



TWO CAPITOLS CONSULTING
STRATEGY. RELATIONSHIPS. RESULTS.



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Legislative Update

Prepared by Devon Cabot and J.D. Ratliff

Setting the Stage

Administration



Governor
Abigail Spanberger (D)



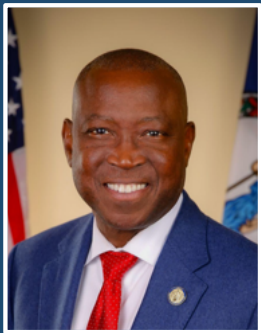
Lieutenant Governor
Ghazala Hashmi (D)



Attorney General
Jay Jones (D)

House of Delegates

64 Democrats and 36 Republicans



Speaker of the House
Delegate Don Scott (D-
Portsmouth)



Majority Leader
Delegate Charniele Herring
(D-Alexandria)



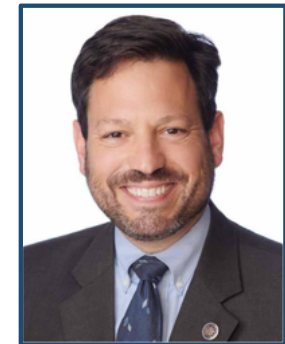
Minority Leader
Delegate Terry Kilgore
(R-Scott)

State Senate

21 Democrats and 19 Republicans



President
Lieutenant Governor
Ghazala Hashmi (D)



Majority Leader
Senator Scott Surovell
(D-Fairfax County)



Minority Leader
Senator Ryan McDougale
(R-Hanover County)

General Assembly Delegation



Senator Lamont Bagby
District 14



Senator Mike Jones
District 15



Delegate Betsy Carr
District 79



Delegate Rae Cousins
District 78



Delegate Charlie Schmidt
District 77

New Local Government Committee Leadership



Senator Lashrecse Aird
Henrico County



Delegate Dan Helmer
Fairfax County



General Assembly 2026 Session Overview

1,156 bills passed

1,132 bills signed

31 bills vetoed

447 bills continued to 2027 session

Negotiations over new biennial budget are ongoing

Bills and Issues



**Collective
Bargaining**



Retail Cannabis



Skill Games



**Paid Family
Medical Leave**



Data Centers



Housing



Paid Family Medical Leave

HB 1207 (Sewell) / SB 2 (Boysko)

- Bill to establish a statewide paid family medical leave program, with 12 weeks paid leave through the Va Employment Commission.
- Funded through a payroll tax split between worker & employer.
- 80% of weekly wages with a cap at 100% of the statewide average weekly wage.
- Payroll contributions begin April 1, 2028 with benefits beginning December 1, 2028.
- Signed by Governor Spanberger; Program development effective July 1, 2026; Program will begin July 1, 2027.



Retail Cannabis

HB 642 (Krizek) / SB 542 (Aird)

- Bill to establish an adult use retail cannabis market.
- Governor's Amendments rejected by the General Assembly; Ultimately vetoed by the Governor.



Skill Games

HB 1272 (Hayes) / SB 661 (Rouse)

- Establishes statewide regulatory system for electronic gaming devices ("skill games").
- Vetoed by Governor Spanberger.



Collective Bargaining

HB 1263 (Tran) / SB 378 (Surovell)

- Bill to lift Virginia's ban on collective bargaining for public employees, including local government and school board employees, state agency workers, home care workers, and higher education "service employees" at public universities.
- Governor's Amendments rejected by the General Assembly; ultimately vetoed by Governor.



Anti-Rent Gouging

“Richmond requests anti-rent gouging legislation that gives localities the authority to establish, by city ordinance, a program to limit abusive rent increases.”



Inclusionary Zoning and Affordable Housing Incentives

“In accordance with Richmond 300: A Guide for Growth, Richmond requested authority to adopt mandatory inclusionary zoning programs to ensure low to moderate income housing in future housing development projects.”



Longtime Owner Occupants Program (LOOP)

“Richmond advocates for the completion of the study outlined in the 2025 Appropriations Act to ensure recommendations for a Long-term Owner Occupancy Program (LOOP) are delivered in 2026 including feasibility, eligibility criteria, strategies for implementation, and best practices from other states.”

Bills



Anti-Rent Gouging

HB 278 (Clark)
SB 355 (Boysko)

Outcome

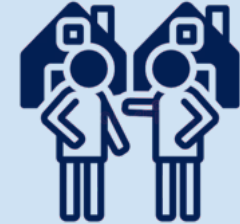
🚫 *Did not pass in either chamber.*



Inclusionary Zoning and Affordable Housing Incentives

HB 867 (Cousins)
SB 74 (McPike)

Governor Spanberger signed into law, effective July 1, 2027.



Longtime Owner Occupants Program (LOOP)

Budget Language

TBD based on outcome of budget negotiations.

HB 527 (McClure) / SB 628 (Locke) <i>Eviction Reduction Program</i>	Codify the Eviction Reduction Program within the Department of Housing and Community Development. Effective 7/1/26.
HB 802 (Carr) <i>Vacant Building Registration</i>	Locality can require, the owner, or his registered agent, of any building that has been continuously vacant for at least three years to register such building with the locality annually. Effective 7/1/26.
HB 806 (Carr) <i>Industrial Development Authorities</i>	Enables IDAs to exercise their powers for residential units and allows bonds for the construction of affordable housing. Effective 7/1/26.
HB 1279 (Cole) / SB 388 (McPike) <i>Faith in Housing Bills</i>	By-right construction of housing on land owned by property tax-exempt religious or nonprofit organizations. Delayed effective date of 1/1/27, with a sunset of 1/1/2031.



Housing

Outcome:
Signed by Governor Spanberger

Housing Bills

HB 4 (Bennett-Parker) <i>Preservation of affordable housing</i>	Allows localities to preserve affordable housing by exercising a right of first refusal on publicly supported housing. Effective 7/1/26.
HB 14 (Price) / SB 290 (Aird) <i>Virginia Residential Landlord and Tenant Act</i>	Provides that if a landlord does not remedy a condition of serious threat to the life, health, or safety of a tenant, a locality may institute an action on behalf of any tenant to enforce the landlord to maintain a habitable dwelling. Effective 7/1/26.
HB 820 (Helmer)/HB 196 (Thomas) / SB 490 (VanValkenburg) <i>Mixed income housing loans</i>	Establishes the Virginia Housing Revolving Fund to make low interest loans to eligible entities developing mixed-income housing. Effective 7/1/26.
HB 931 (Simon) / SB 270 (VanValkenburg) <i>Regulation of recovery residences</i>	Establishes requirements for recovery residences and directs the State Board of Behavioral Health and Developmental Services to establish standards for recovery residence certification. Delayed effective date of 1/1/27.



Housing

Outcome:
Signed by Governor Spanberger

Speed Camera Bills

HB 684 (Hayes) / SB 59 (Diggs)	Authorizes retired sworn law enforcement officers, conservators of the peace, and technicians employed by a locality to affirm violations recorded by traffic light signal, traffic control, photo speed monitoring, and school bus video monitoring devices with training from the Dept. of Criminal Justice Services (DCJS). Effective 7/1/27.
HB 1220 (Delaney) / SB 84 (Williams Graves) ** Similar but not identical.	Regulates photo speed monitoring devices: Authorizes law enforcement to operate these systems in school crossing zones, highway work zones, and high-risk speed corridors; directs Supreme Court to create a standardized summons for violations; updates rules on use of funds, signage, data retention, calibration, public disclosures, vendor requirements, reporting, and enforcement actions with civil penalties for noncompliance; permits devices in work zones operate only when workers are present; requires criteria for designating high-risk pedestrian corridors to help identify safety red zones. Various effective dates.
SB 219 (Jones)	Requires a second summons to be mailed if person fails to appear on the date of return. Failure to appear after the second summons requires the Commissioner of the Dept. of Motor Vehicles to refuse to renew the vehicle registration or the license plate until the civil penalties have been paid. Effective 7/1/27.
SB 221 (Jones)	Allows extension of school crossing zones times up to 60 mins for before & after school hours. Effective 7/1/26.
SB 436 (Bagby)	Limits photo speed monitoring devices in highway work zones to when workers are present. Effective 7/1/26.



Outcome:
Signed by Governor Spanberger

HB 308 (Hope) / SB 620 (Ebbin) <i>Vape shop</i>	Reforms licensing and enforcement responsibilities related to liquid nicotine and retail tobacco products; moves from the Department of Taxation to Virginia Alcoholic Beverage Control Authority; requires ABC to conduct unannounced buyer operations at least once every 24 months to ensure tobacco products are not sold persons under 21 years of age. Delayed effective date of 10/1/26.
HB 938 (Clark) / SB 138 (McPike) <i>Public treatment works PFAS monitoring</i>	Requires publicly owned treatment works to report quarterly discharge monitoring for PFAS chemicals of certain industrial users for one year, but allows the discontinuance of monitoring if results are below detection levels for the first two quarters. Delayed effective date of 7/1/27.
HB 110 (Laufer) / SB 496 (Marsden) <i>Handguns in vehicles</i>	Creates a Class 4 misdemeanor for leaving a handgun in an unattended vehicle, unless securely stored in a locked container, glove compartment, or center console. Effective 7/1/26.



Outcome: Signed by Governor Spanberger

Biennial State Budget

Fiscal Years 2027 & 2028

Priority



Combined Sewer Outflow (CSO)

Requested **\$100M** in each year of the biennium

Patrons: Del Carr and Sen Jones

Status

Senate Budget Proposed:
\$50M in the first year only

House Budget Proposed:
\$50M in the first year only



Water Treatment Plant (WTP)

Requested **\$40M** in each year of the biennium

Patrons: Del Carr and Sen Jones

Senate Budget Proposed:

\$20M in the first year only with creation of a **regional work group** at the **Virginia Department of Health's Office of Drinking Water** for state and local coordination and accountability

Budget Update



- Negotiations over a new state biennial budget are ongoing.
- Conferees are working to close **\$1B revenue gap** between the House and Senate budgets.
- Virginia's **data center sales and use tax exemption** remains at the center of the debate.
- House of Delegates is called back **June 18, 2026** and Senate is called back **June 22, 2026**.



Data Centers

KEY DATES

Date	Milestone
June 18, 2026	House of Delegates returns to vote on the budget
June 22, 2026	State Senate returns to vote on the budget
July 1, 2026	New fiscal year begins & legislation goes into effect, <i>unless otherwise specified</i>
July 20, 2026	Pre-filing for 2027 legislation begins mid-July
August 4, 2026	Primary elections (U.S. Senate, U.S. House, local offices)
November 3, 2026	General elections (U.S. Senate, U.S. House, local offices, proposed state constitutional amendments #1, #2, #3)
November 30, 2026	All requests for drafts of 2027 legislation to be prefiled by 5:00pm
January 13, 2027	General Assembly convenes for 2027 session

Recommended Next Steps

*Developing the 2027 City of Richmond
Legislative Package*



- July - Legislative Retreat
- July/August - Submission of Legislative Ideas for Council Prioritization
- August/September - Draft Legislative Package
- September - Public Hearing
- September/October - Adoption
- October - Fall State Delegation Lunch
- October/November - Solicit Patrons & draft legislation
- November/December - draft budget amendments

Questions?



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