

The need for a 1% Local Option Sales Tax for School Capital Projects

Whitepaper

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How to use this document

This document is intended for use by Virginia's public school superintendents, school finance officials, school board members, city and county board members, and other public officials involved in public tax policy around schools. This whitepaper can be used as a reference or handout to explain complicated school funding issues to constituents and other stakeholders. It has been updated to reflect what passed the General Assembly and developments since then.

People respond to real numbers, specific projects, and restrictions on the use of tax dollars

While the chart at the end of the document is for planning purposes only, it demonstrates the significant amount of money that can be generated by a 1% Local Option Sales Tax. This is money that can only be used for new school construction, major renovation, related site acquisition, and the bond or loan financing costs tied to those new projects. It cannot be used to pay down debt on projects that were already underway or completed before the tax was imposed. Voters in Virginia have a 100% track record of approving this tax once it reaches the ballot. The risk is not in the referendum; the risk is in failing to prepare a clear, understandable list of overdue school construction and renovation projects, and the financial modeling necessary to show voters what they are voting for.

Lessons to be learned from the nine Virginia localities that have already have the authority for this tax

- **Voter Sentiment:** Every single referendum on this tax has passed, often by wide margins, proving that voters prefer consumption taxes over property taxes.
- **Immediate Impact:** Revenue begins flowing almost immediately after the tax is implemented, allowing for fast-tracked "Notice to Proceed" on school design and construction contracts. This is a major hedge against inflation.
- **Regional Commerce:** Localities on major highway corridors (Danville, Halifax, Henry) see a significantly higher visitor share, effectively getting outsiders to pay a share for local school buildings.

If we want schools, it is not a sales tax versus no tax proposition, it is a sales tax versus real estate tax proposition. Rather than a massive, mandatory property tax bill that hits every homeowner, renter and farmer regardless of their financial situation, the 1% Local Option Sales Tax offers a shared-responsibility model. It protects the essentials of life, groceries, medicine and hygiene, while ensuring that visitors who use our roads and services also help build the classrooms for our children. This is a Local Tax, controlled by Local Voters, for Local Schools, but it is a strategic shift in how we distribute the cost of public infrastructure.

Timeline for Passage and Implementation

The path to passage did not go the way it was being tracked as of February 2026.

- **SB 66 and HB 334 did not pass as standalone bills.** SB 66 (Sen. Jeremy McPike) was incorporated into SB 607 (Sen. Louise Lucas), which was left in the Senate Finance and Appropriations Committee before crossover. HB 334 (Del. Sam Rasoul) also did not advance as freestanding legislation.¹
- **Enacted through the budget instead.** The substance of both bills was written into each chamber's budget language and carried into the final 2026-2028 biennial budget. Budget negotiators released the combined budget on June 19, 2026.²
- **Effective Date:** Universal 1% local option sales tax authority for school capital projects took effect July 1, 2026, allowing Boards of Supervisors and City Councils to formally initiate the referendum process, as originally expected.
- **Ballot Deadline Has Passed:** For a November 3, 2026 referendum, Virginia Code § 24.2-682(B) required the local governing body to pass a resolution and a circuit court to order the referendum onto the ballot by August 14, 2026.³ That deadline has now passed. See "Jurisdictions on the November 3, 2026 Ballot" below for where things stand.

We can help

VMDO Architects has been working for Virginia public school districts for 50 years. To ensure a successful "Yes" vote on the November 2026 ballot or the November 2027 ballot, we advise clients to follow this strict implementation schedule:

- **Architectural Vision:** now – May. Identify the specific new school buildings or renovations to be funded and therefore create a tangible benefit for voters.
- **Financial Modeling:** April – June. Complete the 20-year bonding capacity and Real Estate Penny Offset calculations.
- **Ballot Certification:** July – August. Board of Supervisors or City Council must pass a resolution and petition the Circuit Court to place the question on the ballot.
- **Community Education:** September – October. Focus on transparency, bipartisan coalition building, and clear messaging. We help our public school clients Get to Yes.

¹Virginia Mercury, "What's alive and what's dead at the Virginia General Assembly's 2026 midway point" (Feb. 18, 2026). <https://viriniamercury.com/2026/02/18/whats-alive-and-whats-dead-at-the-virginia-general-assemblys-2026-midway-point/>

²Virginia Mercury, "Virginia localities raise \$119M for school construction through targeted sales tax" (June 22, 2026). <https://viriniamercury.com/2026/06/22/virginia-localities-raise-119m-for-school-construction-through-targeted-sales-tax/>

³Code of Virginia § 24.2-682. <https://law.lis.virginia.gov/vacode/24.2-682/>

The state of K-12 facilities in the Commonwealth of Virginia

Virginia is grappling with aging school facilities, decades of deferred maintenance, and a multi-billion-dollar funding gap. In 2022, the School Building Modernization study noted the following:⁴

- **Backlog:** there is a \$25 billion need for school construction and major renovations and an estimated maintenance backlog of \$1.1 billion.
- **Aging Inventory:** Over 50% of Virginia's public schools are at least 50 years old. This is considered the breaking point where structural systems (HVAC, electrical, plumbing) typically reach the end of their useful life simultaneously.
- **Disparity:** Virginia's oldest school buildings are in our poorest communities, which have limited ability to raise enough funding due to population decline and economic hardship.

Deferred maintenance is the practice of postponing repairs to balance annual operating budgets, which creates a compounding financial burden.

- **HVAC Crisis:** In major divisions like Fairfax County, HVAC systems account for approximately 60% of the maintenance backlog. This affects indoor air quality and, by extension, student attendance and health.
- **Cost Multiplier:** Research cited by the VDOE indicates that for every \$1 deferred in routine maintenance, it costs approximately \$4 in future capital replacement costs due to accelerated deterioration.⁵

Several factors have converged to make the school construction backlog an urgent political issue this year:

- **Inflation:** Construction costs in Virginia have risen dramatically since 2021. A project that cost \$100 million three years ago now costs significantly more, shrinking the buying power of existing local bonds.
- **Sunset of Federal Funds:** The ESSER funds many divisions used for HVAC and air quality fixes have expired, leaving no federal safety net for facility repairs.
- **The Safety Mandate:** Virginia has moved to strengthen school safety through mandated annual audits (Code of Virginia § 22.1-279.8).⁶ Once a deficiency is documented, the locality faces significant liability if it is not fixed. The state's primary funding for this, the School Security Equipment Grant, is capped at \$250,000 per division⁷, a fraction of the cost required to retrofit an entire school system with secure entries.
- **Debt Capacity:** Many smaller and mid-sized divisions have a fiscal stress rating that prevents them from borrowing enough money to build a single new high school, even using their entire debt capacity.

⁴Virginia Commission on School Construction and Modernization, "Final Report to the Governor and General Assembly." <https://dls.virginia.gov/commissions/scm/report2022.pdf>

⁵Joint Legislative Audit and Review Commission (JLARC), "Capital Maintenance and Construction Report" (December 2025). <https://jlarc.virginia.gov/landing-2025-capital-maintenance-and-construction.asp>

⁶Code of Virginia § 22.1-279.8. <https://law.lis.virginia.gov/vacode/title22.1/chapter14/section22.1-279.8/>

⁷Virginia Department of Education, School Security Equipment Grants. <https://www.doe.virginia.gov/programs-services/school-operations-support-services/facility-construction-maintenance/security-equipment-grants>

How schools in Virginia are funded

Traditionally, public schools in Virginia are funded through a combination of local, state, and federal sources. Unlike many other states, Virginia places a high burden on local governments to fund school infrastructure, relying heavily on property taxes.⁸

- **Local Funding (Average 49% to 51%):** Localities provide the largest share of school funding in Virginia. The primary source is Real Estate Property Taxes, the main lever counties and cities pull to fund education. Secondary sources include personal property taxes, local portions of the sales tax, and meals taxes.
- **State Funding (Average 39% to 41%):** The state's contribution is primarily dictated by the Standards of Quality (SOQ), the minimum requirements for staffing and materials.⁹ The Local Composite Index (LCI) determines ability to pay, by looking at local property values (50%), adjusted gross income (40%), and taxable retail sales (10%).¹⁰ Wealthy areas like Arlington (LCI 0.8000) receive only 20% of SOQ costs from the state; fiscally stressed areas (LCI 0.2000) receive 80%.
- **State Lottery:** While Virginia law requires that all lottery profits be used for education, the General Assembly decides which education programs receive lottery funding. Lottery funds often replace other state education funding and are directed toward specific purposes established in the state budget.
- **Federal Funding (Average 7% to 12%):** The federal government provides the smallest share, typically targeted toward specific mandates such as Title I (low-income support), IDEA (special education), and free/reduced lunch programs rather than general operations.

Traditional School Construction Funding Sources

While operational costs are shared, school construction has traditionally been almost 100% a local responsibility in Virginia.

- **Virginia Public School Authority (VPSA):** Localities often borrow money by issuing bonds through the VPSA to get lower interest rates, but the locality must still pay back every cent using local tax revenue.
- **Literary Fund:** A permanent state fund that provides low-interest loans for school construction, though it is often underfunded or diverted to teacher retirement costs.¹¹
- **Property Taxes:** Local governments are largely restricted to Real Estate and Personal Property taxes to fund their schools. Because the state's Standards of Quality (SOQ) formula considers only operational costs (personnel and supplies) rather than capital costs (bricks and mortar), localities are left to fend for themselves for capital improvement needs. If a county needs to build a \$100M high school, its only real option is to raise the Real Estate tax rate. This creates a zip code lottery: a 1-cent tax increase in a wealthy, high-density county

⁸The Commonwealth Institute for Fiscal Analysis. https://thecommonwealthinstitute.org/tci_blog/high-capacity-low-effort-virginias-school-funding-is-low-compared-to-most-rich-states/

⁹Virginia PTA, Funding and Standards of Quality. <https://vapta.org/funding-standards-of-quality/>

¹⁰Virginia Department of Education, Composite Index of Local Ability to Pay. <https://www.doe.virginia.gov/data-policy-funding/school-finance/budget-grants-management/composite-index-of-local-ability-to-pay>

¹¹Virginia PTA, School Buildings. <https://vapta.org/school-buildings/>

generates millions, while the same increase in a rural or fiscally stressed county generates only a few thousand dollars, contributing to a \$25 billion statewide backlog in school construction and maintenance. Seniors on fixed incomes and agricultural landholders are often hit hardest by property tax rate hikes.

The 1% Local Sales Tax Option

Senate Bill 66 was introduced in the 2026 Regular Session by Senators Jeremy McPike (D, Prince William), Jennifer Boysko (D, Fairfax/Loudoun), Barbara Favola (D, Arlington), T. Travis Hackworth (R, Tazewell/Russell), Tammy Brankley Mulchi (R, Mecklenburg), and Saddam Azlan Salim (D, Fairfax). It was a universal authority bill intended to empower every county and city in Virginia to address the state's school infrastructure crisis, expanding authority previously limited to nine specific localities. As described above, SB 66 did not pass as a standalone bill; its provisions were ultimately enacted through the 2026-2028 biennial budget. The key provisions below reflect what became law through that budget language.¹²

- **Universal Local Option:** All Virginia counties and cities may impose an additional local sales and use tax of up to 1%.
- **Voter Approval Required:** The tax can only be implemented if approved by local voters through a referendum.
- **Strict Revenue Lockbox, New Projects Only:** Outside the Northern Virginia Transportation Commission area, revenue must be used solely for capital projects for new construction or new major renovation of schools, including related site acquisition and bond or loan financing costs for those new projects. It **cannot** be used to repay existing school debt for projects that began or were completed before the tax was imposed.¹³
- **Expiration Required:** The tax must have an expiration date and cannot remain in place for more than 20 years from the date of the local resolution.
- **Tax Exemptions:** The local 1% tax does not apply to groceries (food for home consumption) or essential personal hygiene products.
- **Northern Virginia Transportation Commission Exception:** In Planning District 8 (Arlington, Fairfax, and Loudoun counties and the cities of Alexandria, Fairfax, and Falls Church), revenue may be used for new school capital projects, public transportation, or both, including related financing costs. As with other localities, this revenue cannot be used to repay existing indebtedness for school capital projects that began or were completed before the tax was imposed. Authority in the NVTC area also expires if the locality fails to meet its required WMATA funding obligations.¹⁴
- **Immediate Impact:** Revenue begins flowing almost immediately after the tax is implemented.

¹²Virginia General Assembly LIS, SB66 (2026 Regular Session). <https://lis.virginia.gov/bill-details/20261/SB66>

¹³Code of Virginia § 58.1-605.1(A)(7), Additional local sales tax in certain localities; use of revenues for construction or renovation of schools. <https://law.lis.virginia.gov/vacode/title58.1/chapter6/section58.1-605.1/>

¹⁴Code of Virginia § 58.1-605.1(B)(7), Additional local sales tax in certain localities; use of revenues for construction or renovation of schools. <https://law.lis.virginia.gov/vacode/title58.1/chapter6/section58.1-605.1/>

Nine Virginia localities already have a 1% Local Option Sales Tax

Every time a Virginia county or city has been given authority to put a 1% local sales tax before their voters, it has passed, by an average margin of victory of 59.6%. Every referendum passed on the first try. This method of funding school construction has bipartisan appeal; voters in both “Red” and “Blue” localities consistently chose the sales tax over a real estate tax hike. Since the original pilot began in 2019, these counties have used the revenue to either build new flagship schools or tackle deferred maintenance backlogs that were previously unfunded.

- **Halifax County:** Halifax was the first to pass the referendum, with nearly 70% approval. The 1% sales tax allowed them to fund a \$109 million replacement for a high school that had become a major liability, and the county estimated it exported \$1M+ annually of the tax burden to travelers on the busy Route 58/501 corridor. Note: more recent reporting on this project cites a \$129 million figure rather than \$109 million; confirm the current number with Halifax County before using it publicly.
- **Mecklenburg County:** Mecklenburg used sales tax revenue to support financing of a \$150 million consolidated secondary school, preventing a projected 15-cent spike in the real estate tax rate.
- **Gloucester County:** Gloucester funded a total modernization of its high school. A key selling point was the sunset clause: once construction bonds are fully repaid, the tax legally must expire, which built trust with conservative voters.

Annual revenue raised by the 1% local option sales tax, and projects funded

Locality	Year Approved	Annual Revenue (Est.)	Primary Project(s) Funded
Halifax County	2019	\$3.8M - \$4.1M	Replacement of Halifax County High School (\$100M+).
Charlotte County	2020	\$0.9M - \$1.1M	Division-wide security upgrades and roof replacements.
Gloucester County	2020	\$7.5M - \$8.2M	Major renovation/expansion of Gloucester High School.
Henry County	2020	\$6.8M - \$7.2M	Meadowview Elementary and safety infrastructure.
Mecklenburg County	2020	\$4.1M - \$4.5M	Debt service for the new Secondary Campus (Middle/High).
Northampton County	2020	\$1.3M - \$1.5M	Renovation of Northampton High/Middle School complex.
Pittsylvania County	2020	\$4.8M - \$5.2M	Ongoing modernization of elementary facilities.
Danville City	2022	\$10.5M - \$11.8M	George Washington High School renovations and new track.
Patrick County	2022	\$1.1M - \$1.3M	Critical HVAC and roof repairs across the division.

Jurisdictions on the November 3, 2026 Ballot

The window to add a referendum to the November 2026 ballot has closed. Virginia Code § 24.2-682(B) required a local governing body resolution and a circuit court order placing the question on the ballot by August 14, 2026, 81 days before the November 3 general election.¹⁵ As of September 8, 2026, the Virginia Department of Elections' official candidate and referendum roster confirms 47 localities with the 1% local option sales tax for school capital projects on the November 3, 2026 ballot:

Albemarle County, Alleghany County, Amelia County, Augusta County, the City of Buena Vista, the City of Charlottesville, Chesterfield County, the City of Covington, the City of Emporia, Essex County, the City of Fairfax, Floyd County, Fluvanna County, Franklin County, Frederick County, Giles County, Grayson County, Greene County, Greensville County, Isle of Wight County, King and Queen County, the City of Lexington, Madison County, the City of Martinsville, Mathews County, Middlesex County, Nelson County, New Kent County, the City of Newport News, the City of Norfolk, Nottoway County, Orange County, the City of Portsmouth, Powhatan County, Prince Edward County, Pulaski County, the City of Radford, Rappahannock County, the City of Richmond, Smyth County, Stafford County, the City of Staunton, Sussex County, the City of Waynesboro, the City of Winchester, Wythe County, and York County.¹⁶

Local sales taxes and regressive tax concerns

In terms of pure economic theory, consumption taxes are generally considered regressive because lower-income households spend a larger percentage of their income on immediate needs than higher-income households. However, in the context of this tax, the regressivity argument is more nuanced. Virginia law specifically mitigates the regressive nature of the sales tax by exempting the items lower-income families spend the most on:

- **Groceries:** Under the Code of Virginia, food for home consumption is exempt from the state sales tax and most regional taxes.¹⁷ It is not additionally taxed by this local option.
- **Essential Hygiene:** Diapers, menstrual products, and other essential hygiene items are similarly exempt from the state sales tax and not additionally taxed by this local option.¹⁸
- **Prescriptions:** Medicines and medical supplies are exempt from state and local sales tax entirely.

Property taxes can also be burdensome for low-income residents. Increases are almost always passed down by landlords to tenants, and an annual property tax bill is a mandatory expense that does not adjust to a senior's or small farmer's monthly cash flow. A sales tax is consumption-based, allowing families to partially control their tax exposure by deferring non-essential purchases.

This local option also shares the financial burden with non-residents:

¹⁵Code of Virginia § 24.2-682. <https://law.lis.virginia.gov/vacode/24.2-682/>

¹⁶Virginia Department of Elections, 2026 November Proposed Constitutional Amendments and Local Referendums (rev. September 8, 2026).

¹⁷Code of Virginia § 58.1-611.1. <https://law.lis.virginia.gov/vacode/title58.1/chapter6/section58.1-611.1/>

¹⁸The Sales Tax Institute, Virginia exemptions for food and personal hygiene products.

<https://www.salestaxinstitute.com/resources/virginia-discusses-exemptions-for-food-and-personal-hygiene-products>

- **Visitor Contribution:** In many Virginia counties, visitors traveling I-81 or Route 58, tourists, and commuters contribute significantly to local commerce. A sales tax exports 20% to 35% of the cost of schools to non-voters.
- **Lowering the Local Burden:** Because visitors chip in, the total amount that must be collected from residents is lower than if the project were funded entirely through property taxes.

Why this local option is vital for fiscally stressed localities

Under Virginia's traditional funding model, school construction has been a pay-to-play system that systematically leaves behind the localities with the greatest need. The universal local option sales tax is designed to level this playing field. The Virginia Commission on Local Government defines fiscal stress by looking at a locality's revenue capacity versus its revenue effort.¹⁹

- **The Revenue Gap:** In many high-stress localities, such as those in Southwest and Southside Virginia, the property tax base has stagnated or declined due to population shifts and the loss of local industry.
- **The Penny Inequity:** Raising real estate taxes by 1 cent in a wealthy county like Arlington generates over \$7.7 million, whereas the same 1 cent hike in a fiscally stressed city like Norton generates only \$23,000.
- **The Consequence:** Fiscally stressed divisions often have the oldest school buildings but the least ability to repair them, creating a cycle where poor facilities hinder economic development, which in turn keeps the tax base low.

The 1% Local Option Sales Tax may be a better solution for these communities for three specific reasons:

- **Diversifying the Tax Base:** High-stress localities often sit on major transit corridors or host regional retail hubs, allowing them to collect revenue from everyone passing through rather than just struggling local homeowners.
- **Unlocking State Matching Funds:** Programs like the School Construction Assistance Program provide state grants of up to 30% of construction costs based on fiscal stress level²⁰, but these grants often require partial funding already in place. The 1% sales tax provides the immediate, dedicated local match needed to unlock state grant funding.
- **Bypassing the Debt Ceiling:** Because the 1% sales tax is a new, dedicated revenue stream, financial institutions often view it as more secure backing for school-specific revenue bonds, increasing borrowing power without further burdening the General Fund.

How the 1% Local Option actually works compared to the State Sales Tax

It is NOT a state tax increase. The 4.3% state sales tax remains exactly where it is; this local option allows local government to add its own 1% on top of the existing total.

- **Currently:** Most Virginians pay 5.3% (4.3% State + 1.0% existing Local General Fund).

¹⁹Virginia Association of Counties, Joint Subcommittee on Local Government Fiscal Stress. <https://www.vaco.org/county-connections/joint-subcommittee-local-government-fiscal-stress-meets/>

²⁰Virginia Department of Education, School Construction Assistance Program. <https://www.doe.virginia.gov/programs-services/school-operations-support-services/facility-construction-maintenance/school-construction-assistance-program>

- **With the local option approved:** The rate becomes 6.3% (4.3% State + 1.0% Local General Fund + 1.0% Local School Fund).

The State acts as the collection agent, as it does for existing local taxes; it does not take the money and decide whether to send it back.

- **The Process:** Every month, the State Tax Commissioner peels off the specific 1% School Penny and places it into a Special Dedicated Fund, a lockbox, for the locality.
- **The Payout:** By law (Va. Code § 58.1-605.1), the State Comptroller must send that money directly to the county treasurer every month. The state cannot keep it or use it for state programs.

How much money could the 1% Local Option Sales Tax for School Capital Projects generate?

The following chart provides a locality-by-locality breakdown of the financial potential of the universal local option sales tax, focusing on four key metrics:

- **Estimated FY26 Revenue (\$M):** The total annual amount of new, dedicated capital funding the 1% tax is expected to generate in the 2026 fiscal year.
- **Visitor Share (%):** The estimated percentage of new sales tax revenue paid by non-residents. In Bath County, visitors are projected to cover nearly half (48%) of local school construction costs.
- **Real Estate Tax Equivalent (Cents):** How many cents a locality would have to raise its real estate tax rate to generate the same amount of money. In Accomack, the 1% sales tax equals a 16-cent property tax hike.
- **20-Year Bonding Capacity (\$M):** How much construction debt a locality could safely borrow and repay over 20 years using only the new sales tax revenue. In Fairfax County, this capacity could reach \$3 billion.

Professional Disclaimer

The figures provided in this chart are projections for planning purposes. Actual revenue may fluctuate based on economic performance, and final bonding capacity is subject to a locality's specific credit rating and prevailing market conditions at the time of bond issuance. The full data methodology is described in the technical appendix following the chart.

Locality	Enrollment	Est. FY26 1% Tax	Visitor Share	RE Tax Equiv.	20-Yr Bonding
Accomack	4,920	\$7 M	32 %	16 ¢	\$82 M
Albemarle	13,850	\$24 M	22 %	10 ¢	\$302 M
Alexandria City	16,100	\$39 M	35 %	8 ¢	\$485 M
Alleghany	2,450	\$2 M	12 %	15 ¢	\$26 M
Amelia	1,650	\$1 M	10 %	12 ¢	\$15 M
Amherst	3,800	\$3 M	14 %	16 ¢	\$42 M
Appomattox	2,250	\$2 M	11 %	19 ¢	\$24 M
Arlington	27,536	\$54 M	31 %	5 ¢	\$674 M

Locality	Enrollment	Est. FY26 1% Tax	Visitor Share	RE Tax Equiv.	20-Yr Bonding
Augusta	10,100	\$12 M	18 %	14 ¢	\$147 M
Bath	520	\$1 M	48 %	6 ¢	\$10 M
Bedford County	8,900	\$10 M	16 %	11 ¢	\$127 M
Bland	750	\$ M	22 %	13 ¢	\$5 M
Botetourt	4,100	\$5 M	15 %	14 ¢	\$64 M
Bristol City	2,150	\$7 M	28 %	22 ¢	\$85 M
Brunswick	1,450	\$1 M	14 %	25 ¢	\$14 M
Buchanan	2,350	\$2 M	8 %	32 ¢	\$22 M
Buckingham	1,950	\$1 M	10 %	22 ¢	\$17 M
Buena Vista City	850	\$1 M	12 %	23 ¢	\$9 M
Campbell	7,300	\$6 M	14 %	16 ¢	\$80 M
Caroline	4,150	\$3 M	24 %	14 ¢	\$40 M
Carroll	3,200	\$3 M	20 %	17 ¢	\$35 M
Charles City	650	\$ M	18 %	13 ¢	\$5 M
Charlotte	1,700	\$1 M	11 %	19 ¢	\$11 M
Charlottesville City	4,200	\$12 M	33 %	13 ¢	\$143 M
Chesapeake City	40,640	\$55 M	14 %	15 ¢	\$690 M
Chesterfield	64,183	\$85 M	15 %	14 ¢	\$1055 M
Clarke	1,900	\$1 M	22 %	8 ¢	\$15 M
Colonial Heights City	2,850	\$12 M	32 %	39 ¢	\$155 M
Covington City	650	\$1 M	15 %	28 ¢	\$15 M
Craig	550	\$ M	10 %	15 ¢	\$4 M
Culpeper	8,200	\$10 M	18 %	12 ¢	\$122 M
Cumberland	1,200	\$1 M	10 %	17 ¢	\$7 M
Danville City	5,680	\$11 M	29 %	24 ¢	\$142 M
Dickenson	1,950	\$1 M	9 %	39 ¢	\$14 M
Dinwiddie	4,150	\$4 M	22 %	12 ¢	\$44 M
Emporia City	850	\$2 M	38 %	43 ¢	\$26 M
Essex	1,250	\$1 M	18 %	15 ¢	\$17 M
Fairfax City	3,100	\$19 M	42 %	12 ¢	\$231 M
Fairfax County	180,970	\$251 M	22 %	8 ¢	\$3132 M
Falls Church City	2,600	\$7 M	25 %	7 ¢	\$85 M
Fauquier	11,200	\$15 M	19 %	9 ¢	\$184 M
Floyd	2,100	\$1 M	18 %	13 ¢	\$15 M

Locality	Enrollment	Est. FY26 1% Tax	Visitor Share	RE Tax Equiv.	20-Yr Bonding
Fluvanna	3,300	\$2 M	12 %	8 ¢	\$22 M
Franklin City	950	\$2 M	28 %	35 ¢	\$30 M
Franklin County	6,600	\$7 M	18 %	14 ¢	\$88 M
Frederick	14,200	\$18 M	24 %	10 ¢	\$229 M
Fredericksburg City	3,750	\$15 M	42 %	29 ¢	\$189 M
Galax City	1,250	\$3 M	35 %	49 ¢	\$42 M
Giles	2,200	\$2 M	15 %	17 ¢	\$22 M
Gloucester	5,100	\$8 M	18 %	14 ¢	\$100 M
Goochland	2,650	\$6 M	25 %	8 ¢	\$72 M
Grayson	1,550	\$1 M	24 %	18 ¢	\$11 M
Greene	2,850	\$4 M	16 %	12 ¢	\$46 M
Greensville	1,150	\$1 M	22 %	29 ¢	\$12 M
Halifax	4,200	\$6 M	19 %	22 ¢	\$74 M
Hampton City	19,100	\$23 M	19 %	17 ¢	\$283 M
Hanover	17,420	\$39 M	16 %	12 ¢	\$481 M
Harrisonburg City	6,400	\$14 M	28 %	22 ¢	\$177 M
Henrico	50,464	\$99 M	26 %	18 ¢	\$1231 M
Henry	6,800	\$7 M	16 %	19 ¢	\$90 M
Highland	200	\$ M	35 %	5 ¢	\$2 M
Hopewell City	3,900	\$5 M	14 %	33 ¢	\$60 M
Isle of Wight	5,600	\$6 M	12 %	12 ¢	\$76 M
James City	9,150	\$16 M	38 %	10 ¢	\$201 M
King and Queen	800	\$ M	12 %	13 ¢	\$5 M
King George	4,500	\$3 M	15 %	10 ¢	\$35 M
King William	2,100	\$1 M	11 %	10 ¢	\$14 M
Lancaster	1,050	\$2 M	28 %	6 ¢	\$22 M
Lee	2,900	\$1 M	10 %	37 ¢	\$17 M
Lexington City	650	\$2 M	44 %	19 ¢	\$22 M
Loudoun	82,082	\$105 M	19 %	8 ¢	\$1311 M
Louisa	5,050	\$5 M	18 %	7 ¢	\$60 M
Lunenburg	1,450	\$1 M	11 %	23 ¢	\$7 M
Lynchburg City	7,600	\$16 M	26 %	22 ¢	\$202 M
Madison	1,650	\$1 M	20 %	10 ¢	\$15 M
Manassas City	7,600	\$12 M	14 %	16 ¢	\$147 M

Locality	Enrollment	Est. FY26 1% Tax	Visitor Share	RE Tax Equiv.	20-Yr Bonding
Manassas Park City	3,500	\$3 M	10 %	21 ¢	\$35 M
Martinsville City	1,950	\$4 M	28 %	45 ¢	\$51 M
Mathews	950	\$1 M	22 %	11 ¢	\$9 M
Mecklenburg	3,900	\$4 M	24 %	10 ¢	\$51 M
Middlesex	1,150	\$1 M	26 %	8 ¢	\$14 M
Montgomery	9,400	\$16 M	25 %	15 ¢	\$197 M
Nelson	1,500	\$1 M	38 %	7 ¢	\$15 M
New Kent	3,400	\$2 M	15 %	10 ¢	\$30 M
Newport News City	26,200	\$33 M	21 %	18 ¢	\$416 M
Norfolk City	26,884	\$42 M	29 %	17 ¢	\$525 M
Northampton	1,400	\$1 M	35 %	11 ¢	\$17 M
Northumberland	1,200	\$1 M	24 %	5 ¢	\$14 M
Norton City	750	\$2 M	30 %	49 ¢	\$27 M
Nottoway	1,950	\$1 M	12 %	25 ¢	\$15 M
Orange	5,100	\$5 M	18 %	11 ¢	\$64 M
Page	3,100	\$3 M	32 %	18 ¢	\$35 M
Patrick	2,350	\$1 M	14 %	17 ¢	\$14 M
Petersburg City	3,950	\$5 M	18 %	34 ¢	\$67 M
Pittsylvania	8,100	\$5 M	14 %	12 ¢	\$60 M
Poquoson City	2,100	\$1 M	12 %	9 ¢	\$14 M
Portsmouth City	13,200	\$13 M	15 %	14 ¢	\$156 M
Powhatan	4,200	\$4 M	10 %	11 ¢	\$49 M
Prince Edward	2,100	\$3 M	18 %	23 ¢	\$40 M
Prince George	6,400	\$4 M	14 %	13 ¢	\$47 M
Prince William	90,654	\$113 M	18 %	11 ¢	\$1405 M
Pulaski	3,950	\$4 M	15 %	18 ¢	\$55 M
Radford City	1,550	\$2 M	24 %	25 ¢	\$26 M
Rappahannock	750	\$1 M	35 %	5 ¢	\$7 M
Richmond City	24,960	\$52 M	28 %	15 ¢	\$651 M
Richmond County	950	\$1 M	14 %	12 ¢	\$9 M
Roanoke City	13,600	\$32 M	26 %	25 ¢	\$404 M
Roanoke County	13,820	\$16 M	11 %	14 ¢	\$193 M
Rockbridge	2,400	\$2 M	24 %	13 ¢	\$30 M
Rockingham	11,600	\$15 M	16 %	12 ¢	\$184 M

Locality	Enrollment	Est. FY26 1% Tax	Visitor Share	RE Tax Equiv.	20-Yr Bonding
Russell	3,500	\$3 M	11 %	29 ¢	\$36 M
Salem City	3,750	\$9 M	26 %	25 ¢	\$115 M
Scott	3,100	\$2 M	12 %	32 ¢	\$30 M
Shenandoah	5,700	\$8 M	25 %	15 ¢	\$93 M
Smyth	4,100	\$4 M	18 %	25 ¢	\$46 M
Southampton	2,650	\$1 M	12 %	14 ¢	\$17 M
Spotsylvania	23,800	\$32 M	24 %	13 ¢	\$396 M
Stafford	31,700	\$24 M	12 %	11 ¢	\$302 M
Staunton City	2,700	\$6 M	28 %	22 ¢	\$76 M
Suffolk City	14,300	\$17 M	11 %	13 ¢	\$209 M
Surry	650	\$ M	15 %	5 ¢	\$4 M
Sussex	1,050	\$1 M	22 %	15 ¢	\$10 M
Tazewell	5,400	\$5 M	12 %	29 ¢	\$67 M
Virginia Beach City	65,078	\$99 M	34 %	12 ¢	\$1227 M
Warren	5,150	\$6 M	28 %	11 ¢	\$80 M
Washington	6,950	\$8 M	22 %	13 ¢	\$105 M
Waynesboro City	2,950	\$6 M	25 %	25 ¢	\$80 M
Westmoreland	2,100	\$1 M	18 %	11 ¢	\$17 M
Williamsburg City	850	\$8 M	62 %	18 ¢	\$105 M
Winchester City	4,250	\$15 M	38 %	16 ¢	\$181 M
Wise	5,200	\$4 M	12 %	39 ¢	\$51 M
Wythe	3,850	\$5 M	28 %	18 ¢	\$60 M
York	12,900	\$14 M	41 %	11 ¢	\$177 M

Data Methodology and Verification

1. Student Enrollment (VDOE Fall Membership)

Data Source: Virginia Department of Education 2024-2025 Fall Membership Report. Official 2025-2026 counts are typically finalized by the VDOE in late February 2026. The Total Membership column includes all students PK-12 as of the September 30, 2024 census, the official headcount used for the FY26 state funding formula.

2. 1% Sales Tax Revenue (FY 2026 Estimates)

Data Source: Virginia Department of Taxation, FY 2026 Local Option Estimates. Projected revenue is based on the Department of Taxation's statewide economic forecast for FY26, adjusted for local retail historical performance, and provides a conservative floor for all 133 localities.

3. Real Estate Tax Equivalent

Data Source: Auditor of Public Accounts, FY 2025 Comparative Report. This metric identifies the Penny Offset, the amount the real estate tax rate would otherwise have to rise to generate identical revenue, the primary argument used to win over property owners and farmers.

4. Visitor Contribution Methodology (The Tax Export Factor)

A visitor is defined, per Virginia Tourism Corporation standards, as a person traveling 50+ miles one-way from their place of residence or staying overnight in the locality in paid accommodation. The Visitor Share is derived from lodging spend (100% share), food and beverage spend (60% share), and general retail spend (20% share), compared to total local sales tax collections. This methodology supports the tax export argument: a sales tax exports a portion of school construction costs to people who do not live or vote in the county but use its infrastructure.

Locality Type	Typical Visitor Share	Primary Driver
Tourism Hub (e.g., Williamsburg, VA Beach)	45% - 60%	High lodging and attraction spend.
Corridor County (e.g., Wythe, Halifax, Henry)	25% - 35%	High fuel/F&B spend from I-81 or Hwy 58 travelers.
Commuter/Suburban (e.g., Stafford, Chesterfield)	15% - 20%	Business travel and regional retail leakage.

5. 20-Year Bonding Capacity

Financial assumptions: a 20-year General Obligation bond, a 5.0% interest rate (2026 planning-level conservative estimate), 1.1x debt service coverage (assumes 90% of revenue pledged to debt), and a bonding multiplier of 12.46 applied to annual revenue to determine the principal a locality could receive for construction today.