

My name is Nancy Cartmill and I am a County Commissioner in Cabell County and President of the County Commissioner's Association of West Virginia. I also serve as Vice-President representing Commissioners on the Board of Directors of the Association of Counties.

Thank you Mr. Chairman and Honorable members of the Tax Reform Committee for allowing me this opportunity to speak to you today.

As I am sure you know, the Constitution says that the County Commission is the fiscal agent for the County. It also says our number one responsibility is to adequately fund the other elected county officials, which includes, the Sheriff, the Assessor, the County Clerk, the Circuit Clerk and the Prosecuting Attorney.

A few years ago there was a court case in Cabell County where Judge Pancake ruled that funding the County elected officials had to be done before county money could be spent for anything else. Next came paying any contractual agreements such as the Jail Bill and others. This opinion was upheld by the West Virginia Supreme Court.

Most counties are struggling financially and it has become very hard to fund anything except those things that we are required to by law.

A few years ago the West Virginia Legislature passed legislation that required Cabell County to give a percentage of its total revenue to the County Library off the top of its budget before anything else. This year that amount was 1.5 million dollars.

Legislation was also passed that required Cabell County to give a percentage of total revenue to the Park Board. This year that amount was \$500.000 .

So before we can fund anything else, we have spent 2 million dollars of our budget.

This cost along with the cost of Regional Jails has made it very hard for counties to give pay raises to county employees or even provide enough employees to meet the needs of the elected officials. We are seeing County Commissions being sued by those elected officials because they believe that their needs are not being met adequately as the law says they must. They are winning these suits.

In my county our jail bill exceeds 3 million dollars a year even though we have a great home confinement program, a day report center and a jail diversion team who work diligently to make sure alternative sentencing is available and being used.

We are the only state in the country where the jails are owned by the state, operated by the state, but, the county commission must pay for everyone arrested in the county. Counties have no say in how the jails operate, how the money is spent or how much the cost to them will be each year. We just pay the bill that is sent to us. By the way, in my county, only 12% of that jail bill belongs to the county. There is something very unfair about that.

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Each year we ask the State for help and various bills are introduced, but so far the jail bills have not gone down. We have 9 counties, at this time, that are behind in their jail bills! This causes a greater burden on those who are paying.

Counties receive Coal Severance money, some more than others, but that money is drying up and will soon disappear.

The only real source of revenue for counties is real property tax and personal property tax. We do receive some money, but very little, from fees that are charged. We have no County B&O tax, no County Sales Tax and we have no authority to generate new revenues since we are not allowed by law to do so.

Money for our 911 systems is vanishing as the number of land lines decrease every day. This is a great loss and counties must pick up the cost. In my county the commission had to allocate money to upgrade the 911 phone system this year since ours was old and antiquated. The phone company no longer had parts to repair it and in some places the system was being held together by duct tape. The phone system costs around \$700,000. A real blow to our budget.

The formula used by the state to distribute cell phone money doesn't give much money to county 911 and we are constantly seeing other entities trying to take more of it. 911 is too important to all of us and has to be adequately funded.

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Most counties are maxed out on levy rates and in my county we are not only at the maximum rate on our levy rates we have 7 excess levies that fund such things as: the Health Department, TTA, EMS, Green Acres and Autism Services, Volunteer Fire Departments and Economic Development.

You can see we try very hard to provide most of the needs of our County. but, any decrease in taxes such as Business Personal Property or an increase in the Homestead Exemption would put us under. Several counties in this state have said they would be bankrupt.

In Cabell County we would lose 18 million dollars on Business Property tax and another 3 to 5 million on an increase in homestead exemption depending on the amount of the exemption.

If counties are to remain solvent.....money cannot be taken away unless it is replaced with something that is sustainable and will be there for years to come.

I served as the Mayor of Barboursville for 8 years and I have been a commissioner for 12 ½ years. Attracting business to my city and county has always been a priority and I have talked with many businesses and developers who wanted to locate in our area. Never did I have one of them to refuse to locate here because of the taxes, whether it was business personal property, B&O tax or something else. In fact, many times they spoke about how low business taxes are in West Virginia compared to other states.

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I am afraid that when specific taxes are eliminated the tax burden will simply shift to others who cannot afford it.

The CCAWV is very willing to work with you but we are struggling with ideas we believe will work. We have looked at other states to see what their tax base includes. We are also talking about Home Rule for Counties, but my suggestion is that we take it slow.....don't move too fast.

Let's take our time and work together in a creative way to find the right answers and solutions to the problems that face all of us . Together we can do this!

Thank you so much for listening! I hope I have given you the information needed in order to understand the workings of County Government and the challenges we face.