

Capitol Contact

Virginia General Assembly

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Thursday, January 29, 2026

House Finance Committee Considers Local Tax Bills

Several bills related to local taxation were heard this week in the House Finance Committee.

Admissions taxes: [HB 550 \(Anderson\)](#) and its companion bill, [SB 400 \(Diggs\)](#), would allow James City County and York County the option to impose a tax on admissions for attendance at any event. When legislation was enacted in 2020 providing counties with revenue options more closely aligned with those long available to cities and towns, it included a provision barring counties where an additional state sales and use tax (of which a portion is dedicated to tourism promotion) is levied from imposing admissions taxes. All other counties were permitted to impose a tax on admissions of up to 10 percent. This legislation removes this restriction and allows these counties the same option available to all other counties. VACo supports this bill and spoke in favor during the subcommittee hearing. This bill is now on the House floor and SB 400 is on the Senate floor.

BPOL: [HB 1199 \(Scott, P.\)](#) would have authorized localities to exempt businesses regulated by boards within the Department of Health Professions from BPOL taxation. The bill sought to address issues encountered by certain cancer treatment practices whose gross receipts reflect reimbursement for costly cancer treatment drugs. Subcommittee members expressed some concern about the breadth of the language and the bill failed to report from subcommittee.

[HB 956 \(Watts\)](#) revisits an issue addressed in 2025 legislation, which had been referred to a workgroup convened by the Department of Taxation last summer. Under current law, receipts attributable to business conducted in another state or foreign country in which the taxpayer is liable for an income tax or other tax based on income are deductible from BPOL taxation. The bill would expand the deduction to encompass receipts attributable to business conducted in another state or foreign country that does

not impose an income tax, but in which the taxpayer is subject to a business activity tax. VACo opposed this bill due to concerns about revenue impacts on localities and the additional complexity that would be introduced by expanding the deduction to cover other types of taxes, which may have different rules and thresholds for filing and payment. The bill failed to report from subcommittee.

Real estate taxes: [HB 68 \(McNamara\)](#) was introduced at the request of Roanoke County and would revise the process by which localities communicate with the public about the interaction between assessment growth and real estate tax rates. Currently, when growth in assessments would result in an increase of more than 1 percent in the total real property tax levied, the governing body must reduce the tax rate accordingly, unless it holds a public hearing. The notice for the public hearing, as well as the notice of change in assessment that is mailed to each property owner, must include a calculation showing the tax rate that would levy the same amount of real estate tax as the previous year when applied to the total assessed value of real property (excluding new construction or improvements). Under current law, this calculation makes no allowance for inflation in the value of real estate, which has often exceeded 1 percent. This bill would allow inflation to be excluded from assessment growth in making those calculations. VACo supports this bill, which was discussed in the Finance and Elections Steering Committee extensively last fall, and spoke in favor during the subcommittee hearing. In the subcommittee's discussion, legislators expressed some reservations about how this change would be communicated to the public and the degree to which fewer public hearings might be required. The bill was continued to 2027 for further refinement.

[HB 854 \(Cousins\)](#) allows real or personal property owned by certain nonprofit organizations that provide affordable housing to be eligible for local-option property tax exemptions under localities' authority to provide exemptions for property used for certain charitable or benevolent purposes. The bill allows this property to be considered under this category if it is owned by an ownership entity with a controlling interest held directly or indirectly by nonprofit organizations, even though there may be some for-profit ownership interest in the property. This bill is on the House floor.

Personal property taxes: [HB 960 \(Watts\)](#) would have changed how tangible personal property employed in a trade or business is valued for personal property taxation. Under current law, this property is to be valued by means of a percentage or percentages of original cost; a 2014 Attorney General opinion held that "original cost" means the original cost paid by the original purchaser of the property from the manufacturer or dealer, and not the price paid by the current owner. HB 960 would define "original cost" to mean "original cost to the taxpayer." VACo expressed concerns about the potential revenue impact to localities that have relied on the Attorney General's opinion in valuing such property. To allow for further discussion of the issue, the patron added a reenactment clause on the bill, meaning that the legislation would need to be considered again by the 2027 General Assembly.

VACo Contact: [Katie Boyle](#)

VACo Opposes Transportation Services Mandate Bills

SB 731 (Salim)/HB 547 (Helmer), as substituted, would require that the governing body of any city or county that contracts with a private company to provide a system of public transportation must:

- Require such company to provide any employee of such company providing services compensation and benefits that are, at a minimum, equivalent to the compensation and benefits provided to a public employee and
- Ensure that all employees of such public transportation system employed by a predecessor private company be offered employment with any successor company without loss of compensation or benefits.

The bill also states that if a city or county that contracts with a private company to provide a system of public transportation subsequently elects to provide its own system of public transportation, such county or city shall:

- Adopt an ordinance or resolution providing for collective bargaining (if such county or city has not already done so);
- Ensure that all employees of the private company are offered employment with such subsequent system of public transportation without loss of compensation or benefits; and

KEY POINTS

- The bills would mandate collective bargaining for localities, interfere with the ability for a county to make employment and services delivery decisions, and may have costly unintended consequences (as shown by this [**fiscal impact statement**](#)).
- The bills include language that could be harmful to counties such as what is included in the term “system of public transportation.” Generally, this means those who operate transit systems but could very likely include mechanics of such systems.
- The bills would almost certainly raise the operating costs of transportation delivery systems at a time when the budgets for these services are very tight as they are.

VACo Contact: [James Hutzler](#)

Key Dates for 2026 General Assembly Session

The General Assembly convenes today for a scheduled 60-day session.

Key dates for the 2026 session, as approved by the Joint Rules Committee in the procedural resolution setting out the schedule for the session, are as follows:

- **Wednesday, January 14:** General Assembly convenes; pre-filed bills must be submitted by 10:00 a.m. (after the prefiling deadline, legislators are limited to five additional bills or resolutions). Last day to submit bills creating or continuing a study or to submit bills dealing with the Virginia Retirement System. Governor Youngkin will address a joint session of the General Assembly at 7 p.m.
- **Friday, January 16:** Deadline to submit budget amendments.
- **Saturday, January 17:** Inauguration of Governor-Elect Spanberger, Lieutenant Governor-Elect Hashmi, and Attorney General-Elect Jones.
- **Monday, January 19:** Joint session of the General Assembly for remarks by Governor Spanberger.
- **Friday, January 23:** Last day to submit legislation, other than bills submitted by unanimous consent or bills requested by the Governor.
- **Tuesday, February 17:** Last day for bills to be acted upon in their chambers of origin, other than the budget bills. Bills must “cross over” to the opposite chamber by Wednesday, February 18.
- **Sunday, February 22:** “Budget Sunday” deadline for House Appropriations and Senate Finance and Appropriations committees to report their respective budget proposals.
- **Thursday, February 26:** Deadline for each chamber to act on its respective budget proposal.
- **Wednesday, March 4:** Deadline for each chamber to act on budget and revenue bills from the other chamber and appoint conferees as necessary.
- **Monday, March 9:** Deadline for committee action on all legislation by midnight.
- **Saturday, March 14:** Scheduled adjournment *sine die*.

- **Wednesday, April 22:** Reconvened session to consider Governor's actions on bills and budget items.

VACo Contact: [Katie Boyle](#)

Advocate for Your Community at the VACo Local Government Day

Thursday, February 5, 2026 | [Omni Richmond Hotel](#)



REGISTER TODAY

It's a day for us. Localities. It's a day for us to learn how the decisions being made by the General Assembly might affect us. And it's a day to make our voices heard. Attend Local Government Day. Then visit the Capitol to meet with your legislators and observe committee meetings. Later join us for a reception.

Date: Thursday, February 5, 2026

Reserve a Room: [Omni Richmond Hotel Room Link](#)

Who should attend: ALL local elected officials and staff are encouraged to register and attend.

Registration Fee

\$100 | Includes Day Briefing (Noon – 2pm) and Reception (430pm – 630pm)

Agenda

- **9am** | VACo Board of Directors Meeting
- **10am** | Registration
- **1130am** | Lunch
- **Noon** | VACo Local Government Day
- **Afternoon** | Visit the Capitol to speak with legislators
- **430pm-630pm** | VACo Legislative Reception | Omni Richmond Hotel

Please email Valerie Russell at vrussell@vaco.org with questions.

For information on how to reach your representatives, see the [**Virginia House of Delegates**](#) and the [**Senate of Virginia**](#) member websites. Find information about VACo's positions in the [**2026 Legislative Program**](#). We will distribute the Local Government Day Bulletin before the event.

VACo Contact: [**Valerie Russell**](#)