

Response to Questions on the FY 2005 Advertised Budget Plan

Request By: Supervisor Hudgins

Question: What is the status of the enabling legislation on the Meals Tax for local referendum and what is the process for putting the Meals Tax to referendum?

Response: Senate Bill 643, which was passed by the Senate, would have granted the Fairfax County Board of Supervisors, through unanimous approval, the authority to impose a food and beverage tax without conducting a local referendum. Senate Bill 643 was defeated in the House Finance Committee on March 1, 2004. This action has no impact on the County's ability to place a referendum before the voters of Fairfax County.

To conduct a voter referendum on a meals tax, the Board would have to petition the Circuit Court for an order approving the referendum and then submit the proposed referendum to the United States Department of Justice for federal pre-clearance in accordance with Section 5 of the federal Voting Rights Act of 1965. This process would take approximately four months before the referendum could be placed on the ballot. After voter approval by referendum, the legislative authority to levy a meals tax does not expire and there are no restrictions regarding the use of funds generated from the meals tax.

A referendum on the imposition of a food and beverage tax was conducted on April 7, 1992, but the proposal was defeated by a vote of 59,270 to 43,560.