



Virginia Chamber of Commerce

January 17, 2025

General Assembly Update



Legislative Update

On Wednesday, the Chamber was proud to host our annual *Chamber Day at the Capitol and Old Dominion Assembly Legislative Reception*. We were pleased to welcome nearly 1,000 attendees throughout the day, including representatives from 49 local chambers and three leadership groups from across the Commonwealth. During the Chamber's Annual Meeting, new members were introduced to the Board of Directors, and Linda Stanley, Managing Director of First Citizens Bank, was [elected](#) to serve as the 2025 Chair of the Board.

In the evening, members of the General Assembly and Governor Youngkin's administration joined us for our annual legislative reception. Thank you to all who attended and took the opportunity to connect with leaders from across the Commonwealth.

Today marks the end of the first full week of the 2025 General Assembly session. Over 2,000 bills have been introduced thus far, with the Chamber tracking nearly 600. A list of some of the bills of interest to the business community is below. A summary of each bill is included; for more detailed information on the bill, click on the hyperlink for each.

Action Alert

[SB 894 \(Perry & Obenshain\)](#) & [HB 1730 \(Delaney\)](#) would hold employers liable for criminal sexual assault committed by an employee or agent if the act occurs within the course and scope of employment and agency. The bill lays out what “shall be deemed to have occurred with the course of employment: (1) on the employer's premise, (2) on premise where the employee or agent is permitted to work, (3) in an employer-owned car.” The bill does not require that the employee or agent be charged or convicted of criminal sexual assault.

The legislation, as drafted, allows for no meaningful challenge by employers. It significantly broadens the scope of employer liability, **creating a precedent that employers are automatically responsible for crimes** simply because of the employment relationship. The law would be interpreted in ways that extend liability beyond reasonable limits, holding employers accountable for actions taken entirely outside of workplace policies and duties.

As the top state for business and employment, **this bill would deter companies from bringing business and jobs to Virginia** by placing undue liability on employers.

SB 894 will be heard in the [Senate Courts of Justice](#) committee on Monday morning at 8 AM ET. The [House Courts of Justice](#) committee will hear HB 1730 on Monday afternoon following adjournment.

[SB 1299 \(McPike\)](#) creates an exception to the workers' compensation exclusive remedy and provides that if it is *alleged* that the injury or death of an employee is caused by an employer's gross negligence or willful misconduct, the employee may either make a

claim under the Workers Compensation Act or file a civil suit for damages against the employer.

We are concerned this legislation, as drafted, would lead to civil suits against employers in lieu of claims filed under the Workers Compensation Act. Because the legislation requires only that gross negligence or willful misconduct be alleged, rather than proved, the bill exposes businesses to the risk of costly litigation, undermining the predictability and stability provided by the current workers' compensation framework.

SB 1299 is expected to be heard in the [Senate Committee on Commerce and Labor](#) on Monday afternoon.

We request that you [contact your legislators TODAY](#) to share your concerns about these bills.

Business Climate

- **[SB 967 \(Carroll Foy\)](#)** would have placed undue restrictions on the warehousing industry in Virginia and would unalign Virginia from the federal Fair Labor Standards Act (FLSA). The bill was heard in the Senate Committee on Commerce & Labor on Monday and was defeated.
- **[HB 1743 \(Watts\)](#)** clarifies allowable out-of-state deductions for the Business, Professional, and Occupational License (BPOL) tax. The bill reported from House Finance Subcommittee #2 on Tuesday with unanimous support and will be considered by the full House Finance Committee on Monday, January 20.
- **[HB 1755 \(Watts\)](#)** would expand the retail sales and use tax on many services in the Commonwealth and would also impose the retail sales and use tax on digital personal property and digital services, including any transaction for digital services where the purchaser of the service is a business. The bill has not yet been docketed for consideration by the House Finance Committee.

- [HB 1928 \(Ward\)](#) would increase Virginia’s minimum wage to \$13.50 per hour by January 1, 2026, and to \$15 per hour by January 1, 2027. The bill was heard by the House Labor and Commerce Committee on Thursday and was advanced to the House Appropriations Committee.
- [HB 1919 \(Ward\)](#) requires any employer of 100 or more employees to develop, implement, and maintain a workplace violence policy no later than January 1, 2026. The bill has been referred to House Labor and Commerce Subcommittee #2 but has not yet been docketed for consideration.
- [HB 2481 \(Krizek\)](#), [SB 788 \(Head\)](#), [SB 803 \(McDougle\)](#), & [SB 1112 \(Williams Graves\)](#) all relate to workers’ compensation claims for injuries cause by repetitive and sustained physical stressors and would expand the definition of “occupational disease” to include such injuries. SB 788 and SB 803 provide such injuries are covered by workers’ compensation so long as the primary cause of the injury or disease occurs in the course of employment. HB 2481 and SB 1112 likewise expand the definition, but do not include language related to requiring primary cause for coverage. HB 2481 has not yet been referred to a committee. The Senate bills have all been referred to the Senate Committee on Commerce and Labor and have been docketed for consideration on Monday, January 20.
- [HB 1766 \(Martinez\) & SB 1056 \(Ebbin\)](#) provide that for unemployment compensation claims effective on or after January 1, 2026, an eligible individual’s weekly benefit amount shall be \$100 higher than the current weekly benefit amount. The bill was heard by House Labor and Commerce Subcommittee #2 on Thursday and was recommended to be reported and referred to the House Appropriations Committee. SB 1056 has been referred to the Senate Committee on Commerce and Labor and has been docketed for consideration on Monday, January 20.
- [HB 1767 \(Martinez\)](#) provides that, beginning July 1, 2025, for claims effective on or after July 1, 2025, an eligible individual’s weekly unemployment compensation benefit amount shall be paid for a maximum duration of 26 weeks. The bill was heard by House Labor and Commerce Subcommittee #2 on Thursday and was recommended to be reported and referred to the House Appropriations Committee.

Workforce and Education

- **[SB 756 \(Locke\)](#) & **[HB 2538 \(Bulova\)](#)** requires the Department of Education to establish a funding formula for early childhood care and education based on the cost of quality, parent demand, and projected growth in program participation. The bill reported from the Senate Public Education Sub-committee. We anticipate the House version will be heard in committee next week.**

Health Care and Life Sciences

- **[HB 1555 \(Williams\)](#)** establishes the Health Care Regulatory Sandbox Program to enable a person to obtain limited access to the market in the Commonwealth to temporarily test an innovative health care product or service on a limited basis without otherwise being licensed or authorized to act under the laws of the Commonwealth. The bill has been assigned to the Health and Human Services Sub-committee on Health.
- **[HB 1724 \(Delaney\)](#)** establishes the Prescription Drug Affordability Board. This bill was heard in the Committee on Labor and Commerce this week where it passed on a vote of 12-10. It has been referred to the Appropriations Sub-committee on Health and Human Resources.
- **[HB 1861 \(Price\)](#)** directs each health regulatory board regulated by the Department of Health Professions to enact regulations to provide a licensure by endorsement pathway for qualified applicants as practitioners of the particular profession or professions regulated by such board. This bill was assigned to the Health and Human Services Sub-committee on Health Professions. It was on the docket yesterday but was passed by for the day.
- **[HB 1903 \(Willett\)](#)** establishes the Virginia Nursing Workforce Center for the purpose of working toward ensuring a quality nursing workforce for all Virginians. The bill was heard yesterday in Sub-committee where it was amended and was referred to Appropriations.

- **HB 2144 (Milde)** requires a manufacturer, wholesale distributor, or medical equipment supplier that is licensed, permitted, or registered with the Board of Pharmacy to submit an annual report of the amount such manufacturer, wholesale distributor, or medical equipment supplier spent during the preceding year on direct-to-consumer advertising of each prescription drug or device. This bill was referred to the Labor and Commerce Committee and has not yet been docketed.
- **HB 2251 (Maldonado)** directs the regulatory boards within the Department of Professional and Occupational Regulation to promulgate regulations allowing the issuance of a license or certification to any applicant who holds a comparable international license or certification issued by another country. This bill was referred to the Committee on General Laws and has not been docketed.
- **HB 2380 (Hodges)** directs the Secretary of Health and Human Resources, in consultation with the Attorney General, to convene the Pharmacy Benefits Manager and Third-Party Administrator Oversight Work Group to examine the impact of *Rutledge v. Pharmaceutical Care Management Association*, 141 S. Ct. 474 (2020), and to formulate legislative recommendations for reducing prescription drug costs, minimizing health care expenses, reducing bureaucratic impediments to affordable health care, enhancing transparency, and improving overall health outcomes for residents of the Commonwealth. This bill was referred to the Rules Committee and has not yet been docketed.

Infrastructure

- **SB 850 (Surovell)** permits a water or wastewater utility to petition the State Corporation Commission for the approval of an eligible infrastructure replacement and enhancement plan, as defined in the bill. The bill was heard by the Senate Committee on Commerce and Labor on Monday and has advanced to the Senate floor to await final passage.
- **HB 1779 (Sullivan)** adds fusion energy, as defined in the bill, to the list of generation sources that qualify as carbon-free or clean energy. The bill was heard

by House Labor and Commerce Sub-committee #3 on Thursday and was recommended to be reported by the full committee with unanimous support.

- **HB 1601 (Thomas)** relates to the siting and site assessment of new high energy use facilities (HEUFs), defined as projects requiring 100 megawatts or more of electric power from an electric utility providing retail service to the facility. The bill was heard by House Counties, Cities, and Towns Sub-committee #2 on Thursday and was recommended for reporting with amendments by the full committee.
- **HB 2233 (Cousins) & SB 1123 (Boysko)** would hold certain energy producers and providers responsible for covered greenhouse gas emissions in Virginia between January 1, 1995, and December 31, 2024. The bill would require defined responsible parties to make cost recovery payments to the Commonwealth. SB 1123 has been referred to the Senate Committee on Agriculture, Conservation, and Natural Resources. HB 2233 has not yet been referred to a committee.

Environment

- **HB 2059 (Krizek)** provides that beginning July 1, 2026, (i) after required distributions for transportation and localities under current law, no less than \$200 million of the remaining recordation tax revenues shall be distributed for specified land protection and preservation purposes and (ii) no less than \$30 million of the proceeds of bonds issued by the Virginia Public Building Authority shall be made available for infrastructure improvements and other capital projects for state parks each year. The bill also repeals provisions requiring the Governor to include in the Budget Bill or in his amendments to the general appropriation act a recommended appropriation from the general fund, up to \$20 million, for land preservation as follows: (i) 80 percent of the unissued credits to the Virginia Land Conservation Fund, of which at least 50 percent must be used for acquisitions with public access; (ii) 10 percent to the Civil War Site Preservation Fund; and (iii) 10 percent to the Virginia Farmland Preservation Fund. The bill has been referred to the House Appropriations Subcommittee on Commerce, Agriculture, and Natural Resources but has not yet been docketed for consideration.

- **HB 2247 (Runion)** clarifies that the Director of the Department of Environmental Quality is only required to enter into water quality improvement grant agreements with all facilities designated as significant dischargers or eligible nonsignificant dischargers that apply for such grants if sufficient and unobligated funds are available in the Virginia Water Quality Improvement Fund at the time the Director enters into such grant agreements. The bill has been referred to the House Committee on Agriculture, Chesapeake, and Natural Resources but has not yet been docketed for consideration.
- **HB 2407 (P. Scott)** requires owners of waterworks to report any operational anomaly that could affect water quality, public health, or service continuity to the Virginia Department of Health's Office of Drinking Water (the Office) within 24 hours of discovery. The bill requires any critical equipment failure, including a pump failure or any other malfunction that poses an immediate risk to public health or disrupts water service to be reported to the Office within six hours of discovery. Under the bill, failure to comply with the reporting requirements constitutes negligence and failure to comply with the critical equipment failure reporting requirements constitutes gross negligence. This bill was referred to the Committee on Health and Human Services but has not yet been docketed for consideration.

Legal Climate

- **SB 1218 (Stuart)** prohibits employers from entering into, enforcing, or threatening to enforce a covenant not to compete with any employee except under certain circumstances. The bill provides that any employer that violates its provisions is subject to a civil penalty in existing law of \$10,000 for each violation. The bill has been referred to the Senate Committee on Commerce and Labor.
- **SB 904 (Stanley)** eliminates the cap on the recovery in actions against health care providers for medical malpractice where the act or acts of malpractice occurred on or after July 1, 2025, and occurred against a patient aged 10 or younger. The bill was referred to the Senate Courts of Justice Committee to be heard on Monday, January 20.

- **HB 1725 (Delaney)** creates the Medical Debt Protection Act to prohibit a large health care facility or medical debt buyer, as those terms are defined in the bill, from charging interest or late fees on medical debt. The bill requires a large health facility or medical debt buyer to offer a payment plan to any patient with medical debt and sets required time frames for certain extraordinary collection actions, as defined in the bill. The bill provides that a violation of its provisions constitutes a prohibited practice under the Virginia Consumer Protection Act. The bill was considered by House Labor and Commerce Sub-committee #2 on Thursday and was recommended to be reported from the full committee.

Housing

- **HB 1598 (Cole)** creates a one-time, nonrefundable individual income tax credit for up to \$10,000 in first-time homebuyer expenses incurred by a first-time homebuyer. The bill has been referred to the House Finance Committee but has not yet been docketed for consideration.
- **HB 1708 (Gardner)** establishes the Access to Housing Task Force for the purpose of evaluating short-term and long-term access to housing in the Commonwealth. This bill has been referred to the Committee on General Laws and has not yet been docketed.
- **HB 2641 (Helmer) & SB 975 (VanValkenburg)** require localities to increase their total housing stock by at least 7.5 percent over the five-year period beginning January 1, 2026; puts in place an appeal process for applications rejected after January 1, 2031; and creates a new Housing Approval Board with powers and responsibilities. HB 2641 has not yet been referred to a committee. SB 975 has been referred to the Committee on Local Government but has not yet been docketed.
- **HB 1879 (Sewell)** establishes the rental assistance pilot program within the Department of Housing and Community Development for the purpose of providing monthly rental assistance to qualifying households. This bill was referred to the House Committee on General Laws but has not yet been docketed.

