.

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

The Chamber supported HB1598 (Cole), which would implement a one-time income tax credit of \$10,000 for first-time Virginia homebuyers. HB1598 passed the House on February 4, but the bill was passed by indefinitely by the Senate Finance and Appropriations Committee on February 12.

The Chamber 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.