ORANGE COUNTY 1734

**ADMINISTRATION**

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# MEMORANDUM

**TO:** **Orange County Board of Supervisors**

**FROM:** **LaToya M. Smith, Chief Deputy Clerk** LMS

**THROUGH:** **Glenda B. Paul, County Administrator**

**DATE:** **July 14, 2026**

**SUBJECT:** **Resolution Initiating Referendum for Local General Retail Sales Tax for School Construction Projects**

Summary

This item has been placed on the agenda for consideration of a resolution initiating the process to place a referendum before the voters of Orange County at the November 3, 2026 General Election regarding the imposition of an additional local general retail sales tax of up to one percent (1%).

Effective July 1, 2026, amendments to the Code of Virginia authorize Orange County to levy an additional local general retail sales tax at a rate not to exceed one percent (1%) for the sole purpose of generating revenue for capital projects involving the construction or renovation of public schools serving the County. Under Virginia law, the tax may only be imposed if approved by a majority of voters in a local referendum initiated by resolution of the governing body.

The proposed resolution would:

- Initiate a referendum pursuant to Virginia Code §§ 24.2-684 and 58.1-605.1;
- Establish a proposed expiration date of **July 14, 2046** for the tax;
- Approve the proposed ballot question for submission to the Circuit Court;
- Direct the County Attorney to forward an attested copy of the resolution to the Clerk of the Orange County Circuit Court for consideration, approval, and processing in accordance with applicable statutory requirements in preparation for the November 3, 2026 election; and
- Authorize the County Attorney, County Administrator, Deputy County Administrator, and Assistant County Administrator to take all actions necessary to complete the referendum process as required by law.

Adoption of the resolution does not impose the additional sales tax. Rather, it initiates the statutory process necessary to allow the question to be presented to the voters of Orange County. If approved by the electorate, revenues generated from the tax may be used solely for capital projects involving the construction or renovation of public schools serving Orange County and would expire on July 14, 2046.

**Recommended Action**

**Adopt the attached resolution initiating a referendum on the question of authorizing an additional local general retail sales tax of up to one percent (1%) for the sole purpose of providing revenue for capital projects involving the construction or renovation of public schools serving Orange County.**

Attachment

Resolution of the Orange County Board of Supervisors Initiating a Referendum for Imposition of a Local General Retail Sales Tax Not to Exceed 1% for School Capital Projects.

**RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, VIRGINIA REQUESTING A REFERENDUM ON A LOCAL GENERAL RETAIL SALES TAX FOR SCHOOL CAPITAL PROJECTS**

**WHEREAS,** effective July 1, 2026, the Virginia General Assembly has enacted its biennial budget and appropriation legislation **("Budget Bill")** for the biennium commencing July 1, 2026 and ending June 30, 2028;

**WHEREAS,** the Budget Bill enacts amendments to Sections 58.1-605.1 and 58.1-606.1 of the Code of Virginia of 1950, as amended **(the "Code")**, authorizing the governing body of any county or city to levy a general retail sales and use tax at a rate not to exceed one percent, provided that such tax is approved by referendum and the revenues are used solely for capital projects for the new construction or major renovation of schools serving the county or city, including related bond and loan financing costs;

**WHEREAS,** such general retail sales and use tax, if approved by the qualified voters and imposed by ordinance of the Board of Supervisors **(the "Board of Supervisors")** of Orange County, Virginia **(the "County")**, shall be added to the rates of the state and local sales and use taxes, shall be administered and collected by the County's Commissioner of the Revenue as provided by law, and shall not be levied on food purchased for human consumption or essential personal hygiene products as defined in Section 58.1-611.1 of the Code;

**WHEREAS,** Section 58.1-605.1 of the Code, as amended by the Budget Bill, requires that the referendum be initiated by resolution of the local governing body, that the resolution state the date by which any bonds or loans financing the school capital projects shall be repaid or, if bonds or loans are not used, the date on which the sales tax shall expire, and that the expiration date shall not be more than twenty years after the date of the initiating resolution;

**WHEREAS,** Section 24.2-684 of the Code provides that no referendum shall be placed on the ballot unless specifically authorized by statute or charter and that any referendum question submitted to the voters of a county shall be held pursuant to a court order stating the question to appear on the ballot in plain English;

**WHEREAS,** the Board of Supervisors has determined that it is in the best interests of the County to request that the Circuit Court of Orange County, Virginia enter an order calling a referendum to be held on November 3, 2026, on whether the County may levy a general retail sales tax at a rate not to exceed one percent for school capital projects;

**WHEREAS,** revenues from such general retail sales tax shall be used solely for capital projects for new construction or major renovation of schools serving the County, including bond and loan financing costs related to such construction or renovation.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Orange County, Virginia, as follows:

1. The Board of Supervisors hereby initiates, pursuant to Section 58.1-605.1 of the Code, as amended by the Budget Bill, and Section 24.2-684 of the Code, a referendum to be submitted to the qualified voters of the County on whether the County shall be authorized

to levy a general retail sales tax at a rate not to exceed one percent to provide revenue solely for capital projects for the new construction or major renovation of schools in the County.

2. The general retail sales tax, if approved by referendum and thereafter imposed by ordinance of the Board of Supervisors, shall be used solely for capital projects for new construction or major renovation of schools serving the County, including bond and loan financing costs related to such construction or renovation. If approved by referendum, the County expects to authorize by ordinance a corresponding use tax as provided under Section 58.1-606.1 of the Code.

3. The Board of Supervisors states that the school capital projects to be funded with revenues from the general retail sales tax may be financed by bonds or loans, and such general retail sales tax shall expire on the date by which such bonds or loans are repaid, such bonds or loans expected to mature annually for a period of twenty years or longer; provided that such expiration date shall not be later than July 14, 2046.

4. For any such capital projects for the construction or major renovation of schools in the County not financed by bonds or loans, the tax levied pursuant to this Resolution, if approved by referendum, shall expire on July 14, 2046.

5. The Board of Supervisors hereby requests that the Circuit Court of Orange County, Virginia enter an order requiring County election officials to conduct a special election for the qualified voters of the County to be held on November 3, 2026, the day of the general election, and that the referendum question be placed on the ballot in substantially the following form:

   Shall Orange County, Virginia be authorized to levy a general retail sales tax at a rate not to exceed one percent, with the revenues to be used solely for capital projects for new construction or major renovation of schools serving Orange County, Virginia including related bond and loan financing costs, and with the tax expiring on July 14, 2046?

   (___) Yes

   (___) No

6. The County Attorney and Sands Anderson PC as special counsel to the County are authorized and directed to prepare and file any and all documents necessary to effectuate this request before the Circuit Court of Orange County, Virginia.

7. The Clerk or any Deputy Clerk of the Board of Supervisors or other agent or employee of the County is hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of Orange County, Virginia.

8. This Resolution and the provisions contained herein shall become effective immediately upon adoption.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County hereby certifies that the Resolution set forth above was adopted during an open meeting on July __, 2026, by the Board of Supervisors with the following votes:

Aye:

Absent:

Nay:

Abstentions:

Signed this ___ day of July, 2026.

By: ___________________________
Clerk, Board of Supervisors of Orange County, Virginia

**VIRGINIA:**

**IN THE CIRCUIT COURT FOR ORANGE COUNTY, VIRGINIA**

**IN RE: REFERENDUM ON GENERAL RETAIL SALES TAX FOR SCHOOL CAPITAL PROJECTS ORANGE COUNTY, VIRGINIA BOARD OF SUPERVISORS,**

**Petitioner.** **Case No. ____________________**

**PETITION FOR ORDER FOR REFERENDUM**

COMES NOW the petitioner, the Board of Supervisors **(the "Board")** of Orange County, Virginia **(the "County")**, by counsel, and petitions this Court **(the "Court")** for entry of an order calling a referendum pursuant to Sections 58.1-605.1, 58.1-606.1, 24.2-682, and 24.2-684 of the Code of Virginia, 1950, as amended, **(the "Code")** and states as follows:

1. The Board is the governing body of the County.
2. Sections 58.1-605.1 and 58.1-606.1 of the Code, as amended by the 2026-2028 biennium budget bill effective July 1, 2026, authorize the governing body of any county or city to levy a general retail sales and use tax at a rate not to exceed one percent for capital projects for the construction or renovation of schools serving the county or city, subject to approval by referendum.
3. Section 58.1-605.1 of the Code requires that the referendum be initiated by resolution of the local governing body and that the ballot question include language stating that revenues from the sales tax shall be used solely for capital projects for the construction or renovation of schools and the date on which the sales tax shall expire.
4. Section 24.2-684 of the Code provides that a referendum question submitted to the voters of a county shall be held pursuant to a court order, that the court order shall state the

question to appear on the ballot in plain English, and that the order shall set the date for the referendum in conformity with Section 24.2-682.

5. Section 24.2-682 of the Code provides that a referendum election shall be ordered at least eighty-one days before the date for which the referendum election is called. November 3, 2026, is a Tuesday and is the date of the next general election.

6. On July 14, 2026, the Board duly adopted a resolution **(the "Resolution")** initiating a referendum on whether the County may levy a general retail sales tax at a rate not to exceed one percent for school capital projects. A certified copy of the Resolution is attached as **Exhibit A**.

7. The Board has stated in the Resolution that the revenues from the general retail sales tax shall be used solely for capital projects for new construction or major renovation of schools serving the County, including bond and loan financing costs related to such construction or renovation.

8. The Board has stated in the Resolution that the school capital projects may be financed by bonds or loans and that the additional general retail sales tax shall expire on the date by which such bonds or loans are repaid; provided that such expiration date shall not be later than July 14, 2046.

9. The Board requests that:

   a. The following question be submitted to the qualified voters of the County at a referendum election to be held on November 3, 2026:

      Shall Orange County, Virginia be authorized to levy a general retail sales tax at a rate not to exceed one percent, with the revenues to be used solely for capital projects for new construction or major renovation of schools serving Orange County, Virginia including related bond and loan financing costs, and with the tax expiring on July 14, 2046?

(___)Yes

(___)No

b. The Court directs the General Registrar of the County to prepare the ballot for use with the question stated as set forth above and distribute the ballot to the appropriate precincts.

c. The Court find that the requested referendum is specifically authorized by statute, has been initiated by resolution of the local governing body and shall be ordered for November 3, 2026.

d. The day on which the Court enters the order on or before August 14, 2026, such day being the 81st day prior to November 3, 2026 and the last day upon which the order may be entered if the referendum is to occur on November 3, 2026.

WHEREFORE, the Board respectfully requests that the Court enter the proposed order submitted with this petition **(the "Petition")**, authorize this referendum election to be held in the County on November 3, 2026, direct that the referendum question be placed on the ballot in the form stated in the order, and grant such other relief as may be appropriate.

Respectfully submitted,
**BOARD OF SUPERVISORS OF**
**ORANGE COUNTY, VIRGINIA**
By Counsel

_______________________________________

Andrew McRoberts, Esquire (VSB # __________)
Sands Anderson PC
919 East Main Street, P.O. Box 1998
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(804) 783-7211 Direct / (804) 648-1636 Office
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*Counsel to Board of Supervisors of Orange County, Virginia*

## CERTIFICATE OF SERVICE

I certify that on this ____ day of _______________, 2026, a true copy of the foregoing Petition and the proposed order was delivered to the Clerk of the Circuit Court of Orange County, the Orange County General Registrar, the Secretary of the Orange County Electoral Board, and __________.

______________________________

*Counsel for Petitioner*

**V I R G I N I A:**

**IN THE CIRCUIT COURT FOR ORANGE COUNTY, VIRGINIA**

**IN RE: REFERENDUM ON GENERAL RETAIL SALES TAX FOR SCHOOL CAPITAL PROJECTS ORANGE COUNTY, VIRGINIA BOARD OF SUPERVISORS,**

**Petitioner.** **Case No. _______________**

**ORDER FOR REFERENDUM**

Upon the Petition for an Order for Referendum filed by the Board of Supervisors **(the "Board")** of Orange County, Virginia **(the "County")**, by counsel, requesting that the QUESTION, "Shall Orange County, Virginia be authorized to levy a general retail sales tax at a rate not to exceed one percent, with the revenues to be used solely for capital projects for new construction or major renovation of schools serving Orange County, Virginia, including related bond and loan financing costs, and with the tax expiring on July 14, 2046?" be put before the qualified voters on November 3, 2026, the next scheduled general election.

1. Sections 58.1-605.1 and 58.1-606.1 of the Code of Virginia, 1950, as amended **(the "Code")**, as amended by the 2026-2028 biennium budget bill effective July 1, 2026, authorize the governing body of any county or city to levy a general retail sales and use tax at a rate not to exceed one percent for capital projects for the construction or renovation of schools serving the county or city, subject to approval by the qualified voters at a referendum held pursuant to Section 24.2-681 *et seq.* of the Code.
2. Section 24.2-682(B) of the Code states, "[a] referendum elections shall be ordered at least 81 days prior to the date for which the referendum election is called."

3. The Board requests that the date of November 3, 2026, which is the date of the next scheduled general election, be the date of the referendum to put before the voters the question of authorizing the County to levy a general retail sales tax at a rate not to exceed one percent for capital projects for new construction or major renovation of schools serving the County.
4. Section 24.2-684 of the Code requires that "[t]he order shall be entered and the election held within a reasonable period of time subsequent to the receipt of the request for the referendum if the request is found to be in proper order. The court order shall set the date for the referendum in conformity with the requirements of § 24.2-682."

**IT IS, ACCORDINGLY, HEREBY ORDERED and DECREED** that (i) the Petition be granted and a referendum shall be held at the next general election on Tuesday, November 3, 2026, (ii) the General Registrar of the County prepare the ballot for use with the question stated as set forth below and distribute the ballot to the appropriate precincts and (iii) the QUESTION, "Shall Orange County, Virginia be authorized to levy a general retail sales tax at a rate not to exceed one percent, with the revenues to be used solely for capital projects for new construction or major renovation of schools serving Orange County, Virginia, including related bond and loan financing costs, and with the tax expiring on July 14, 2046?

(___) Yes

(___) No"

be put before the qualified voters.

The County is directed to publish notice of this referendum in a newspaper published or having general circulation in the County at least once a week for three (3) consecutive weeks before the election, pursuant to Section 58.1-605.1 of the Code.

The Clerk of this Court is directed to send a certified copy of this Order forthwith to the State Board of Elections, pursuant to Section 24.2-684 of the Code, and to counsel for the County.

ENTERED this _____day of __________, 2026.

________________________________________
JUDGE

ENTRY REQUESTED BY:

______________________

Andrew McRoberts, Esquire (VSB # __________)
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**Timeline for Referendum on 1% Sales Tax for School Construction/Renovation**

| Date | Required Item |
|---|---|
| 7/22/2026 | General Assembly approval of budget amending §58.1-605.1 effective 7/1/2026 |
| 7/14/2026 | Resolution of BOS seeking referendum question ( §58.1-605.1) |
| 7/15/2026 | Send request for Court Order to Circuit Court ( §24.2-684) |
| NLT 7/20/2026 | Copy of Ordinance must be forwarded to Tax Commissioner within 5 days of adoption |
| NLT 8/14/2026 | Receive Court Order not less than 81 days prior to final election date of 11/3/2026 (§24.2-682) |
| NLT 8/14/2026 | Clerk immediately sends Order to State Board of Elections ( §24.2-684) |
| 8/27/2026 | Clerk notices referendum in newspaper for 3 consecutive weeks prior to referendum (§58.1-605.1) |
| 9/3/2026 | Clerk notices referendum in newspaper for 3 consecutive weeks prior to referendum (§58.1-605.1) |
| 9/10/2026 | Clerk notices referendum in newspaper for 3 consecutive weeks prior to referendum (§58.1-605.1) |
| 9/18/2026 | Early in-person voting begins for final election date of 11/3/2026 (Va. Department of Elections) |
| 11/3/2026 | Election Day/date of referendum |
| 11/13/2026 | Certification of results by Electoral Board |
| 12/10/2026 | 1st notice on public hearing on referendum ordinance ( §15.2-1427) - 25 days before hearing |
| 12/24/2026 | 2nd notice on public hearing on referendum ordinance ( §15.2-1427) - 11 days before hearing |
| 1/12/2027 | Public hearing on referendum ordinance |
| 5/12/2027 | Earliest effective date of 1% sales tax for school construction/renovation/capital |
| 7/1/2027 | Probable effective date of 1% sales tax for school construction/renovation/capital |