

Boone Tax Bump May Come As Part of Sales Tax Controversy

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The Watauga County Commission took action yesterday morning to agree to the action taken by the Boone Town Council on the matter of changes to their Unified Development Ordinance, specifically on the matter of appointments to the Boone Planning Commission from the Extraterritorial Jurisdiction area surrounding Boone. The action followed a review changes made to the document from a collaboration of County Attorney Four Eggers and Town Attorney Sam Furgiuele, changes approved in a recent Boone Town Council meeting. But the commission did not deal with the issue that overshadows yesterday's agreement, the change in sales tax distribution, changed last April by the Watauga Commission from per capita to ad valorem as a result of the conflict. That move cost the town of Boone nearly \$2 million in the current budget.

Meanwhile, the Boone Town Council was hearing from town staff that the impact may contribute to a tax increase for Boone residents, town manager Greg Young telling the council in a long work session that even a break-even point for the town budget would require a four-cent raise in the 37-cent tax rate. That would mean a \$300,000 property would see about a \$150 bump in their tax bill. But council members asked for a more detailed look at the impact of a tax increase before their budget hearings in June. The town put a number of capital projects on the back burner in response to the sales tax issue. Watauga Commissioners have until April 30th to report the distribution method to the state for the upcoming year.