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SENATE BILL NO. 646

Offered January 14, 2026

Prefiled January 14, 2026

A BILL to amend and reenact §§ 30-19.03 and 30-19.1:12 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered § 30-19.03:1.4, relating to citizen impacts included in fiscal impact statements and estimates.

Patron—Cifers

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-19.03 and 30-19.1:12 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered § 30-19.03:1.4 as follows:

§ 30-19.03. Estimates to be prepared for legislation affecting local government expenditures and revenues.

Whenever any legislative bill requiring a net additional expenditure by any county, city, or town, or whenever any legislative bill requiring a net reduction of revenues by any county, city, or town, is filed during any session of the General Assembly, the Commission on Local Government shall investigate and prepare an estimate setting forth, to the extent practicable, (i) the additional expenditures or reduction of revenues, if any, to be required of the affected localities in event of enactment of such legislation and (ii) any potential citizen impacts in the event of enactment of such legislation if required by § 30-19.03:1.4.

A bill shall be deemed to require an expenditure if it has the effect of requiring any county, city, or town to (i) perform or administer a new or expanded program or service, (ii) maintain an existing program or service at a specified level of spending or delivery, (iii) assume or incur administrative costs in support of a state or state-related program, or (iv) furnish capital facilities for state or state-related activities.

For purposes of this section, "net additional expenditure" means the cost anticipated to be incurred annually, less any revenues receivable on account of the program or service from fees charged recipients of the program or service, state or federal aid paid specifically and categorically in connection with the program or service, new or increased local sources of revenue authorized and designated specifically to offset the cost of the program or service, and any offsetting savings resulting from the reduction or elimination of any program or service directly attributable to the performance of the required program or service.

A bill shall be deemed to require a net reduction of revenues if it has the effect of requiring any county, city, or town to (i) relinquish an existing or potential source of local revenue by classification or exclusion or (ii) diminish an existing or potential source of revenue by classification or exclusion.

For the purposes of this section, "net reduction of revenues" means the reduction anticipated in local revenues, including, but not limited to, general levies, special levies, revenues received pursuant to §§ 58.1-605 and 58.1-606 and administrative and user fees, to be incurred annually, less any new local revenues receivable and any offsetting savings resulting from the reduction of local revenues, caused by the classification or exclusion being proposed.

The provisions of this section shall not apply to a reduction in local revenues that is required or arises from a court order or judgment, nor to a revenue reduction that is adopted at the option of any county, city, or town under a law that is permissive rather than mandatory, nor to a revenue reduction that is the result of a measure providing tax relief on a statewide basis.

The Division of Legislative Services shall examine all bills and joint resolutions filed during any legislative session for the purpose of identifying and forwarding to the Commission on Local Government those bills requiring the preparation of fiscal estimates pursuant to this section and those joint resolutions calling for a study of local government revenues or expenditures.

The Department of Planning and Budget and the Department of Taxation are authorized to submit legislative bills to the Commission on Local Government to prepare local fiscal estimates.

As soon thereafter as may be practicable, the Commission on Local Government shall forward copies of such estimates to the Clerk of the House of Delegates for transmittal to each patron of the legislation and to the chairman of each committee of the General Assembly to consider the same.

All departments, agencies of government, the Division of Legislative Services, and all local governmental units of the Commonwealth are directed to make available such information and assistance as the Commission on Local Government may request in preparing the estimates required by this section.

§ 30-19.03:1.4. Estimates of citizen impacts to be included in fiscal impact statements.

A. For purposes of this section, "citizen impact" means any increase in personal fiscal impacts on a majority of residents of the Commonwealth estimated to result from the enactment of legislation before the

59 *General Assembly, including any inflationary impacts and increases in any (i) taxes, (ii) costs associated with*  
60 *the use of electricity and fuel, (iii) insurance premiums paid by policyholders, and (iv) other generally*  
61 *applicable costs of legislation that will be borne by a majority of Virginia residents.*

62 *B. Whenever a fiscal impact statement or other estimate of costs is prepared for a legislative bill during*  
63 *any session of the General Assembly by the Department of Planning and Budget, the Department of Taxation,*  
64 *the Virginia Retirement System, the Commission on Local Government, the Virginia Criminal Sentencing*  
65 *Commission, or any other agency of the Commonwealth, it shall include a clear and conspicuous estimate of*  
66 *any potential citizen impacts attributable to such legislation.*

67 *C. Such agency shall forward copies of such statement or estimates to the Clerk of the House of Delegates*  
68 *and to the Clerk of the Senate for transmittal to each patron of the legislation and to the chair of each*  
69 *committee of the General Assembly to consider the same. The Clerk of the House of Delegates and the Clerk*  
70 *of the Senate shall post any such statement or estimate that includes a citizen impact estimate pursuant to*  
71 *subsection B on the publicly available website for legislation. All departments, agencies of government, and*  
72 *governmental units of the Commonwealth are directed to make available such information and assistance as*  
73 *may be requested in preparing the statements or estimates required by this section.*

74 **§ 30-19.1:12. Impact statements by the Joint Legislative Audit and Review Commission.**

75 *A. For purposes of this section, "citizen impact" means the same as such term is defined in*  
76 *§ 30-19.03:1.4.*

77 *B. 1. At the request of the ~~chairman~~ chair of any committee of the Senate or House of Delegates, the Joint*  
78 *Legislative Audit and Review Commission shall review any executive order issued by the Governor and*  
79 *prepare a statement reflecting the potential fiscal impact of such executive order on the operations of state*  
80 *government.*

81 *2. At the request of any member of the Senate or House of Delegates, the Joint Legislative Audit and*  
82 *Review Commission shall review any piece of legislation during any session of the General Assembly and*  
83 *prepare a statement reflecting (i) the potential fiscal impact of such legislation on the operations of state*  
84 *government and (ii) any potential citizen impacts of such legislation.*

85 ~~B.~~ *C. The Joint Legislative Audit and Review Commission shall forward copies of ~~the~~ any impact*  
86 *statement (i) prepared pursuant to ~~subsection A~~ subdivision B 1 to the requesting ~~chairman~~ chair of the*  
87 *standing committee of both houses of the General Assembly to which matters relating to the content of the*  
88 *executive order are most properly referable and (ii) prepared pursuant to subdivision B 2 to the requesting*  
89 *member of the General Assembly and to the chair of the standing committee of both houses of the General*  
90 *Assembly to which matters relating to the content of the executive order are most properly referable.*