

**DEPARTMENT OF TAXATION
2009 Fiscal Impact Statement**

1. **Patron** R. Lee Ware, Jr.

3. **Committee** Senate Finance

4. **Title** Green Roofs; Incentives

2. **Bill Number** HB 1975

House of Origin:

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

Second House:

☒ **In Committee**

☐ **Substitute**

☐ **Enrolled**

5. Summary/Purpose:

This bill would authorize localities to grant incentives and provide regulatory flexibility to encourage the use of green roofs, which may include reducing permit fees and gross receipts taxes on green roof contractors and streamlining the approval process for building permits.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

This bill would have no impact on state revenues. As this bill is permissive and allows localities to decide which incentives to enact in their ordinances, the revenue impact of this bill is uncertain. To the extent that a locality enacts incentives that affect revenue, the locality would incur a revenue loss.

9. Specific agency or political subdivisions affected:

All localities

10. **Technical amendment necessary:** No.

11. Other comments:

BPOL Tax

The Business, Professional and Occupational License (BPOL) tax is a tax on businesses for the privilege of engaging in business at a definite place of business within a Virginia locality. The measure or basis of the BPOL tax generally is the gross receipts of the business. The BPOL tax is a tax on gross receipts, not net income.

Contractors may be subject to license tax at a rate not to exceed the sixteen cents per \$100 of gross receipts.

Proposal

This bill would authorize localities to grant incentives and provide regulatory flexibility to encourage the use of green roofs, which may include reducing permit fees and gross receipts taxes on green roof contractors and streamlining the approval process for building permits.

Under this proposal, a green roof would be defined as a solar roof, a solar roofing system that generates reusable energy that accounts for at least 2.5% of the total electric energy used by the building, or a vegetative roof, a roofing system designed in accordance with the Virginia Stormwater Management Program's standards and specifications for green roofs, as set forth in the Virginia Stormwater BMP Clearinghouse, in which at least 50 percent of the total roofing area is vegetative.

Until the standards and specifications of for vegetative roofing systems are set forth in the Virginia Stormwater BMP Clearinghouse, containerized vegetative roofing systems designed in accordance with other standards and specifications would not be precluded from qualifying for any incentives or regulatory flexibility provided for green roofing.

The effective date of this bill is not specified.

Similar Legislation

Senate Bill 1058 is identical to this bill.

Senate Bill 1074 would allow the towns of Herndon and Leesburg levy the BPOL Tax on any person, firm, or corporation engaged in the business of renting real property.

cc : Secretary of Finance

Date: 2/6/2009 AM
DLAS File Name: HB1975FE161