



On what would have been (more on that below) the final full week of the session, the House and Senate wrapped up work on their respective bills in the run up to the crossover deadline.

As written about in previous updates, the parties did not agree to extend the session to the customary 46 days. On Thursday, [Gov. Northam called for a Special Session](#) of the General Assembly beginning on Feb. 10. The Assembly is likely to now adjourn on or before Feb. 27.

Paid Sick Days for Essential Workers

The House passed [Del. Guzman's HB 2137](#) which requires businesses that employ essential workers to provide them at least 40 hours of sick leave per year, and the employees would earn 1 hour per 30 hours worked. It includes part time employees who work on average 20 hours per week or 90 per month. It has a few positive provisions in it:

- exempts companies that offer a benefit equal to or greater than what is required in the bill, including companies that have collective bargaining agreements;
- exempts retail businesses with less than 25 employees;
- includes a hardship waiver (to be defined in regulations).

An essential worker includes: first responders, essential retail employees ([defined here](#)); health care providers; long-term care providers; food manufacturing and supplier workers; home care providers; child care providers; home care workers; domestic workers; educators and support staff; transportation workers; cleaning and security workers whose physical presence is necessary for the maintenance or security of their sites of employment; and prison or jail personnel.

It is unlikely that this bill will get through the Senate as that body has consistently voted, or the patrons have stricken, their paid leave bills this session. In other sick leave news this week, [Del. Ayala's](#) paid family and medical leave program was laid on the table on Feb. 2; [Del. Reid's](#) mandated sick leave bill was laid on the table on Feb. 1; and [Sen. Favola's](#) mandated paid family leave bill was stricken at her request on Feb. 2.

Deductibility of PPP Expenses (Tax Conformity)

These bills will be headed to conference. [The Senate unanimously approved](#) a version that allows up to \$100,000 in expenses paid for with PPP while [the House version](#), expected to pass on Friday, will only allow deduction of up to \$25,000. Both bills extend this tax treatment to recipients of Rebuild Virginia grants, a welcome tax relief for small businesses that were able to take advantage of this CARES Act-funded program. The Chamber will continue to make the

case that the \$100,000 threshold, while not the full deductibility we would prefer, would make a major positive impact on Virginia businesses who took smaller PPP loans.

Other

- Del. Carter forced a floor vote on his **right to work repeal** on Wednesday which failed 83-13.
- Del. Ayala's **essential worker pay bill**, HB2015, was passed by for the year by Appropriations on Feb. 1.
- Del. Simonds' bill **to require apprenticeship programs for certain state contractors** was changed to study with a stakeholder group

Budget

The House and Senate money committees put off revealing their budget proposals over the weekend due to the extension of the legislative session. Both committees will meet Wednesday instead.