



**Virginia General Assembly
Session Report
February 22, 2025**

The 2025 Virginia General Assembly session began on Wednesday, January 8. All bills had to have passed their chamber of origin by the crossover deadline of February 4 to be considered for adoption. Session adjourned sine die on February 22. The Governor has until March 24 to act on all legislation. The General Assembly will reconvene on April 2 to consider all vetoed legislation.

The Chamber's policy priorities remain in a positive position in the General Assembly at the conclusion of the session. Here is a summary of the Chamber's priority legislation and the results as of Saturday, February 22.

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 and passed the House by a vote of 51-46 on February 19. HB2559 passed the House by a vote of 51-46 on February 4 and passed the Senate by a vote of 21-15 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.

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 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 by a vote of 90-6 on January 23 but was

“passed by indefinitely” by the Senate Finance and Appropriations Committee on February 12, meaning that the bill would not be moving forward.

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 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 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 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. The Chamber was pleased to see that neither bill moved 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. SB1139 was passed by indefinitely by the Senate General Laws Committee on January 29.

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. The Chamber supports removing restrictions on houses of worship for creating housing in their communities if they choose to do so. SB1178 was favorably reported from the Senate Local Government Committee on January 20, incorporating language from a similar bill, SB1351 (Srinivasan). However, the bill was referred then to the Senate Finance and Appropriations Committee, which left the bill 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 by a vote of 52-45 on February 4. The bill passed the Senate by a vote of 21-19 on February 18.

In addition, the Chamber supported SB932 (Salim)/HB2533 (Sewell), two bills which would liberalize regulations concerning accessory dwelling units throughout the commonwealth. The Chamber has been a supporter of flexibility for accessory dwelling units to provide homeowners as an option for their properties, as well as a tool to increase the number of housing units. SB932 passed the Senate by a vote of 30-10 on January 30. The bill was referred to the House Rules Committee on February 11 after being favorably reported by the House Counties, Cities and Towns Committee. It was then left in the Rules Committee, and as a result the bill did not move forward. HB2533 passed the House by a vote of 96-0 on January 30 and passed the Senate by a vote of 25-13 on February 12.

Taxes and Fiscal Policy

Supporting changes to tax and fiscal policy that benefit small businesses was a key aspect of 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 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 supported 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, but the bill was passed by indefinitely by the Senate Finance and Appropriations Committee on February 12.

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 and passed the Senate unanimously on February 12.

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.

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 key priorities for the Arlington Chamber during this legislative session.

The Chamber is 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 favorably 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. HB1771 passed the House by a vote of 84-15 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 Pilot Program. The Chamber has submitted a letter of support for this budget item to the Budget Conference Committee.

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, and the House by a unanimous vote on February 12. HB1759 passed the House unanimously on January 30, and the Senate unanimously on February 14.

The Chamber supports 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 passed the Senate unanimously on February 12. SB784 passed the Senate unanimously on January 28 and passed the House by a vote of 52-41 on February 12.

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 and passed the House by a vote of 86-7 on February 7. HB2058 passed the House by a vote of 90-6 on January 29 and passed the Senate by a vote of 38-1 on February 12.