

HOUSE BILL NO. 1372

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Labor and Commerce

on _____)

(Patron Prior to Substitute—Delegate Helmer)

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, relating to solar energy facility work; prevailing wage rate; apprenticeship requirements; civil penalties; report.

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 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 in accordance with § 2.2-4321.3.

"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 et seq.) of Chapter 20.2 of Title 2.2.

B. Each solar developer engaged in the construction, alteration, or repair of solar energy facilities shall ensure that, beginning July 1, 2027, 15 percent of the total labor hours of the construction, alteration, or repair work, including such work performed by any contractor or subcontractor, is performed by qualified apprentices.

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

D. The requirements of this section shall be deemed satisfied if the solar developer has requested

qualified apprentices from a registered apprenticeship program and (i) such request is denied, provided such denial is not the result of a refusal by the solar developer or its contractor or subcontractor to comply with the established standards or requirements of the registered apprenticeship program or (ii) the registered apprenticeship program fails to respond to such request within five business days of receiving such request.

E. A solar developer that fails to meet the requirements of this section shall make a payment to the Commissioner of Labor and Industry of \$50 for each labor hour in which the requirements of this section were not met. However, if the Commissioner of Labor and Industry determines that the solar developer's failure to comply with the requirements of this section is due to intentional disregard of the provisions of this section, the solar developer shall be required to make a payment to the Commissioner of Labor and Industry of \$500 for each labor hour in which the requirements of this section were not met. 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.

§ 40.1-28.16. Annual report.

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

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 Virginia, as created by this act, shall apply only to solar energy facility work, as defined in § 40.1-28.13 of the Code of Virginia, as created by this act, performed pursuant to a construction contract entered into by a solar developer, as defined in § 40.1-28.13 of the Code of Virginia, as created by this act, that is performed under a contract that is entered into on or after July 1, 2026, and shall not apply to any solar energy facility work for which a binding construction contract, power purchase agreement, or interconnection agreement was entered into prior to July 1, 2026.