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# **—ALERT—**

## **Capitol Contact**

Wednesday, February 23, 2022

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### **School Financing Bills to be Heard Friday Morning – Call House Finance Committee Members to Support the Bills**

[SB 472 \(McClellan\)](#) would permit any county or city to impose an additional local sales and use tax of up to 1 percent, if initiated by a resolution of the local governing body and approved by voters at a local referendum. The revenues of such local tax would be used solely for capital projects for the construction or renovation of schools. Any tax imposed shall expire when the costs for capital projects are to be repaid and shall not be more than 20 years after the date of the resolution passed. Currently, this authority is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville. [SB 37 \(Norment\)](#) would expand this authority to Isle of Wight County and is also supported by VACo.

**These bills allow Counties to exercise a local voter approved option to meet their community needs.**

**ACTION REQUIRED** – Call your legislators who serve on the [House Finance Committee](#) now to encourage their support of these measures. Please let VACo know how your legislators respond to your request.

These bills will be heard Friday at 7:30 a.m. in the [House Finance Committee's Subcommittee #3](#). Please contact members **TODAY** to urge them to support SB 472 and SB 37.

## KEY POINTS

- Funding for school construction and renovation is one of the biggest concerns and responsibilities of local governments in the Commonwealth and has been almost solely a local responsibility for decades. The condition of the facilities in which children are educated has a direct impact on their ability to learn.
- Many localities face significant challenges in raising sufficient funds to undertake these projects. These challenges include over-reliance on real property taxes to generate revenue, which can have vastly different yields depending on the locality and disproportionately burden a subset of taxpayers within a jurisdiction. This raises concerns over equity and diversity of revenues.
- According to the [Commission on School Construction and Modernization](#), more than half of K-12 school buildings in Virginia are more than 50 years old. The amount of funding needed to replace these buildings is estimated to cost \$24.8 billion. The Commission reported \$3 billion in needed renovations beyond existing Capital Improvement Plans, which indicates that fully addressing this problem will take a multibillion-dollar effort.
- This legislation is a unanimous, bipartisan recommendation by the Commission on School Construction and Modernization.
- Even though both the House and Senate budget proposals contain additional state support for school construction, local funds will be needed to leverage these funding options. This legislation is part of a holistic approach to the issue.
- This bill is not an automatic tax increase. It would merely create a local option and another tool in the toolbox of local government, which would only be enacted by local referendum.
- Even if the Subcommittee does not advance a statewide option, localities such as Isle of Wight that have requested this authority should be allowed to receive it.

## KEY CONTACTS

**House Finance Committee:** [Robinson \(Chair\)](#), [Fowler \(Vice Chair\)](#), [Orrock](#), [Ware](#), [Byron](#), [Freitas](#), [McNamara](#), [Campbell, R.R.](#), [Walker](#), [Runion](#), [Wiley](#), [Durant](#), [Watts](#), [Kearney](#), [Sullivan](#), [Murphy](#), [Hudson](#), [Willett](#), [Scott, D.L.](#), [Mundon](#), [King](#), [Simon](#), [Bennett-Parker](#)

**VACo Contact:** [Jeremy R. Bennett](#)