



State Capitol, Richmond

LEGISLATION & POLICY COMMITTEE

September 16, 2026

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY LEGISLATION AND POLICY COMMITTEE MEETING

September 16, 2026 | 1:15 PM TO 2:00 PM

**VIRGINIA MUSEUM OF FINE ARTS, CLAIBORNE ROBERTSON ROOM
200 N. ARTHUR ASHE BLVD, RICHMOND, VA 23220**

Committee Members

Steven Stone, Chair
Emily O'Quinn
Anne Oman

Ex-Officio Member

John Hewa

1:15 – 1:17 PM	Welcome/Call to Order – Steven Stone, Chair
1:17 – 1:18 PM	Public Comment Period – Steven Stone
1:18 – 1:20 PM	Approval of Minutes for June 3, 2026 Meeting ■ Action Item - Vote to Accept
1:20 – 1:25 PM	2026 Special Session I Update – Lindsay Akers
1:25 – 1:30 PM	Recent General Assembly Meetings Update – Lindsay Akers
1:30 – 1:35 PM	Elections Update – Lindsay Akers
1:35 – 1:50 PM	Closed Session: Budget and Legislative Proposals – Lindsay Akers
1:50 – 2:00 PM	Open Discussion
2:00 PM	Adjournment

**Legislation and Policy Committee Meeting Minutes
Board of Directors of the Virginia Economic Development Partnership
June 3, 2026
1:30 p.m. – 2:30 p.m.**

**One James Center, 9th Floor – Board Room
Richmond, Virginia**

Welcome and Call to Order

The meeting was called to order at 1:34 p.m. by Chair Steven Stone. A quorum was present.

Committee Members In-Person: John Hewa, Todd House, Emily O’Quinn, Steven Stone

Committee Members Absent: Sonya Montgomery, Anne Oman, Nick Rush

Other Board Members present: Secretary Carrie Chenery, Rick Harrell, Bill Hayter, Pace Lochte, Connie Loughhead, Sarah McCoy, Will Sessoms

Public Comment Period

Chair Stone solicited public comments. There were none.

Approval of Minutes for December 10, 2025 Meeting

Chair Stone requested approval of the March 18, 2026, minutes. Upon motion by Ms. O’Quinn, seconded by Mr. House, the minutes were unanimously approved.

Election Update

Ms. Akers, Vice President of External Affairs, reported that the Virginia Supreme Court struck down the Commonwealth’s redistricting plan following voter approval, and that the U.S. Supreme Court denied the Attorney General’s emergency request for a stay. She noted that the congressional primary elections are scheduled for August 4, 2026, with the general election set for November 3, 2026, including applicable early voting periods. She further reported that Delegate Michelle Maldonado (D), representing House District 20, resigned effective May 31, resulting in a vacancy.

Reconvened Session

Ms. Akers reported that Governor Spanberger submitted a high number of amendments ahead of the reconvened session, the most among recent administrations. Several key pieces of legislation affecting Virginia’s business climate received final action, including enactment of a paid family and medical leave program and a paid sick leave requirement, while other measures such as those related to collective bargaining, prescription drug affordability, and class actions were vetoed.

She further stated that the General Assembly has not yet finalized the biennial state budget and must reconvene before the July 1 deadline. Budget negotiations remain ongoing, with disagreement over the data center retail sales and use tax exemption as a primary issue.

Copies of Ms. Aker’s presentations are available in the meeting materials.

Closed Session

Ms. O'Quinn motioned, seconded by Mr. House, to move to a closed meeting. The members unanimously approved the motion below:

I move that the Legislation and Policy Committee of the Virginia Economic Development Partnership Authority convene a closed meeting to discuss elements of VEDP's Strategic Plan, Marketing Plan, and Operational Plan pursuant to Subdivision A 50 of §2.2-3711 of the Code of Virginia, which allows for the discussion of such activities that would reveal to Commonwealth's competitors for economic development projects the strategies intended to be deployed, thus adversely affecting the financial interests of the Commonwealth.

Return to Open Meeting, Certification of Closed Meeting – Followed by a Roll Call Vote:

After the Committee reconvened in open meeting, Counsel certified the closed meeting via a roll call vote:

Do you certify, that to the best of your knowledge, (i) only public business matters lawfully exempted from the open meeting requirements of FOIA were discussed in the closed meeting, and (ii) only such matters as were identified in the motion to go into the closed meeting were heard, discussed, or considered during the closed meeting?

Upon the vote:

Mr. Hewa	Aye
Mr. House	Aye
Ms. Montgomery	Not present
Ms. Oman	Not present
Ms. O'Quinn	Aye
Mr. Rush	Not present
Mr. Stone	Aye

Adjournment

The next meeting of the Legislation and Policy Committee will be held on September 16, 2026. There being no further business, Chair Stone adjourned the meeting at 2:37 p.m.

PRESENTERS



Lindsay Akers

Vice President, External Affairs

lbakers@vedp.org

804.516.7658

AGENDA

2026 Special Session I Update

Recent General Assembly Meetings Update

Elections Update

Closed Session: Budget and Legislative Proposals

GENERAL ASSEMBLY DELIVERED A FINAL BUDGET AGREEMENT ON JUNE 29, AFTER AN EXTENDED BUDGET IMPASSE

			Additional Funding (\$M)	
	Initiative (Item)	Summary	FY27	FY28
Incentives (Item 113)	Remove Funding for Trade Mission Support	Captures savings from supplemental appropriations authorized for trade mission costs for VEDP	(0.5)	(0.5)
	Virginia Business Ready Sites Program (VBRSP) Fund	Provides an additional \$10 million in general fund support in the first year bringing the total to \$30 million	10.0	-
	Virginia Business Ready Sites Acquisition Program (VBRAP)	Reverts the program balance of \$80M to the general fund (language in part 3 of the budget)	Lang.	Lang.
	MEI Approved Custom Grant Incentive Adjustments	Updates the references for several economic development incentive payments. It also removes funding provided in the second year for a previously anticipated economic development project that was announced for another state	-	(4.1)
VEDP (Item 113)	Internships Virginia Program	Provides an additional \$1.0 million over the biennium for the Internships Virginia program and allows local governments to apply for matching grants to offset the costs of internships offered. Of the \$500,000 provided under Item 113 for InVA in the first year, \$500K is designated as a pass-through to the MOVE Chamber	0.5	0.5
	Reduce funding related to interest earnings	Captures savings based on approximate yearly interest earnings	(0.8)	(0.8)
	VEDP Reporting Requirements	Requires VEDP to report quarterly to the General Assembly on any corporation established by the Board, which would include Team Virginia, including, all revenue and operating activities and any VEDP staff time used on the work of the corporation, including any reimbursement for such staff time	Lang.	Lang.

OTHER CHAPTER 1 ITEMS IMPACTING ECONOMIC DEVELOPMENT (1 OF 3)

			Additional Funding (\$M)	
			FY27	FY28
GA (Item 1)	Joint Subcommittee on Tax Policy Study on Data Centers	Directs the Joint Subcommittee on Tax Policy to study data centers and provide recommendations to the General Assembly December 15, 2026	Lang.	Lang.
	Fast Acting Insulin Project Funding	Provides \$1.5 million in FY27 for VEDP to partner with Civica for the continued development of a fast-acting insulin. This funding would be in addition to \$3 million provided in FY25	1.5	-
EDIP (Item 101)	Governor's New Airline Service Incentive Fund: Increase Awards	Increases the maximum grant awards from the Governor's New Airline Service Incentive Fund (\$500K for year-round or \$300K for seasonal) to increase the number of international flights that originate from Virginia airports	Lang.	Lang.
	Internship Initiative Update	Makes technical changes to the internship program to align spending and goals with the VEDP Internships Virginia program and transfers a portion of the funding to support an internship coordinator at DHRM	(1.2)	(1.2)
SCHEV (Item 133)				
GMU (Item 148)	Public-Private Partnership with Averett University	Names VEDP, among other C&T agencies and programs, as a potential fund source for a public-private partnership between GMU and Averett University	Lang.	Lang.

OTHER CHAPTER 1 ITEMS IMPACTING ECONOMIC DEVELOPMENT (2 OF 3)

			Additional Funding (\$M)	
			FY27	FY28
DEQ (Item 366 and 367)	Initiative (Item)	Summary		
	Data Center Cooling Water Scarcity Area Regulations	Authorizes DEQ to establish criteria for determining Cooling Water Scarcity Areas	Lang.	Lang.
	Data Center Noise Regulations	Authorizes DEQ to adopt and enforce regulations for noise at data centers beginning no later than 12/31/2029 and provides that on or after 1/1 2030, any data center that violates such regulations shall be subject to a civil penalty of up to \$32,500 per day of violation	Lang.	Lang.
DOAV (Item 422)	Advanced Air Aviation Test Sites	Transfers \$500K in FY27 from the Commonwealth Development Opportunity Fund to the Department of Aviation to support the continued development of Advanced Air Aviation Test Sites.	Lang.	Lang.
VDOT (Item 438)	Route 220 Recommendations	Directs VDOT, in collaboration with the Secretaries of Transportation and Commerce and Trade, to engage with stakeholders, including members of the Blue Ridge Innovation Corridor (BRIC), to discuss key priorities along the U.S. Route 220 corridor	Lang.	Lang.
	Virginia Coalfields Expressway Project	This amendment provides \$7 million from the general fund the first year for the Route 460 Phase IIA Finish Grade Project	7.0	-
Port of VA (Item 450)	Inland Port Development Funding	This amendment removes \$15 million general fund the first year for the development of an inland port in Washington County, Virginia. After the amendment, \$20 million in funding remains for project planning, design, and site development	(15.0)	-

OTHER CHAPTER 1 ITEMS IMPACTING ECONOMIC DEVELOPMENT (3 OF 3)

			Additional Funding (\$M)	
	Initiative (Item)	Summary	FY27	FY28
Central Appropriations (Item 469 & 471)	Federal Uncertainty Contingency Fund Deposit	Provides \$225M to address unanticipated reductions in federal funding that impact state programs and services	225.0	-
	State Employee and State-Supported Locals Pay Raise	This amendment provides \$96 million GF the first year and \$215 million GF the second year to increase the proposed 2% increase to 3.5% for state and state-supported employees included in the introduced budget. Amendment sets the effective date for the first year raises on July 25, 2026	96.0	215.0
SCC (Item 475 & 477)	Interconnection Consideration	Requires a Phase II utility to consider the economic benefits to historically disadvantaged communities in determining the connection date of large load customers to the electric grid	Lang.	Lang.
	Data Collection and Reporting	Requires the State Corporation Commission to collect and aggregate information related to data center electric service agreements, water usage, and permitting for generators and tier type	Lang.	Lang.
Part 3	Data Center Electricity Consumption Tax	Establishes a data center electricity consumption tax at the rate of \$0.011/kWh of all electricity consumed at each data center per month. The consumption tax is estimated to generate \$600 million GF each year during the biennium	Lang.	Lang.

AGENDA

2026 Special Session I Update

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Elections Update

Closed Session: Budget and Legislative Proposals

THE SECRETARY OF FINANCE RECENTLY PRESENTED TO THE JOINT MONEY COMMITTEES ON FY26 AND VIRGINIA'S ECONOMY

Revenues continue to exceed expectations

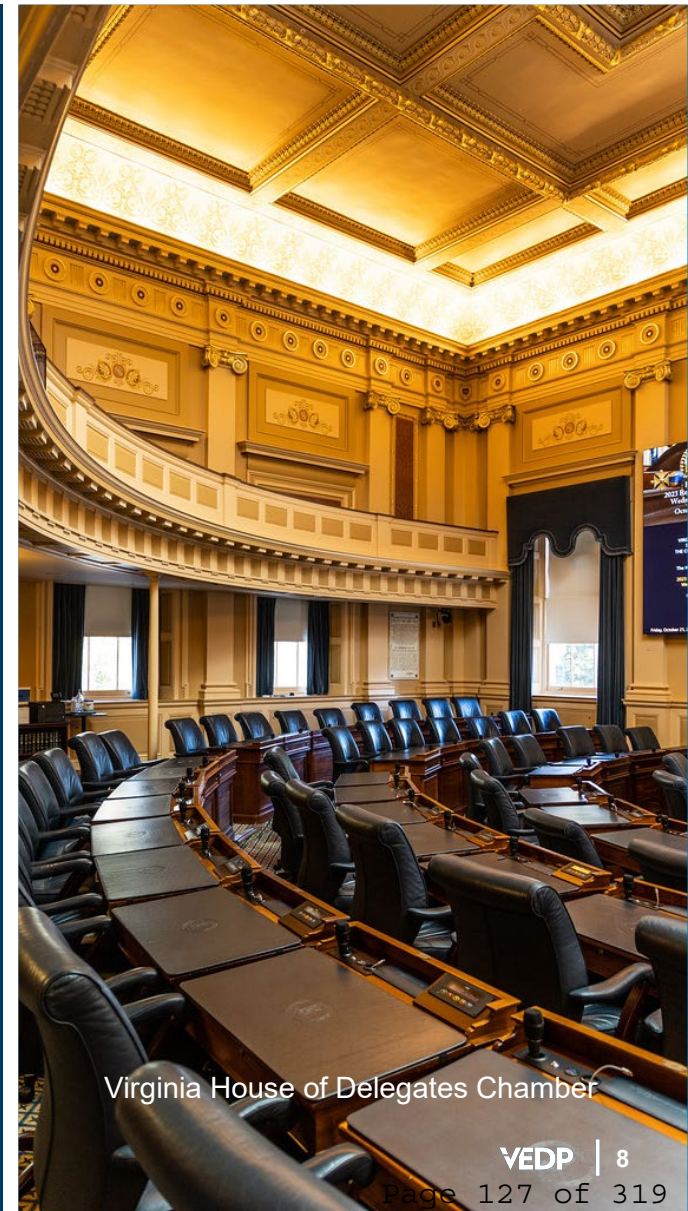
- The Commonwealth ended FY26 with over \$938.8 million more than expected from the previous year's projections
- Much of this overperformance comes from increased nonwithholding and lower than expected individual income tax refunds

Virginia's job market has shifted significantly

- FY26 ended with 43,600 fewer jobs, with approximately 20,000 of those as federal government job losses
- Many job losses appear to be turning into early retirements based on the stable unemployment claims and the size of the labor force

Caution is recommended in this upcoming budget cycle

- Federal actions from H.R. 1 could create larger than anticipated expenses for the Commonwealth for things like SNAP and Medicaid
- The data center sales and use consumption tax is estimated to generate \$600 million a year in additional general fund revenue



Virginia House of Delegates Chamber

VEDP, DEQ, AND THE SCC PRESENTED TO THE JOINT SUBCOMMITTEE ON TAX POLICY REGARDING DATA CENTERS

The meeting was one of two required as part of the final budget compromise related to Virginia's data center retail sales and use tax exemption

VEDP presented an overview of the exemption, including qualification requirements, the approval process, and subsequent reporting

- VEDP also provided a state-by-state comparison, noting that Virginia is among 36 states offering a data center sales and use tax exemption and that many competing states also use investment and job-creation thresholds
- General Assembly members raised questions about the environmental impacts, taxpayer burden, community impacts, and whether the incentive should be more geographically targeted

DEQ presented to the subcommittee on the environmental impacts of data centers in the Commonwealth

- DEQ highlighted reduced emissions from new data center generator standards and ongoing air quality monitoring efforts
- Due to recently enacted legislation, DEQ is advancing water-use reporting, water reuse initiatives, and future noise regulations for data centers

SCC presented on the new data center electricity consumption tax that was included in the final budget passed in June

- Virginia enacted a new electricity consumption tax (\$0.011/kWh) on qualifying data centers (generally facilities with 1 MW or greater capacity), with collections beginning in fall 2026
- Tax revenues above \$600 million annually will be directed to a refund pool and returned to data center operators on a pro-rata basis

AGENDA

2026 Special Session I Update

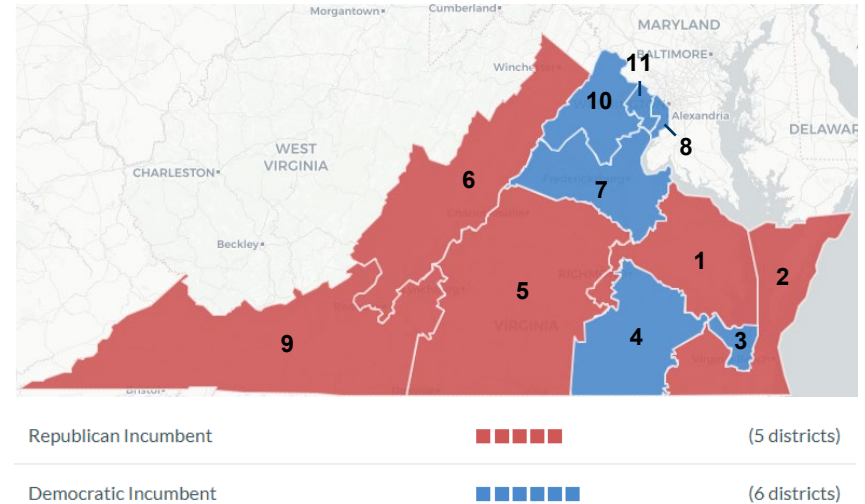
Recent General Assembly Meetings Update

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Closed Session: Budget and Legislative Proposals

UPCOMING MIDTERM ELECTIONS WILL DETERMINE CONTROL OF CONGRESS

District	Democrat	Republican
Senate	Mark Warner*	Bert Mizusawa
1	Shannon Taylor	Rob Wittman*
2	Elaine Luria	Jennifer Kiggans*
3	Bobby Scott*	Edwin Rivera, Jr.
4	Jennifer McClellan*	
5	Tom Perriello	John McGuire*
6	Beth Macy	Ben Cline*
7	Eugene Vindman*	Doug Ollivant
8	Donald Beyer, Jr.*	Tony Sabio
9	Joy Powers	Morgan Griffith*
10	Suhas Subramanyam*	Dave Beckwith
11	James Walkinshaw*	Arthur Purves



*Incumbent
Source: [VPAP](#)

HD20 IN NORTHERN VIRGINIA WILL ALSO BE ON THE BALLOT TO FILL THE SEAT OF FORMER DELEGATE MICHELLE MALDONADO

Sonia Ruth Vasquez Luna (D)



Age: 44

From: El Salvador

Education:

- A.S. Business Administration, Northern Virginia Community College
- B.A. Business Administration, National Labor College

Occupation: Labor Union Executive

Previous or current elected or appointed office:

- Manassas City Council, 2022 – Present

KEY ELECTION DATES

September 18

Early in-person voting begins

October 23

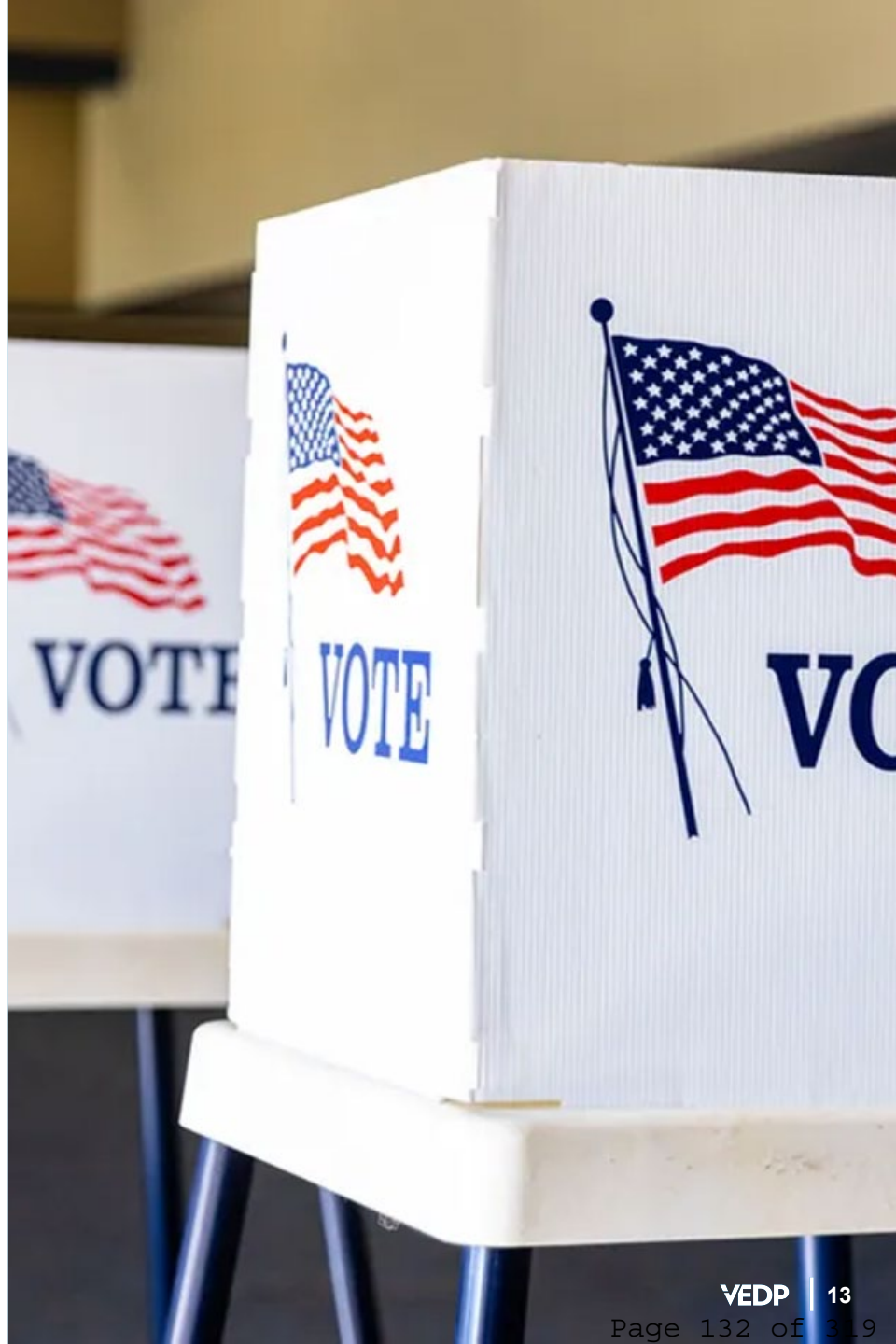
Deadline to register to vote and request mail-in ballot

October 31

Last day of early voting

November 3

Election day



CLOSED SESSION

CERTIFICATION OF CLOSED SESSION