Overall, the Chamber had some significant policy victories in the 2020 General Assembly session, both in securing passage positive legislation and defeating several bills that would have negatively impacted the business community. Notwithstanding, several other bills which the Chamber opposed also passed, and there were some other notable pieces of legislation affecting the business community.

A summary the Chamber’s priority legislation and activity in the 2020 session follows.

**Arlington’s Transient Occupancy Tax for Tourism Promotion**

One of the Chamber’s long-term priorities has been to eliminate the sunset on Arlington’s 0.25% Transient Occupancy Tax surcharge that supports Arlington Convention and Visitors Service. Together with our member hoteliers, the Chamber supported two, identical, bills to repeal the sunset—and to end our need to return to Richmond every two or three years to seek the surcharge’s renewal. Governor Northam has signed Senator Howell’s [SB 107](https://legis.virginia.gov/Legislation/Details/2020/100/SB107) and Delegate Hope’s identical [HB 62](https://legis.virginia.gov/Legislation/Details/2020/100/HB62).

**Using Site Plan Conditions to Require Labor Contracts**

The first half of the session saw the defeat of Senator Ebbin’s [SB 839](https://legis.virginia.gov/Legislation/Details/2020/100/SB839), which would have allowed Arlington County to require developers to enter into binding project labor agreements as a condition of their site plan. The bill would have extended land use policy tools to labor market concerns and allowed labor regulation to vary from project to project. The Chamber advocated strongly against this bill which would have made Virginia’s development environment more uncertain, potentially inhibiting opportunities to expand our housing stock and undermining our economic development. The Senate referred the matter to the Virginia Housing Commission for study later this year.
Virginia’s Right to Work Law

This session also saw the defeat of two bills that could have eliminated Virginia’s Right-to-Work law, which protects a worker from being compelled to join or to pay dues to a union as a condition of employment. Delegate Carter’s HB 153 to repeal Right to Work and Senator Saslaw’s SB 426 to allow “fair share” fees, requiring workers to pay union fees (if not full dues) as a condition of employment, both failed in committees.

Omnibus Transportation Package

The Chamber supported both Governor Northam’s omnibus transportation package and a restoration of full funding for the Northern Virginia Transportation Authority. Speaker Filler-Corn’s HB 1414 and Majority Leader Saslaw’s SB 890 passed, advancing key elements of the governor’s package, such as funding for key projects like the new Long Bridge, and a path for sustainable funding for transportation infrastructure. The conference report partially restored funding for the Northern Virginia Transportation Authority, adding back $50 million per year. This restored funding will help key projects in Northern Virginia, and is a step toward full restoration of the funds diverted from NVTA in 2018. The General Assembly approved a gubernatorial amendment delaying increases in grantors’ and transient occupancy taxes to May 1, 2021, due to the coronavirus pandemic.

Legislation on the Minimum Wage

One of the key issues decided in the final day of the session was how much and how quickly to increase Virginia’s minimum wage. Originally, the House passed Delegate Ward’s HB 395 raising the minimum wage to $15 by 2025, while the Senate passed Senator Saslaw’s SB 7 to increase the minimum wage to $11.50 in 2023 and to have regional minimum wages thereafter. In the end, the Conference Committee set the minimum wage to increase to $9.50 on January 1, 2021 (later changed to May 1, 2021), $11 in 2022 and $12 in 2023. The General Assembly will have to vote in a future session on whether to raise the minimum wage further, possibly up to $15 by 2026 and possibly including regional variations, which will be studied. The General Assembly
accepted Governor Northam recommendation to delay the first increase from January 1 to May 1, 2021 due to the coronavirus pandemic.

**Demographic Reporting for Large Firms**

Delegate Hurst’s [HB 624](https://legislature.virginia.gov/sessions/20211/officials/billsIntroduced/2021HB624) was originally written to require all businesses that have more than 100 employees to provide to the Attorney General’s office several demographic and job related data for each employee. Many businesses noted that the bill would have create a large administrative burden on Virginia employers, and the Chamber sent messages to Arlington’s Senators asking them to oppose the bill. The Senate substituted a study of how best to enforce equal pay laws, the House agreed to the amendment, and the governor signed the amended bill. The results of the study will be available before the 2021 General Assembly session.

**Benefits Consortia for Small Business Health Insurance**

The General Assembly passed Senator Mason’s [SB 861](https://legislature.virginia.gov/sessions/20211/officials/billsIntroduced/2021SB861), a bill which allows small business to form benefits consortia for health insurance. These consortia are single, large pools to spread risk, reduce costs, and obtain lower premium rates than those currently found in the existing small group health care coverage market. The Chamber joined with Chambers of Commerce from across the Commonwealth to support this initiative to help small businesses support their employees and compete in Virginia’s very competitive market for talent, while also providing an additional membership benefit for Chamber members. The governor recommended inserting a provision that the bill must be reenacted in the 2021 Session to go into effect, which the Senate rejected. The governor has a month to sign or veto the original bill, or to let it take effect without gubernatorial action.

**Fining Stores for Stolen Grocery Carts**

Senator Surovell’s [SB 631](https://legislature.virginia.gov/sessions/20211/officials/billsIntroduced/2021SB631) allows Arlington and Fairfax Counties (but no others) to pass an ordinance requiring a store to have to recover a shopping cart taken from its premises, or else pay a fine. The bill was amended on the House floor to give stores 15 days to recover the cart and to limit the fine to no more than $300 per cart. Still, the bill
creates a legal liability for a store—a theft victim—to recover its stolen property at its expense or to be punished by Arlington County. Governor Northam signed the bill.

**Authority of Counties to Levy Taxes**

The General Assembly has granted counties more of the rights that cities and towns have to levy taxes. The Conference Committee adopted the provisions of Senator Hanger’s **SB 588** which limits county meals taxes to 6% (Arlington currently has a 4% meals tax) and county cigarette taxes to 2 cents per cigarette (Arlington does not currently have a cigarette tax, but the County Manager’s FY 2021 budget proposes one). Originally, Delegate Watts’ **HB 785** had no such limits. The bills also remove the requirements that counties put such taxes to a local referendum. The General Assembly accepted some gubernatorial amendments related to the effective dates of this legislation in May and July of 2021.

**Local Arbitration Agreements**

Senator Surovell’s **SB 645** would have require localities to require bidders for any procurement to disclose responses to 20 questions regarding their use of pre-dispute arbitration clauses and to give preference to bidders that do not have such clauses. Moreover, the disclosures would have been subject to the Freedom of Information Act. The bill was defeated in committee.

**Taxing Plastic Bags**

The General Assembly passed, and Governor Northam signed, Senator Ebbin’s **SB 11**, allowing any county or city to establish a 5 cent tax on disposable plastic bags beginning in January 2021. Under the provisions of the bill, retailers will keep 2 cents per bag through 2023 and 1 cent thereafter. Bags for produce, dry cleaning, or drugs, packages of bags meant for garbage bins, pet waste, and leaf removal, and durable bags designed to be reused are exempt from the tax.

**Promoting Research and Development in Virginia**
The Chamber signed onto a consortium of businesses and business groups supporting an increase and extension of the Major Innovator Research & Development (MRD) Tax Credit. The General Assembly passed, and the governor signed, Senator Howell’s SB 110 and Delegate Jones’ HB 748 increasing the large MRD tax credit from $20 million to $24 million and the small MRD tax credit from $7.0 million to $7.7 million. The sunset dates for both credits were extended to 2025.

The Chamber also supported Senator Howell’s SB 576, creating the Commonwealth of Virginia Innovation Partnership Authority to support R&D and commercialization, which passed overwhelmingly in both houses and was signed by the governor.

Increasing Affordable Housing

The Chamber joined with members and other local Chambers to express support for Delegate Murphy’s HB 854, directing the Department of Housing and Community Development and the Virginia Housing and Development Authority to study ways to increase affordable housing. The bill passed the House and the Senate unanimously and was signed by the governor. The study will take place this year, with the results available for the 2021 General Assembly Session.

The Commonwealth Energy Policy and Virginia Energy Plan

The Chamber supported Senator Favola’s SB 94, which updates the Commonwealth Energy Policy and Virginia Energy Plan to include more opportunities for green energy. The bill calls for the Virginia Energy Plan to identify steps that it can take to put the Commonwealth on a path to having a net-zero carbon economy by 2045 while also maximizing Virginia’s energy reliability and resilience, economic development, and jobs. The General Assembly passed the bill, which governor signed.

In-State Tuition Eligibility for at Virginia Public Universities

The Chamber lent support to bills that would provide eligibility for in-state tuition for all students who attended high school in the Commonwealth, without regard to their
citizenship or immigration status. Senators Boysko and Hashmi’s SB 935 and Delegate Lopez’s HB 1547 have passed in each chamber and been signed by the governor.

“G3” Program for College Financial Aid

The governor introduced the “G3” program – “Get skilled, Get a job, and Give back” – to provide last-dollar financial aid for Virginians who enroll in a community college course related to technology, skilled trade, healthcare, early childhood education, or public safety and who sign a community engagement pledge. The governor’s proposal set the eligibility cap at incomes up to 400% of the federal poverty level, but the bill was amended in the Senate budget to lower the cap to 200% of the federal poverty level. Northern Virginia Community College estimates that the lower cap would cut off 8,000 from the program. The Chamber joined with other Northern Virginia chambers to ask for the higher cap to be restored, which was in the Conference Report for the biennial budget. Funding for this new program was unallotted in the governor’s amendments due to the shortfall expected as a result of the coronavirus pandemic. A special session is expected later in the year where funds may be reenacted.

Defining “Milk”

The Chamber opposed Delegate Knight’s HB 119, which limits the use of the word “milk” to describe “the lacteal secretion, practically free of colostrum, obtained by the complete milking of a healthy hooved mammal…” Effectively, the bill would preclude the use of the word “milk” to describe products like almond milk, soy milk, etc. Although there is no indication that consumers are confused about these products, the terms of the bill make it harder for companies who make these products, such as Nestlé, to market and to compete in the consumer foods market. The bill passed the House on a 66-32 vote and the Senate on a 24-16 vote, but Governor Northam vetoed the bill, writing, “Eliminating the ability to label certain food products with the term ‘milk’ could hinder some businesses’ ability to thrive in Virginia. This bill likely conflicts with both the United States Constitution and the Constitution of Virginia and each’s protection of commercial speech.” The House of Delegates sustained the governor’s veto.