



Public Policy Update – February 2026

By Chris Davidson, Government Relations Consultant

The General Assembly is moving quickly, and the Virginia Peninsula Chamber has flagged a slate of bills that could materially affect businesses across the Commonwealth. We are paying especially close attention to bills that touch the Hampton Roads business community as well as our 2026 priorities: protecting Virginia's business climate, workforce development, infrastructure support, and innovation & technology.

Here are some of the bills we're watching most closely right now, grouped by topic and impact.

Protecting Virginia's Right to Work

SB 32 – Repeals Virginia's right-to-work statute (Opposed).

Right-to-work has been a foundational piece of Virginia's economic competitiveness for decades. Repealing it would increase costs and uncertainty for employers and undermine Virginia's ability to compete for jobs and investment, particularly in regions like Hampton Roads where manufacturing, maritime, defense, and logistics depend on stability and predictability in the labor environment. The Peninsula Chamber is part of the "Keep Virginia Working" coalition and urges employers to engage with legislators on this issue.

Paid family leave mandate

SB 2 – Creates a statewide paid family and medical leave insurance program (Opposed).

This proposal would create a new state program funded through assessments on employers and employees, with benefits beginning January 1, 2029. The Chamber opposes it due to its significant cost impact on Virginia businesses and the creation of additional legal exposure through a private right of action.

BPOL modernization and multi-state fairness

HB 956 – BPOL out-of-state receipts deduction modernization (Supported).

This is a practical "clean-up and clarity" bill that updates outdated BPOL language dating back to 1996. The goal is to reduce the risk of double taxation for businesses with multi-state activity... highly relevant to many Peninsula employers who serve customers across state lines. Notably, the bill failed to advance in subcommittee (4-Y,6 -N) on January 27, 2026, but we still believe the underlying policy is sound and worth continued attention.

Early childhood and childcare

SB 134 – Early childhood care and education funding formula improvements (Supported).

Quality childcare and early childhood education are economic development issues. Employers across Hampton Roads consistently cite workforce availability and reliability as top constraints and childcare access is a major factor in labor force participation. SB 134 advanced out of Senate Education & Health with a substitute and was rereferred to Finance & Appropriations on January 22, 2026.

HB 18 / SB 3 – Employee Child Care Assistance Pilot Program (Supported).

These bills create a matching-funds approach to incentivize employers to contribute to employee childcare costs. It's a pro-workforce, pro-family tool that meets the moment and helps small businesses compete for talent.

Spotlight: HB 551 / SB 737 - A Peninsula-led workforce solution we're helping move!

One of the most exciting bills this session is HB 551 / SB 737, creating an accreditation pathway for nondegree workforce training programs... the kind of practical, job-aligned training our region needs more of.

Why it matters:

- It directs the Department of Workforce Development and Advancement to accredit nondegree training programs (think skilled trades and other high-demand pathways) using clear standards tied to job-relevant skill frameworks.
- It helps ensure accredited programs can align with workforce funding streams and removes artificial barriers that keep high-quality nondegree programs from competing on a level playing field.
- It explicitly supports access and accountability, requiring reporting on outcomes like credential attainment and job placement, and allowing program participation starting at age 16 (with guardrails).

This bill was brought forward with real-world workforce needs in mind and we're proud that Virginia Technical Academy (VTA), one of our member organizations, has been central to the story that inspired it. VTA trains people for in-demand careers right here in Hampton Roads, and this bill reflects the common-sense idea that quality training should be recognized and eligible for the same types of workforce support that other pathways receive.

In short: this is a workforce bill that is about outcomes like skills, jobs, and upward mobility... without forcing students into a traditional degree track that doesn't fit every learner or every industry.

Other bills most relevant to our 2026 priorities:

Workforce development and talent pipeline

- **HB 67 – Offshore wind workforce development (Supported).** Passed the House 85-Y, 12-N on January 28, 2026. For Hampton Roads, offshore wind is not abstract... this is about regional jobs, training capacity, and long-term industry growth.
- **HB 54 / SB 286 – State Government Internship Coordinator (Supported).** These aim to strengthen internship pathways... an important "on-ramp" to keep talent in Virginia.
- **HB 165 – Contractor examinations in alternative languages (Supported).** A pragmatic step to widen the skilled trades pipeline while maintaining standards.

Business climate and legal climate

- **HB 604 / SB 369 – Business and complex litigation dockets (Supported).** Creates a specialized business docket to help resolve complex commercial cases more efficiently... important for predictability and competitiveness.
- **HB 449 / SB 229 – Expands class action procedures (Opposed).** The Peninsula Chamber opposes these bills due to broader litigation exposure and cost impacts on employers.

Labor and employment mandates

- **HB 1 / SB 1 – Raises minimum wage to \$15 by January 1, 2028 (Opposed).** HB 1 was reported from Appropriations (15-Y, 7-N) on January 28, 2026. The Chamber’s concern is the disproportionate impact on small employers and entry-level hiring.
- **HB 5 – Paid sick leave mandate with penalties and private right of action (Opposed).** Adds cost and creates new litigation risk; delayed effective date of January 1, 2027.
- **SB 433 – Unemployment insurance changes related to lockouts (Opposed).** Opposed due to concerns about shifting neutrality in labor disputes.

Economic development and infrastructure (Support)

- **HB 196 – Virginia Residential Development Infrastructure Fund (Supported).** Housing supply and infrastructure are increasingly linked to workforce recruitment and retention.
- **HB 1118 – One-stop small business permitting modernization workgroup (Supported).** Streamlining permitting is a direct win for entrepreneurship and small business formation.

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