

Commission on Local Government

Estimate of Local Fiscal Impact

2024 General Assembly Session | 01/25/24

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 697 Solar and energy facilities; local regulation. (Patron: Schuyler T. VanValkenburg)

Bill Summary: Solar and energy facilities; local regulation. Requires that any ground-mounted solar or energy storage facility, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facility is located, be permitted as a special exception as allowed by current law for solar photovoltaic projects, provided that such installation is in compliance with any provisions in a local ordinance that establish reasonable criteria and requirements, as defined in the bill, for siting.

Local Fiscal Impact: Net Additional Expenditure: x Net Reduction of Revenues:

Summary Analysis:

Number of Localities Responding: 4 Cities, 3 Counties, 3 Towns, 0 Other

Localities estimated a negative fiscal impact ranging from \$0 to \$372,000 over the biennium.

Most localities believe this will have little to no fiscal impact. However, one locality noted that some staff time will be required to update the codes. One locality additionally stated that they would need to hire two FTE to properly enforce building codes and erosion and sediment control ordinances related to utility scale solar projects.

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Net Increase in Expenditures: Itemized Estimates by Responding Localities

Locality	Nonrecurring Expense - Operating		Nonrecurring Expense - Capital		Nonrecurring Expense - Other		Total Increase in Expenses (Biennium Total)
	FY25	FY26	FY25	FY26	FY25	FY26	
City of Alexandria							
City of Harrisonburg	2,000	2,000	0	0	0	0	4,000
City of Richmond							
Lynchburg							
Chesterfield County							
Montgomery County							
Rappahannock County							372,000
Town of Blacksburg							
Town of Chincoteague							
Town of Marion							

Locality	Expenditure Narrative by Responding Localities
City of Alexandria	Currently, there is no anticipated fiscal impact of this proposed bill.
City of Harrisonburg	One time costs result from staff time required to update the City's codes.
City of Richmond	This bill will not have a direct fiscal impact on the City of Richmond, but the City of Richmond's Department of Planning and Development Review is strongly opposed to this bill. This bill presents a means to circumvent local land use regulations, potentially allowing property owners to produce energy for others unabated.
Lynchburg	
Chesterfield County	
Montgomery County	While this does not directly impact expenditures, it would impact workload and create additional workload for County staff that are already operating at full capacity. This results in slower processing time and has an impact on the quality of service provided to citizens.
Rappahannock County	Rappahannock County has a Comprehensive Plan the purposefully encourages low growth and a steady-state economy. The provisions of this bill practically eliminate local permitting control of utility scale solar projects. Rappahannock County currently allows this type of project if and only if certain acreage and site use density metrics are met. The bill as written would prohibit this and therefore ELIMINATE our ability to determine which land, likely prime agricultural land, would be converted to utility scale solar. Utility Scale Solar projects would require additional staffing to properly enforce Erosion and Sediment Control law and Building Code. This estimate assumes increasing from a part time EandS inspector (current staffing at 0.5 FTE) to 1.5 FTEs and providing for a Building Inspector to support our Building Official (who now serves as our only plan reviewer and only inspector). The cost for these positions is estimated to be approximately \$92,000 per year for each (burdened with fringes of FICA, VRS, Health Insurance, etc.). Together the building inspector and the erosion and sediment control inspector would total \$184,000 for the first year with COLA increases added to the second year.
Town of Blacksburg	The Town of Blacksburg's Office of Sustainability perceives this bill would constrain across-the-board restrictions for ground-mount solar arrays while retaining local government ability to regulate the placement of this type of solar facility in terms of setbacks, height restrictions and other provisions to preserve aesthetic character, e.g. for a historic district. This bill, if passed, would have limited impact to the Town's existing practice. We also do not see any potential for a budgetary impact.
Town of Chincoteague	
Town of Marion	