

The agenda for Virginia's entrepreneurs: 2025 legislative session

Virginia is home to more than 850,000 small businesses, employing 1.5 million people and accounting for 99.6% of all businesses in Virginia. Small Business Majority has created a comprehensive state policy agenda to ensure small business ownership and entrepreneurship are at the center of a robust, equitable and competitive economy for the Commonwealth. It is critical that state lawmakers enact both short- and long-term policies to empower entrepreneurs by guaranteeing that they have access to responsible capital, affordable, quality healthcare and essential benefits to help support and grow Virginia's small business ecosystem. To achieve these goals, policymakers should consider the following policy proposals.

Increase access to capital and opportunity for entrepreneurs

- **Ensure that the Virginia Small Business Financing Authority and the Virginia Innovation Partnership Corporation** are engaging key stakeholders to effectively disburse funding from the State Small Business Credit Initiative (SSBCI) in small-dollar loans, particularly to reach under-resourced communities in the state.
- **Promote responsible lending practices by lenders and brokers as set forth in the [Small Business Borrowers' Bill of Rights](#).** In 2022, Virginia passed legislation that attempted to ensure small businesses were protected through disclosure of financing costs. Unfortunately, the final version of the bill removed a requirement to disclose annual percentage rate (APR) on small business loans. Without APR disclosures, small businesses cannot accurately compare financial products. This law should be amended to include important disclosures like APR for all small business financing products.
- **Implement "Fresh Start" reform measures**, which would limit disqualifications for occupational licensing and give justice-impacted individuals the resources to secure licenses for work or entrepreneurship while having a previous record. In Virginia, this should include removing remaining references to "moral turpitude" and "moral character." In addition, the state should expand the existing predetermination process so that justice-impacted individuals can work in previously excluded healthcare occupations.

Bolster a Main Street-friendly workforce and the creation of quality jobs

- **Increase access to affordable healthcare**
 - **Block hospital mergers and acquisitions that are likely to increase patient costs and facility inaccessibility while not improving medical quality or outcomes.** Hospital consolidation leads to longer wait times for care, increased travel time and higher out-of-pocket costs, particularly for rural small business owners.
 - **Block anti-competitive hospital contracting practices among insurance companies**, such as large hospital chains using their market power to force insurance companies to include certain high-cost providers in their networks.
 - **Pass the constitutional amendment that was introduced in 2023 to enshrine abortion access as a fundamental right in Virginia.** Women entrepreneurs agree ([92%](#)) that it's extremely important they have the freedom to decide if and when to have children.
 - **Enact a Prescription Drug Affordability Board that would ensure a fair market for consumer costs for prescription medications.** Following similar actions in states across the country, this Board would review certain high-cost drugs to determine if the price increases are justified. Additionally, the Board would seek to lower healthcare costs, particularly as these costs are [hurting small business owners' bottom lines](#).

- **Enact benefit policies that support the small business ecosystem**
 - **Pass legislation to create a state-run paid leave insurance program so small businesses and their employees can access paid family and medical leave.** This would allow small businesses to provide their employees with access to paid family and medical leave without fully funding such a program themselves. The legislation passed in the 2022 session aimed to expand access to paid leave by offering the benefit to employers through private insurers, which has proven to be an ineffective, expensive and time-consuming model that has not served small business owners well.
 - **Save entrepreneurs money with a new child tax credit and childcare cost-savings programs.** Virginia has made record investments for K-12 schools over the next several years. However, childcare in the state still needs additional funding to meet the demands of the workforce. More than 10,000 children are on waiting lists for state-funded childcare programs, and fully funding state programs would allow all children the opportunity to succeed. Without enough childcare facilities, small businesses owners will lose talent as parents must decide whether to work or stay home to care for a child. That's why we also support Virginia Early Childhood Foundation's recommendation to:
 - Add 12,000 slots for FY26 to help the Commonwealth address parent demand
 - Enact a predictable funding formula that anticipates fluctuations in parent demand and aligns with the cost of quality methodology;
 - Establish a dedicated fund to safeguard and maximize childcare investments.
- **Remove barriers to employment**
 - **Advance Clean Slate policies** to ensure that small businesses can tap into an underutilized workforce composed of justice-impacted individuals who have remained crime-free for non-sexual and non-violent crimes.

Foster a level playing field for Virginia small businesses

- **Ask corporations and the ultra-wealthy to pay their fair share to fund key small business programs and priorities** by instituting a millionaire's tax on earned income surpassing \$1 million per year and closing a key corporate tax loophole by instituting combined reporting.
- **Make the Earned Income Tax Credit (EITC) fully refundable** to increase small business employees' incomes and allow self-employed entrepreneurs to claim the credit. This will be of particular benefit for entrepreneurs that are just starting their businesses and for those in low-margin industries.