

Commission on Local Government

Estimate of Local Fiscal Impact

2026 General Assembly Session | 01/26/26

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.

SB 443: Siting of battery energy storage projects; commercial solar photovoltaic generation facilities; permitted accessory use. (Patron: McPike)

Bill Summary: Deems battery energy storage projects as a permitted accessory use in all zoning districts on any parcel of land that is subject to an approved special exception, as defined in the bill, for a commercial solar photovoltaic generation facility, if such battery energy storage project is located within the boundaries of the parcel covered by the existing special exception and complies with any applicable federal, state, and local safety or fire codes and environmental regulations. The bill prohibits a host locality from requiring a special exception or any other local land use approval on such battery energy storage project. The bill clarifies that nothing in the provisions of the bill shall be construed to (i) limit the authority of a host locality to enforce compliance with applicable codes or ensure the safe operation of the battery energy storage project or (ii) preclude the developer of a battery energy storage project from negotiating a siting agreement with the host locality. The bill also clarifies that any battery energy storage project for which an initial interconnection request has been filed with an electric utility or a regional transmission organization prior to July 1, 2030, and is constructed in accordance with the provisions of the bill shall be subject to the applicable local ordinance and regulation in effect on July 1, 2026.

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

Summary Analysis:

Number of Localities Responding: 4 Cities, 10 Counties, 2 Town, 1 Other

Localities estimated a negative fiscal impact of \$2,000 to \$200,000 in additional expenditures and \$300,000 to \$750,000 in reduced revenue over the biennium.

Localities identified the bill's fiscal impact as minor in relation to additional expenditures. Most localities' additional expenditure would be related to zoning amendments. Localities that estimated a decrease in revenue from proffers and a decrease in property values of adjacent residential developments near battery storage facilities. Some responding localities also reported no fiscal impact.

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Net Increase in Expenditures: Itemized Estimates by Responding Localities

Locality	Juris	Recurring Expense- Personnel		Recurring Expense - Operating		Recurring Expense - Capital		Recurring Expense - Other	
		FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Albemarle County	County								
Bedford County	County								
City of Alexandria	City								
City of Chesapeake	City								
City of Manassas	City	100000	100000						
City of Virginia Beach	City								
Fauquier County	County								
Gloucester County	County								
Hanover County	County								
Madison County	County								
Mecklenburg County	County								
Montgomery County	County								
Northern Neck PDC	Other								
Pulaski County	County								
Rappahannock County	County								
Town of Chincoteague	Town								
Town of Rocky Mount	Town	1000	1000						

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	12000	12000					24,000	Cities: 4
Bedford County							0	Counties: 10
City of Alexandria							0	Towns: 2
City of Chesapeake	5000						5,000	Other: 1
City of Manassas							200,000	Total: 17
City of Virginia Beach							0	
Fauquier County	2000						2,000	
Gloucester County							0	
Hanover County							0	
Madison County							0	
Mecklenburg County							0	
Montgomery County							0	
Northern Neck PDC							0	
Pulaski County							0	
Rappahannock County							0	
Town of Chincoteague							0	
Town of Rocky Mount							2,000	

Locality	Expenditure Narrative by Responding Localities
Albemarle County	This bill would require amendment of the zoning ordinance. While this would not be a significant cost, it would impact staff resources and the County's ability to work on other projects while processing this new legislation.
Bedford County	No impact unless Board chooses to amend its current policy related to utility-scale solar facilities, which I don't anticipate them doing.
City of Alexandria	The legislation's fiscal impact is currently unquantifiable.
City of Chesapeake	A text amendment would be required to reflect the proposed change. Addition training of staff and modification of policies and procedures would be required. Approximately 100 hours of staff time would be needed at various levels.
City of Manassas	Staff will need to evaluate the potential impact on adjacent properties from unrestricted battery storage development. The City has already investigated large size battery storage facilities and received negative adjacent property owner feedback related to know health and environmental issues associated with fires or lack of maintenance of battery systems. Battery systems typically have an impact area of one-half mile for direct impact during fires.
City of Virginia Beach	Increase in expenditures are not expected.
Fauquier County	This would require us to process a Zoning Ordinance Text Amendment, which would have a one-time cost of approximately \$2,000. There would be no reoccurring costs or revenue impacts. Currently, this would only impact 2 properties/projects in Fauquier.
Gloucester County	The main impact I understand from this is the loss of zoning enforcement for these types of facilities. No
Hanover County	We don't expect an increase in expenditures as a result of this bill.
Madison County	
Mecklenburg County	
Montgomery County	Montgomery County does not anticipate being financially impacted by this bill.
Northern Neck PDC	No zoning jurisdiction on the part of PDCs.
Pulaski County	Although Pulaski County does not support the premise of the bill, I cannot estimate any direct expense(s) associated with its enactment.
Rappahannock County	
Town of Chincoteague	
Town of Rocky Mount	Some additional cost analyzing any requests received by our locality for this type of facility.

Net Reduction in Revenues: Itemized Estimates by Responding Localities

Locality	Juris	Real Estate Revenue Reduction		Personal Property Revenue Reduction		Sales Tax Revenue Reduction	
		FY27	FY28	FY27	FY28	FY27	FY28
Albemarle County	County						
Bedford County	County						
City of Alexandria	City						
City of Chesapeake	City						
City of Manassas	City	250000	500000				
City of Virginia Beach	City						
Fauquier County	County						
Gloucester County	County						
Hanover County	County						
Madison County	County						
Mecklenburg County	County						
Montgomery County	County						
Northern Neck PDC	Other						
Pulaski County	County						
Rappahannock County	County						
Town of Chincoteague	Town						
Town of Rocky Mount	Town						

Net Reduction in Revenues: Itemized Estimates by Responding Localities									
Locality	BPOL Tax Revenue Reduction		Other Local Revenues Reduction		State Revenue Reduction		Total Decrease in Revenues (Biennium Total)	Response Totals	
	FY27	FY28	FY27	FY28	FY27	FY28			
Albemarle County							0	Cities:	4
Bedford County							0	Counties:	10
City of Alexandria							0	Towns:	2
City of Chesapeake							0	Other:	1
City of Manassas							750,000	Total:	17
City of Virginia Beach							0		
Fauquier County							0		
Gloucester County							0		
Hanover County							0		
Madison County							0		
Mecklenburg County							0		
Montgomery County							0		
Northern Neck PDC							0		
Pulaski County			150000	150000			300,000		
Rappahannock County							0		
Town of Chincoteague							0		
Town of Rocky Mount							0		

Locality	Revenue Narrative by Responding Localities
Albemarle County	No impacts to revenues are expected.
Bedford County	
City of Alexandria	
City of Chesapeake	
City of Manassas	Property values and residential demand will be impacted by location of large battery systems adjacent to residential development. The City has already investigated large size battery storage facilities and received negative adjacent property owner feedback related to know health and environmental issues associated with fires or lack of maintenance of battery systems. Battery systems typically have an impact area of one-half mile for direct impact during fires.
City of Virginia Beach	Changes in revenues are not expected.
Fauquier County	
Gloucester County	
Hanover County	We don't expect a decrease in revenues as a result of this bill
Madison County	This bill would allow the introduction of storage batteries to areas for which batteries were not considered. Given the decommissioning expense and environmental hazards associated with storage batteries, remediation for which was not considered and mitigated at the time of zoning, the costs could be significant and not perfected until well beyond the two year horizon. Estimation of bioremediation and decommissioning costs are determinable but not without facts.
Mecklenburg County	<p>There is a potentially a loss in revenue due to the removal of this facet of battery energy storage from the siting agreement provisions, and not allowing any prior agreement to be amended to allow for the new battery energy; however, the impact would only occur if:</p> <ol style="list-style-type: none"> 1. A solar facility invests in this technology 2. It is able to be installed in the next two years and/or the siting agreement would have structured payments such that payments would flow within the two year window (most likely even in the best scenario only a smaller payment would have been made.)
Montgomery County	Montgomery County does not anticipate being financially impacted by this bill.
Northern Neck PDC	No zoning jurisdiction on the part of PDCs.
Pulaski County	This bill could potentially remove the impotence for siting agreements and/or other applicable proffers that would result in revenues to the county for direct or offsetting expenses associated with the siting of a commercial battery storage facility. Note: The \$150,000 is an approximate average of what proffered siting agreements have been for germane commercial scale solar photovoltaic projects have been in Pulaski County.

Locality	Revenue Narrative by Responding Localities
Rappahannock County	
Town of Chincoteague	
Town of Rocky Mount	No revenue impact