

Virginia recently enacted a law that authorizes all Virginia localities to enact an additional one percent local sales tax which can only be used for the purpose of providing funding for school capital projects for the construction or renovation of schools. Before this law was enacted, only nine localities in Virginia had been granted authority to enact an additional one percent local sales tax for school capital projects and all nine of those had enacted the tax.

The new law does not allow the proceeds from the tax to be used for any purpose other than school capital projects for construction and renovation of schools. Proceeds from the tax cannot be used to pay school debt incurred before the tax is enacted.

The tax would not apply to grocery food items or to essential personal hygiene products.

The new law requires that, before enacting the tax, a locality must first hold a referendum providing the citizens of the locality with the opportunity to vote on whether the tax for school capital projects should be enacted. In accordance with that requirement, Pulaski County took the steps necessary to place the question on the November 3, 2026 ballot. The following question will appear on the November 3, 2026 ballot:

“Should Pulaski County, Virginia levy a one percent (1%) sales tax to provide revenue solely for capital projects for the construction or renovation of Pulaski County Public Schools and to expire on June 30, 2046?

☐ Yes

☐ No”

If a majority of those voting in the Referendum vote “yes”, Pulaski County may enact the one percent sales tax for school capital projects.

If enacted by Pulaski County, the revenue generated from collection of the tax would be used solely for capital projects at Pulaski County Public Schools (“PCPS”) facilities, as required by law. PCPS could include the anticipated annual sales tax revenue in its annual budget process, which would allow PCPS to develop an achievable long-range capital improvement plan that addresses currently identified capital improvement needs and have funds available to address capital improvement needs that arise on a year-to-year basis.

PCPS recently published a list of Capital Needs of School Facilities (the “Capital Needs Plan”), which can be viewed on the PCPS website at www.pcva.us . The Capital Needs Plan provides the estimated costs of each of the projects on the Capital Needs Plan. The current total estimated cost of all projects on the Capital Needs Plan is \$87,506,750.00. Projects identified on the Capital Needs Plan are among those that could be funded using revenues from the one percent sales tax.