

### Why Do We Have To Have Tax Increases?

Most everyone complains about a tax increase whether it be property tax, sales tax, income tax, or any other form of taxation. People also complain about the lack of, or poor service they receive from their government agencies. Is there waste in our government? The answer is yes. Is there waste in your household or business budget? I would say yes. I'm not writing this article to advocate a tax increase but I'm writing to help explain in a broad aspect why some of our taxes and even fees for services increase.

I remember in the mid-eighties when I was Roane County's Director of Accounts and Budget and we were struggling in the General Fund with expenditures being greater than revenue. As we explored the operations of General Fund at that period of time, the Ambulance Service was not an independent Fund (company) but part of the General Fund. The Ambulance Service transitioned from being ran by funeral homes in the seventies to general governmental operations.

The thought process in the eighties was that the Ambulance service should be a "free service" thus little focus was given to billing and collections. During the middle of a fiscal year we separated the ambulance department into its own Fund (company) transitioning into a business operation and no one saw the financial impact until the next year's budget. In adoption of the Ambulance Fund the following year, the County had to levy a fifteen (15) plus cent property tax for ambulance operations (an amount previously hid in the General Fund). The cost of "free" was over fifteen (15) cents. The clients were paying insurance premiums for the service along with property tax for the same service. The county then decided to start managing billing and collections. Within two years, the ambulance tax was reduced to zero (0). I use this as an example for similar operations that take place today if fees for services are not managed or adjusted periodically. No one wants a fee increase but we want the service. If a fee supports the program, maybe the fees should be adjusted instead of using your property tax subsidizing the service. Some government services supported by fees are animal shelters, solid waste, ambulance services, and parks and recreation.

Folks, it's time to adjust some fees, reduce some services, or increase the property tax for a "free" service. Do you want less service, higher fees to the users, or higher taxes?

One may ask, "Why does the cost of the service go up?" Employees do want to have pay increases. The cost of health insurance and retirement has changed over the years. The cost of operations today is different than years ago. The government should continue to look for cost efficiency, as we did with improving billing and collections but sometimes price adjustments should be made.

Part of the cost of services going up could be due to enhanced service over the last years. The only service I can remember we have enhanced is providing a full time Veteran Service Office so there has not been much enhancement.

Back to increases, why do some counties have to increase and others don't? This answer is simple-economic growth. When a community, mainly industrial and business, is growing additional revenue is generated to pay for the increase cost of service or the additional service the public demands.

Over the past decade or two, Roane County has experienced little growth and in some cases declining population growth. Citizens still demand the service and sometimes even more with no additional revenue being generated by growth.

We can discuss in future articles about why we are not seeing growth in our county as well as what areas in the county are in decline. Up until then, "I want more but I want to pay less- it's just not going to happen."