

Commission on Local Government

Estimate of Local Fiscal Impact

2026 General Assembly Session | 1/12/26

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.

HB 153: Siting of data centers; site assessment; high energy use facility. (Patron: Joshua E Thomas)

Bill Summary: Provides that prior to any approval of a rezoning application, special exception application, 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 units and schools located 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) ground and surface water resources, (ii) agricultural resources, (iii) parks, (iv) registered historic sites, and (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. Finally, the bill provides that its provisions shall not be construed to prohibit, limit, or otherwise supersede existing local zoning authority.

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

Summary Analysis:

Number of Localities Responding: 7 Cities, 12 Counties, 1 Town, 1 Other

Localities estimated a negative fiscal impact ranging from \$5600 to \$53,000 over the biennium.

A majority of localities identified the bill's fiscal impact as none, as a large portion of the costs associated with the high-energy-use facilities are covered by the applicants. For the locality that has stated a fiscal impact, it is associated with potential increases in staff time due to the application review process. A locality stated a one-time cost of \$53,000 associated with the ordinance amendment process. Some localites expressed concerns about the efficiency standards surrounding the high-energy-use facilities.

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Net Increase in Expenditures: Itemized Estimates by Responding Localities

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Locality	Expenditure Narrative by Responding Localities
Albemarle County	The bill requires the applicant to prepare a report and allows the County to require additional studies. The County already has the authority to require everything included in the bill. The bill does not require the County to do anything with the reports prepared
Alleghany County	There is no impact anticipated at this time.
Augusta County	
Bedford County	Bedford County does not permit High Energy Use Facilities (data centers) through the zoning ordinance.
Chesterfield County	HB153 will have no fiscal impact on Chesterfield County, as the applicant is responsible for sound modeling analysis costs.
City of Alexandria	The legislation's fiscal impact is currently unquantifiable.
City of Chesapeake	An application, similar to those used for review of other complex Conditional Use Permits, would be created in our electronic system and once an application is submitted, a Planner II would review the required documents and write a staff report. The complexity of these applications would indicate more review time and coordination with other City departments; therefore, indirectly costing an estimated three times more work per one application estimated each year. The average Planner II hourly rate (\$35) multiplied by 80 additional hours of review work would estimate \$2800 in staff work added per year.
City of Harrisonburg	No effect on expense. Cost is primarily owned by applicant, not City.
City of Manassas	Will guidance about site assessment requirements be provided?
City of Norfolk	There is no fiscal impact to implementation of this legislation as the burden is on applicants and not the locality. The addition of new review elements may increase staff time dedicated to review, but this does not create a substantial new program or obligation that would impact costs to the city.
City of Richmond	If an ordinance was passed as allowed under the bill, as the site assessment would be performed by the applicant, there would be no effect on the City of Richmond. There would be no significant fiscal impact on staff time at Planning and Development Review.
City of Virginia Beach	This bill might impact staff time but no significant impact on overall costs are expected.

Locality	Expenditure Narrative by Responding Localities
Craig County	<p>Concerned the bill does not include - Building Energy Efficiency Standards (for instant requiring these facilities to use Cooling system that utilize outside air rather then water, using a recycled water and optimizing their heat generation for power). For - HEUF-from recent data, research and the depletion of resources in data centers have had the bill needs to include and addressing the issues of why local localities do not want them in their area.</p> <p>Below are a quick look at legislation across the county that has been very successful and should be noted.</p> <p>Economizers: Cooling systems in data centers must utilize economizers (using outside air or water for cooling when conditions allow) to meet a significant portion of the annual cooling load.</p> <p>Prohibition of Reheat: Simultaneous heating and cooling or reheating is generally prohibited.</p> <p>Fan Efficiency: There are limits on the total fan power based on the cooling capacity of the system.</p> <p>Air Containment: For rooms exceeding specific IT equipment loads (e.g., 175 kW in the 2019 code, potentially lower in newer versions), physical barriers (like hot/cold aisle containment) are required to prevent mixing of hot and cold air.</p> <p>Humidification: Only adiabatic humidification (which does not add heat).</p>
Fairfax County	<p>The estimated one-time costs of \$53,000 are based on the anticipated staff hours needed for adopting a zoning ordinance amendment. The recurring costs would vary each year depending on the number of reviews of site analysis submissions.</p>
Fauquier County	<p>minimal increase in staff time to review the additional materials.</p> <p>This bill should have no impact on our expenditures or revenues as the cost would be borne by the Applicants. The only thing that would increase is the staff time to review the additional materials; however that would be minimal as we are already asking for most of these items as a part of current data center applications.</p>
Hanover County	<p>We do not anticipate a financial impact to the County, as this proposed bill requires the applicant requesting rezoning for data centers to complete the studies. The only potential impact would be if we hire a third-party consultant to review the studies and verify the findings.</p>
Northern Neck PDC	<p>Planning districts have no land use or zoning jurisdiction, thus no impact.</p>
Prince George County	<p>There is no expected impact on County expenditures for this proposed legislation. Any cost would be applicant-paid.</p>
Rappahannock County	<p>HEUF's are not permitted in Rappahannock County, therefore costs for site assessments required for their permitting would not be incurred.</p>
Smyth County	
Town of Chincoteague	