

# DEPARTMENT OF TAXATION

## 2023 Fiscal Impact Statement

1. **Patron** R. Creigh Deeds

3. **Committee** Senate Finance and Appropriations

4. **Title** Additional local sales and use tax; Albemarle County and City of Charlottesville

2. **Bill Number** SB 1287

**House of Origin:**

X **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

### 5. **Summary/Purpose:**

This bill would add Albemarle County and the City of Charlottesville to the list of qualifying localities authorized to levy an additional local sales and use tax not to exceed one percent. The revenue from the additional tax must be used to fund construction or renovation of schools.

Under current law, the Counties of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania and the City of Danville are authorized to levy the additional one percent local tax.

If enacted during the regular session of the 2023 General Assembly this bill would become effective July 1, 2023.

6. **Budget amendment necessary:** No.

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

### 8. **Fiscal implications:**

#### Administrative Costs

This bill would have no impact on state or local administrative costs.

#### Revenue Impact

This bill could have an unknown positive revenue impact to Albemarle County and the City of Charlottesville if they chose to adopt the tax. In addition, it could impact the allocation of revenues within Albemarle County.

This bill would have no impact on state revenues.

**9. Specific agency or political subdivisions affected:**

Albemarle County  
City of Charlottesville

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

**11. Other comments:**

Additional Local Sales and Use Tax to Benefit Schools

Legislation passed during the 2019 and 2020 sessions of the General Assembly authorized the Counties of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania and the City of Danville to impose, by ordinance, an additional local sales and use tax at a rate of up to one percent as determined by its local governing body. This tax would be in addition to the one percent general local sales and use tax authorized under current law. The additional tax would be required to first be approved by voters at a referendum and initiated by a resolution of the local governing body. Further, the tax would expire on the date by which bonds or loans are repaid if the capital projects for the construction or renovation of schools are to be financed by bonds or loans; or if the capital projects for the construction or renovation of schools are not financed by bonds or loans, on a date chosen by the governing body and specified in any resolution that imposes the additional tax. The expiration date would not be permitted to be more than 20 years after the date of the resolution.

Proposal

This bill would add Albemarle County and the City of Charlottesville to the list of localities authorized to levy an additional local sales and use tax not to exceed one percent. The revenue from the additional tax must be used to fund construction or renovation of schools.

If enacted during the regular session of the 2023 General Assembly this bill would become effective July 1, 2023.

Similar Legislation

**House Bill 1605** would add Prince Edward County to the list of localities authorized to levy an additional local sales and use tax not to exceed one percent.

**House Bill 2316** and **Senate Bill 1408** would authorize any locality to levy an additional local sales and use tax not to exceed one percent.

cc: Secretary of Finance

Date: 1/17/2023 VB  
SB1287F161