

Commission on Local Government

Estimate of Local Fiscal Impact

2023 General Assembly Session | 01/16/23

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 legislation impacting local governments.

HB 1665: Local land use approvals; extension of approvals to address the COVID-19 pandemic, sunset provision. (Patron: Delegate Daniel W. Marshall, III)

Bill Summary: Local land use approvals; extension of approvals to address the COVID-19 pandemic.

Extends from July 1, 2023, to July 1, 2025, the sunset date for various local land use approvals that were valid and outstanding as of July 1, 2020. The bill also provides that its provisions shall not be construed to extend previous extensions related to the housing crisis and that any extension of approvals outstanding as of July 1, 2020, shall apply to any such approvals granted subsequent to July 1, 2020, that expire prior to July 1, 2025. This provision is declarative of existing law.

Local Fiscal Impact: **Net Additional Expenditure:** _____ **Net Reduction of Revenues:** ___X___

Summary Analysis:

Number of Localities Responding: 6 Cities, 8 Counties, 6 Towns, 1 Other

No localities identified a fiscal impact from the bill over the biennium. While a few localities indicated that there may be a slight loss in revenues from foregone approval submission fees, the loss would be minimal. Additionally, several noted that there was no cost in extending approvals.

Net Reduction in Revenues: Itemized Estimates by Responding Localities

Locality	Juris	Real Estate Revenue Reduction		Personal Property Revenue Reduction		Sales Tax Revenue Reduction	
		FY23	FY24	FY23	FY24	FY23	FY24
City of Alexandria	City						
City of Danville	City						
City of Harrisonburg	City						
City of Manassas	City						
City of Norfolk	City						
City of Richmond	City						
Augusta County	County						
Chesterfield County	County						
Henrico County	County						
Mecklenburg County	County						
Montgomery County	County						
Prince George County	County						
Rappahannock County	County						
Roanoke County	County						
Northern Neck PDC	Other						
Town of Blacksburg	Town						
Town of Christiansburg	Town						
Town of Leesburg	Town						
Town of Luray	Town						
Town of Marion	Town						
Town of Scottsville	Town						

Net Reduction in Revenues: Itemized Estimates by Responding Localities

Locality	BPOL Tax Revenue Reduction		Other Local Revenues Reduction		State Revenue Reduction		Penny Value of Decrease on Real Estate Rate*	Total Decrease in Revenues (Biennium Total)
	FY23	FY24	FY23	FY24	FY23	FY24		
City of Alexandria								\$0
City of Danville								\$0
City of Harrisonburg								\$0
City of Manassas								\$0
City of Norfolk								\$0
City of Richmond								\$0
Augusta County								\$0
Chesterfield County								\$0
Henrico County								\$0
Mecklenburg County								\$0
Montgomery County								\$0
Prince George County								\$0
Rappahannock County								\$0
Roanoke County								\$0
Northern Neck PDC								\$0
Town of Blacksburg								\$0
Town of Christiansburg								\$0
Town of Leesburg								\$0
Town of Luray								\$0
Town of Marion								\$0
Town of Scottsville								\$0

Locality	Revenue Narrative by Responding Localities
City of Alexandria	While the City believes that the time of validity of a land use approval should be a local determination (in this case, because the impacts of COVID-19 on the pace of development vary so widely across the Commonwealth), the work necessary to process this rule is quite limited. As currently written, the City does not anticipate a significant fiscal impact.
City of Danville	
City of Harrisonburg	
City of Manassas	
City of Norfolk	
City of Richmond	This proposal extends the period of viability for previously approved entitlements. No additional work for staff is required.
Augusta County	
Chesterfield County	No fiscal impact anticipated.
Henrico County	
Mecklenburg County	There may be some revenue impacts from any approvals that would have expired and then the applicant decided to re-submit, resulting in new fees generated, but this is speculative and would be of de minimis value.
Montgomery County	
Prince George County	This legislation would have no measurable fiscal impact for us.
Rappahannock County	
Roanoke County	Our County has already adapted to the requirements of the Covid pandemic and we do not believe an extension of these requirements would cause an increase in expenditures.
Northern Neck PDC	PDCs have no jurisdiction over local land use.
Town of Blacksburg	No fiscal impact to town expenditures.
Town of Christiansburg	I do not anticipate any additional costs for the Town.
Town of Leesburg	N/A
Town of Luray	
Town of Marion	
Town of Scottsville	It does not cost anything to keep a file and extend an approval, keeping a permit or site plan in the status of approved but pending construction.

*Penny value is defined as the amount a locality would need to raise their real estate tax rate to cover the fiscal impacts of the bill, assuming no other changes to revenues or expenditures. It is represented in terms of dollars (e.g., 0.01 is a one cent increase in the real estate tax rate, etc.).