RESOLUTION INITIATING A REFERENDUM PURSUANT TO SECTION 58.1-605.1 OF THE CODE OF VIRGINIA TO AUTHORIZE IMPOSITION OF A LOCAL GENERAL RETAIL SALES TAX NOT TO EXCEED ONE PERCENT, THE PROCEEDS OF WHICH WOULD BE USED SOLELY FOR CAPITAL PROJECTS FOR THE CONSTRUCTION OR RENOVATION OF PUBLIC SCHOOLS SERVING THE CITY OF CHARLOTTESVILLE

WHEREAS, Section 58.1-605.1 of the Code of Virginia authorizes qualifying localities to levy a general retail sales tax at a rate not to exceed one percent to provide revenue solely for capital projects for the construction or renovation of schools; and

WHEREAS, revenues from any such tax may be used solely for capital projects for new construction or major renovation of schools, including bond and loan financing costs related to such construction or renovation; and

WHEREAS, such tax may be levied only if approved by referendum within the City, held in accordance with Virginia Code § 24.2-684 and initiated by resolution of the Charlottesville City Council; and

WHEREAS, the Charlottesville City Council desires to initiate such a referendum for the purposes set forth herein; and

WHEREAS, if approved by referendum and subsequently imposed by ordinance, any such tax shall expire on June 30, 2046; and

WHEREAS, the City Council desires to preserve the City's ability to use revenues from such tax to pay directly for eligible school construction or renovation projects, to pay bond or loan financing costs related to such projects, or to use any lawful combination of financing methods, provided that the tax shall expire on June 30, 2046.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville, Virginia:

1. The Charlottesville City Council hereby requests that the Circuit Court of the City of Charlottesville order and fix a referendum to be held in the City of Charlottesville on November 3, 2026, the date of the November 2026 general election, pursuant to Virginia Code §§ 24.2-684 and 58.1-605.1 on the issue of whether the City may levy a local general retail sales tax at a rate not to exceed one percent, the revenues of which shall be used solely for capital projects for the construction or renovation of public schools serving the City of Charlottesville.

2. Any tax approved by referendum and subsequently imposed by ordinance pursuant to Virginia Code § 58.1-605.1 shall expire on June 30, 2046.

3. Revenues from any such tax may be used solely for capital projects for the construction or renovation of schools serving the City of Charlottesville, including bond or loan financing costs related to such construction or renovation. To the extent revenues from such tax are used for bond or loan financing costs, the date by which such bonds or loans are to be repaid from revenues of the tax shall be June 30, 2046.

4. Nothing in this Resolution shall prohibit the City from using other legally available revenues or financing sources for school capital projects, provided that revenues from any

tax approved by referendum and imposed pursuant to Virginia Code § 58.1-605.1 shall be used only as authorized by that section and shall not be collected after June 30, 2046.

5. The language to appear on the ballot on the referendum is proposed by the Charlottesville City Council to be as follows:

   Shall the City of Charlottesville, Virginia be authorized to levy a local general retail sales tax at a rate not to exceed one percent (1%), the revenues of which shall be used solely for capital projects for the construction or renovation of public schools serving the City of Charlottesville, and which shall expire on June 30, 2046?

6. The City Attorney, City Manager, Clerk of Council, and such other appropriate officers and staff of the City are authorized and directed to execute, deliver, and file all documents, pleadings, petitions, certificates, and instruments, and to take all further actions as may be necessary or appropriate to carry out the purposes of this Resolution. The City Attorney, City Manager, and Clerk of Council are further authorized to make non-substantive, conforming modifications to the proposed ballot question and related court filings as may be necessary to conform to the requirements of the Circuit Court, the State Board of Elections, the City Electoral Board, or the General Registrar, provided that the ballot question shall continue to state that the revenues from the tax shall be used solely for capital projects for the construction or renovation of schools and that the tax shall expire on June 30, 2046.

7. A copy of this Resolution shall be forwarded by the Clerk of Council to the Clerk of the Circuit Court for consideration and approval by the Court, if deemed to be in order, and for processing and publication in accordance with state law.

8. An attested copy of this Resolution shall be forwarded by the Clerk of Council to the Registrar and the Electoral Board of the City of Charlottesville.

9. The recitals to this Resolution are incorporated by reference and are declared to be findings of the Council in connection with its adoption of this Resolution.

10. This Resolution shall take effect immediately.