



**Virginia General Assembly
Crossover Report
February 15, 2022**

The 2022 Virginia General Assembly session has reached crossover. Going forward, with the exception of the budget, only bills that have passed in their chamber of origin may be considered – so a House bill that has not yet passed the House of Delegates or a Senate bill that has not yet passed the Senate has failed for the year. Crossover comes around the half-way point of the session. The General Assembly is officially scheduled to adjourn sine die by March 12.

The Chamber's policy priorities remain in a mostly positive position. Here is a summary the Chamber's priority legislation and activity through crossover.

Group Health Benefit Plans

For years, the Chamber and the business community have been asking for Virginia to allow employers to form benefits consortiums for the purpose of obtaining health insurance for their employees, lowering costs for all involved. Although the General Assembly has passed legislation allowing this practice in the past, it has always been vetoed by the Governor, in part due to the politics surrounding other healthcare issues. In his address to the General Assembly, Governor Youngkin announced his intention to sign such a bill if one were to get to his desk.

Several bills were filed on this issue, which were consolidated into two: Senator Mason's [SB 195](#) and Delegate Byron's [HB 884](#). Both bills were amended to include the exact same language, and each has passed their respective chamber. Although they will have to pass again after crossover, it is expected that they will do so fairly quickly.

Letting Businesses Protect Themselves from COVID-19

One source of contention throughout this pandemic has been the extent to which businesses should be ordered by the government to mitigate the spread of COVID-19. As government-mandated restrictions have lessened over time, businesses have continued to have the right to decide for themselves how best to address the health and safety of their employees and customers. However, Delegate Walker's [HB 22](#) would have prohibited any locality, private employer, health care entity or provider, or provider of public accommodations from requiring vaccines, masks, testing, or contact tracing. The Chamber opposed this bill because businesses should be able to add restrictions if they feel they need to in order to operate safely, particularly requiring masks or vaccines. The bill did not advance out of subcommittee.

Protecting Bars and Restaurants from Higher Insurance and Litigation Costs

Some other states have what are called “dram shop” laws which can hold businesses liable for damages caused by inebriated patrons after drinking at their establishments. Delegate Runion’s [HB 984](#), Senator Hanger’s [SB 230](#), and Senator Obenshain’s [SB 555](#) would have brought some version of that to Virginia, making bars and restaurants liable for drunk drivers who were sold alcohol by these establishments while visibly intoxicated. These bills were all scaled back to apply only to underage people, which is where they would actually have the least impact; establishments that negligently sell to underage people can already lose their ABC licenses entirely, giving more than enough incentive for them to be as careful as possible.

While these bills were well-intentioned, the Chamber opposed them because with the pandemic still devastating bars and restaurants, the last thing they need is increased insurance and litigation costs that would fail to better protect the public from harm. We certainly oppose drunk driving and underage drinking, but these bills would have done nothing to reduce either, while significantly increasing costs. SB 230 and SB 555 were voted down in the Senate Judiciary Committee while HB 984 failed to advance from a House Courts of Justice subcommittee.

Stopping New Burdens on Business

Senator Surovell’s [SB 231](#) would have diverted money from the Northern Virginia Transportation Authority that would otherwise go to roads and transit, and divert it to bike and pedestrian improvements. After receiving complaints about this loss of funding, Senator Surovell brought forward an amendment that would have allowed localities to raise their Commercial and Industrial tax to double the current rate in order to fund bike and pedestrian improvements. We strongly opposed this amendment, as Arlington already imposes their C&I tax at the maximum allowed by Virginia. Senator Surovell eventually withdrew his amendment and filed another one converting his bill to a study on bike and pedestrian funding. This amended version of the bill has passed the Senate unanimously.

Senator Ebbin’s [SB 655](#) would have required businesses to provide various information to employees upon their separation, including name, tax account number, the right to apply for unemployment, and the reason for separation. As an employment-at-will state, Virginia employers have never been required to provide a reason for the separation of an employee at the time it happens, and requiring them to do so would be a significant change. The Chamber opposed this bill, and Senator Ebbin worked with us to take out the problematic provisions. As amended, this bill simply requires the Virginia Employment Commission to come up with a plan for a pilot project, in which a small number of businesses would provide this information upon separation. It is important to note that this only requires the plan for the pilot project, with the project itself being set up through legislation in a future session. If the bill passes, we will be watching that process closely, and opposing any effort to make this pilot project compulsory. SB 655 has passed the Senate.

Energy and Environment

The Chamber supports promoting new energy technologies and improving energy efficiency without imposing new mandates on business. That is why we support Delegate O'Quinn's [HB 558](#) and Senator Surovell's [SB 565](#). These bills allow natural gas utilities to invest in biogas infrastructure, enhanced leak detection and repairs, reduce methane emissions, and enhance energy efficiency. Both bills have passed their respective chambers and will have to be reconciled with each other after crossover.

Extending Land Use Approvals Through the COVID-19 Pandemic

When the COVID-19 pandemic first hit back in 2020, the Chamber supported legislation to extend a number of land use approvals for two more years, from July 1, 2020 to July 1, 2022. At the time, most believed that two years would be more than enough to get everyone through the crisis, and that everyone would have resumed normal operations within two years. But with the Omicron variant and its associated disruptions, a great deal of processing in local governments has been delayed. For that reason, the Chamber supports Delegate Marshall's [HB 272](#) and Senator Lewis's [SB 501](#). These bills extend the deadline one year further to July 1, 2023, to help get through the challenges many have faced these past few months. Both bills have passed their respective houses in the same form, and should pass again fairly quickly after crossover.

Business and Labor Relations

Delegate Clark introduced [HB 1220](#) to repeal Virginia's Right to Work law. The Chamber has maintained a longstanding opposition to repealing Right to Work. After significant questioning and testimony in subcommittee, Delegate Clark asked to strike his own bill from the docket, defeating it for this year. This means that Virginia's Right to Work law survives again.

Grocery Tax

Governor Youngkin campaigned on a pledge to try to repeal Virginia's sales tax on groceries, setting up a major push by supporters of repeal in this year's session. Delegate McNamara's [HB 90](#) fully exempts food purchased for human consumption and essential personal hygiene products from all state, regional, and local sales taxes. Senator Boysko's SB 451 would exempt these items from 1% tax that the state collects and the 0.5% tax that goes directly to fund transportation. However, it would not exempt them from the 1% local option tax that goes to localities. Both bills have passed their respective chambers and will have to be reconciled after crossover.

It is likely that these negotiations will become a part of broader negotiations between the two chambers over the budget. While tax relief is a good thing for many people, these bills would reduce the money available for transportation funding. Virginia is expecting significant funds from the federal government for transportation, which could make up for these losses, but the long-term impacts are less clear. Although this is not priority

legislation for the Chamber, and we have not taken a position on it, we are watching the process closely as it plays out.

Hospitality and Tourism Grants

The Chamber supports Senator Ebbin's [Budget Item 486 #2s](#) and Delegate Davis's [Budget Item 486 #2h](#) which would direct \$200 million in federal relief funds to a grant program for the hospitality and tourism industry. With Arlington County refusing to grant relief money to our hotels, who have taken such a big hit since the start of the pandemic, and who continue to face ongoing impacts from reduced travel and repeated waves of infections, it is so important that the state steps up and does what it can to help. Other states such as North Carolina have enacted similar programs, and Virginia should, too. We are advocating for these amendments to be added to the budget, which will be finalized between the two chambers in the weeks to come.