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2026 Session Recap

- In the 2026 session, unified Democratic control of the General Assembly and Governor Spanberger's arrival sped long-delayed Democratic priorities into law, reviving measures once vetoed under Governor Youngkin, as lawmakers worked to translate campaign promises into governing, efficiently if not without the usual legislative friction.
- "Affordability" became the session's central theme. For Governor Spanberger and Democrats, it meant lowering structural costs through housing expansion, prescription drug oversight, and balanced energy policy. Republicans were less dynamic, but direct in their messaging: eliminating the grocery tax, repealing the car tax, and opposing new tax proposals.
- Governor Spanberger, emphasizing that theme, set a pragmatic and rhetorically centrist tone for Democrats, focusing on cost-of-living concerns. She has indicated general alignment with Democratic priorities while preserving room for independent judgment. In the weeks ahead, her amendment and veto authority will play a significant role in shaping outcomes.
- Democrats readily agreed on spending priorities, but late in the session the dispute turned to revenue. The sharpest divide concerned data centers, an industry that routes most global internet traffic through Virginia. While economically beneficial, lawmakers have become wary of energy demand, infrastructure strain, and lost revenue due to their tax incentives.
- The Senate favored scaling back incentives, while the House sought to preserve them with conditions. The disagreement resulted in Senate and house budgets that are over \$1 billion apart. The broader budget impasse followed a familiar pattern: agreement on priorities, disagreement on revenue, and stalemate on both.
- As a result, the Session adjourned without a budget. Negotiations on the budget will continue in coming weeks and a special session will follow, after lawmakers reconvene to consider Governor Spanberger's decisions on pending legislation.
- Outside the budget, Democratic lawmakers advanced core priorities long blocked under Republican control of the Governor's mansion, including a higher minimum wage, expanded paid family and medical leave, tighter firearm regulations, and limits on state cooperation with federal immigration enforcement.
- The legislature also passed a long-delayed framework for retail cannabis, alongside renewed efforts to regulate gaming and skill-based machines, both carrying fiscal implications, as projected revenues relied on unsettled budget assumptions.

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- Perhaps the clearest Democratic unity appeared in four proposed constitutional amendments, with the first three, on reproductive rights, voting restoration, and same-sex marriage, set for decision via referenda in November's elections.
- The final amendment would allow for a temporary redrawing of congressional district maps outside of the usual process that occurs once a decade. The redistricting conversation - particularly as it related to the proposed new maps - took up a lot of air during the legislative session. A special election has been set for April 21 where voters will have a chance to weigh in on the referendum. .
- There was also broad agreement on economic uncertainty. Revenues remained solid, but rising unemployment claims and shifting federal policy prompted caution. Governor Spanberger's early actions, including creating an economic resiliency task force, reflect an administration aware that external forces could quickly reshape the Commonwealth's fiscal outlook.
- While the 2026 session showed areas of agreement, an ability to work past divisions, and clearer direction for advocates, it did not finish the job. The hardest questions, involving money, remain unresolved, leaving the legislature to settle the final outcome later.

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