

# DEPARTMENT OF TAXATION

## 2022 Fiscal Impact Statement

1. **Patron** Chris S. Runion

2. **Bill Number** HB 148

3. **Committee** Passed House and Senate

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

4. **Title** Certified Pollution Control Equipment;  
Certification by Subdivisions

**Second House:**

           **In Committee**

           **Substitute**

      X       **Enrolled**

### 5. **Summary/Purpose:**

This bill would provide that, for pollution control equipment used as part of a political subdivision's water, wastewater, stormwater, or solid waste management facilities or systems, such equipment may be certified by the political subdivision itself instead of by a state certifying authority.

Under current law, there is a Retail Sales and Use Tax and local property tax exemption for pollution control equipment that has been certified to the Department of Taxation by a state certifying authority as having been constructed, reconstructed, erected, or acquired in conformity with the state program or requirements for abatement or control of water or atmospheric pollution or contamination.

If enacted during the regular session of the 2022 General Assembly, this bill would become effective July 1, 2022.

6. **Budget amendment necessary:** No

7. **No Fiscal Impact:** (See Line 8.)

### 8. **Fiscal implications:**

#### Administrative Costs

The Department considers implementation of this bill as routine and does not require additional funding.

#### Revenue Impact

As this bill simply provides an alternative method of having pollution control facilities certified, it should have no impact to state or local revenues.

**9. Specific agency or political subdivisions affected:**

All Localities  
Department of Taxation

**10. Technical amendment necessary: No**

**11. Other comments:**

Current Law

Under current law, there is a Retail Sales and Use Tax and local property tax exemption for pollution control equipment and facilities certified to the Department of Taxation by a state certifying authority.

“Certified pollution control equipment and facilities” is defined in the *Virginia Code* as “any property, including real or personal property, equipment, facilities, or devices, used primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the Commonwealth and which the state certifying authority having jurisdiction with respect to such property has certified to the Department of Taxation as having been constructed, reconstructed, erected, or acquired in conformity with the state program or requirements for abatement or control of water or atmospheric pollution or contamination.”

Under current law, the state certifying authorities are the State Water Control Board or the Virginia Department of Health for water pollution and the Virginia Waste Management Board for waste disposal facilities.

Proposal

This bill would provide that, for pollution control equipment used as part of a political subdivision’s water, wastewater, stormwater, or solid waste management facilities or systems, such equipment may be certified by the political subdivision instead of by a state certifying authority.

The bill defines “subdivision certifying authority” as “the body of a political subdivision responsible for administering the political subdivision’s water, wastewater, stormwater, or solid waste management facilities or systems.”

A subdivision certifying authority may only certify property if the property being certified is intended for use by the political subdivision in conjunction with the operation of its water, wastewater, stormwater, or solid waste management facilities or systems.

If enacted during the regular session of the 2022 General Assembly, this bill would become effective July 1, 2022.

cc : Secretary of Finance

Date: 2/21/2022 SK  
HB148FER161