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SENATE BILL NO. 731

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Counties, Cities and Towns
on February 27, 2026)

(Patron Prior to Substitute—Senator Salim)

A BILL to amend and reenact § 15.2-947 of the Code of Virginia, relating to private companies providing public transportation services; employee protections; report.

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-947 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-947. Systems of public transportation for certain counties or cities; protection of employees.

A. Notwithstanding any other provision of law, the governing body of any county or city not a member of a transportation district, upon finding a need for a system of public transportation and the inability of the governing body to reach a reasonable agreement for membership with an existing transportation district, may create, operate, maintain, or contract for a system of public transportation to be operated in such county or city for the safety, comfort, and convenience of the public. The governing body of any such county or city providing a system of public transportation or desiring to provide such a system may contract with any authority providing public transportation in contiguous localities for transportation services or the interchange of passengers for the purpose of providing continuous service between localities.

B. The governing body of any county or city that contracts with a private company to provide a system of public transportation shall, in its bid specifications, project agreements, or other controlling documents, require such company to:

1. Provide each of its employees (i) compensation at an hourly rate equivalent to the hourly rate paid to an employee of such county or city holding a position requiring equivalent qualifications based on such employee's years of service and the county or city wage progression and (ii) benefits, including health and retirement benefits, that are, at a minimum, actuarially equivalent to the benefits provided to an employee of such county or city with a position requiring equivalent qualifications and years of service;

2. Provide transportation services through its own employees; and

3. Ensure that all employees of such public transportation system employed by a predecessor private company be offered employment with any successor company without loss of compensation or benefits.

C. If a county or city that contracts with a private company to provide a system of public transportation subsequently elects to provide its own system of public transportation pursuant to subsection A, such county or city shall:

1. Adopt an ordinance or resolution providing for collective bargaining pursuant to subsection A of § 40.1-57.2, if such county or city has not already done so; and

2. Ensure that all employees of the private company are offered employment with such subsequent system of public transportation without loss of compensation or benefits.

D. Nothing in this section shall be construed to alter or affect any collective bargaining agreements made that may provide compensation lower than the hourly rate equivalent to the hourly rate paid to an employee of the county or city holding a position requiring equivalent qualifications based on an employee's years of service and the county or city wage progression or provide benefits, including health and retirement benefits, that are not at a minimum actuarially equivalent to the benefits provided to an employee of such county or city with a position requiring equivalent qualifications and years of service.

E. Nothing in this section shall apply to (i) a commuter rail service jointly operated by the Northern Virginia Transportation District Commission established pursuant to § 33.2-1904; (ii) the Potomac and Rappahannock Transportation District Commission established pursuant to Chapter 19 (§ 33.2-1900 et seq.) of Title 33.2; (iii) a paratransit service provided pursuant to 42 U.S.C. § 12141 et seq.; (iv) a demand responsive service or a demand responsive system, as that term is defined in 42 U.S.C. § 12141; or (v) any ferry service.

2. That the provisions of § 15.2-947 of the Code of Virginia, as amended by this act, shall apply only to actions occurring on or after January 1, 2027. No action taken, contracts signed, liability incurred, or right accrued prior to January 1, 2027, shall be affected by this act.

3. That the Director of the Department of Rail and Public Transportation shall convene a work group to develop recommendations on how to implement the provisions of § 15.2-947 of the Code of Virginia, as amended by this act. The work group shall consist of representatives from localities, transportation district commissions established by general law that operate a system of public transit, transit system employees, and any other relevant stakeholders. Such work group shall consider (i) how to calculate the equivalent qualifications of an employee of the county or city holding a position requiring equivalent qualifications based on such employee's years of service; (ii) how to calculate county or city wage progression for transit employees at a private company providing a system of public

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60 transportation; (iii) how to appropriately calculate what compensation at an hourly rate equivalent to
61 the hourly rate paid to an employee of a county or city with a position requiring equivalent
62 qualifications and years of service would be for a transportation commission made up of multiple
63 localities; (iv) how to appropriately calculate benefits, including health and retirement benefits, that
64 are, at a minimum, actuarially equivalent to the benefits provided to an employee of a county or city
65 with a position requiring equivalent qualifications and years of service; (v) the feasibility of and
66 timeline for implementing the requirements described in clauses (i) through (iv); and (vi) how to
67 implement the requirements of § 15.2-947 of the Code of Virginia, as amended by this act, for a
68 transportation commission made up of multiple localities. The work group shall report its findings and
69 recommendations to the Chairs of the House Committee on Labor and Commerce and Senate
70 Committee on Local Government by November 1, 2026.
71 4. That the provisions of the first enactment of this act shall become effective on January 1, 2027.