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**Washington County Works to Avoid Property Tax Hike:
Commissioners Seek Other Avenues to Close Budget Gap**

(Jonesborough, Tenn.) – Washington County, Tenn. Budget Committee members worked furiously to balance the budget while providing an increase in County worker wages this week. The Budget committee’s challenge was to address multi-year inflationary increases in operational costs without any corresponding revenue increases. In order to balance the budget, commissioners voted to defer \$6 million in upcoming capital projects and use the rural portion of the local option sales tax distribution that is currently allocated to the school system. There is about \$4 million in reserves from the fast-growing sales tax fund.

“With all of the inflationary pressure the County is facing, the Budget Committee looked at all departments and components of County government, including the schools, to balance available revenue, without having to go to the taxpayers for additional funding,” said Mayor Joe Grandy. “A lot of effort went into assessing existing county revenue and using available funds to balance the budget without a proposed tax increase,” he said.

“Everyone says, ‘use property taxes’ but that represents just one percent growth in the general fund,” said Commissioner Richard Tucker. “You’ve got to find other avenues. Eventually there will have to be a property tax increase, but we need to make sure we spend what money we’ve got first before we go back to the taxpayers,” Tucker said. He noted that once online sales tax began being allocated to the local level, the rural portion of local sales taxes took off, soaring 90 percent since 2019.

As a comparison, Finance Director Mitch Meredith said that in order to “move the needle \$1 million” in the amount of property taxes allocated to the general fund, a total of 3,300 new houses valued at \$250,000 would have to be built in Washington County.

Upcoming Dates:

The budget committee will host a public hearing will be held on the budget Monday, June 19 at 9 am at the first-floor conference room of the Historic Courthouse in Jonesborough. The budget committee meets immediately follow that public hearing. The County Commission will address budget resolutions during their meeting June 22 at 6 pm.

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