

Commission on Local Government

Estimate of Local Fiscal Impact

2023 General Assembly Session | 02/10/23

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.

SB 1365: Local regulation of materials recovery facilities. (Patron: Senator Lynwood W. Lewis, Jr)

Bill Summary: Local regulation of materials recovery facilities. Provides that a locality may not adopt a local ordinance that would prevent or prohibit the disposal of garbage, trash, or refuse at any materials recovery facility as such term is defined in the bill.

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

Summary Analysis:

Number of Localities Responding: 7 Cities, 5 Counties, 5 Towns, 1 Other

Localities estimated a negative fiscal impact ranging from \$0 to \$0.43 million over the biennium. Only two locality reported a negative fiscal impact; all other localities noted that the bill would have minimal negative effect on revenues or expenditures.

One locality that did report a negative fiscal impact expressed concern that loss of local zoning control could negatively impact local businesses, lodging, and restaurants. Another indicated the loss of private flow would result in a net increase in expenditures. One other locality stated that the bill may have a long-term negative impact on property values near materials recovery facilities.

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 Manassas	City						
City of Norfolk	City						
City of Richmond	City						
City of Winchester	City						
City of Harrisonburg	City						
Augusta County	County						
Prince George County	County						
Rappahannock County	County						
Roanoke County	County						
Mecklenburg County	County						
Northern Neck PDC	Other						
Town of Blacksburg	Town						
Town of Christiansburg	Town						
Town of Leesburg	Town						
Town of Luray	Town	\$ 25,000	\$ 50,000			\$ 10,000	\$ 20,000
Town of Marion	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								
City of Danville								
City of Manassas								
City of Norfolk								
City of Richmond								
City of Winchester								
City of Harrisonburg								
Augusta County								
Prince George County								
Rappahannock County								
Roanoke County								
Mecklenburg County								
Northern Neck PDC								
Town of Blacksburg								
Town of Christiansburg			\$ 214,000	\$ 214,000			0.01	\$ 428,000
Town of Leesburg								
Town of Luray	\$ 10,000	\$ 20,000	\$ 30,000	\$ 50,000			0.04	\$ 215,000
Town of Marion								

Locality	Revenue Narrative by Responding Localities
City of Alexandria	This reduces local control by mandating that localities can't outlaw the transportation of trash to a MRF, however, the policy goal itself aligns with the City's values.
City of Danville	No impact estimated
City of Manassas	
City of Norfolk	To the best of our knowledge, we do not anticipate this will have a direct significant fiscal impact. We do not believe there is an ordinance in place that prohibits the disposal of refuse at material recovery sites. The city code already excludes most solid waste and recycling materials from the requirement of disposal at select landfills.
City of Richmond	
City of Winchester	City currently complies.
City of Harrisonburg	
Augusta County	
Prince George County	This legislation has no measurable impact on local expenditures.
Rappahannock County	
Roanoke County	We do not anticipate this to heavily impact us, as we are part of a Resource Authority and use a regional landfill. We do not restrict 3rd party trash collection.
Mecklenburg County	We do not have such facilities presently or pending.
Northern Neck PDC	Planning Districts do not adopt local ordinances.
Town of Blacksburg	No fiscal impact to town expenditures.
Town of Christiansburg	We are a member of Montgomery Regional Solid Waste Authority and while the Town of Christiansburg has not adopted solid waste flow control, the other three members have and the Authority estimates that the loss of private flow would result in an approximately \$214,000 increase annually for the Town of Christiansburg. The other members would see increases as well.
Town of Leesburg	
Town of Luray	Being a tourism Town, the loss of zoning control for development could negatively impact local businesses, lodging, and restaurants.
Town of Marion	

*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.).