

Commission on Local Government

Estimate of Local Fiscal Impact

2025 General Assembly Session | 1/14/25

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.

HB1601: Siting of data centers; site assessment; high energy use facility. (Patron: Joshua Thomas)

Bill Summary: Siting of data centers; site assessment; high energy use facility. Provides that prior to any approval of a rezoning application, special exception, or special use permit for the siting of a new high energy use facility (HEUF), as defined in the bill, a locality shall require that an applicant perform and submit a site assessment to examine the sound profile of the HEUF on residential areas and schools within 500 feet of the HEUF property boundary. The bill also allows a locality to require that a site assessment examine the effect of the proposed facility on (i) water, (ii) agricultural resources, (iii) parks, (iv) registered historic sites, or (v) forestland on the HEUF site or immediately contiguous land. The provisions of the bill shall not apply to a site with an existing legislative or administrative approval where an applicant is seeking an expansion or modification of an already existing or approved facility and such expansion does not exceed an additional 100 megawatts or more of electrical power.

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

Summary Analysis:

Number of Localities Responding: 4 Cities, 13 Counties, 4 Towns, 1 Other

Localities estimated a negative fiscal impact ranging from \$21,281 and \$36,800 over the biennium.

Localities identified the bill's fiscal impact as the costs associated with staff time and contractual services for evaluating the results of the sound profile. Some localities said this cost would be passed on to the applicants, but others indicated that reviewing applications and their associated documentation would result in additional training and time for staff and/or would require localities to procure a contractor who specialized in high energy use facilities.

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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)	Response Totals	
	FY26	FY27	FY26	FY27	FY26	FY27			
Albemarle County	0	0	0	0	0	0	30,000	Cities:	4
Augusta County							0	Counties:	13
Bedford County							0	Towns:	4
Charlotte County							0	Other:	1
Chesterfield County		20000					21,281	Total:	22
City of Alexandria							0		
City of Norfolk							0		
City of Richmond							0		
City of Winchester							0		
Fauquier County							0		
Mecklenburg County							0		
Northern Neck PDC							0		
Prince George County							0		
Prince William County							0		
Rappahannock County							0		
Rockingham County							0		
Sussex County						0	36,800		
Town of Chincoteague							0		
Town of Christiansburg							0		
Town of Marion							0		
Town of Rocky Mount							0		
Wise County							0		

Locality	Expenditure Narrative by Responding Localities
Albemarle County	While the bill puts the responsibility for conducting a site assessment to examine the sound profile of an HEUF on the applicant, the County would still see recurring costs associated with contractual services for evaluating the results of the sound profile. The County currently does not have staff members with the expertise or training to examine sound profiles. The County would either have to procure a contractor to perform these services on an on-call basis or would have to train staff members to provide them with the expertise to abandon sound profiles. Exact costs for on-call services or training are unknown, but an estimate has been provided.
Augusta County	a locality shall require that an applicant perform and submit a site assessment to examine the sound profile of the HEUF on residential areas and schools within 500 feet of the HEUF property boundary. We prefer that it will be "may require", not "shall require"
Bedford County	Bedford County currently does not have such a use in it's permitted use table, so HEUFs are currently prohibited in the Bedford County. Therefore, this policy has no fiscal impact to Bedford County at this time.
Charlotte County	As with solar developments, the costs of these site development analysis would be passed along to the developer, so the county would not incur any costs. Currently Charlotte County has experienced minimal interest for the location of a data center. NOTE: we have lots of solar projects and have approved over 1,500MWs.
Chesterfield County	The projected fiscal impact on Chesterfield County concerning HB1601 amounts to \$21,281 over the next two years regarding siting for a high energy use facility (HEUF). Workload will increase for county staff by approximately 25 hours to review additional provisions related to the site assessment, review the infrastructure impact forms, and amend zoning code resulting in personnel costs of \$1,281 based on current compensation. Additionally, funding for a special sound consultant to review the sound profile has an estimated impact of \$20,000, in line with current industry standards.
City of Alexandria	Alexandria has not received any applications for data centers to date and the industrial zone provides a pathway, with a special use permit, for City Council to approve uses not listed. The bill as proposed would possibly result in the City receiving an application(s). The fiscal impact would be the time required to process the text amendment, implementing the law if passed, and then the time required for staff review of the noise study (and any other studies the City may require). The current fiscal impact is unquantifiable since the City has not received this type of application to date.
City of Norfolk	
City of Richmond	No fiscal impact anticipated.
City of Winchester	
Fauquier County	There would be no fiscal impact to the county, only to applicants.

Locality	Expenditure Narrative by Responding Localities
Mecklenburg County	There is no cost associated with this measure because the onus is clearly placed upon the applicant ("a locality shall require that an applicant perform and submit a site assessment...") and the utility ("a locality shall require that the electric utility...complete and submit to the locality a form...)/ Therefore, local government would incur no expenses for the mandated study. The only cost to the locality would be if the locality had a consultant on retainer for plan reviews and the consultant would bill additional hours as a result of their review of this site assessment whereas currently (the baseline) there would be no such material to review because it may not be required through a localities laws and regulations. However, if such a case were to occur, this is likely a cost well spent, as the information required by this site assessment and utility form are pertinent and useful and would help all localities, planning departments, Planning Commissions, and elected governing bodies make more informed land use decisions.
Northern Neck PDC	Planning District Commissions are not affected by locality decisions on solar or energy facility sitings.
Prince George County	We do not anticipate that the County would incur additional expenditures, but the applicant(s) would.
Prince William County	
Rappahannock County	No financial impact to Rappahannock County.
Rockingham County	Overall this bill will not have a significant impact on our locality. We would pass along any additional costs for evaluating permits to the applicants and build into the permit fees.
Sussex County	The average review time for an item of this magnitude is roughly 160 hours.
Town of Chincoteague	
Town of Christiansburg	I would not anticipate a direct increase in Town expenditures related to this bill, though there may be some indirect costs associated with additional staff review of the site assessment.
Town of Marion	
Town of Rocky Mount	This bill may cause some additional administrative time by our planning and zoning administrator but due to limited areas to be developed, this additional time would not be significant.
Wise County	Data Centers are allowed by right in all zoning except residential. Residential Zoning is primarily used in subdivision