



2026 General Assembly Session Report March 18, 2026

The 2026 Virginia General Assembly session adjourned sine die on Saturday, March 14. This concluded a 60-day session. The Governor has until April 13 to act on all legislation. The General Assembly will reconvene on April 22 to consider all vetoed legislation. There will be a special session to adopt a biennial budget for the Commonwealth on April 23. The Arlington Chamber has had a number of successes in General Assembly advocacy, detailed below.

Government and Business Climate

The Chamber advocates for policies that help facilitate a strong partnership between government and the business community, with a disposition toward leading with “yes.”

The Chamber supports H.B. 1118 (Nivar), requiring the Department of Small Business and Supplier Diversity to convene a working group to modernize the Commonwealth’s existing one-stop small business permitting system. This modernization is intended to streamline the Commonwealth’s permitting system, which would benefit small businesses across Virginia.

Status: Laid on the table in the House Rules Committee.

The Chamber is opposing S.B. 430 (Bagby)/H.B. 338 (Lopez), which would allow localities to institute new mandates for the retention of building service contract staff in that locality. This would allow localities to limit employers’ abilities to choose their employees upon beginning new contracts for building services.

Status: S.B. 430 passed the Senate by a vote of 21-19 on February 6, and passed the House by a vote of 63-34 on February 24. H.B. 338 passed the House by a vote of 62-35 on February 9, and passed the Senate by a vote of 21-19 on March 2.

Economic Development

In response to specific feedback from local businesses, the Arlington Chamber partnered with Senator Adam Ebbin to introduce S.B. 318, legislation that would provide localities with an option to give preference to Virginia businesses and local businesses in the procurement process. This bill was substituted with a version that would give localities permission to grant a price matching option for local businesses, which is a narrower competitive advantage in the process.

Status: Passed the Senate by a vote of 39-0 on January 27. Continued to 2027 by the House Counties, Cities and Towns Committee on February 20.

In addition, the Chamber supports S.B. 285 (Aird), which revises the Urban Public-Private Partnership redevelopment Fund by expanding guidelines for the Fund to include localities that have experienced a significant decrease in commercial real estate assessments. Obsolete

Arlington County office spaces would therefore be eligible for redevelopment under the Fund, which would benefit our community.

Status: Passed the Senate by a vote of 40-0 on February 2, and passed the House a vote of 96-0 on March 12.

Along with a broad coalition of business organizations, the Chamber strongly opposes S.B. 32 (Carroll Foy), which would repeal the Commonwealth's right-to-work law. The Chamber is a strong proponent of preserving our right-to-work law, a key factor that has made the Commonwealth one of the top destinations for businesses and job creators in the United States.

Status: Left in the Senate Commerce and Labor Committee.

Housing Affordability and Workforce Housing

The Arlington Chamber has actively engaged in housing policy during this General Assembly session. The Chamber has been supporting bills that grow and maintain a diverse housing stock for Virginians and opposing legislation that would hinder the growth of our housing supply.

The Chamber supports S.B. 367 (Carroll Foy)/S.B. 388 (McPike)/H.B. 1279 (J.G. Cole), known as "Faith and Housing." This legislation would ensure that faith institutions and certain property tax-exempt nonprofits have the ability to build housing on land that they own, without onerous restrictions. This would allow these organizations to utilize their own land and increase the housing supply.

Status: S.B. 388 passed the Senate by a vote of 21-19 on February 9 and passed the House by a vote of 61-27 on February 25. H.B. 1279 passed the House by a vote of 60-36 on February 5 and passed the Senate by a vote of 21-17 on March 4. S.B. 367 was incorporated into S.B. 388.

The Chamber supports S.B. 531 (Srinivasan)/H.B. 611 (Cohen), which would legalize accessory dwelling units (ADUs) in residentially zoned single-family districts.

Status: S.B. 531 passed the Senate by a vote of 21-19 on February 12 and passed the House by a vote of 62-37 on March 4. H.B. 611 was continued to 2027 by the House Counties, Cities and Towns Committee, Subcommittee #3.

The Chamber additionally supports S.B. 629 (Srinivasan)/H.B. 183 (Reid), which amends the First-Time Home Buyer Savings Plan Act to increase the aggregate amount of principal that can be contributed, and to include townhouses in the definitions of single-family residences.

Status: S.B. 629 was continued to 2027 by the Senate Finance and Appropriations Committee on February 10. H.B. 183 passed the House by a vote of 96-2 on February 3 and was continued to 2027 by the Senate Finance and Appropriations Committee on February 25.

The Chamber further supports S.B. 454 (Van Valkenburg)/H.B. 816 (Helmer), known as "Housing Near Jobs." The legislation would remove certain zoning restrictions on commercially zoned land within a metropolitan planning area, or in a city or town of more than 20,000 to permit the construction of multifamily development on such land. Ultimately, these bills failed to pass both chambers.

Status: S.B. 454 passed the Senate by a vote of 21-19 on February 5, and was left the House Counties, Cities and Towns Committee on the House floor at the end of session. H.B. 816 passed the House by a vote of 64-35 on January 29 and failed to pass the Senate by a vote of 17-22 on March 4.

The Chamber opposes S.B. 355 (Boysko)/H.B. 278 (Clark), which would allow localities to have the power to implement rent control policies. The Chamber is concerned that any rent control policies will drastically reduce incentives to construct new housing units in the Commonwealth. Both H.B. 278 and S.B. 355 were continued to next session, removing them as live pieces of legislation.

Status: S.B. 355 was continued to 2027 by the Senate Local Government Committee on February 2. H.B. 278 was continued to next session via voice vote in the House Counties, Cities and Towns Subcommittee #3 meeting on January 23.

The Chamber opposed H.B. 922 (Lopez), which would grant considerable local authority to Arlington County to amend its affordable housing ordinance. The Chamber engaged closely on that bill and its Senate companion, S.B. 296 (Favola), raising concerns that without a more thorough public process to determine new requirements, broad changes to the ordinance could unintentionally increase the cost of producing more housing units, hindering development in Arlington.

As a direct result of Chamber advocacy with County Staff and the bill patron, S.B. 296 was amended to include a reenactment clause, requiring the General Assembly to adopt the bill again in 2027 before the authority can be granted. The General Assembly further amended the bill to ensure that the County process to identify amendments can begin, which aligned with the Chamber's requests. Ultimately, this bill was continued to the 2027 session.

Status: S.B. 296 passed the Senate by a vote of 22-18 on February 12, and was continued to 2027 by the House Counties, Cities and Towns Committee on February 20. H.B. 922 was continued to 2027 by the House Counties, Cities and Towns Committee on January 29.

Taxes and Fiscal Policy

The Chamber supports a rational balance of the tax burden among businesses, residents, and users of services that provide for a cohesive, thriving community.

The Chamber supported H.B. 956 (Watts), clarifying language in the Virginia tax code concerning Business, Professional, and Occupational Licensing (BPOL) taxes and adjusting deductions for out-of-state receipts. However, this bill failed to be reported by the subcommittee.

Status: Failed to report from the House Finance Committee, Subcommittee #2, by a vote of 4-6.

The Chamber opposes S.B. 66 (McPike)/H.B. 334 (Rasoul)/H.B. 1156 (Hodges), which would have granted localities in the Commonwealth authority to levy an additional sales tax on their residents. Ultimately none of these bills managed to pass both chambers by the end of session.

Status: S.B. 607 was laid on the table in the Senate Finance and Appropriations Committee.

H.B. 334 passed the House of Delegates by a vote of 70-28 on January 27 and was continued to 2027 by the Senate Finance and Appropriations Committee on March 9. H.B. 1156 was laid on the table in the House Finance Committee.

Education and Workforce Development

The Chamber encourages the Commonwealth to promote child care as essential to Virginia's modern economy and quality of life. Thus far, child care policy has been the core workforce development focus of the Arlington Chamber during this session.

The Chamber is strongly supporting S.B. 3 (Aird)/S.B. 119 (Carroll Foy)/H.B. 18 (McClure), the Employee Child Care Assistance Program. This legislation would establish the Assistance Program, administered by the Virginia Early Childhood Foundation, to provide matching funds in order to encourage employers to contribute to the child care costs of their employees through an eligible mixed-delivery provider.

Status: S.B. 3 passed the Senate by a vote of 39-0 on February 13 and passed the House by a vote of 94-4 on February 25. S.B. 119 was incorporated into S.B. 3. H.B. 18 passed the House by a vote of 91-7 on February 6 and passed the Senate by a vote of 40-0 on March 9.

Additionally, the Chamber supports S.B. 20 (Locke)/H.B. 254 (Simonds), which would amend the income-based eligibility for the Commonwealth's child care subsidy program to ensure that families do not immediately lose subsidy eligibility if their income increases slightly above the threshold.

Status: S.B. 20 passed the Senate by a vote of 39-0 on February 13 and was re-referred to the House Education Committee from the House floor on March 11. H.B. 254 was laid on the table in the House Education Committee, Elementary and Secondary Education Subcommittee.

The Chamber supports S.B. 134 (Locke)/H.B. 1208 (Sewell), which would require the Department of Education to develop and maintain a calculation of costs for the provision of early childhood education and care, to better guide future funding by the Commonwealth.

Status: S.B. 134 passed the Senate by a vote of 39-0 on February 13 and passed the House by a vote of 93-3 on February 25. H.B. 1208 passed the House by a vote of 74-22 on February 13 and passed the Senate by a vote of 37-0 on February 27.

The Chamber supports H.B. 403 (Reid), which would institute a tax credit program for five years for child care expenses paid by qualified Virginia taxpayers, as well as for employers who have qualified child care expenditures.

Status: Laid on the table by the House Finance Committee, Subcommittee 1 on February 2.

Lastly, the Chamber supports H.B. 259 (Simonds), which would appropriate funds for a pilot grant program for starting up a home-based child care provider.

Status: Laid on the table by the House Appropriations Committee, Elementary & Secondary Education Subcommittee on February 2.

In addition to child care, the Chamber advocated for a number of bills that would promote the development of Virginia's workforce.

The Chamber supports S.B. 203 (Seutterlein), which would create a more streamlined pathway for career and technical education (CTE) instructors at the post-secondary level to teach courses in their specialty at the high school level.

Status: S.B. 203 passed the Senate by a vote of 40-0 on February 10 and passed the House by a vote of 97-0 on February 23.

Additionally, the Chamber supports S.B. 286 (Aird)/H.B. 54 (Sullivan), requiring the Department of Human Resource Management to appoint a State Government Internship Coordinator. The role of the coordinator is to attract high-quality interns to the service of the Commonwealth, and support interns in gaining work experience and skills while working in the state government.

Status: S.B. 286 passed the Senate by a vote of 40-0 on February 6 and passed the House by a vote of 90-3 on February 25. H.B. 54 passed the House by a vote of 98-0 on February 12 and passed the Senate by a vote of 37-0 on February 27.

Hospitality and Tourism

The Chamber supports efforts that promote travel to Arlington and advance the goals of Arlington's hotel and hospitality sector. The Chamber supports S.B. 314 (Ebbin)/H.B. 524 (McClure), which is enabling legislation that provides Arlington County, and its hospitality sector, with additional options for increasing destination marketing funding. This bill includes an option to establish a tourism improvement district (TID), as well as an option to increase the transient occupancy tax by one quarter of one percent.

Status: S.B. 314 passed the Senate by a vote of 21-19 on February 11 and passed the House by a vote of 67-30 on February 25. H.B. 524 passed the House by a vote of 68-28 on February 17 and passed the Senate by a vote of 21-19 on March 2.

Beyond legislation, the Chamber is opposing Senate Budget Item 4-14 #5s, the proposed 1% increase in the Northern Virginia transient occupancy tax. Unlike the option for a tax increase in S.B. 314/H.B. 524, the money from this tax would be appropriated for capital funding for the Washington Metropolitan Area Transit Authority (WMATA). The House version of the budget appropriates necessary WMATA funding without this tax increase, while still balancing the budget. The Chamber has reached out to budget conferees requesting that the final budget incorporate the House version in this respect.

Status: The budget conferees are still finalizing a reconciled version of the biennial budget. The General Assembly will vote on the budget at a special session on April 23.

Other Key Legislation

Beyond the bills detailed above, the General Assembly passed other legislation that is relevant and impactful for the business community.

S.B. 2 (Lucas)/H.B. 1207 (Sewell) would enact a new paid medical and family leave insurance program in the Commonwealth, effective December 1, 2028. Employers with 10 or fewer employees will be exempt, and paid leave benefits are paid by both employees and employers beginning in April 2028. The bill provides that the amount of the paid leave benefit will be 80 percent of the employee's weekly wage, not to exceed 100% of the statewide average weekly

wage, which is \$1,507 per week. The Chamber is monitoring this legislation and will closely follow the process toward implementation should this legislation be signed by the Governor. *Status: S.B. 2 passed the Senate on February 17 by a vote of 21-19 and passed the House on March 11 by a vote of 64-35. H.B. 1207 passed the House on February 17 by a vote of 62-34 and passed the Senate on March 9 by a vote of 21-19.*

Additionally, S.B.1 (Lucas)/H.B. 1(Ward) will increase the minimum wage on January 1, 2027 from the current rate of \$12.77 per hour to \$13.75 per hour. There will be an additional increase on January 1, 2028 to \$15.00 per hour, and will be adjusted to reflect increases in the consumer price index in all subsequent years. This increase is expected to have a larger impact in lower-cost-of-living areas of the Commonwealth, but the Chamber is monitoring this legislation and will share notice of these increases.

Status: S.B. 1 passed the Senate by a vote of 21-19 on February 17 and passed the House by a vote of 64-35 on March 11. H.B. 1 passed the House by a vote of 64-34 on February 3 and passed the Senate by a vote of 21-19 on March 4.