

# 2026 SESSION

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1 **HOUSE BILL NO. 806**

2 Offered January 14, 2026

3 Prefiled January 13, 2026

4 *A BILL to amend and reenact §§ 15.2-4901 and 15.2-4902 of the Code of Virginia, relating to industrial*  
5 *development authorities; housing.*

6 Patron—Carr

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8 Committee Referral Pending

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10 **Be it enacted by the General Assembly of Virginia:**

11 **1. That §§ 15.2-4901 and 15.2-4902 of the Code of Virginia are amended and reenacted as follows:**

12 **§ 15.2-4901. Purpose of chapter.**

13 It is the intent of the legislature by the passage of this chapter to authorize the creation of industrial  
14 development authorities by the localities in the Commonwealth so that such authorities may acquire, own,  
15 lease, and dispose of properties and make loans to the end that such authorities may be able to promote  
16 industry and develop trade by inducing manufacturing, industrial, governmental, nonprofit, and commercial  
17 enterprises, and institutions of higher education to locate in or remain in the Commonwealth and further the  
18 use of its agricultural products and natural resources, and to vest such authorities with all powers that may be  
19 necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the  
20 inhabitants of the Commonwealth, either through the increase of their commerce, or through the promotion of  
21 their safety, health, welfare, convenience, or prosperity. Such authority shall not itself be authorized to  
22 operate any such manufacturing, industrial, nonprofit, or commercial enterprise, or any facility of an  
23 institution of higher education.

24 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
25 development authorities the powers contained herein with respect to pollution control facilities to the end that  
26 such authorities may protect and promote the health of the inhabitants of the Commonwealth and the  
27 conservation, protection, and improvement of its natural resources by exercising such powers for the control  
28 or abatement of land, sewer, water, air, noise, and general environmental pollution derived from the operation  
29 of any industrial or medical facility and to vest such authorities with all powers that may be necessary to  
30 enable them to accomplish such purpose, which powers shall be exercised for the benefit of the inhabitants of  
31 the Commonwealth, either through the increase of their commerce, or through the promotion of their safety,  
32 health, welfare, convenience, or prosperity.

33 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
34 development authorities the powers contained herein with respect to medical facilities and facilities for the  
35 residence or care of the aged to the end that such authorities may protect and promote the health and welfare  
36 of the inhabitants of the Commonwealth by assisting in the acquisition, construction, equipping, expansion,  
37 enlargement, and improvement of medical facilities and facilities for the residence or care of the aged in order  
38 to provide modern and efficient medical services to the inhabitants of the Commonwealth and care of the  
39 aged of the Commonwealth in accordance with their special needs and also by assisting in the refinancing of  
40 medical facilities and facilities for the residence or care of the aged owned and operated by organizations  
41 which are exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code of 1954, as amended,  
42 in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to vest such  
43 authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers  
44 shall be exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their  
45 health and welfare. It is not intended hereby that any such authority shall itself be authorized to operate any  
46 such medical facility or facility for the residence or care of the aged.

47 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
48 development authorities the powers contained herein with respect to facilities for use by organizations (other  
49 than institutions organized and operated exclusively for religious purposes) which are described in §  
50 501(c)(3) of the Internal Revenue Code of 1954, as amended, and which are exempt from federal income  
51 taxation pursuant to § 501(a) of the Internal Revenue Code of 1954, as amended, to the end that such  
52 authorities may protect or promote the safety, health, welfare, convenience, and prosperity of the inhabitants  
53 of the Commonwealth by assisting in the acquisition, construction, equipping, expansion, enlargement,  
54 improvement, financing, and refinancing of such facilities of the aforesaid entities and organizations in order  
55 to provide operations, recreational, activity centers, and other facilities for the use of the inhabitants of the  
56 Commonwealth and to vest such authorities with all powers that may be necessary to enable them to  
57 accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the  
58 Commonwealth and for the promotion of their safety, health, welfare, convenience, or prosperity. It is not

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59 intended hereby that any such authority shall itself be authorized to operate any such facility.

60 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
61 development authorities the powers contained herein with respect to facilities for accredited nonprofit private  
62 institutions of higher education in the Commonwealth whose primary purpose is to provide collegiate or  
63 graduate education and not to provide religious training or theological education to the end that such  
64 authorities may protect and promote the health and welfare of the inhabitants of the Commonwealth by  
65 assisting in the acquisition, construction, equipping, expansion, enlargement, and improvement of facilities of  
66 aforesaid institutions in order to provide improved educational facilities for the use of the inhabitants of the  
67 Commonwealth and to vest such authorities with all powers that may be necessary to enable them to  
68 accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the  
69 Commonwealth and for the promotion of their health, welfare, convenience, or prosperity. It is not intended  
70 hereby that any such authority shall itself be authorized to operate any such educational facility.

71 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant industrial  
72 development authorities the powers contained herein with respect to facilities for a locality, the  
73 Commonwealth and its agencies, and governmental and nonprofit organizations and to vest such authorities  
74 with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be  
75 exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their health,  
76 welfare, convenience, or prosperity.

77 It is further the intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
78 development authorities the powers contained herein with respect to facilities for museums and historical  
79 education, demonstration, and interpretation, together with any and all buildings, structures, or other facilities  
80 necessary or desirable in connection with the foregoing, for use by nonprofit organizations in order to  
81 promote tourism and economic development in the Commonwealth, to promote the knowledge of and  
82 appreciation by the citizens of the Commonwealth of the historical and cultural development and heritage of  
83 the Commonwealth and the United States and to promote thereby their health, welfare, convenience, and  
84 prosperity. It is not intended hereby that any such authority shall itself be authorized to operate any such  
85 facility.

86 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
87 development authorities the powers contained herein with respect to facilities devoted to the staging of equine  
88 events and activities (other than racing) for use by governmental or nonprofit, nonreligious organizations and  
89 operated by such governmental or nonprofit, nonreligious organizations in order to promote the equine  
90 industry and equine-related activities (other than racing) which are integral to the Commonwealth's economy  
91 and heritage and to promote thereby the safety, health, welfare, convenience, and prosperity of the inhabitants  
92 of the Commonwealth.

93 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
94 development authorities the powers contained herein with respect to acquiring, developing, owning, and  
95 operating an industrial park and any utilities that are intended primarily to serve the park and to issue bonds  
96 for such purposes. The bonds may be secured by revenues generated by the industrial park or the utilities  
97 being financed or by any other funds of the authority.

98 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
99 development authorities ~~created by one or more municipalities whose housing authorities have not been~~  
100 ~~activated as provided by §§ 36-4 and 36-4.1~~, in addition to the powers previously or hereafter granted in this  
101 chapter, the powers contained herein with respect to facilities used primarily for single or multi-family  
102 residences in order to promote safe and affordable housing in the Commonwealth and to benefit thereby the  
103 safety, health, welfare, and prosperity of the inhabitants of the Commonwealth. It is not intended hereby that  
104 any such authority shall itself be authorized to operate any such facility or exercise any powers of eminent  
105 domain set forth in § 36-27.

106 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
107 development authorities, in addition to the powers previously or hereafter granted herein, the power to *issue*  
108 *bonds*, make grants, *or any combination thereof*, associated with the construction of affordable housing in  
109 order to promote safe and affordable housing in the Commonwealth and to benefit thereby the safety, health,  
110 welfare, and prosperity of the inhabitants of the Commonwealth.

111 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant industrial  
112 development authorities the powers contained herein with respect to public school buildings and facilities to  
113 promote the safety, health, welfare, convenience, and prosperity of the school children of the Commonwealth  
114 by assisting in the acquisition, construction, equipping, expansion, enlargement, improvement, financing, and  
115 refinancing of such facilities of school boards in order to provide for the modernization of public school  
116 buildings or facilities pursuant to Article 3 (§ 22.1-141.1 et seq.) of Chapter 9 of Title 22.1.

117 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
118 development authorities the powers contained herein with respect to facilitating and supporting landowner  
119 access to carbon markets through aggregation of landowners to reach a size that attracts the investment of  
120 private capital. Such aggregation provides landowners of various size tracts of land enhanced opportunities to

121 access capital and benefits that support and enhance the agriculture and forest industries for the health,  
 122 welfare, convenience and prosperity of the inhabitants of the Commonwealth.

123 In any instance in this chapter where an industrial development authority may issue bonds through its  
 124 authority to finance, the authority may also refinance such bonds.

125 This chapter shall be liberally construed in conformity with these intentions.

126 **§ 15.2-4902. Definitions.**

127 Wherever used in this chapter, unless a different meaning clearly appears in the context:

128 "Authority" means any political subdivision, a body politic and corporate, created, organized and operated  
 129 pursuant to the provisions of this chapter, or if the authority is abolished, the board, body, commission,  
 130 department or officer succeeding to the principal functions thereof or to whom the powers given by this  
 131 chapter are given by law.

132 "Authority facilities" or "facilities" means any or all (i) medical (including, but not limited to, office and  
 133 treatment facilities), pollution control or industrial facilities; (ii) facilities for the residence or care of the  
 134 aged; (iii) multi-state regional or national headquarters offices or operations centers; (iv) facilities for private,  
 135 accredited and nonprofit institutions of collegiate, elementary, or secondary education in the Commonwealth  
 136 whose primary purpose is to provide collegiate, elementary, secondary, or graduate education and not to  
 137 provide religious training or theological education, such facilities being for use as academic or administration  
 138 buildings or any other structure or application usual and customary to a college, elementary or secondary  
 139 school campus other than chapels and their like; (v) parking facilities, including parking structures; (vi)  
 140 facilities for use as office space by nonprofit, nonreligious organizations; (vii) facilities for museums and  
 141 historical education, demonstration and interpretation, together with buildings, structures or other facilities  
 142 necessary or desirable in connection with the foregoing, for use by nonprofit organizations; (viii) facilities for  
 143 use by an organization (other than an organization organized and operated exclusively for religious purposes)  
 144 which is described in § 501(c) (3) of the Internal Revenue Code of 1986, as amended, and which is exempt  
 145 from federal income taxation pursuant to § 501 (a) of such Internal Revenue Code; (ix) facilities for use by a  
 146 locality, the Commonwealth and its agencies, or other governmental organizations, provided that any such  
 147 facilities owned by a locality, the Commonwealth or its agencies or other public bodies subject to the  
 148 Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not be exempt from competitive procurement  
 149 requirements, under the exception granted in subsection B of § 2.2-4344; (x) facilities devoted to the staging  
 150 of equine events and activities (other than racing events); however, such facilities must be owned by a  
 151 governmental or nonprofit, nonreligious organization and operated by any such governmental or nonprofit,  
 152 nonreligious organization; (xi) facilities for commercial enterprises that are not enterprise zone facilities (as  
 153 defined in § 1394 (b) of the Internal Revenue Code of 1986, as amended) now existing or hereafter acquired,  
 154 constructed or installed by or for the authority pursuant to the terms of this chapter; however, facilities for  
 155 commercial enterprise that are not enterprise zone facilities but which are taxable authority facilities shall  
 156 constitute authority facilities only if the interest on any bonds issued to finance such facilities is not exempt  
 157 from federal income taxation; (xii) enterprise zone facilities; and (xiii) facilities used primarily for single or  
 158 multi-family residences. ~~Clause (xiii) applies only to industrial development authorities created by one or  
 159 more localities whose housing authorities have not been activated as provided by §§ 36-4 and 36-4.1.~~ Any  
 160 facility may be located within or outside or partly within or outside the locality creating the authority. Any  
 161 facility may consist of or include any or all buildings, improvements, additions, extensions, replacements,  
 162 machinery or equipment, and may also include appurtenances, lands, rights in land, water rights, franchises,  
 163 furnishings, landscaping, utilities, approaches, roadways and other facilities necessary or desirable in  
 164 connection therewith or incidental thereto, acquired, constructed, or installed by or on behalf of the authority.  
 165 A pollution control facility shall include any facility acquired, constructed or installed or any expenditure  
 166 made, including the reconstruction, modernization or modification of any existing building, improvement,  
 167 addition, extension, replacement, machinery or equipment, and which is designed to further the control or  
 168 abatement of land, sewer, water, air, noise or general environmental pollution derived from the operation of  
 169 any industrial or medical facility. Any facility may be constructed on or installed in or upon lands, structures,  
 170 rights-of-way, easements, air rights, franchises or other property rights or interests whether owned by the  
 171 authority or others.

172 "Bonds" or "revenue bonds" embraces notes, bonds and other obligations authorized to be issued by the  
 173 authority pursuant to the provisions of this chapter.

174 "Cost" means, as applied to authority facilities, the cost of construction; the cost of acquisition of all  
 175 lands, structures, rights-of-way, franchises, easements and other property rights and interests; the cost of  
 176 demolishing, removing or relocating any buildings or structures on lands acquired, including the cost of  
 177 acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all labor,  
 178 materials, machinery and equipment; financing charges and interest on all bonds prior to and during  
 179 construction and, if deemed advisable by the authority, for a period not exceeding one year after completion  
 180 of such construction; cost of engineering, financial and legal services, plans, specifications, studies, surveys,  
 181 estimates of cost and of revenues, and other expenses necessary or incident to determining the feasibility or  
 182 practicability of constructing the authority facilities; administrative expenses, provisions for working capital,

183 reserves for interest and for extensions, enlargements, additions and improvements; and such other expenses  
184 as may be necessary or incident to the construction of the authority facilities, the financing of such  
185 construction and the placing of the authority facilities in operation. Any obligation or expense incurred by the  
186 Commonwealth or any agency thereof, with the approval of the authority, for studies, surveys, borings,  
187 preparation of plans and specifications or other work or materials in connection with the construction of the  
188 authority facilities may be regarded as a part of the cost of the authority facilities and may be reimbursed to  
189 the Commonwealth or any agency thereof out of the proceeds of the bonds issued for such authority facilities  
190 as hereinafter authorized.

191 "Enterprise" means any industry for manufacturing, processing, assembling, storing, warehousing,  
192 distributing, or selling any products of agriculture, mining, or industry and for research and development or  
193 scientific laboratories, including, but not limited to, the practice of medicine and all other activities related  
194 thereto or for such other businesses or activities as will be in the furtherance of the public purposes of this  
195 chapter.

196 "Loans" means any loans made by the authority in furtherance of the purposes of this chapter from the  
197 proceeds of the issuance and sale of the authority's bonds and from any of its revenues or other moneys  
198 available to it as provided herein.

199 "Revenues" means any or all fees, rates, rentals and receipts collected by, payable to or otherwise derived  
200 by the authority from, and all other moneys and income of whatsoever kind or character collected by, payable  
201 to or otherwise derived by the authority in connection with the ownership, leasing or sale of the authority  
202 facilities or in connection with any loans made by the authority under this chapter.

203 "Taxable authority facilities" means any private or commercial golf course, country club, massage parlor,  
204 tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility,  
205 suntan facility, race track, or facility the primary purpose of which is one of the following: (i) retail food and  
206 beverage services (excluding grocery stores), (ii) automobile sales and service, (iii) recreation or  
207 entertainment, or (iv) banks, savings and loan institutions or mortgage loan companies. The foregoing  
208 sentence notwithstanding, no facility financed as an enterprise zone facility using tax-exempt "enterprise zone  
209 facility bonds" (as such term is used in § 1394 of the Internal Revenue Code) shall constitute a taxable  
210 authority facility.

211 "Trust indenture" means any trust agreement or mortgage under which bonds authorized pursuant to this  
212 chapter may be secured.