

Commission on Local Government

Estimate of Local Fiscal Impact

2020 General Assembly Session

Bill: HB636

Patron: LaRock

Date: 1/16/2020

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Provision of county services to town residents. Requires a county to provide the same and equal services to residents of incorporated towns within the county as are provided to other residents of the county. However, if the local governing body of a town adopts a resolution that provides that the town shall provide a specific service and sends a copy of the resolution to the local governing body of the county, a county shall not be required to provide that service to town residents.

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### Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$927,358.00. A majority of localities didn't provide a cost, because the bill doesn't apply to cities and towns. One county responded with no cost, indicated that they are in compliance with the provisions of the bill as they are providing the same level of services to the towns. Another county that responded with no cost, noted that the cost would be significant depending on the definition of services, which is not defined by the bill. Only two counties responded with a cost estimate, if the towns chose not to provide certain services. They noted that the bill would require them to hire law enforcement officers, and the estimated cost would be related to salary, fringes, equipment, etc. They also noted that the significant cost that would be required to provide fire and EMS, if the towns chose not to provide that service.

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### Local Analysis:

**Locality:** Augusta County

**Estimated Fiscal Impact:** \$90,000.00

Augusta County's boundary includes one incorporated Town. The town does have it's own police officer, which if the County had to provide would be an additional cost of payroll, including fringes (\$55,000) and equipment, including vehicle, radio, weapon, etc.(\$40,000).

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Locality: City of Alexandria

Estimated Fiscal Impact: \$0.00

N/A.

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**Locality:** City of Danville

**Estimated Fiscal Impact:** \$0.00

Not applicable.

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Locality: City of Emporia

Estimated Fiscal Impact: \$0.00

No Impact on the City of Emporia.

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**Locality:** City of Harrisonburg

**Estimated Fiscal Impact:** \$0.00

No fiscal impact.

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Locality: City of Norfolk

Estimated Fiscal Impact: \$0.00

No impact.

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**Locality:** City of Roanoke

**Estimated Fiscal Impact:** \$0.00

This bill would not impact the City of Roanoke since it deals with counties providing services to towns.

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Locality: City of Virginia Beach

Estimated Fiscal Impact: \$0.00

This legislation only applies to counties and towns. As Virginia Beach is an independent city, HB 636 does not impact Virginia Beach.

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**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$0.00

no applicable.. we are a City

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Locality: Fairfax County

Estimated Fiscal Impact: \$1.00

The bill does not define “services” and it is not clear how broad that term would be used. As a result, no precise fiscal impact could be calculated at this time but it could be significant.

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**Locality:** Frederick County

**Estimated Fiscal Impact:** \$927,338.00

I have provided a copy of HB 636 to various departments that might be affected by this proposal. Frederick County currently has two towns (i.e. Stephens City and Middletown). We currently provide county services to the residents of each town.

When stormwater and erosion and sediment control regulations changed in 2014 Frederick County took over the administration of that program for each town. The county issues the respective permits and collects revenue for each permit issued.

On the building inspections side, Frederick County already performs both building and property maintenance inspections for each town. Middletown adopted its Property Maintenance Code in 2017 and requested the county perform this service. We do not collect revenue for property maintenance inspections. As for the building inspections and issuance of building permits, we collect revenue for those services.

One of the potential expense drivers could be the provision of law enforcement services. Currently the towns perform patrols, traffic enforcement, building security checks, and barking dog complaints to name a few. The Frederick County Sheriff’s Department handles the more serious crimes and investigations of incidents that occur within the towns. In the event one or more of the towns would choose to have the county provide all law enforcement services, there would be a potential cost to hire additional personnel. The towns currently have a total of six officers. The current cost for a patrol deputy is:

\$61,460 – Salary and Fringes  
\$21,443 – Operating Cost  
\$71,635 – Capital Cost (includes vehicle)  
\$154,538 – Total per Officer  
x 6 officers  
\$927,338

The estimated cost to the locality for law enforcement personnel would be over \$900,000.

The other large cost driver would be fire and EMS services. Each town is served by a volunteer fire and rescue company. Frederick County has a combined (career/volunteer) system that serves the residents of the county and the towns. The volunteer companies provide the station and equipment while the county provides career staff, as well as other financial support to the companies. We do not foresee this proposed legislation resulting in a financial impact for provision of this service.

The residents of the towns already enjoy and have access to all the other services available to county residents (e.g. Parks and Recreation, access the regional landfill and citizen convenience sites for trash disposal, 911, animal shelter, etc.).

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Locality: Henrico County.

Estimated Fiscal Impact: \$0.00

No incorporated towns are located within Henrico's borders.

Locality: King William County

Estimated Fiscal Impact: \$0.00

Currently applied within KWC and TWP.

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**Locality:** Prince Edward County

**Estimated Fiscal Impact:** \$0.00

Provide the same level of services to County and Town residents now

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Locality: Prince George County

Estimated Fiscal Impact: \$0.00

This proposed legislation does not impact Prince George County. We have no incorporated towns, villages or cities within our county boundaries.

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**Locality:** Rappahannock County

**Estimated Fiscal Impact:** \$0.00

I understand that county's must currently provide services within towns without consideration of the new code section given that all town citizens are county citizens. Towns may overlay services with additional tax revenue. To this extent, I understand that there to be no fiscal impact to Counties.

There may be a fiscal impact to a Town if they elect to provide services in lieu of those from a county, but that would be at their discretion.

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Locality: Richmond County

Estimated Fiscal Impact: \$0.00

All County Services are currently given to all Town of Warsaw residents as well.

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**Locality:** Town of Ashland

**Estimated Fiscal Impact:** \$0.00

This legislation could potentially save the Town funds.

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Locality: Town of Blacksburg

Estimated Fiscal Impact: \$0.00

We are an incorporated Town. We provide services above what our County provides.

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**Locality:** Town of Luray

**Estimated Fiscal Impact:** \$0.00

No impact beyond County taxes

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Locality: Town of Marion

Estimated Fiscal Impact: \$0.00

For Smyth County and the Town of Marion, the town actually spends more town generated tax dollars on county residents than Smyth County spends on town residents, especially in the Recreation and Fire/EMS arenas. However, we strongly support this bill in it's intent.

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**Locality:** Town of Marion.

**Estimated Fiscal Impact:** \$75,000.00

As a dual citizen of town and county, paying both taxes, with county taxes being substantially more, this is a long-overdue provision to see that counties recognize those citizens who also pay taxes to that entity. Full financial impact is unknown, but for Marion, community services will benefit most, as Smyth County matches the "x dollars per capita" for only residents outside of the three incorporated towns, essentially short-changing their commitment to emergency services, tourism, chamber of commerce, library, etc.

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Locality: Town of Scottsville

Estimated Fiscal Impact: \$0.00

For this small town as a typical case study, there would be no fiscal impact upon the Town budget. This bill might prompt a discussion about reforming some Town or County service levels. The bill would not have any direct, immediate costs to the Town.

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**Locality:** Town of Warsaw

**Estimated Fiscal Impact:** \$0.00

With Town residents also being County residents and paying taxes to each, we fully support this measure.

Thank you!

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Professional and Other Organization

Analysis:

Organization: Northern Neck PDC

No fiscal impact.

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