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Highland proposes 1 cent tax hike

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BY JOHN BRUCE • STAFF WRITER

MONTEREY – Highland County supervisors proposed adjusting the fiscal 2019 budget upward by one cent to cope with a \$20 million countywide land value drop believed to result from the proposed Atlantic Coast Pipeline and the Virginia Outdoors Foundation.

Monday, supervisors mentioned neither while grappling with the shortfall and voting to adjust the tax rate from 42 to 43 cents per \$100 assessed value, drawing about \$390,000 from the \$2.8 million general fund and heavily cutting budget requests.

County administrator Roberta Lambert said fallen land values would mean the one-cent difference is really an adjustment. “Since the reassessment went down, that’s not an increase. Overall, it’s just an adjustment,” Lambert said.

Board chair Harry Sponaugle asked last week why the reassessment fell nearly 3 percent, from \$691,569,200 to \$671,075,400. Lambert said the reassessor did not provide her with an explanation.

But two reasons for the real estate income shortfall almost certainly have at least partly to do with the proposed Atlantic Coast Pipeline.

First, the Virginia Outdoors Foundation swapped the 1,034-acre Hayfields Farm with open space land grant easements, mostly in northern Bath County, to allow the pipeline route to pass through them. What was the second-largest taxpaying parcel in Highland is no longer taxable, having been transferred from private to state ownership. The deal permanently erased almost \$19,000 from county coffers annually.

Secondly, land devaluation within the pipeline construction zone accounts for an undetermined, possibly much larger, portion of the devaluation than the Hayfields cut in county income.

Highland County Reassessment Office records showed an average 36 percent decline in land values along Valley Center Road within a half-mile of the proposed pipeline centerline. Twelve tax parcels showed decreases ranging from 10 to 67 percent, with deeper devaluations closer to the pipeline route centerline.

Six of the parcels fell 29 percent or more. That was nearly triple the land value plunge forecast by a citizen group.

Overall, local 2019 income was projected to decline by 3.3 percent, from \$7,622,444 to \$7,373,604.

Besides property taxes, major drops were expected in education and social services resources.

Supervisors set a public hearing for 7:30 p.m. May 1 in the modular conference room to weigh a proposed \$7.8 million spending package, trimming \$114,000 from the county school request, for a total county share of \$4,397,651.

The budget cuts about \$150,000 from the sheriff's office request, leaving only enough to cover communications equipment priorities and excluding a school resource officer.

The hearing will afford residents opportunity to comment on raising the tax rate from 42 to 43 cents, leaving the personal property tax rate at \$2.50, the machinery tax at \$1, and the merchant capital tax at \$1.

Treasurer Lois White noted tax bills for the first half of 2018 will be due June 5, and she hopes to send them about two weeks in advance.

Supervisor David Blanchard noted schools have received a larger share of county money from year to year, and the county has just experienced a revenue loss. He acknowledged the challenge for schools was a hefty paid health insurance increase and hiring a new teacher.

"I feel in two years we could be looking at a \$500,000 increase in the school budget," Blanchard said. "That could be tough. As of now, I don't know where we are."

"We're looking at zero growth," supervisor Kevin Wagner said. He stressed he would not support continuing state or federally funded projects that have been eliminated.

Sponaugle added the board was awaiting a recommendation from the county EMS citizens committee on whether to hire more paid personnel to handle rescue services. The legislature passed a bill allowing Highland to set an enterprise fee to pay for a staff effective July 1.

The next regular meeting is 7:30 p.m. Tuesday, May 1 in the modular conference room.