

TAZEWELL COUNTY, VIRGINIA
VACO RESOLUTION
REGARDING THE
COMMONWEALTH'S FY 2009-2010 BUDGET SHORTFALL

Whereas, Tazewell County, Virginia is committed to ensuring fiscal sustainability at the local and state levels of government because fiscal sustainability enables the Commonwealth and its local governments to provide high quality, cost effective, core public services that benefit Virginians today and for generations to come; and

Whereas, the current difficult economic and financial times require government, at all levels, to evaluate service delivery responsibilities and to determine the continued importance of programs meeting critical needs; and

Whereas, the Commonwealth must resolve an estimated 2009 and 2010 biennial revenue shortfall approaching \$3 billion that may in fact continue to escalate in the near term; and

Whereas, Tazewell County, Virginia must resolve significant local revenue shortfalls for these periods as well; and

Whereas, the Commonwealth's General Fund supports most critical core government services including public education, health and human resources, including the Comprehensive Services Act, public safety, natural resources and environmental services by dedicating almost 50 percent of the state's General Fund to local governments (with 74 percent of this funding supporting K-12 public education); and

Whereas, if one level of government establishes and ensures a priority, it is then incumbent upon that level of government to adequately fund the services necessary to meet that priority; and

Whereas, the current economic environment threatens the sustainability of these critical core public services if the Commonwealth is required to reduce its contribution to the financial partnership between the state and its local governments including Tazewell County, Virginia; and

Whereas, specific and necessary state budget reductions may impact a wide array of core public services, including but not limited to public education, the Comprehensive Service Act, and public safety, and many local governments, including Tazewell County, Virginia, will absorb

significant state reductions in 2009 and may be compelled to increase real property taxes to help ensure the continuation of vital core public services; and

Whereas, Tazewell County, Virginia stands ready to partner with the Commonwealth to make the difficult budgetary decisions required, including thoroughly evaluating programs and working together to maintain a structural balance between revenues and expenditures that promotes the long-term viability of our Commonwealth.

Now, therefore, be it resolved that the Board of Supervisors of Tazewell County, Virginia respectfully offers the following budget and revenue recommendations for the 2009 legislative session to the Governor and Virginia General Assembly including Tazewell County's Delegates and Senators:

- Budget and appropriate sufficient withdrawals from the state's Revenue Stabilization Fund ("Rainy Day Fund") to help offset necessary state budget reductions. Global and national financial markets are imbalanced; consequently, Virginia is one of many states facing a significant state revenue shortfall. The Commonwealth is required to replenish the Fund when economic conditions improve, and Tazewell County supports recapitalizing the Fund in better economic times.
- Before budgeting and appropriating necessary state budget reductions, revisit recent state tax exemptions. Since the late 1990s the state has enacted more than \$1.8 billion in net biennial tax reductions and specific General Fund transfers.
- Oppose the enactment of new unfunded and under-funded state mandates that will impose new costs on local governments. Additionally, consider repealing specific, unfunded and under-funded state mandates. In the area of public education, the Governor and Virginia General Assembly should consider providing localities and school districts maximum flexibility to i) suspend specific mandates and ii) manage specific public education reductions.
- Enact a law authorizing equal taxing authority for counties. Counties should be enabled, like cities and towns, to institute

specific taxes, including a meals tax without a referendum. The new sources of revenue would be tailored to the needs of a jurisdiction and could help local governments protect adequate funding for the core government services including K-12 public education, and reduce county dependence on property taxes.

- Consider additional possibilities for mitigating the impact of state cuts on local governments. Local governments will have to make significant cuts in services because of flat or decreasing real estate revenues. Permit local governments, at their option, to implement a one-half percent increase in the sales tax as a way to minimize the potential burden passed on to homeowners through increased real property taxes.

Furthermore, Tazewell County, Virginia offers these recommendations in the spirit of compromise and partnership to the Governor and Virginia General Assembly including Tazewell County's Delegates and Senators.

Adopted, this the 6th day of January, 2009 by the Board of Supervisors of Tazewell County, Virginia



Chairman, Dave R. Anderson

Board of Supervisors, Tazewell County, Virginia