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## **HBAR Statement on Proposed Water and Sewer Connection Taxes in New Kent County**

If the proposed 8% increase in water and sewer connection taxes in this year's budget is approved, New Kent County will add to what are already some of the highest water and sewer connection tax rates in the Richmond metro area. The net result of these proposed increases will be that buying a home will be even more expensive for the citizens of New Kent County.

Over the past several years, there has been a steady and growing decline in the ability of working families to achieve the American Dream of owning their own home. While there are many reasons for this trend, increasing water and sewer connection taxes are a major reason for this decline. Reasonably priced water and sewer service are critical components in achieving the density necessary for workforce housing.

There are alternatives that would better serve the citizens of New Kent County. One is a Community Development Authority (CDA), a mechanism with which New Kent County is already familiar. CDA's allow localities to have existing infrastructure in place prior to development and allow them to do so in a way that is much less drastic in its effect on housing affordability.

In addition, while it is common for local governments to downplay the possibility of general fund support for utilities systems, such a funding stream is not without precedent. In previous decades, many localities across this nation built and expanded their utilities systems through the use of federal funds. Those funds were derived from general public revenues. Localities need to realize, just as the federal government did, that investing in public utilities is an investment in economic progress that benefits all citizens, and as such, all citizens should share to some extent in supporting its operations.

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