

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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ORIGINAL

**Bill Number:** HB1355                            **Patron:** Thomas  
**Bill Title:** Labor and employment; payment of wages, definition.

**Bill Summary:** Provides that for purposes of requirements under existing law related to the payment of wages by employers, “wages” means all remuneration paid, or that should have been paid, for personal services, including salaries, commissions, bonuses, tips, back pay, dismissal pay, severance pay, and any other payments made by an employer to an employee during his employment and thereafter, and the cash value of all remuneration payable in any medium other than cash. The bill is intended to reverse *Groundworks Operations, LLC v. Campbell*, No. 241092 (Va. Dec. 30, 2025).

**Budget Amendment Necessary:** Yes

**Items Impacted:** 390

**Explanation:** This bill involves the Department of Labor and Industry (DOLI) and the Department of Corrections and will have a state fiscal impact. See Fiscal Analysis section below.

**Fiscal Summary:** This legislation requires minimum “Woodrum” impact funding per § 30-19.1:4, Code of Virginia, to account for a possible increase in the need for state prison beds. It is anticipated that, as a stand-alone bill, DOLI can absorb associated costs. There may also be a revenue impact. See Fiscal Analysis.

**General Fund Expenditure Impact:**

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Dept. of Corrections	-	\$50,000	-	-	-	-
<b>TOTAL</b>	-	<b>\$50,000</b>	-	-	-	-

**Fiscal Analysis:** This fiscal impact statement is preliminary and will be updated as additional information is received.

This bill provides that “wages” means all remuneration paid, or that should have been paid, for personal services, including salaries, commissions, bonuses, tips, back pay, dismissal pay, severance pay, and any other payments made by an employer to an employee during his employment and thereafter, and the cash value of all remuneration payable in any medium other than cash, in relation to requirements under existing law for payment of wages by employers. According to DOLI, this bill expands the agency’s responsibilities related to providing technical assistance, guidance, and complaint screening for labor and employment law matters. This bill may result in an increase in workload due to a potential increase in the number of inquiries the agency receives and complaints the agency is required to investigate; however, this amount is indeterminate. It is anticipated that any fiscal impact on the agency resulting from this bill, considered in isolation, can be

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absorbed within existing resources. However, if multiple bills requiring expanded agency responsibilities for labor and employment law matters are enacted during the same period, the cumulative workload may exceed the agency's current capacity and could result in additional resource needs. Any funding provided can be allocated to Item 352 of HB30/SB30, as introduced.

Paragraph H of § 40.1-29, Code of Virginia, states that any employer who knowingly fails to make payment of wages in accordance with subsection A or § 40.1-29.3, Code of Virginia, shall be subject to a civil penalty not to exceed \$1,000 for each violation. Civil penalties owed under this section shall be paid to the Commissioner for deposit into the general fund of the State Treasurer.

Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both. There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays localities \$5.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail. It also funds a large portion of the jails' operating costs, e.g., correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2025), the estimated total state support for local jails averaged \$58.25 per inmate, per day in FY 2024.

For someone convicted of a Class 6 felony, a judge has the option of sentencing the offender to a term of imprisonment of not less than one year nor more than five years, or in the discretion of the jury or the court trying the case without a jury, confinement in jail for not more than 12 months and a fine of not more than \$2,500, either or both. Therefore, this proposal could result in an increase in the number of persons sentenced to jail or prison.

There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays the localities \$5.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail and \$15.00 a day for each state-responsible prisoner. It also funds a considerable portion of the jails' operating costs, e.g., correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2025), the estimated total state support for local jails averaged \$58.25 per inmate, per day in FY 2024.

Due to the lack of data, the Virginia Criminal Sentencing Commission has concluded, pursuant to §30-19.1:4 of the Code of Virginia, that the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined. In such cases, Chapter 725, 2025 Acts of Assembly, requires that a minimum impact of \$50,000 be assigned to the bill.

**Other:** None.