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SENATE BILL NO. 758

Offered January 20, 2026

A BILL to amend the Code of Virginia by adding in Chapter 3 of Title 40.1 an article numbered 1.2, consisting of sections numbered 40.1-28.13 through 40.1-28.16 and by adding a section numbered 58.1-3661.1, relating to solar energy facility work; prevailing wage rate; apprenticeship requirements; civil penalties; state and local tax exemption; report.

Patron—Rouse

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 3 of Title 40.1 an article numbered 1.2, consisting of sections numbered 40.1-28.13 through 40.1-28.16, and by adding a section numbered 58.1-3661.1 as follows:

Article 1.2.

Prevailing Wage for Solar Energy Facility Work.

§ 40.1-28.13. Definitions.

As used in this article, unless the context requires a different meaning:

"Prevailing wage rate" means the rate, amount, or level of wages, salaries, benefits, and other remuneration prevailing for the corresponding class of mechanics, laborers, or workers employed for the same work in the same trade or occupation in the locality where the facility or immovable property that is the subject of solar energy facility work is located, as determined by the Commissioner on the basis of applicable prevailing wage rate determinations made by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended.

"Solar developer" means any developer of a solar energy facility, including any electric utility as defined in § 56-576 and any person required to be licensed under the provisions of § 56-587, and any of its contractors or subcontractors.

"Solar energy facility" means a renewable energy project that (i) generates electricity from sunlight, consisting of one or more PV systems and other appurtenant structures and facilities within the boundaries of the site and (ii) is designed for, or capable of, operation at a rated capacity of no less than one megawatt. "Solar energy facility" includes two or more solar energy facilities otherwise spatially separated but under common ownership or operational control that are connected to the electrical grid under a single interconnection agreement.

"Solar energy facility work" means construction, alteration, or repair of a solar energy facility.

§ 40.1-28.14. Prevailing wage rate for solar energy facility work; civil penalties.

A. Each solar developer, when procuring services, letting contracts, or overseeing or administering contracts for construction, alteration, or repair of a solar energy facility, shall ensure that its bid specifications or other contracts applicable to construction, alteration, or repair of such solar energy facility require bidders, offerors, contractors, and subcontractors to pay wages, salaries, benefits, and other remuneration to any mechanic, laborer, or worker employed, retained, or otherwise hired to perform services in connection with the contract at the prevailing wage rate. Each contract for construction, alteration, or repair of a solar energy facility with over one megawatt of generating capacity by a public service company or third-party developer shall contain a provision requiring that the remuneration to any individual performing the work of any mechanic, laborer, or worker on the work contracted to be done shall be at a rate equal to the prevailing wage rate.

B. In addition to liability for the nonpayment of wages provided in § 40.1-29, any solar developer that fails to comply with the requirements of this section shall be required to make a payment to the Commissioner of Labor and Industry of \$5,000 for each employee who was paid wages at a rate less than the prevailing wage rate. However, if the Commissioner of Labor and Industry determines that such solar developer's failure to comply with the requirements of this section is due to intentional disregard of the provisions of this section, such solar developer shall be required to make a payment to the Commissioner of Labor and Industry of \$10,000 for each employee who was paid wages at a rate less than the prevailing wage rate. Civil penalties owed under this section shall be paid to the Commissioner for deposit in the general fund and the Commissioner shall prescribe procedures for the payment of proposed assessments of civil penalties that are not contested by employers.

§ 40.1-28.15. Apprenticeship requirements; civil penalties.

A. As used in this section, "qualified apprentice" means an individual who is employed by a solar developer and who is participating in a registered apprenticeship program pursuant to Article 3 (§ 2.2-2043

59 *et seq.) of Chapter 20.2 of Title 2.2.*

60 *B. Each solar developer engaged in the construction, alteration, or repair of solar energy facilities shall*
61 *ensure that 12.5 percent, for work performed prior to July 1, 2027, and 15 percent, for work performed on or*
62 *after July 1, 2027, of the total labor hours of the construction, alteration, or repair work, including such work*
63 *performed by any contractor or subcontractor, is performed by qualified apprentices.*

64 *C. Each solar developer that employs four or more individuals to perform construction, alteration, or*
65 *repair work with respect to a solar energy facility shall employ at least one qualified apprentice to perform*
66 *such work.*

67 *D. The requirements of this section shall be deemed satisfied if the solar developer has requested*
68 *qualified apprentices from a registered apprenticeship program and (i) such request is denied, provided such*
69 *denial is not the result of a refusal by the solar developer or its contractor or subcontractor to comply with*
70 *the established standards or requirements of the registered apprenticeship program or (ii) the registered*
71 *apprenticeship program fails to respond to such request within five business days of receiving such request.*

72 *E. A solar developer that fails to meet the requirements of this section shall make a payment to the*
73 *Commissioner of Labor and Industry of \$50 for each labor hour in which the requirements of this section*
74 *were not met. However, if the Commissioner of Labor and Industry determines that the solar developer's*
75 *failure to comply with the requirements of this section is due to intentional disregard of the provisions of this*
76 *section, the solar developer shall be required to make a payment to the Commissioner of Labor and Industry*
77 *of \$500 for each labor hour in which the requirements of this section were not met. Civil penalties owed*
78 *under this section shall be paid to the Commissioner for deposit in the general fund and the Commissioner*
79 *shall prescribe procedures for the payment of proposed assessments of civil penalties that are not contested*
80 *by employers.*

81 **§ 40.1-28.16. Annual report.**

82 *A solar developer shall submit an annual report to the Commissioner detailing its compliance with the*
83 *provisions of this article, in the form and manner determined by the Commissioner, for each of its solar*
84 *energy facilities.*

85 **§ 58.1-3661.1. Certified solar generation facilities.**

86 *A. As used in this section, "certified solar generation facilities" means any property, including real or*
87 *personal property, equipment, facilities, or devices, excluding any portion of such property that is exempt*
88 *under § 58.1-3660 or 58.1-3661, associated with an electrical generation facility with a rated capacity of no*
89 *less than five megawatts and not exceeding 150 megawatts that generates electricity only from sunlight that*
90 *meets the requirements of Article 1.2 (§ 40.1-28.13 et seq.) of Chapter 3 of Title 40.1 and is certified by the*
91 *Department of Environmental Quality to the Department of Taxation and to the local assessing officer to be*
92 *designed and used primarily for the purpose of generating electric energy from sunlight.*

93 *B. Certified solar generation facilities are hereby declared to be a separate class of property and shall*
94 *constitute a classification for local taxation separate from other classifications of real or personal property.*
95 *Such facilities shall be wholly exempt from state and local taxation pursuant to Article X, Section 6 (d) of the*
96 *Constitution of Virginia.*

97 *C. Upon receipt of the certificate from the Department of Environmental Quality, the local assessing*
98 *officer shall proceed to determine the value of such qualifying solar energy equipment, facilities, or devices.*
99 *The exemption provided by this section shall be determined by applying the local tax rate to the value of such*
100 *equipment, facilities, or devices and subtracting such amount (i) from the total real property tax due on the*
101 *real property to which such equipment, facilities, or devices are attached and (ii) if such equipment, facilities,*
102 *or devices are taxable as machinery and tools under § 58.1-3507, from the total machinery and tools tax due*
103 *on such equipment, facilities, or devices, at the election of the taxpayer. This exemption shall be effective*
104 *beginning in the next succeeding tax year.*

105 **2. That the provisions of Article 1.2 (§ 40.1-28.13 et seq.) of Chapter 3 of Title 40.1 of the Code of**
106 **Virginia, as created by this act, shall apply to solar energy facility work by a solar developer, as those**
107 **terms are defined in § 40.1-28.13 of the Code of Virginia, as created by this act, that is performed**
108 **under a contract that is entered into, amended, or modified on or after July 1, 2026.**