

Haywood County “Toeprints”

April 28, 2011

Vol. #2 Issue #18 (Subject: * **SPECIAL EDITION** * **Revenue Neutral Revaluation - the myth exposed.**)

www.haywoodtp.net

What’s Happening?

This is a **SPECIAL EDITION** of Toeprints... The purpose of this newsletter is to inform Haywood County Taxpayers of what transpires at the bi-monthly County Commission Meetings. This newsletter will be written from the perspective of a casual observer, myself. Any opinions expressed will be mine.

Outstanding County Employee.

From time to time, in a small way, I honor those county employees that (to me) perform outstanding work. It’s always easy to find fault with people, and just as easy to recognize outstanding qualities. This is the sixth (6th) person named on the outstanding list. The list is now:

- Rebecca Morgan Admin. Assist. to M. Stamey
- Julie Davis Finance Director
- Marty Stamey County Manager
- Judy Hickman Business Tax Assessor
- Sherri Rogers Register of Deeds
- Teresa Starrs (New) Secretary to **Rose Johnson**, HCC

Mrs. Starrs is not really a county employee, I suppose, but she works for Haywood Community College, as secretary to the President of the College, and that’s close enough. She has responded over and above any and all requests I have made for information (of what she is allowed to provide) during this period of my attempting to gain information about this Solar Thermal Project at HCC. She is a pleasure to work with! When **Rose Johnson’s** [U] term expires, Teresa Starrs should seriously be considered for interim President of HCC.

Revenue Neutral Revaluation.

What is Revenue Neutral Revaluation? At first, when we were told we were going to have a Revaluation three (3) years before we were required to, during an economic downturn, we (I) was told, “Don’t worry, it’s going to be a Revenue Neutral Revaluation”. “Whew!”, I thought, that’s nice.

Now that things are getting down to the wire, I thought I would actually see how this Revenue Neutral Stuff worked.

Initially, I was told that in a Revenue Neutral Revaluation, the money the County takes in with Property Taxes will be the same after the revaluation as it was before. I was told that if total assessment values rose or fell, the tax rate (currently .514 per \$100) would be adjusted accordingly to match the new assessment values.

Wrong. 

Then I was told that in addition to the new property assessments, the overall value of the entire county would also affect the adjusted tax rate. I was told that if the value rose, the tax rate would be adjusted (increased) to take into account the increased value of other things, like personal property, Public Service Companies, etc..

Wrong. 

Revenue Neutral Revaluation - debunked!

I had an opportunity to sit down with Julie Davis, Director of Finance (she is on the Outstanding County Employee List), and she explained...

- Revenue Neutral is an **analyzing tool**.
- Commissioners **do not** need to adopt the result.
- Commissioners **are not** required to implement it.
- The Budget Officer (Julie) calculates and publishes it.
- Usually published in the Budget Report.
- Board of Commissioners decide the final Tax Rate.

That’s it in a nutshell. “Why aren’t County Commissioners required to adhere to the calculated value?”, I asked.

- Because, it was explained, that would mean that Raleigh would be setting the tax rate, and there is no General Statue that mandates tax rates for counties.

“What about taking into account the “increased” value of properties in the county, and upping the rate based on that?”, I asked.

- The County Commissioners will set the tax rate to match the Budget Requirements. In our case, the Budget is created principally by Marty Stamey and Julie Davis (both fortunately on the Outstanding County Employee List).

I was provided with a set of data, representing values of the county (all property) from 2006 through 2011, and this originally came from David Francis, Tax Collector. For comparison, I looked up the values of Total Assessed Valuation in the CAFR (Certified Annual Financial Report), for the years 2005 - 2011. They are both summarized in the following table :

Year	Francis	CAFR
2005	[not available]	\$ 4,757,892,141
2006	\$ 5,983,379,792	\$ 4,982,857,214
2007	\$ 6,257,155,922	\$ 6,499,230,181
2008	\$ 6,530,671,982	\$ 6,771,497,642
2009	\$ 6,684,214,356	\$ 7,039,518,034
2010	\$ 6,787,564,357	\$ 7,196,429,119
2011	\$ 6,791,618,290	[not available]

- Thousands of dollars spent for bleachers,
- \$12M spent for the Old Walmart Building,
- \$11.4M for the Creative Arts Building,
- \$3/4 Million to bail out the Haywood County Fairgrounds,
- Increasing county debt to over \$85M,
- Making up the difference for sluggish Sales Tax Revenue,
- **Your Tax Increase**,
- Etc., Etc., Etc...

Some comments.

- The two columns do not match.
- Both columns represent higher numbers that are in any Haywood County Taxpayer checking account.
- Both columns increase steadily each year.

“What numbers do the Budget Officer (Julie) base her Revenue Neutral calculations on?”

- Neither.



Julie Davis bases her calculations on TR1.

“What is TR1?”

- TR1 is Tax Report One. This is a tax report from the NC Department of Revenue. It comes to Julie, Julie passes it to Judy Ballard, Tax Assessor, and Judy Ballard certifies that these are the appraised values. This will happen in May.

“But wait”, I said, “Judy will be busy getting adjusted assessments from the Board of Equalization and Review, which does not adjourn until June 13th. How can she make an accurate input if the Budget has to be approved on June 28th.”

- Judy Ballard has to **estimate** the appraised values and certifies that it is a guess.

“What?”, I asked.

- The whole budget is kind of a guess. That’s what budgets are.

“What about this notion of the table above (Francis and CAFR) which shows a continuous trend upwards in value, when practically every other indicator in this country shows a downward spiral in overall property values for the past two years? What about foreclosures? Don’t they count?”

- TR1 is used for the calculation. Period.

[Editors Note: It is not an election year. The county commissioners are going to do what they damn well please. By the time the election rolls around, they figure, people will have forgotten about:

Swanger [D] and Ensley [R] will be up for re-election soon.]

There is one (1) thing working in the favor of the Taxpayers of Haywood County. That is the combined effort of Marty Stamey and Julie Davis (that’s two things really, plus all the folks they have working with them), who I believe are doing the best they can to hold the line and present the commissioners with a budget as they did last year. A budget that, at a minimum, does not represent a (overall) tax increase for the Taxpayers of Haywood County.



County Commission Meeting Monday, 9:00am, 5/2/2011.

If you want to vent your anger to the County Commissioners about your new assessment at this meeting, plan on attending. Horace Edwards will plan to update **Swanger** about feelings of the community during the Public Comment Session. If you want to sign the petition, print it out on www.haywoodtp.net - click on [Haywood County Tax Petition. Print out, Sign and Bring to County Commission Meeting Monday, 4/18/2011. 4/13/2011...](#) and hand it to Horace prior to the meeting.

Day Counter for Mountaineer and SMN.

This feature shows the days since 3/30/2011 since either The Mountaineer or the Smoky Mountain News will have anything to say about the Haywood County Fairgrounds Arena Building Contract fiascos.

- The Mountaineer 29 days
- Smoky Mountain News 29 days

Legend: If any name is in **bold**, it can’t be a good thing. Brackets following a name in **bold** with [D], [R], or [U] denote the individuals party affiliation, **D**emocrat, **R**epublican or **U**naffiliated. re: Haywood County Election Office - all voters 11/18/2010.]

Advertising.

It has been suggested that this newsletter be printed and widely distributed throughout the county. That takes \$\$\$. One method for revenue is advertising. If interested, contact me, rates are reasonable. Will start with Business Cards and go from there.

Monroe A. Miller Jr.,
 Haywood County Taxpayer
 19 Big Spruce Lane
 Waynesville, NC 28786
www.haywoodtp.net