

Poultry, hog house construction spurs tax base growth

2.8% growth doesn't reflect signs of improving economy, officials say

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KENANSVILLE – Thanks to the construction of new poultry and hog houses, Duplin County's property tax base went up by 2.8 percent in 2012 compared to 2011, according to tax supervisor Gary Rose.

That's good news for the county after a couple of years of low growth for the tax base.

In 2011 and 2010, Duplin County's tax base saw increases below 1 percent each year as agribusiness companies did little capital improvements fresh off the recession.

Rose, as well as county Planner Randall Tyndall, says the 2.8 percent increase in the county tax base really isn't a reflection of an economy shifting into high gear. They say Duplin County's economy is growing slightly, but nothing like before the recession.

The county tax rate for 2012-13 is 71 cents per \$100. Tax appraisal evaluations on property take place every eight years. The next one is scheduled for 2017, although the process will get underway much sooner since it takes several years to complete it.

Back in the 1990s, the county tax base typically grew at 9 or 10 percent as the local economy saw healthy growth, Rose said. Even into the first years of the 21st century, the tax base still grew 2 percent to 3 percent a year. So the 2.8 percent growth in the tax base is just recovering to earlier levels.

Most of the tax base increase can be attributed to construction of new poultry and hog houses, including investment by Sanderson Farms.

Housing construction is not adding much to the tax base or the economy, says Phillip Henderson, county building inspector.

Most of the building permits are for additions and renovations to existing homes, not new home construction. There is some new construction occurring at River Landing near Wallace, according to Henderson, but nothing like the boom years before the recession.

The tax base this fiscal year is \$3.38 billion. In FY 2011, it was \$3.29 billion.

Those figures do not include registered motor vehicles, Rose says.

Eight solar farms are in the works for Duplin County, but county officials won't see much tax revenue from them for some time, says Tyndall. That's quite a hit for the county because the estimated construction cost of just one is \$24 million.

But as an incentive to build, the state is giving the solar farm owners an estimated 80 percent tax exemption, Tyndall says.

The solar farms will contribute just \$272,000 a year to the tax base, Tyndall estimates.

The owners of solar farms sell the electricity back to the electric grid, Tyndall says. Solar farms have become more attractive because of a federal mandate to reduce the carbon footprint by turning to alternative fuel sources.

Tyndall expects the local economy to show better growth numbers as neighboring counties, some with big military bases, grow economically.

"What is good for adjacent counties is good for Duplin and vice-versa," Tyndall said.

Duplin County is in the center between five military bases, according to Tyndall, and military families and contractors will sometimes look at living here because of its rural nature. Many military and civil servant retirees have retired to Duplin County, living in high-end developments like River Landing.

What happens in Washington, D.C. and Raleigh in the months and years ahead will play a big role in determining future economic growth rates in North Carolina's counties including Duplin, Tyndall predicts.

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