

To: Chairwoman Tyson, Assessment and Taxation Committee

From: Sen. Mary Jo Taylor

Date: February 8, 2018

Proponent of SB 346

Oral Testimony

Good morning Madame Chairperson and Committee members:

In 2011 the Stafford County Commissioners made the decision to levy one mill in order to fund an Economic Development Council. Subsequently, they hired Carolyn Dunn as the director. The council was organized as a 501©3 section of the federal tax code. As such, they enjoy the ability to receive donations, grants, tax credits, etc., as a charitable entity. The director reports to a volunteer Board of Directors and to the County Commissioners. Mrs. Dunn came to Stafford County with experience and has the knowledge to use the tools intended to help the county's economic development efforts succeed.

Approximately two years ago, THE grocery store in St. John closed its doors with very short notice. Rural communities need their grocery stores to sustain and thrive! As the search began for a replacement, it became clear very soon that there are few to no independent grocers wanting to take the financial risk to start business anew in our rural community (or any other, for that matter).

Consequently, Stafford County Eco Devo got creative. Mrs. Dunn put together a package that includes grants, loans, tax credits, and donations. Armed with this capital, she asked the city of St. John to build the store (with Eco Devo funds). The City agreed. Mrs. Dunn also found an independent grocer willing to rent the store and created a contract between all parties involved. As construction is about to begin, Stafford Co. Eco Devo needs about \$300,000 to insure all costs are covered. As it happens, it is estimated that taxes to purchase building materials are approximately \$250,000. Projected sales tax for the first year of business going forward is about \$220,000.

Please consider this bill favorably. You will notice that this group is not asking for tax exemptions on any other projects. They are simply asking you to use this tool available to any charitable organization in its toolbox to complete the project successfully.

If you agree that SB 346 should be passed, I ask that you do so with an amendment. Instead of making this bill law upon publication in the statutes, would you amend it to become law upon publication in the register? That would allow the project to proceed in a timely manner.

Thank you for your consideration,

Mary Jo Taylor