Capitol Contact ALERT – Call Your Legislators Now to Support Revenue Fairness Bills

HB 785 (Watts) and similar bills SB 484 (Favola) and SB 588 (Hanger) would allow revenue diversification for Counties by providing important additional tools to fund core services. HB 785 was recommended for reporting by a subcommittee of the House Finance Committee on February 3 and will be heard by the full committee this week. SB 484 and SB 588 are expected to be back before the Senate Finance and Appropriations Committee this week as well.

These bills allow Counties to exercise local option to meet their community needs.

ACTION REQUIRED – Call your legislators who serve on the House Finance Committee and Senate Finance and Appropriations Committee now to encourage their support of these measures. Please let VACo know how your legislators respond to your request.

HB 785 would authorize Counties to impose admissions and cigarette taxes in the same manner as those revenue sources are available to cities. The bill would authorize Counties to impose transient occupancy taxes above 2 percent; revenue generated by taxes up to a 5 percent rate would either be used for purposes already authorized (to preserve existing arrangements made by localities) or would be used for tourism promotion. Revenues generated above a 5 percent rate could be used for general purposes. As amended in subcommittee, the bill would allow Counties to impose meals taxes without a referendum, but if a county’s meals tax referendum failed before July 1, 2020, it could not impose a meals tax until six years after that referendum.
SB 484 and SB 588 are being discussed by the patrons and a substitute is being developed that would authorize Counties to impose meals, transient occupancy, cigarette, and admissions taxes subject to caps.

KEY POINTS

- Counties are funding partners with the state in providing core government services, such as K-12 education, public health, and public safety, and need revenue options to meet these responsibilities. It should be noted that while cities and some towns are responsible for road maintenance, those localities receive assistance from the state with this responsibility via annual maintenance payments.

- Counties are limited in their ability to raise revenues from diverse sources and must rely heavily on real estate taxes.

- Additional funding options, which are currently available to cities, will assist Counties in responding to the challenge of meeting increasingly complex needs, such as securing elections against cybersecurity threats, modernizing the E-911 system, and maintaining critical infrastructure.

KEY CONTACTS

**HOUSE FINANCE COMMITTEE:** Watts (Chair), Keam (Vice Chair), Kory, Lindsey, Sullivan, Murphy, Heretick, Ayala, Carter, Carroll Foy, Mugler, Hudson, Scott, Orrock, Byron, Ware, Wright, Gilbert, Poindexter, Fowler, McNamara, Campbell, R.R.

Email entire committee at once – [LINK]

**SENATE FINANCE AND APPROPRIATIONS COMMITTEE:** Howell (Chair), Saslaw, Norment, Hanger, Lucas, Newman, Ruff, Vogel, Barker, Edwards, Deeds, Locke, Petersen, Marsden, Ebbin, McClellan

Email entire committee at once – [LINK]

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