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HOUSE BILL NO. 310**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Communications, Technology and Innovation
on February 2, 2026)

(Patron Prior to Substitute—Delegate Feggans)

A *BILL to amend the Code of Virginia by adding in Chapter 6 of Title 2.2 an article numbered 3, consisting of sections numbered 2.2-622 through 2.2-625, relating to Artificial Intelligence Workforce Impact Act established; report.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 6 of Title 2.2 an article numbered 3, consisting of sections numbered 2.2-622 through 2.2-625, as follows:

Article 3.

Artificial Intelligence Workforce Impact Act.

§ 2.2-622. Definitions.

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

"Artificial intelligence system" means any machine learning-based system that, for any explicit or implicit objective, infers from the inputs such system receives how to generate outputs, including content, decisions, predictions, and recommendations, that can influence physical or virtual environments. "Artificial intelligence system" does not include any artificial intelligence system or general purpose artificial intelligence model that is used for development, prototyping, and research activities before such artificial intelligence system or general purpose artificial intelligence model is made available to deployers or consumers.

"Artificial intelligence-related job impact" means any reduction, reassignment, restructuring, retraining, vacancy, decision, or elimination of a state position that occurs substantially because the agency has adopted or deployed an artificial intelligence system that performs functions previously carried out by that position.

"Department" means the Department of Human Resource Management.

"State position" means any full-time, part-time, classified, or other role that is funded by the Commonwealth. "State position" does not include volunteers or unpaid interns.

§ 2.2-623. Agency reporting requirements.

Beginning January 1, 2028, each state agency shall submit an annual report to the Department of Human Resource Management detailing artificial intelligence-related job impacts for the preceding fiscal year. Such report shall include:

1. The number of state positions eliminated substantially as a result of the adoption or use of one or more artificial intelligence systems, including such position titles and occupational categories;

2. The number of vacant or authorized state positions the agency decided not to fill because one or more artificial intelligence systems performed those duties;

3. The number of state positions whose duties were materially altered due to the use of one or more artificial intelligence systems, including whether such positions required retraining, reskilling, or reassignment;

4. The number of state employees provided with retraining, upskilling, transition assistance, or other workforce development efforts related to the adoption of one or more artificial intelligence systems;

5. The number of newly created state positions established to support or manage artificial intelligence systems, including technical, supervisory, or oversight roles; and

6. For each of the preceding subdivisions, a brief description of the artificial intelligence system that contributed to the workforce change, including its purpose and function.

§ 2.2-624. Workforce impacts; Artificial Intelligence Workforce Transition Plans.

A. If an agency reports 10 or more workforce impacts as a result of the use of one or more artificial intelligence systems pursuant to § 2.2-623 within a fiscal year, the agency shall submit an Artificial Intelligence Workforce Transition Plan to the Department within 180 days. Such plan shall include:

1. Identification of state positions at risk of displacement;

2. A description of available or planned retraining and reskilling efforts;

3. Availability of partnerships with the Virginia Community College System or institutions of higher education, as defined in § 23.1-213, for workforce training;

4. A strategy for reassigning or placing affected employees;

5. A plan to maintain continuity of state services during transition; and

6. A proposed timeline for implementation of such plan.

B. A state employee whose job is eliminated, materially changed, or restructured due to the use of one or more artificial intelligence systems shall be eligible for:

1. Retraining or upskilling programs coordinated through the Department and the Virginia Community

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60 College System;

61 2. Benefits provided under the Virginia Department of Human Resource Management Policy 1.30, Layoff,
62 and the Workforce Transition Act (§ 2.2-3200 et seq.);

63 3. Career transition services offered through the Virginia Employment Commission; and

64 4. Any additional support measures offered by the Department.

65 **§ 2.2-625. Department of Human Resource Management review; report.**

66 The Department shall review the annual reports and Artificial Intelligence Workforce Transition Plans
67 submitted by agencies pursuant to this article to identify statewide trends, impacts on state positions, and
68 patterns across agencies and occupational categories. The Department shall submit an annual report to the
69 Governor, the Secretary of Administration, the Joint Legislative Audit and Review Commission, and the
70 Chairs of the House Committee on Appropriations, House Committee on Communications, Technology and
71 Innovation, Senate Committee on General Laws and Technology, and Senate Committee on Finance and
72 Appropriations by November 1 of each year that includes (i) the total reported impacts to state positions, (ii)
73 agency-level and statewide trends, (iii) projected workforce needs, (iv) recommended mitigation or retraining
74 strategies, and (v) identification of risks to continuity of government services. Such report shall be submitted
75 for publication as a report document as provided in the procedures of the Division of Legislative Automated
76 Systems for the processing of legislative documents and reports and shall be posted on the General
77 Assembly's website.