



**Virginia General Assembly
Session Report
January 29, 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 Tuesday, February 4 – the date of crossover. This week is the final week before crossover.

The Chamber's policy priorities are currently in a positive position in the General Assembly. Here is a summary of the Chamber's priority legislation and the results as of Wednesday, January 29.

Government and Business Climate

The Chamber is opposing HB2559 (Lopez)/SB1489 (Bagby), 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 employers, and limit employers' abilities to choose their employees upon beginning new contracts for building services. SB1489 was referred from the Senate Local Government Committee to the Senate Finance and Appropriations Committee on January 27, and HB2559 was referred to the House Labor and Commerce Committee on January 28.

Economic Development

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 Private-Public Partnership Redevelopment Fund. These funds are meant to incentivize developers to redevelop underutilized urban land in the Commonwealth. 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

Housing policy is a key focus for the Arlington Chamber during this legislation 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, and we are especially concerned that any rent control policies will drastically reduce incentives to construct new housing units in the Commonwealth. Senate General Laws will consider SB1136 on January 29, and HB2175 was reported out of the House Counties, Cities and Towns' Subcommittee #1 on January 22.

Additionally, the Chamber is supporting 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 Senate Local Government Committee will hear this bill on January 29.

Land Use, Zoning and Planning

Providing greater flexibility in land use and zoning regulations is a significant issue for the Arlington Chamber this session. The Chamber is supporting SB1178 (Hashmi)/HB2153 (Carr), the Faith in Housing for the Commonwealth Act. The Act 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 was referred to the Senate Finance and Appropriations Committee on January 20, and the House General Laws' Housing/Consumer Protection Subcommittee will consider HB2153 on January 30. 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.

In addition, the Chamber is also supporting SB932 (Salim)/HB2533 (Sewell), which would liberalize regulations concerning accessory dwelling units throughout the commonwealth. SB932 was reported from the Senate Local Government Committee on January 27. HB2533 was read for the first time on the House Floor on January 28, and a vote on the House floor is expected later this week.

Taxes and Fiscal Policy

Supporting small businesses is a key aspect of the Chamber's tax policy this session. The Chamber supports 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 to benefit both small businesses and local media in the Commonwealth. The House Finance Committee's Subcommittee #2 will hear HB2514 on January 28.

Tackling a historically high commercial office vacancy rate is a major policy focus for the Chamber, and that extends to support for SB1113 (Williams Graves). This bill would create a tax credit for developers seeking to repurpose underutilized structures like office buildings into residential uses. The Senate Finance and Appropriations Committee is expected to hear this bill.

The Chamber supports HB1598 (Cole), a one-time income tax credit of \$10,000 for first-time Virginian 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. House Finance Committee will hear HB1598 on January 29.

The Chamber supports HB1743 (Watts), which would alter the gross receipt tax filings to be more accommodating to businesses that conduct business across state lines. The House

Finance Committee will hear HB1743 on January 29. The Chamber is also supportive of HB2004 (McNamara), which would place a cap on locally instituted meals taxes at 4%. This bill remains in the House Finance Committee's Subcommittee #1.

Education and Workforce Development

Child care policies are a priority for the Arlington Chamber this session. A significant bill is SB1414 (Hashmi)/ HB1771 (McClure), that incentivizes 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 has been referred to the Senate Finance and Appropriations Committee. HB1771 passed the House by a vote of 84-15 on January 28.

Additionally, the Chamber is supporting 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 was a dedicated supporter of 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 with finding employment. SB877 was reported from the Senate Rehabilitation and Social Services Committee on January 24, and HB1759 was read for the first time on the House Floor on January 28, and a vote on the House floor is expected later this week.

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

Hospitality and Tourism

On hospitality issues, the Chamber is supporting SB811 (Rouse)/HB2058 (Krizek), 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 was read for the first time on the House Floor on January 27, and a vote on the House floor is expected on January 29.