

DEPARTMENT OF TAXATION

2023 Fiscal Impact Statement

1. **Patron** Dawn M. Adams

3. **Committee** House Finance

4. **Title** Local incentives for urban green space

2. **Bill Number** HB 1510

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would authorize localities to establish programs to grant tax incentives or provide regulatory flexibility to encourage the preservation, restoration, or development of urban green space as defined in the bill. Such tax incentives or regulatory flexibility may include:

- A reduction in permit fees;
- A streamlined process for the approval of permits; or
- A reduction in any gross receipts tax on urban green space development or on businesses that maintain a certain level of urban green space as defined by the local ordinance.

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 could result in unknown administrative costs to localities that choose to implement an urban green space incentive program.

This bill would have no impact on state administrative costs.

Revenue Impact

This bill could result in an unknown revenue impact to localities that choose to implement an urban green space incentive program.

This bill would have no impact on state revenues.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No

11. Other comments:

Proposal

This bill would provide that any county, city, or town may, by ordinance, establish a program to grant tax incentives or provide regulatory flexibility to encourage the preservation, restoration, or development of urban green space in the locality. Any such incentive or regulatory flexibility provided would be required to be proportionate to the amount of urban green space that a business or development contains.

Such tax incentives or regulatory flexibility could include:

- A reduction in permit fees;
- A streamlined process for the approval of permits; or
- A reduction in any gross receipts tax on urban green space development or on businesses that maintain a certain level of urban green space as defined by the local ordinance.

These incentives would only be available in densely populated areas that have a high concentration of residential or commercial structures. They would not be available in rural areas and areas of low population density. Urban green space would include street trees, city parks, sports fields, gardens, and greenways. In addition, the urban green space must make a substantial impact on the reduction of urban heat effect, the offsetting of greenhouse gas emissions, or the mitigation of stormwater.

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

cc : Secretary of Finance

Date: 1/17/2023 SK
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