

Weekly Update – Week 2

The Virginia General Assembly is now just one week away from the crossover deadline, meaning the House and Senate have 5 working days left to work on bills from their respective chamber (i.e. the House finishes House bills and the Senate finishes Senate bills). The General Assembly did not agree to extend their session to the customary 46 days so they will adjourn sine die on Feb. 11.

Thank you to all the Chamber members who participated in our annual Lobby Day on Wednesday. We had great conversations with Gov. Northam, Speaker Eileen Filler-Corn, House Majority Leader Charniele Herring, House Minority Leader Todd Gilbert, and Del. David Reid, business liaison to the Democratic Caucus. You can [watch 2021 Lobby Day here](#).

The issue of **tax conformity** is particularly challenging this session. At the center of the issue is the deductibility of expenses paid for using forgiven Paycheck Protection Program (PPP) loan proceeds. The Northam Administration's position is that those expenses cannot be deducted from a business' state tax bill, but that businesses can exempt the loan from its income. This is counter to the federal tax rules which allow a business to do both. The Senate Finance Committee formed a work group on the issue and you can contact them here to ask them to support allowing business to deduct expenses paid for with PPP loans: [Sen. George Barker](#), [Sen. Tommy Norment](#), [Sen. Chap Petersen](#), [Sen. Steve Newman](#), [Sen. Mamie Locke](#), and [Sen. Janet Howell](#).

The Chamber is working with statewide business groups to make the case for deductibility.

The Chamber is also working with a broad coalition to support the growing **advanced recycling** industry in Virginia. This form of recycling takes materials like polystyrene that were once considered too difficult to safely and economically recycle and break it down to its chemical components in order to create new products. There are multiple fronts in our effort – [HB1902 from Del. Carr](#) (approved by House) would ban the use of polystyrene while [HB2173 from Del. Plum](#) and SB1164 from Sen. Petersen would classify advanced recycling as a manufacturing process rather than solid waste management. We think this could be a win-win for Virginia.

The Budget moves in the background during the first couple weeks of session so no big updates to relay this week. You can check out the Chamber priorities in our [update from last week](#). Bills creating G3 and elevating George Mason University to Tier III did advance this week, though.

The Chamber is weighing in on one piece of criminal justice reform this session: **criminal record expungement**. There were numerous bills in both chambers that would institute a system where certain crimes would be automatically expunged after 8 years. The Chamber expressed concern with the automatic process, and spoke in favor of Sen. [Surovell's SB1339](#) which would establish a process that eases the burdens on individuals seeking to seal a conviction while also protecting potential employers. It is not a simple undertaking to remove the barriers to full employment that returning citizens face. Easing the process for sealing and expungement while providing certain businesses the opportunity to access more information about an individual's background will lead to more opportunities. [There is data that shows](#) that greater access to consistent and reliable information about job applicants who have criminal convictions would lead to greater employment rather than an automatic process.

Some of the **paid leave bills** advanced this week as well. [HB2016 by Del. Ayala's](#) broad paid family and medical leave bill moved out of Committee and onto the floor. This would establish a state-run paid family and medical leave program requiring employers to offer 12 weeks of paid family leave time to employees. The Senate counterpart was killed in committee last week making the prospects for this bill dim. [Del. Reid's HB2103](#) narrowly made it out of committee on an 11-10 vote. This bill is the narrow paid sick time mandate. [Sen. Favola's SB1159](#) requiring employers who offer a PTO benefit to allow employees to use it to care for a family member was approved by an 8-7 vote. There was a lot of discussion in the Commerce and Labor Committee about its impact on collective bargaining agreements.

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The Committee amended the bill to exclude those employers with CBAs and referred it to Finance. Finally, [Sen. Favola's SB1219](#), which the Chamber supports, would study both how to and the impact of allowing private insurance companies to sell paid family leave insurance plans to businesses. The intent is to identify what code changes are needed and how the state can incentivize private companies to voluntarily offer paid family leave of up to 12 weeks to employees. The bill was approved by the Senate on Friday (Jan. 22).

The Chamber was an early supporter of [military service member non-discrimination](#) bills by Del. Tran and Sen. Bell. There are some issues being worked out on the impacts on the housing industry, but the Chamber is strongly supportive of prohibiting discrimination in employment based on someone's military status, including active duty, their spouses and dependents, as well as veterans. Virginia has one of the highest concentrations of active duty military in the country, and also the second highest concentration of military families who [say they can't reliably afford to put food on the table](#). These families have earned the right to the same economic opportunities as all Virginians.

A few other bills the Chamber has spoken on moved along this week included:

[Mandated apprenticeship programs](#): Del. Simonds' bill would require contractors seeking state and local contracts to have apprenticeship programs. The Chamber is a proponent of apprenticeships but requiring them as a prerequisite for public procurement is not the way to encourage them.

[Workforce development data sharing](#): Del. Subramanyam's bill would break down silos among state agencies and is poised for House approval Friday (Jan. 29).

[Pandemic housing bill](#): Del. Price's bill would make permanent the rules established during the Special Session and the Chamber is opposed along with the housing industry. The bill could pass the House as early as Monday.

A few bills that were either stricken, passed by indefinitely or have not been heard that are worth mentioning:

[The Green New Deal](#): Del. Rasoul's Green New Deal was referred to Labor and Commerce but has not come up, leaving Tuesday's Committee meeting as the last opportunity.

[Repeal of Right to Work](#): Del. Lee Carter's repeal of Right to Work has not been heard in subcommittee or committee meaning it is likely dead again.

[Local approval of gas pipelines in residential areas](#): Del. Simon's bill was laid on the table on the 18th. This would have required local approval of any pipeline project in a residential area.

These weekly updates are meant to provide a snapshot of how the Chamber is advocating on behalf of our members at the General Assembly. If you would like to know how the Chamber is engaging on a topic not included in this update, please contact Vice President of Government Relations Clayton Medford (cmedford@novachamber.org).