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House money

Commissioners, pandering to preservationists, are taxing the local housing industry dry

by Debi Turpin

In Washington County today, more than 14 percent of the population can be directly tied to the building industry. This percentage does not include those individuals who sell materials to the building industry. If those numbers were added, the percentage would be much higher. Just as other county residents, these individuals live, work, pay taxes and support the businesses of this county. These individuals are just like other county residents, except for the fact that they have chosen to work in an industry that is continually being asked to "pay its fair share."

It is difficult to believe that the very industry, which according to leading economists is keeping our economy alive, is being viewed repeatedly as the means to correct every government related budget deficit. The comment, "let the developer pay" is one that is heard repeatedly during any public meeting relating to housing or development. I have heard it stated that builders make astounding profits, however the truth is, the average net profit in the industry today for a small volume builder is in the 5 to 6 percent range, with the national companies realizing an even smaller net profit margin. What everyone seems to forget is, as in any business, any increased cost related to development or housing is passed directly to the buyer. If the cost of leather increases, so does the cost of shoes.

Every productive citizen should have the opportunity to buy a home. Unfortunately, with a median family income of \$44,500, and the price of housing increasing with every new or increased fee or regulation, the dream of owning a home is almost out of the reach of those median income families. Given the direction that the state and county are headed in, it will no longer be an attainable dream, but an impossibility.

At the time the Washington County delegation was drafting the Washington County Land Use Bill, granting the BOCC the right to collect an increase in the transfer tax and adopt an excise tax, our association worked with the delegation and agreed not to testify against the bill. The reason for this decision was based on the fact that we believed the BOCC would be fair in their implementation of these taxes. At that time we were also not aware that the BOCC would be instituting "impact fees" on development based on the Adequate Public Facility Ordinance. We were also under the mistaken impression that the current building moratorium would be lifted allowing the price of land to return to its pre-moratorium rate.

It is preposterous to expect middle-class residents to shoulder the entire tax burden for already failing roads, and the replacement and repair of schools that are in their present condition due to age, and current county residents having children, not new development. Unfortunately, the practice of looking to the shelter industry as a means to offset budget shortfalls directly affects the middle class.

There are groups in our county today who would like to see development stopped, who see new taxes and fees as a means to an end and who would make the cost of building a home so prohibitive that the builders will simply go elsewhere. This theory may please those who already own a home - those who have moved here and wish to close the door behind them and those that continually state, "not in my

back yard." However the reality of this theory is, take away homes and you take away jobs. Stifle the housing market and you adversely affect the county's ability to provide services even at their present level due to simple inflation. Stifle the housing market and you create a situation where government has no choice but to raise the taxes of every county resident to compensate.

Continue to add new taxes and fees and the middle class will be priced out of the home buying market and forced to remain in rental properties or leave the county. If the current practice continues in the county of increasing fees, and of adding taxes and costly regulations, those individuals who work hard and dream of owning a new home will one day very soon, find it an impossible dream in this county.

Debi Turpin is executive director of the Home Builders Association of Washington County.

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