

# Commission on Local Government

## Estimate of Local Fiscal Impact

2026 General Assembly Session | 02/09/26

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.

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### **SB 382: Smart Solar Permitting Platform established; residential solar energy systems (Patron: Surovell )**

**Bill Summary:** Creates the Smart Solar Permitting Platform (the Platform) to serve as a tool for (i) contractors to obtain permits for the construction of residential solar energy systems and (ii) localities to process applications for such permits. The bill requires the Department of Energy to establish, launch, and administer an internet-based platform that automates plan review and instantly releases a permit or a permit revision to construct certain residential solar energy systems that comply with any applicable building codes and state laws. The bill requires localities to allow contractors to submit an application to construct a residential solar energy system through the Platform or through an alternative automated solar permitting platform by January 1, 2028. The bill requires any locality that chooses to use an alternative automated solar permitting platform to submit an annual report to the Department no later than March 1 of each year. The bill directs the Department of Energy to establish, launch, and administer the Platform by July 1, 2027

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

### **Summary Analysis:**

**Number of Localities Responding: 5 Cities, 8 Counties, 2 Town, 1 Other**

Localities estimated a negative fiscal impact as \$30,000 to \$770,000 in increased expenditure and \$10,000 to \$100,000 in reduced revenue over the biennium.

Localities identified the bill's fiscal impact as moderate in increased expenditures over the biennium. Some localities estimate there is no fiscal impact. Among the localities that estimate increased expenditures, the primary drivers are recurring personnel and operating expenses. The bill would increase administrative and information technology costs associated with tracking permits, training staff, workflow adjustments, and integrating the state and local permit systems. Some localities indicated they could create an additional system if their current system cannot integrate with the state's system, which would increase costs not currently estimated. The potential revenue loss is due to the loss of permit fees.





Locality	Expenditure Narrative by Responding Localities
Albemarle County	SB 382 would impose modest administrative and IT-related costs on Albemarle County to ensure that residential solar permit applications can be accepted through the state Smart Solar Permitting Platform (or an equivalent alternative) by January 1, 2028. If the County uses the state platform, expenditures would largely consist of staff training, workflow adjustments, and minor system integration; if the County opts to maintain an equivalent alternative platform, costs would be higher due to software maintenance and annual compliance reporting requirements. No new inspection staff or capital facilities are required.
Chesterfield County	SB 382 creates minimal administrative costs for Chesterfield County, primarily for tracking inspections for solar permits issued through the state's Platform. Additional costs are possible but indeterminate if the County chooses to develop or purchase an alternative platform.
City of Alexandria	The fiscal impact of this bill is unquantifiable.
City of Danville	
City of Norfolk	If the city were to implement a local permit system, it is conservatively estimated the new software would come with a \$300,000 ongoing cost and would require one additional staff position, approximately \$85,000 annually.
City of Richmond	No fiscal impact is predicted unless the City of Richmond did not use the permitting system developed by the state, in which case staff time (roughly \$1000) would be dedicated to providing a report.
City of Virginia Beach	There could be expenses tied to integrating the Department's platform to existing City permitting systems. If the City chose to build its own automated system, it could cost several hundreds of thousands of dollars. If the Department's platform is used, it would need to be reviewed to ensure it meets specific requirements for the region, which wouldn't necessarily apply state-wide, such as special requirements for the solar to meet wind loads. Additionally, the City would need to carve out the data for solar specific permits as there is currently no specific solar permits, they fall under the residential alterations permit and electrical permits.
Fauquier County	
Madison County	Difficult to estimate but the bill would result in an increase in expenses. We currently inspect both plans and the ongoing construction of solar projects and application fees and permit fees go toward mitigating those costs. This proposal would allow the state, through DOE, to assume the localities' role by developing software to perform the approval function. This could be contrary to state law and local ordinances. Currently, the Code of Virginia and local ordinances operate within the bounds of the Virginia Uniform Statewide Building Code. Legislating outside this code will result in conflicts that will require one time and ongoing costs to resolve. Additionally, State code requires that plan reviewers must be certified through DHCD--How will DHCD certify software? In addition, some localities allow for qualified third parties to perform the plan review function. The economic cost of shifting those revenues from taxpaying professionals to a state-owned computer software program would present a hit to the local economies.

Locality	Expenditure Narrative by Responding Localities
Montgomery County	Montgomery County has recently purchased new operations software for its building inspections department that can achieve the same goals in the bill. Plus data is already collected for other agencies specific to solar installation permits. No additional costs are anticipated to comply with these requirements.
Northern Neck PDC	The PDC is neither a contractor seeking permitting nor a locality processing permits. No fiscal impact.
Prince George County	The preference would be to integrate such a platform into our existing system. This integration would allow for appropriate intakes, permit issuance, and planning/zoning and inspector reviews. We estimate a \$100,000 cost for system modifications. Bypassing local permitting could lead to installations not authorized by the property owner.
Pulaski County	
Rappahannock County	Estimated annual cost of part-time employee and to account for the inefficiency of handling all building permits the same exact way (review by certified building code plan reviewers) except for these solar permits that will be reviewed and approved by an "algorithm." We expect insurance premiums might increase due to the risk, but have no way of knowing how to price that in.
Town of Chincoteague	
Town of Rocky Mount	May impact the County and not the Town of Rocky Mount

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							
Chesterfield County	County							
City of Alexandria	City							
City of Danville	City							
City of Norfolk	City							
City of Richmond	City							
City of Virginia Beach	City							
Fauquier County	County							
Madison County	County							
Montgomery County	County							
Northern Neck PDC	Other							
Prince George County	County							
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			10000	10000			20,000	Cities:	5
Chesterfield County							0	Counties:	8
City of Alexandria							0	Towns:	2
City of Danville							0	Other:	1
City of Norfolk			50000	50000			100,000	Total:	16
City of Richmond							0		
City of Virginia Beach							0		
Fauquier County							0		
Madison County							0		
Montgomery County							0		
Northern Neck PDC							0		
Prince George County				58000			58,000		
Pulaski County			5000	5000			10,000		
Rappahannock County							0		
Town of Chincoteague							0		
Town of Rocky Mount							0		

Locality	Revenue Narrative by Responding Localities
Albemarle County	SB 382 does not create a new revenue source for Albemarle County and may slightly reduce net permitting revenue if the Department of Energy imposes a surcharge on residential solar permits to fund the state platform. Increased automation may modestly increase permit volume, but this is unlikely to offset the surcharge or materially increase net revenues. The County retains authority to issue permits and collect base permit fees.
Chesterfield County	
City of Alexandria	
City of Danville	
City of Norfolk	If the city were to utilize the state-operated permitting system, the city would lose approximately \$50,000 annually in existing permit fees.
City of Richmond	No impact on revenue is predicted, as the bill does not change local application fee authority.
City of Virginia Beach	No decreases in revenues anticipated.
Fauquier County	
Madison County	
Montgomery County	Assuming this portal is designed for the sole purpose of collecting data regarding solar installations and streamlining solar related permit processing, Montgomery County is already doing both.
Northern Neck PDC	The PDC is neither a contractor seeking permitting nor a locality processing permits. No fiscal impact.
Prince George County	If residential solar permits are entered into a state platform, it is unclear how localities would collect the permit fees, and route such applications for a zoning review. If the state platform bypasses localities, and does not allow current building and electrical permits, we estimate a revenue loss of \$58,000.
Pulaski County	A loss in fee revenues of approximately \$5,000 a year in local building permitting fees to the locality.
Rappahannock County	
Town of Chincoteague	
Town of Rocky Mount	