

Commission on Local Government

Estimate of Local Fiscal Impact

2026 General Assembly Session | 01/19/26

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.

HB547: Private companies providing public transportation services; employee protections. (Patron: Helmer)

Bill Summary: Specifies that the governing body or transportation district commission of any county or city that contracts with a private company to provide transportation services shall require such company to (i) provide each of its employees compensation or benefits as specified in the bill, (ii) provide transportation services through its own employees, and (iii) ensure that all employees of the public transportation system employed by a predecessor private company be offered employment with any successor company without loss of compensation or benefits.

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

Summary Analysis:

Number of Localities Responding: 5 Cities, 13 Counties, 2 Towns, 1 Other

Localities estimated a negative fiscal impact of \$100,000 to \$410,000 over the biennium.

Localities identified the bill's fiscal impact related primarily to potential contracts with private providers. Some localities stated there was no fiscal impact from the bill or because they do not provide transportation services in their locality. For the localities that expressed an impact, one locality projected a 25% increase in FY27 based on the increase of the current contract, with an additional 4.5% increase in FY28; the other projected an increase based on historical costs associated with aligning county compensation with the transportation service. Some localities believe the legislation could have an impact, but were unable to provide an estimate.

Commission on Local Government

Net Increase in Expenditures: Itemized Estimates by Responding Localities

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
	FY27	FY28	FY27	FY28	FY27	FY28		
Albemarle County							100,000	Cities: 5
Bedford County							0	Counties: 13
Chesterfield County							0	Towns: 2
City of Alexandria							0	Other: 1
City of Harrisonburg							0	Total: 21
City of Manassas							0	
City of Norfolk							0	
City of Virginia Beach							0	
Roanoke County							0	
Craig County							0	
Dickenson County							0	
Faquier County							0	
Hanover County							0	410,000
Mecklenburg County							0	
Montgomery County							0	
Northern Neck PDC							0	
Prince George County							0	
Prince William County							0	
Rappahannock County							0	
Town of Chincoteague							0	
Town of Rocky Mount							0	

Locality	Expenditure Narrative by Responding Localities
Albemarle County	There is potential for this to result in direct and possibly indirect recurring costs to the County. The County contracts with a private, nonprofit organization to provide certain public transit services, which would likely fall within this category. While it is unclear whether compensation is currently equivalent to that of County employees, compensation levels have historically been aligned to avoid competitive wage escalation when driver positions are difficult to fill.
Bedford County	N/A
Chesterfield County	HB547 will have no direct fiscal impact on Chesterfield County. However, there may be indirect costs related to GRTC's contracting of additional third parties for public transportation services. The magnitude of the indirect impact is difficult to quantify, but this bill could significantly increase Chesterfield's share of costs for supporting public transportation.
City of Alexandria	The fiscal impact of this bill is unquantifiable at this time. It could result in significant increases in operating costs for DASH and WMATA as a result of changes within surrounding localities. This would be a State law impacting local decisions that could have the downstream effect of changing the provision of local transit services.
City of Harrisonburg	It is difficult to estimate costs at this point. This legislation is an attempt to both expand collective bargaining and limit the ability of transit agencies to negotiate employment contracts by mandating that transit employees hired through private operating vendors, or those employees transitioning from a private operating vendor to direct local government employment, be paid the same as local county or city employees with equivalent qualifications.②
City of Manassas	
City of Norfolk	Norfolk provides transit services through a public transit entity, Hampton Roads Transit. This bill as written does not apply to Norfolk.
City of Virginia Beach	No anticipated changes to expenditures as the City of Virginia Beach does not use private companies to provide public transportation. Hampton Roads Transit is governed by the Transportation District Commission of Hampton Roads.
Roanoke County	This is not applicable to the transportation services Roanoke County provides. If it did, then our program costs may increase, especially due to the collective bargaining requirement. Ride now, services we partner with like Ride Source and Virginia Rail and Transit employ their own drivers and provide benefits.
Craig County	
Dickenson County	I do not anticipate any increased expenditures as our public transportation provider is a regional non-profit providing services to our neighboring counties and has been providing for over 20 years. The County does not have any comparable positions for pay purposes.

Locality	Expenditure Narrative by Responding Localities
Fauquier County	This bill will have no impact fiscally for Fauquier County.
Hanover County	The County administers a specialized transportation program to provide transportation for residents over 65 or with disabilities. We pay our contractor a base fee per ride and a rate per mile, so it is difficult to translate that into compensation for the drivers. Based on our ride volume, we estimated a 25% increase in costs in FY27 and additional 4.5% increase in FY28.
Mecklenburg County	The County does not contract for public transportation with a private provider.
Montgomery County	There is no anticipated fiscal impact to Montgomery County.
Northern Neck PDC	The planning district is neither a city or county or transportation district. The Northern Neck has no transportation district; cities and counties rely on Bay Transit for transportation services.
Prince George County	This proposed legislation does not apply to Prince George County. We have neither a transportation district commission nor do we contract with a private company to provide transportation services.
Prince William County	This bill potentially increases operating costs of providing transit services by an indeterminate amount and would have a significant impact on PWC's subsidy.
Rappahannock County	No cost because I see zero likelihood of Rappahannock County funding public transportation via private or public providers.
Town of Chincoteague	
Town of Rocky Mount	We do not have any private companies providing public transportation services in the Town of Rocky Mount.