

# 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.

---

### **HB1774: County services; provision of services within towns. (Patron: Marty Martinez)**

**Bill Summary:** Provision of county services within towns. Requires counties to provide their standard county services to towns located within county boundaries at the same level such services are provided in the unincorporated areas of the county.

**Local Fiscal Impact:** Net Additional Expenditure: \_\_\_x\_\_\_ Net Reduction of Revenues: \_\_\_\_\_

### **Summary Analysis:**

**Number of Localities Responding: 6 Cities, 13 Counties, 5 Towns, 1 Other**

Localities estimated a potential negative fiscal impact but were unable to quantify that impact. Localities expressed confusion about what would be considered a “standard county service”. Counties expressed concerns about whether the bill would affect agreements they have in place with towns contained within counties. For example, if towns who are already providing services (i.e. fire or animal control services) ceased their provision, a county that was not previously providing services within that town may have to provide said services. Some, but not all, counties have written agreements regarding service provision with the towns within their boundaries. Some counties already provide services both within and outside of towns. However, in other circumstances towns currently provide their own services, and localities require clarity about how this bill would influence those existing agreements in order to provide a quantifiable fiscal impact.

# **Commission on Local Government**



| 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   | Cities:         | 6  |
| Augusta County  |                                  |      |                                |      |                              |      | 0   | Counties:       | 13 |
| Bedford County  |                                  |      |                                |      |                              |      |   | Towns:          | 5  |
| Charlotte County  |                                  |      |                                |      |                              |      | 0   | Other:          | 1  |
| Chesterfield County   |                                  |      |                                |      |                              |      | 0   | Total:          | 25 |
| City of Alexandria  |                                  |      |                                |      |                              |      | 0   |                 |    |
| City of Danville  |                                  |      |                                |      |                              |      | 0   |                 |    |
| City of Lynchburg   |                                  |      |                                |      |                              |      | 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   |                 |    |
| Rappahannock County   |                                  |      |                                |      |                              |      | 0   |                 |    |
| Rockingham County   |                                  |      |                                |      |                              |      | 0   |                 |    |
| Smyth County  |                                  |      |                                |      |                              |      | 0   |                 |    |
| Sussex County   |                                  |      |                                |      |                              |      | 0   |                 |    |
| Town of Chincoteague  |                                  |      |                                |      |                              |      | 0   |                 |    |
| Town of Christiansburg  |                                  |      |                                |      |                              |      | 0   |                 |    |
| Town of Marion  |                                  |      |                                |      |                              |      | 0   |                 |    |
| Town of Rocky Mount   |                                  |      |                                |      |                              |      | 0   |                 |    |
| Town of Warsaw  |                                  |      |                                |      |                              |      | 0   |                 |    |
| Wise County   |                                  |      |                                |      |                              |      | 0   |                 |    |

| Locality            | Expenditure Narrative by Responding Localities  |
|---------------------|---|
| Albemarle County    | Towns are afforded certain powers by Virginia Code and their individual charters. The provision of "standard county services" may not be uniform if such provision infringes on a town's responsibilities and duties under its charter. Furthermore, "Standard County Services" is ambiguous. The County is not aware that the Virginia Code mandates a package of "standard services" that a County must provide. Assuming it will be defined and the bill voted and signed into law, then County staff is not aware of any service Albemarle provides to its citizens as a whole that it denies to the Albemarle County towns' citizenry. It is important to note that some towns cross jurisdictional lines between counties. The General Assembly, if interested in pursuing this bill, should clarify how multiple Counties would treat cross-jurisdictional Towns.  |
| Augusta County      | County provides services to the only town in Augusta already.   |
| Bedford County      | <p>The fiscal impact of this bill to Bedford County is dependent on whether the legislation would alter the terms of, or otherwise invalidate, the County's existing Reversion Agreement with the Town. If our existing Reversion Agreement would not be altered or invalidated by this bill, then there would be zero fiscal impact to Bedford County.</p> <p>However, if the opposite is true, then this bill has the potential to result in a significant direct net increase to county expenditures. Per our reversion agreement, the Town assumed the following services: Zoning, water/sewer utility, electric utility, recreation, streets/sidewalks, facilities maintenance, police, City IDA, Redevelopment and Housing Authority, IT, fire services, animal control, civil code enforcement, solid waste, and cemeteries. A number of these services (e.g. animal control, zoning, fire and policing services, and recreation) would now be required to be provided by the County, which could result in the need for additional staff, facility expansions, capital equipment purchases, etc. There would also be a need to revise existing or implement new policies and/or ordinances to encompass the changes. There would be the potential for some additional revenue to the County in the form of permit fees, but the revenue increase would be negligible in comparison to the expenditure increase.</p> |
| Charlotte County    | Currently the County provides the same level of service to our 4 towns as is provided outside the towns.  |
| Chesterfield County | Not applicable to Chesterfield County   |
| City of Alexandria  | No estimated fiscal impact. The HB1774, as proposed, applies to counties (particularly those with towns within their boundaries), rather than cities or localities generally. This section does not require the City of Alexandria to increase our services beyond our boundaries.  |
| City of Danville    | Not applicable  |
| City of Lynchburg   | This should not impact cities   |
| City of Norfolk     | This bill not applicable to the City of Norfolk as the bill text is limited to counties.  |
| City of Richmond    | No expenditure impact anticipated.  |
| City of Winchester  |   |

| Locality               | Expenditure Narrative by Responding Localities  |
|------------------------|---|
| Fauquier County        | <p>There is no immediate impact. However, the primary cost we foresee in providing standard services to town residents would arise if the town's police department were to be disbanded, particular in the Town of Warrenton. In that case, we would not be able to absorb their calls for service and investigations while maintaining the current level of service we provide to county residents. To ensure comparable service, we would likely need to add an additional 15 to 20 positions. Beyond handling general calls for service, we already manage the majority of judicial services for town residents.</p> <p>*Additional information from the Fire Systems Chief - The Fire Rescue supplies the town with all its emergency response with both suppression, emergency medical assistance and hazardous materials mitigation. The Fire Marshal conducts all their fire investigations and assists with building plans reviews for new construction as needed.*</p>   |
| Mecklenburg County     | <p>I do not anticipate any cost from this provision simply because most of our current portfolio of County services currently are being operated within town boundaries (such as Sheriff patrols or animal control or 911 dispatch). However, it is not clear to me what a "standard county service" is, and more importantly, how are services required to provided if the town in question opts to provide similar services of their own? Is that act enough to satisfy the provision of service? For example, if we have waste collection services in the County and there is waste collection services in the town, would we now have to provide that instead of the town? Or could the town forgo the county service? Or residents pick and chose? What about for "services" related to individual laws and regulations like building inspection or zoning (which we do provide if the towns ask us to administer, but would this make it mandatory, and potentially cause our staff to have to learn even more codes?) Simply put, this bill is too broad and too nebulous to put an actual expenditure estimate out there. I also acknowledge that our example may be atypical and it is likely that some or many other counties would face significant costs from this bill, especially those that may offer a wider portfolio of government activities than we currently do.</p> |
| Northern Neck PDC      | <p>Planning districts do not bear the costs of a locality's provision of services to its residents.</p>   |
| Prince George County   | <p>This provision / law would not apply to Prince George County. There are no towns within the County.</p>  |
| Rappahannock County    | <p>This is already an understood requirement as far as I am concerned.</p>  |
| Rockingham County      | <p>Rockingham County already provides standard services to the towns within the County without a memorandum.</p>  |
| Smyth County           | <p>I'm not sure where this bill originated from or what it's overall goal is but Smyth County provides the same level of service inside Town limits as it does in the unincorporated areas. The Town's actually provide a higher level than the County in most instances. This bill would not affect Smyth County as far as I can tell.</p>   |
| Sussex County          | <p>We already provide those services to every town. It really depends on how "standard county services" is defined, but otherwise I don't think there's any level of service that we provide at a lesser level of service to the Towns in comparison to the unincorporated areas of the County.</p>   |
| Town of Chincoteague   |   |
| Town of Christiansburg | <p>The Town of Christiansburg would not be affected with expenditures as we are a town.</p>   |
| Town of Marion         |   |

| <b>Locality</b>     | <b>Expenditure Narrative by Responding Localities</b>   |
|---------------------|---|
| Town of Rocky Mount | Services are already being provided to the Town by the County which do not require formal agreement.  |
| Town of Warsaw      | With Town residents also qualifying as County residents, having paid taxes to both political subdivisions, this Bill codifies the equitable and fair treatment for all. |
| Wise County         | Wise County already provides the same service whether in the corporate limits or not.   |