

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

IN THE MATTER OF THE NOTICE OF THE)
CITY OF MARTINSVILLE'S INTENTION TO)
PETITION FOR AN ORDER GRANTING IT)
TOWN STATUS WITHIN HENRY COUNTY)
)

**NOTICE OF THE CITY OF MARTINSVILLE'S
INTENTION TO PETITION FOR AN ORDER
GRANTING IT TOWN STATUS WITHIN HENRY COUNTY**

CITY OF MARTINSVILLE

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**NOTICE OF THE CITY OF MARTINSVILLE’S
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Pursuant to § 15.2-2907(A) of the Virginia Code, and the rules and regulations of the Commission on Local Government (the “Commission”), the City of Martinsville (“Martinsville”), by counsel, hereby notifies the Commission and all local governments contiguous to, or sharing functions, revenue, or tax sources with, Martinsville of its intention to petition the Circuit Court for the City of Martinsville for an order granting it the status of a town within Henry County, Virginia (“Henry County”). In support of this Notice, Martinsville states the following:

1. Martinsville has a current population of less than 50,000 people. Martinsville’s proposed reversion to town status will not substantially impair the ability of Henry County to meet the service needs of its population and will not result in a substantially inequitable sharing of the resources and liabilities of the localities. The proposed reversion is, in the balance of equities, in the best interests of Martinsville, Henry County, and the people thereof. Furthermore, the proposed reversion is in the best interests of the Commonwealth, including the Commonwealth’s best interests in promoting strong and viable units of government.

2. The Martinsville City Council unanimously passed a resolution, by a recorded affirmative vote of all its elected members, declaring Martinsville’s support for the reversion to

town status and authorizing the filing of this Notice with the Commission. The formal resolution, memorialized on January 28, 2020, is attached to this Notice.

3. As required by the Commission's procedures, including 1 Va. Admin. Code § 50-20-601, Martinsville submits with this Notice data and other evidence relevant to the proposed reversion.

4. Martinsville hereby certifies that all data, exhibits, and other materials submitted to the Commission, and the identified sources for all such materials, are accurate and correct to the best knowledge of Martinsville's officials.

5. The following are Martinsville's designated contact persons for communications with the Commission:

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1001 Haxall Point, Suite 1500
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6. Pursuant to § 15.2-2907(A) of the Virginia Code and § 50-20-390(M) of Title 1 of the Virginia Administrative Code, Martinsville has mailed to the Commission eight copies of the Notice and all accompanying materials.

7. Pursuant to § 15.2-2907(A) of the Virginia Code, Martinsville has mailed a copy of this Notice and all accompanying materials to Henry County and has mailed a copy of this Notice, the Resolution, and the Annotated Index to the other local governments contiguous to, or sharing functions, revenue, or tax sources with, Martinsville.

Dated: September 15, 2020

Respectfully submitted,

THE CITY OF MARTINSVILLE

By: 

John S. West (VSB # 34771)

Stephen C. Piepgrass (VSB # 71361)

Stephen A. Cobb (VSB # 75876)

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Counsel for the City of Martinsville

RESOLUTION

AUTHORIZING THE INSTITUTION OF PROCEEDINGS FOR THE REVERSION OF THE CITY TO TOWN STATUS WITHIN HENRY COUNTY, VIRGINIA.

WHEREAS the City of Martinsville has determined that the reversion of the City to town status within Henry County would be in the best interests of the people in the City and the County and would further the interest of the Commonwealth in promoting strong and viable units of local government; and

WHEREAS the change to town status will not substantially impair the ability of Henry County to meet the service needs of its population; and

WHEREAS the reversion to town status will result in more equitable sharing of the resources and liabilities of Martinsville and Henry County; and,

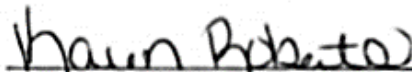
WHEREAS the reversion of Martinsville to town status can result in fiscal savings and governmental efficiencies;

***NOW, THEREFORE, BE IT RESOLVED
BY THE COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA THAT:***

1. The City of Martinsville shall initiate and pursue all such procedures as may be necessary to accomplish the reversion of Martinsville to town status within Henry County, including those under Chapter 29 of Title 15.2 of the Code of Virginia (§ 15.2-2907, et seq.) and Chapter 41 of Title 15.2 of the Code of Virginia (§ 15.2-4100, et seq.);
2. Special legal counsel for the City is directed to notify the Commission on Local Government that the City intends to petition the Circuit Court of the City of Martinsville for an order granting reversion to town status;
3. The City Attorney and City Manager are authorized, with the approval of Council, to take all other such actions and to employ such special consultants as may be necessary to accomplish the objectives set forth herein; and,
4. The City Council, throughout the course of these proceedings, shall continue to work toward an amicable resolution of this matter with the appropriate officials of Henry County.

Adopted this 28th day of January, 2020.

Attest:



Karen Roberts, Clerk of Council

LOCAL GOVERNMENTS NOTIFIED

Pursuant to § 15.2-2907(A) of the Virginia Code, Martinsville has mailed to Henry County copies of the Notice and all accompanying materials and has mailed to the other local governments contiguous to, or sharing functions, revenue, or tax sources with Martinsville, copies of the Notice, the Resolution, and the Annotated Index:

HENRY COUNTY

Tim Hall
County Administrator
P.O. Box 7
Collinsville, Virginia 24078

Jeremy Carroll
Guynn, Waddell, Carroll & Lockaby, P.C.
415 South College Avenue
Salem, Virginia 24153

George Lyle
County Attorney
P.O. Box 7
Collinsville, Virginia 24078

PATRICK COUNTY

Geri S. Hazelwood
Interim County Administrator
106 Rucker Street
P.O. Box 466
Stuart, Virginia 24171

Alan Black
County Attorney
P.O. Box 1076
120 Slusher Street
Stuart, Virginia 24171

FRANKLIN COUNTY

Christopher Whitlow
Interim County Administrator
1255 Franklin Street
Rocky Mount, Virginia 24151

Jim H. Guynn, Jr.
Guynn, Waddell, Carroll & Lockaby, P.C.
1255 Franklin Street
Salem, Virginia 24153

TOWN OF RIDGEWAY

Alice J. Turner
Town Clerk
16 Concord Court
Ridgeway, Virginia 24148

William Maxwell
Town Attorney
105 N. Colorado Street
Salem, Virginia 24153

TOWN OF STUART

Terry Tilley	Christopher Corbett
Town Manager	Town Attorney
100 Patrick Avenue	P.O. Box 1270
Stuart, Virginia 24171	Stuart, Virginia 24171

TOWN OF BOONS MILL

B.T. Fitzpatrick III	John Boitnott
Town Manager	Town Attorney
P.O. Box 66	5 East Court Street, #301
359 Boones Mill Road	Rocky Mount, Virginia 24151
Boones Mill, Virginia 24065	

TOWN OF ROCKY MOUNT

James Ervin	John Boitnott
Town Manager	Town Attorney
345 Donald Avenue	5 East Court Street, #301
Rocky Mount, Virginia 24151	Rocky Mount, Virginia 24151

INTRODUCTION

Only months after Virginia broke from the Crown, the General Assembly formed Henry County effective 1777. An Act for Dividing the County of Pittsylvania into Two Distinct Counties (1776), *reprinted in* 9 STATUTES AT LARGE 241-42 (William Waller Hening ed., 1821). In 1791, the General Assembly “established a town, by the name of Martinsville,” from “fifty acres of land . . . around the courthouse” of Henry County. An Act to Establish Several Towns, and for Other Purposes § 4 (1791), *reprinted in* 13 STATUTES AT LARGE 297 (William Waller Hening ed., 1823). The General Assembly made Martinsville a “town corporate” in 1873. An Act to Incorporate the Town of Martinsville, in the County of Henry, ch. 32, 1873 Va. Acts 22, 22-23 (1873). Then, in 1928, Martinsville became a city independent of Henry County, by court order pursuant to a “relatively uncomplicated” procedure then in existence.¹ Chester W. Bain, A BODY INCORPORATE: THE EVOLUTION OF CITY-COUNTY SEPARATION IN VIRGINIA 58-60 (1967).

Martinsville respectfully submits that it is now time to restore its status as an incorporated town within Henry County. After thorough deliberation and study, Martinsville has come to the conclusion that, consistent with Va. Code § 15.2-4106(A), its reversion to a town within Henry County: will not substantially impair the ability of Henry County to meet the service needs of its population; will not result in a substantially inequitable sharing of the resources and liabilities of Martinsville and Henry County; is, in the balance of equities, in the best interests of Martinsville, Henry County, the people thereof, and the Commonwealth; and is in the best interests of the Commonwealth in promoting strong and viable units of government. Accordingly, Martinsville intends to file a petition to revert to a town within Henry County.

¹ This procedure allowed any town, with a population of 5,000 or more, to petition a circuit court to become a city. Va. Code §§ 2973-2975 (1924); Bain, *supra*, at 58-60.

Since the 1950s, local officials have considered the possibility of merging Martinsville into Henry County. MARTINSVILLE CITY COUNCIL MEETING 42:35-:43:02 (Dec. 10, 2019) [hereafter MARTINSVILLE DEC. 10 COUNCIL MEETING VIDEO] (statement of former City Councilman and Mayor Barry Greene), *available at* <https://tinyurl.com/w66gqsc>; Barry Greene, Letter to the Editor, *Long-Delayed Reversion of Martinsville Finally Has Reached Its Moment*, MARTINSVILLE BULLETIN (Dec. 27, 2019), *available at* <https://tinyurl.com/rawd99q>. In the last decade, Martinsville has authorized reversion studies in 2012 and 2018. MARTINSVILLE CITY COUNCIL MINUTES 2-3 (Aug. 14, 2012), *available at* <https://tinyurl.com/vp9vetj>; MARTINSVILLE CITY COUNCIL MINUTES 8 (Oct. 9, 2018), *available at* <https://tinyurl.com/vxf89n8>. Martinsville's recent interest in reversion has arisen out of budgetary concerns, driven largely by a declining population and dwindling tax base. *See, e.g.*, CONSIDERING REVERSION 2, 6, 12-14 (Nov. 19, 2019), *available at* <https://tinyurl.com/uh8uz3k>;² MARTINSVILLE CITY COUNCIL MINUTES 7 (May 14, 2019) (discussing reversion in the context of annual expenses exceeding annual revenues and school funding being borrowed against the FY2021 budget), *available at* <https://tinyurl.com/qt2q75v>; MARTINSVILLE CITY COUNCIL MINUTES 2 (May 22, 2012) (financial analysis and sustainability of government linked to possible reversion), *available at* <https://tinyurl.com/whoyc7y>.

In 2012, there were discussions between Martinsville and Henry County concerning enhanced cooperation in the reversion process; however, no formal agreement was reached. HENRY CNTY. BD. OF SUPERVISORS MINUTES 5 (Nov. 26, 2012), *available at* <https://tinyurl.com/tngdeeh>. The Martinsville City Council's motion to proceed with reversion

² This presentation was given at a meeting of the Martinsville City Council. *See* MARTINSVILLE CITY COUNCIL MINUTES (Nov. 19, 2019), *available at* <https://tinyurl.com/sf693bm>.

was narrowly defeated by a vote of three to two. MARTINSVILLE CITY COUNCIL MINUTES 3 (Dec. 10, 2013), *available at* <https://tinyurl.com/wa3g5uu>.

In 2018, Martinsville resumed reversion discussions, inviting officials from the Town of South Boston, the Town of Bedford, Bedford County, the Town of Clifton Forge, and Alleghany County to discuss their experiences with reversion. These officials identified challenges but recognized that reversion was the correct (and in most cases) necessary course of action. *See* MARTINSVILLE CITY COUNCIL MINUTES 3-4 (June 12, 2018) (Bedford and Bedford County), *available at* <https://tinyurl.com/vyle8a9>; MARTINSVILLE CITY COUNCIL MINUTES 8-9 (Mar. 27, 2018) (Clifton Forge and Alleghany County), *available at* <https://tinyurl.com/u7myrep>; MARTINSVILLE CITY COUNCIL MINUTES 6-7 (Feb. 13, 2018) (South Boston), *available at* <https://tinyurl.com/snsgv8o>. Subsequently, the Martinsville City Council held a work session discussing Martinsville’s previous reversion study and the possibility of further studies. MARTINSVILLE CITY COUNCIL MINUTES (Sept. 26, 2018), *available at* <https://tinyurl.com/yx282jr3>. On October 9, 2018, it approved updated studies regarding finances and school consolidation. MARTINSVILLE CITY COUNCIL MEETING MINUTES 8 (Oct. 9, 2018), *available at* <https://tinyurl.com/vxf89n8>.

These studies were completed in 2019 and identified a number of challenges facing Martinsville, including school funding, wastewater costs and revenue, and jail expenditures. MARTINSVILLE CITY COUNCIL MEETING MINUTES 2 (Nov. 19, 2019), *available at* <https://tinyurl.com/sf693bm>. As noted by both Martinsville and Henry County, a particular area of concern is the operation of the water and sewer system, including the Smith River interceptor. *Id.*; HENRY CNTY. BD. OF SUPERVISORS MEETING MINUTES 6 (Nov. 26, 2019), *available at* <https://tinyurl.com/wtdzyp8>. While Martinsville could continue “treading water” for some time,

the current mode of operations would result in a reduction of services and programs and an increase in the tax burden on the people of Martinsville. MARTINSVILLE CITY COUNCIL MEETING MINUTES 3 (Nov. 19, 2019), *available at* <https://tinyurl.com/sf693bm>.

On December 10, 2019, the Martinsville City Council held a hearing on the matter of reversion. The results of the fiscal and school consolidation reports were presented. MARTINSVILLE DEC. 10 COUNCIL MEETING VIDEO, *supra*, at 8:22-30:48. These reports indicated that, if reversion occurred, Martinsville would see a substantial reduction in operational expenses as a town, revenue and expenditures would be absorbed by Henry County, and the school districts' consolidation would be in the best interests of the Martinsville, Henry County, and the Commonwealth. *See generally* Robinson, Farmer, Cox Assocs., EVALUATION: PROSPECTIVE FINANCIAL IMPACT CITY OF MARTINSVILLE'S TRANSITION TO TOWN STATUS (2019) [hereafter Robinson, Farmer, Cox Assocs., PROSPECTIVE FINANCIAL IMPACT OF REVERSION], *available at* <https://tinyurl.com/u33n5p5>; S. John Davis & Assocs., Ltd., A STUDY REGARDING THE FEASIBILITY FOR CONSOLIDATION OF MARTINSVILLE CITY AND HENRY COUNTY SCHOOL DIVISIONS (2019) [hereafter Davis & Assocs., STUDY REGARDING SCHOOL CONSOLIDATION], *available at* <https://tinyurl.com/vxk8req>. During public comment, former Mayors Gene Teague and Barry Greene spoke in favor of reversion. MARTINSVILLE DEC. 10 COUNCIL MEETING VIDEO, *supra*, at 31:30-44:10. The Martinsville City Council unanimously voted in support of reversion. *Id.* at 54:48-55:22. As a town, Martinsville would be able to provide higher quality services to its citizens at an equal or lower cost to the locality.

As recognized in the Martinsville City Council's resolution memorializing its support for reversion, Martinsville is open to an amicable resolution of this matter with Henry County and desires an amicable resolution to this matter.³

³ The parties are scheduled to participate in a mediation session on September 16, 2020, to discuss reversion.

RESPONSIVE DATA AND OTHER EVIDENCE

Martinsville submits the following data and other evidence responsive to the elements listed in 1 Va. Admin. Code § 50-20-601:

1. The following maps show the boundaries of Martinsville, their geographic relationship to other political boundaries, identifiable unincorporated communities, major streets, and highways: U.S. Census Bureau, GOVERNMENTAL UNIT REFERENCE MAP: MARTINSVILLE CITY (2019), available at <https://tinyurl.com/uubg8s3>; U.S. Census Bureau, GOVERNMENTAL UNIT REFERENCE MAP: HENRY COUNTY (2019), available at <https://tinyurl.com/t5ru8l6>. Maps showing schools and other major public facilities are attached as **Exhibit A** to the Notice and incorporated herein by reference. The following maps show significant geographic features, including mountains and bodies of water: U.S. Geological Survey, MARTINSVILLE EAST QUADRANGLE (2019), available at <https://tinyurl.com/ror68ao>; U.S. Geological Survey, MARTINSVILLE WEST QUADRANGLE (2019), available at <https://tinyurl.com/yx6yq5j4>. A map showing existing uses of the land within Martinsville is attached as **Exhibit B** to the Notice and incorporated herein by reference. A map showing information deemed relevant to the possible future use of the land within Martinsville is attached as **Exhibit C** to the Notice and incorporated herein by reference.⁴

2. Table 1 below shows past, estimated current, and projected future populations, and corresponding population densities, of Martinsville and Henry County.

Table 1: Population Data

Year	MARTINSVILLE		HENRY COUNTY	
	Population	Population Density	Population	Population Density
2010	13,821	1,255	54,151	141
2011	13,902	1,263	53,867	140
2012	13,908	1,263	53,889	140

⁴ For an interactive geographic information system (“GIS”) map, see HENRY COUNTY GIS, available at <https://tinyurl.com/but4oq> (last accessed Sept. 3, 2020).

2013	13,706	1,245	53,560	139
2014	13,741	1,248	53,273	139
2015	13,474	1,224	52,822	137
2016	13,544	1,230	52,352	136
2017	13,382	1,215	51,975	135
2018	13,119	1,192	51,438	134
2019	12,793	1,162	51,019	133
2020	13,002	1,181	50,986	133
2030	11,573	1,051	46,764	122
2040	10,038	912	42,073	109

Source:

Univ. of Va. Weldon Cooper Ctr. for Pub. Serv., Demogr. Res. Grp., INTERCENSAL ESTIMATES FOR VIRGINIA, COUNTIES, AND CITIES: 2010-2019 (2020) [hereafter Weldon Cooper, INTERCENSAL ESTIMATES 2010-2019], available at <https://tinyurl.com/stcxbnn>.

Univ. of Va. Weldon Cooper Ctr. for Pub. Serv., Demogr. Res. Grp., VIRGINIA POPULATION PROJECTIONS (2019) [hereafter Weldon Cooper, POPULATION PROJECTIONS], available at <https://tinyurl.com/sej8v6k>.

Population density figures are obtained by dividing the Martinsville populations by 11.01 square miles and the Henry County populations by 384.48 square miles. The Commonwealth has documented the localities' square mileages at VIRGINIA CITIES AND COUNTIES (2020), available at <https://tinyurl.com/rd4ldb5>.

3. Tables in **Exhibit B** and **Exhibit D** hereto show both the acreages and percentages of land currently devoted to the various categories of land use in Martinsville and Henry County, and that information is incorporated herein by reference.

4. Table 2 below shows the past, estimated current, and projected future number of public school students enrolled in the Martinsville and Henry County School Divisions and the number of school-age children living in Martinsville and Henry County.

Table 2: School Population Data

Year	MARTINSVILLE		HENRY COUNTY	
	Fall Enrollment	School-Age Residents	Fall Enrollment	School-Age Residents
2015	2,300	2,505	7,428	9,064
2016	2,186	2,507	7,415	9,180
2017	2,041	2,609	7,508	9,012
2018	2,016	2,605	7,479	8,951
2019	1,942	2,419	7,455	8,473
2020	1,716	2,247	7,447	8,407
2021	1,678	2,214	7,371	8,290
2022	1,611	2,180	7,459	8,174
2023	1,542	2,147	7,440	8,057
2024	1,496	2,113	7,436	7,940

2025	1,407	2,080	7,432	7.824
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Notes:

The University of Virginia Weldon Cooper Center for Public Service (“Weldon Cooper”) does not have school age population data for years after 2018, only age cohort population data. The estimates of school-age residents for 2019-2025 above are derived from age-cohort data from the U.S. Census Bureau (as reported by Weldon Cooper).

Special education counts are included in Weldon Cooper’s School Age Population Estimates. Because these estimates are not available for 2019-2025, this data was not a factor in determining the School-Age Population for those years as reflected in this Table.

Sources:

Davis & Assocs., STUDY REGARDING SCHOOL CONSOLIDATION, *supra*, tbl. 3, at 9.

Concerning the school-age populations, the 2015 and 2016 estimates were received by email from Hamilton Lombard of Weldon Cooper on February 11, 2020, and the 2017 and 2018 estimates, are available at <https://tinyurl.com/r79tzzz>.

For the remaining years’ school-age population estimates, the 2015-2018 age cohorts from U.S. Census Bureau are available at <https://tinyurl.com/vlc8mxx>; the 2019 age cohorts were calculated using Weldon Cooper’s 2018 and 2020 population projections, available at <https://tinyurl.com/stcxbnn>; the 2020 age cohorts are available at <https://tinyurl.com/yx3d5hsr>; and the 2021-2025 age cohorts were calculated using Weldon Cooper’s 2020 and 2030 population projections, available at <https://tinyurl.com/sej8v6k>.

5. Tables 3 and 4 below show the assessed values, by major classification for real property, personal property, machinery and tools, and public service corporation property for the current year and the preceding ten years in Martinsville and Henry County. There were no assessed values for merchants’ capital in these years.

Table 3: Martinsville Assessed Values

Year	Real Estate	Personal Property	Machinery & Tools	Public Service	
				Real Estate	Personal Property
2009	\$645,748,787	\$113,874,992	\$6,715,547	\$22,318,052*	
2010	\$693,122,800	\$103,067,671	\$6,124,366	\$23,411,431	\$242,044
2011	\$693,753,700	\$96,212,276	\$5,676,513	\$22,370,103	\$257,936
2012	\$666,564,846	\$98,318,224	\$9,451,688	\$22,946,217	\$353,331
2013	\$668,272,729	\$94,077,288	\$7,159,164	\$22,600,872	\$399,539
2014	\$641,502,458	\$99,431,367	\$8,222,283	\$22,511,294	\$623,124
2015	\$640,608,600	\$93,920,412	\$9,236,280	\$23,076,423	\$294,246
2016	\$637,317,000	\$96,930,746	\$8,947,408	\$24,215,061	\$475,737
2017	\$639,432,100	\$104,500,889	\$5,684,864	\$22,387,747	\$565,832
2018	\$630,238,700	\$108,990,284	\$6,764,153	\$21,839,490	\$585,532
2019	\$631,445,800	\$111,703,797	\$6,702,953	\$24,296,670	\$571,227

Note:

* Before FY2010, Martinsville’s public service real estate and personal property were combined. Martinsville Fin. Dep’t, MARTINSVILLE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2010, tbl. 7, at 144 (2010) [hereafter MARTINSVILLE FY2010 FIN. REP.], available at <https://tinyurl.com/s6kg3ba>.

Sources:

Martinsville Fin. Dep’t, MARTINSVILLE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019, tbl. 12, at 184 (2019) [hereafter MARTINSVILLE FY2019 FIN. REP.], available at <https://tinyurl.com/wqfkd2z>.

MARTINSVILLE FY2010 FIN. REP., *supra*, tbl. 7, at 144.

Table 4: Henry County Assessed Values

Year	Real Estate	Personal Property	Mobile Homes	Machinery & Tools	Public Service
2009	\$2,517,050,185	\$364,278,309	\$32,545,185	\$314,962,269	\$117,198,478
2010	\$2,959,808,261	\$340,139,112	\$27,630,435	\$322,826,723	\$134,488,696
2011	\$2,960,170,435	\$342,974,030	\$27,318,696	\$328,036,218	\$149,576,812
2012	\$2,968,408,913	\$353,755,049	\$27,404,565	\$280,113,782	\$142,520,626
2013	\$2,987,070,870	\$358,575,743	\$27,320,870	\$262,429,189	\$149,525,937
2014	\$2,858,290,984	\$372,927,906	\$23,448,770	\$287,966,081	\$150,385,203
2015	\$2,865,947,336	\$386,921,487	\$24,055,943	\$293,438,784	\$160,532,186
2016	\$2,874,491,189	\$394,241,419	\$24,105,123	\$301,949,527	\$168,148,943
2017	\$2,901,351,025	\$417,528,311	\$23,906,148	\$311,400,946	\$175,152,449
2018	\$2,872,989,189	\$419,610,064	\$21,786,667	\$343,462,516	\$177,404,798
2019	\$2,883,174,054	\$416,199,483	\$22,417,477	\$355,931,097	\$188,873,635

Sources:

Creedle, Jones, & Assocs., HENRY COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2019, tbl. 3, at 147 (2019) [hereafter HENRY CNTY. FY2019 FIN. REP.], available at <https://tinyurl.com/uwbqjxz>.

Creedle, Jones & Alga, P.C., HENRY COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2010, tbl. 3, at 67 (2010) [hereafter HENRY CNTY. FY2010 FIN. REP.], available at <https://tinyurl.com/wbah8wg>.

6. Tables 5, 6, 7, and 8 below show the current local property and nonproperty tax rates, and the rates for the preceding ten years, applicable within Martinsville and Henry County.

Table 5: Martinsville Property Tax Rates

Year	Real Estate	Personal Property	Machinery & Tools	Public Service	
				Real Estate	Personal Property
2009	\$1.08	\$2.30	\$1.85	\$1.08	-
2010	\$1.08	\$2.30	\$1.85	\$1.08	\$2
2011	\$1.01816	\$2.30	\$1.85	\$1.01816	\$2.30
2012	\$1.01816	\$2.30	\$1.85	\$1.01816	\$2.30
2013	\$1.01816	\$2.30	\$1.85	\$1.01816	\$2.30
2014	\$1.06	\$2.30	\$1.85	\$1.06	\$2.30

2015	\$1.0621	\$2.30	\$1.85	\$1.0621	\$2.30
2016	\$1.0621	\$2.30	\$1.85	\$1.0621	\$2.30
2017	\$1.0621	\$2.30	\$1.85	\$1.0621	\$2.30
2018	\$1.0621	\$2.30	\$1.85	\$1.0621	\$2.30
2019	\$1.0621	\$2.30	\$1.85	\$1.0621	\$2.30

Sources:

MARTINSVILLE FY2019 FIN. REP., *supra*, tbl. 12, at 185.

MARTINSVILLE FY2010 FIN. REP., *supra*, tbl. 7, at 145.

Table 6: Martinsville Nonproperty Tax Rates

Year	Meals	Transient Occupancy	Residential Electric Utility	Nonresidential Electric Utility (Large Gen. or Power Serv.)
2009	6%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2010	6%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2011	6%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2012	6.5%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2013	6.5%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2014	6.5%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2015	6.5%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2016	6.5%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2017	6.5%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2018	7%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max
2019	7%	2%	\$2 + 0.328¢/kwh; \$3 max	0.528¢/kwh; \$400 max

Year	Nonresidential Electric Utility (Med. Gen. Serv.)	Nonresidential Electric Utility (Small Gen. Serv.)	Nonresidential Electric Utility (Sanctuary Worship Serv.)
2009	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2010	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2011	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2012	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2013	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2014	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2015	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2016	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2017	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2018	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max
2019	0.626¢/kwh; \$400 max	0.949¢/kwh; \$400 max	0.784¢/kwh; \$400 max

Year	Nonresidential Electric Utility (Unmetered)	Water Utility	Residential Telephone Utility	Business Telephone Utility	Mobile Telephone Utility	Car Decals
2009	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30	\$29

					monthly charge	
2010	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2011	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2012	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2013	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2014	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2015	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2016	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2017	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2018	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29
2019	\$2	\$1 if not electric customer	20% of first \$15; \$3 max	20% of first \$15 + 5% of amt. over \$15	10% of up to \$30 monthly charge	\$29

Year	Truck Decals	Cycle Decals	BPOL Min. Tax⁵	BPOL Contracting	BPOL Retailers
2009	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped		0.1¢	0.2¢

⁵ Enacted in 2014.

2010	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped		0.1¢	0.2¢
2011	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped		0.1¢	0.2¢
2012	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped		0.1¢	0.2¢
2013	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped		0.1¢	0.2¢
2014	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped	\$30/yr.	0.1¢	0.2¢
2015	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped	\$30/yr.	0.1¢	0.2¢
2016	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped	\$30/yr.	0.1¢	0.2¢
2017	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped	\$30/yr.	0.1¢	0.2¢
2018	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped	\$30/yr.	0.1¢	0.2¢
2019	\$29 + \$1.45/1000 lbs. over 15,000 lbs.	\$7.50; \$5 for moped	\$30/yr.	0.1¢	0.2¢

Year	BPOL Real Estate, Prof'l Servs., & Fin. Servs.	BPOL Consumer Finance Act Licensees	BPOL Commission Merchants, Repair, Pers., & Bus. Servs.	BPOL Wholesalers	BPOL Carnivals, Circuses, & Speedways	BPOL Fortunate Tellers, & etc.
2009	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2010	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2011	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2012	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2013	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2014	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2015	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2016	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2017	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2018	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.
2019	0.58¢	0.2¢	0.36¢	0.05¢	\$150/day	\$1000/yr.

Year	BPOL Nonexempt Itinerants or Peddlers	BPOL Farmers Market Itinerants or Peddlers ⁶	BPOL Nonresident Photographers	BPOL Savings Insts. & Chartered Credit Unions	BPOL Retail Direct Sellers	BPOL Wholesale Direct Sellers
2009	\$50/yr.		\$30/yr.	\$50/yr.	0.2¢	0.05¢
2010	\$50/yr.		\$30/yr.	\$50/yr.	0.2¢	0.05¢
2011	\$50/yr.		\$30/yr.	\$50/yr.	0.2¢	0.05¢

⁶ Enacted in 2012.

2012	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2013	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2014	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2015	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2016	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2017	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2018	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢
2019	\$50/yr.	\$5/yr.	\$30/yr.	\$50/yr.	0.2¢	0.05¢

Year	BPOL Promotional Shows/Sales	BPOL Heat, Light, & Power	BPOL Telegraph & Telephone
2009	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2010	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2011	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2012	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2013	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2014	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2015	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2016	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2017	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2018	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.
2019	0.2¢	0.5% of gross receipts (deducting payment of licenses taxes except motor vehicle license taxes)/yr.	0.5% of gross receipts (excluding long-distance calls)/yr.

BPOL Coin-Operated Amusement Machines			Probate Tax⁷
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⁷ Enacted in 2010.

Year		BPOL Alcoholic Beverages	Bank Franchise	
2009	0.36¢ on gross receipts + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	
2010	0.36¢ on gross receipts + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2011	0.36¢ on gross receipts + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2012	0.36¢ on gross receipts + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2013	0.36¢ on gross receipts + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2014	0.36¢ on preceding year's gross receipts when exceeding \$100,000 + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2015	0.36¢ on preceding year's gross receipts when exceeding \$100,000 + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2016	0.36¢ on preceding year's gross receipts when exceeding \$100,000 + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2017	0.36¢ on preceding year's gross receipts when exceeding \$100,000 + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2018	0.36¢ on preceding year's gross receipts when exceeding \$100,000 + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax
2019	0.36¢ on preceding year's gross receipts when exceeding \$100,000 + \$175/yr. (for operating 1-9 machines) or \$200/yr. (for operating 10+ machines)	See City Code § 11-36	80% of state rate	1/3 state tax

Year	Emergency Telephone System	Pub. Rights of Way Use Fee ⁸	Daily Rental	Cigarettes	Retail Sales
2009	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2010	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2011	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2012	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2013	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2014	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2015	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2016	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2017	\$3 per month	Pending information from VDOT	0.50%	\$0.20 / pack	1%
2018	\$3 per month	\$1.09 per access line/per month	0.50%	\$0.30 / pack	1%

⁸ Calculated by VDOT. Access to VDOT records has been delayed due to COVID. Historical data will be updated when and if it is received.

2019	\$3 per month	\$1.20 per access line/per month	0.50%	\$0.30 / pack	1%
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Sources:

The information in this table was compiled from Weldon Cooper survey information emailed by Stephen C. Kulp on April 14, 2020, with supplementation from Martinsville City Code §§ 11-32 (license taxes on business, trades, professions, and occupations), -36 (alcoholic beverage licenses), 21-16 (retail sales tax), -30 (tax on purchase of water utility service), -32 (tax on purchase of electric utility service), -51 (tax for emergency telephone system), -62 (daily rental tax), -75 (meals tax), -90 (consumer utility tax on telephone service), -99 (public rights-of-way use fee), -103 (cigarette tax), -117 (transient lodging tax), -130 (city probate tax), -152 (bank franchise tax). Right of way use fee information is provided by VDOT.

Table 7: Henry County Property Tax Rates

Year	Real Estate	Personal Property	Mobile Homes	Machinery & Tools	Public Service
2009	\$0.54	\$1.48	\$0.54	\$1.19	\$0.54
2010	\$0.46	\$1.48	\$0.46	\$1.19	\$0.46
2011	\$0.46	\$1.48	\$0.46	\$1.19	\$0.46
2012	\$0.46	\$1.48	\$0.46	\$1.48	\$0.46
2013	\$0.46	\$1.48	\$0.46	\$1.48	\$0.46
2014	\$0.488	\$1.48	\$0.488	\$1.48	\$0.488
2015	\$0.488	\$1.48	\$0.488	\$1.48	\$0.488
2016	\$0.488	\$1.48	\$0.488	\$1.48	\$0.488
2017	\$0.488	\$1.48	\$0.488	\$1.48	\$0.488
2018	\$0.555	\$1.55	\$0.555	\$1.55	\$0.555
2019	\$0.555	\$1.55	\$0.555	\$1.55	\$0.555

Sources:

HENRY CNTY. FY2019 FIN. REP., *supra*, tbl. 3, at 147.

HENRY CNTY. FY2010 FIN. REP., *supra*, tbl. 3, at 67.

Va. Code § 58.1-2606(A) (Rate applicable to Public Service Corporations).

Table 8: Henry County Nonproperty Tax Rates

Year	Meals	Transient Occupancy	Residential Electric Utility	Commercial/Industrial Electric Utility
2009	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2010	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2011	4%	2%	20% of min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3

2012	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2013	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2014	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2015	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2016	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2017	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2018	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3
2019	4%	2%	20% min. monthly charge + 1.0374¢/kwh; \$3 max monthly	20% min. monthly charge + 0.9794¢/kwh up to \$3 + 0.3183¢/kwh over \$3

Year	Residential Gas Utility	Commercial Gas Utility	Industrial Gas Utility
2009	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2010	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2011	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2012	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2013	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2014	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2015	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3

2016	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2017	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2018	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3
2019	20% min. monthly charge + 15.192¢/CCF; \$3 max monthly	20% min. monthly charge + 14.974¢/CCF up to \$3 + 4.867¢/CCF over \$3	20% min. monthly charge + 14.521¢/CCF up to \$3 + 4.719¢/CCF over \$3

	Water Utility⁹	Residential Telephone Utility	Commercial & Industrial Telephone Utility	Mobile Telephone Utility	Motor Vehicle, Trailer, and Semitrailer Decals
Year					
2009	\$30 for 5000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2010	\$30 for 5000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2011	\$30 for 5000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2012	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2013	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2014	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2015	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2016	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2017	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20
2018	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20.75

⁹ Data for 2009-2011 from Draper Aden Associates' Annual Virginia Water and Wastewater Rate Reports, available at <https://tinyurl.com/y2nxnmek>; Data 2012-2019 from Henry County PSA.

2019	\$30 for first 4000 gal.; \$4.70 for each add'l 1000 gal.	20% of first \$15; \$3 max	20% of first \$15 + 6.5% of amt. over \$15	10% of up to \$30 monthly charge	\$20.75
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	Cycle Decals	BPOL Contracting	BPOL Retail	BPOL Wholesale	BPOL Repair, Pres., & Bus. Servs.	BPOL Fin., Real Estate, & Prof'l Servs.
Year						
2009	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2010	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2011	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2012	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2013	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2014	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2015	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2016	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2017	\$8	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2018	\$12	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢
2019	\$12	0.025¢	0.15¢	0.05¢	0.15¢	0.25¢

	BPOL Mail	BPOL Peddlers	BPOL Itinerant Merchants	BPOL Carnivals & Circuses	BPOL Fortune Tellers & Etc.	BPOL Massage Parlors
Year						
2009	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2010	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2011	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2012	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2013	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2014	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2015	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2016	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2017	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2018	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.
2019	0.15¢	\$50/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$1000/yr.

	BPOL Dealers in Precious Metals	BPOL Savings Insts. & Chartered Credit Unions	BPOL Retail Direct Sellers	BPOL Wholesale Direct Sellers	BPOL Coin-Operated Amusement Machines	BPOL Heat, Light, & Power
Year						
2009	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2010	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts

						(excluding long-distance calls)/yr.
2011	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2012	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2013	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2014	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2015	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2016	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2017	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2018	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.
2019	\$100/yr.	\$50/yr.	0.15¢	0.05¢	0.15¢	0.5% of gross receipts (excluding long-distance calls)/yr.

	Recordation	Probate			Sales & Use
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Year	Bank Franchise			Recordation Fees	Emergency Telephone System	
2009	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$0	72¢ per month	1%
2010	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2011	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2012	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2013	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2014	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2015	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2016	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2017	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2018	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%
2019	80% of state rate	1/3 state tax; inapplicable where state tax is 50¢	1/3 state tax	\$25	72¢ per month	1%

Sources:

The information in this table was compiled from Weldon Cooper survey information emailed by Stephen C. Kulp on April 14, 2020, with supplementation from Henry Cnty. Code §§ 8-200 (bank franchise tax), -301 (license taxes on business, trades, professions, and occupations), -802 (motor vehicle license fees), -900 (sales tax), -902 (use tax), -1001 (telecommunication utility tax), -1001.1 (electric utility tax), -1001.2 (natural gas utility tax), -1100 (tax for emergency telephone system), -1200 (recordation tax), -1400 (transient occupancy tax), -1500 (probate tax), -1501 (recordation fee), -1502 (recordation fee), -1601 (meals tax).

7. Table 9 below shows the estimated current local revenue collections (including receipts from real property, personal property, machinery and tools, consumer utility, sales taxes, etc., and receipts from nontax sources) and intergovernmental aid, and the collections and aid for the preceding ten years, in Martinsville and Henry County.

Table 9: Revenue Collections and Intergovernmental Aid

Year	MARTINSVILLE		HENRY COUNTY	
	Revenue Collections	Intergovernmental Aid	Revenue Collections	Intergovernmental Aid
2009	\$9,758,772	\$31,426,241	\$23,050,210	\$78,226,772
2010	\$9,536,596	\$30,483,967	\$23,004,751	\$73,978,745
2011	\$9,363,591	\$29,100,064	\$23,086,471	\$75,507,581
2012	\$9,108,028	\$29,940,214	\$22,724,303	\$73,962,487
2013	\$9,194,494	\$30,977,137	\$23,681,479	\$72,004,445
2014	\$9,110,088	\$32,430,831	\$24,579,295	\$71,996,224
2015	\$9,421,130	\$31,020,085	\$25,167,838	\$75,295,664
2016	\$9,156,654	\$29,184,559	\$25,335,401	\$76,880,284
2017	\$9,347,735	\$28,622,045	\$25,682,048	\$79,495,294
2018	\$9,433,058	\$29,491,786	\$28,021,161	\$84,189,168
2019	\$8,903,926	\$29,702,912	\$29,427,445	\$86,049,792

Sources:

MARTINSVILLE FY2019 FIN. REP., *supra*, tbl. 13, at 186.

MARTINSVILLE FY2010 FIN. REP., *supra*, tbl. 9, at 149.

HENRY CNTY. FY2019 FIN. REP., *supra*, tbls. 1 & 4, at 145 & 148.

HENRY CNTY. FY2010 FIN. REP., *supra*, tbls. 1 & 4, at 65 & 68.

Martinsville intergovernmental aid information provided by Robinson, Farmer, Cox Associates.

8. The Governmental Services discussion below includes information concerning the services performed by Martinsville that are proposed for assumption by Henry County as a result of the proposed reversion. That information is incorporated herein by reference. In the event of

reversion, Henry County would provide such services to the population of Martinsville as it would to all other residents of Henry County.

9. The Governmental Services discussion below includes information concerning the services that would be provided by Martinsville subsequent to the proposed reversion. That information is incorporated herein by reference. In the event of reversion, such services would be provided to the population of Martinsville.

10. Tables 10 and 11 below show the facilities that, at this time, Martinsville proposes to transfer to Henry County in the event of its reversion to town status, the facilities it would retain in the event of its reversion to town status, and the current fair market value and outstanding debt attributable to each facility.¹⁰

Table 10: Facilities Proposed for Transfer to Henry County

FACILITY	CURRENT FAIR MARKET VALUE*	OUTSTANDING DEBT
Clearview Elementary School	\$1,152,400	N/A
Martinsville High School	\$16,411,600	\$11,774,416.68 ¹¹
Albert Harris Elementary School	\$9,052,600	N/A ¹²
Martinsville Middle School	\$7,275,900	N/A
Old Gym	\$317,400	N/A

Note:

* Listed “current fair market values” reflect building value and not land value. For both building and land values, see City of Martinsville, 2019 REASSESSMENT BOOK – EXEMPT (Jan. 2, 2019), available at <https://tinyurl.com/yxgfda62>.

Sources:

City of Martinsville, 2019 REASSESSMENT BOOK – EXEMPT, *supra*.

Information regarding outstanding debt provided by the City of Martinsville.

Table 11: Facilities Proposed to Be Retained by Martinsville

¹⁰ For information regarding depreciation of Martinsville buildings and equipment, see **Exhibit E**.

¹¹ \$7,624,291.68 principal + \$4,150,125 interest. The interest is paid, then reimbursed by the federal government (presently at a reimbursement rate averaging 8 percent).

¹² **Exhibit H** lists debt of \$375,000 for Albert Harris Elementary School; however, this debt has been paid off in the current fiscal year.

FACILITY	CURRENT FAIR MARKET VALUE*	OUTSTANDING DEBT
Patrick Henry Elementary School	\$2,014,000	\$1,079,998 ¹³
Druid Hills Elementary School	\$1,880,100	N/A
Jail Annex (300 Clearview Drive)	\$1,124,000	N/A
City Prison Farm (300 Clearview Drive)	\$42,828	N/A
City Prison Farm (300 Clearview Drive)	\$39,460	N/A
City Prison Farm (300 Clearview Drive)	\$9,229	N/A
City Prison Farm (300 Clearview Drive)	\$33,006	N/A
Water Reservoir- Picnic Shelters (Redskin Drive)	\$22,981	N/A
Warehouse & Shops, Fuel Island (990 Fishel Street)	\$1,901,000	N/A
Transformer Building (990 Fishel Street)	\$49,869	N/A
Salt Shed Built 1999 (990 Fishel Street)	\$11,791	N/A
Warehouse & Shops (990 Fishel Street)	\$59,496	N/A
Warehouse & Shops (Storage Building) (990 Fishel Street)	\$6,271	N/A
Warehouse & Shops (Section B&D) (990 Fishel Street)	\$36,891	N/A
Vehicle Storage 2 (990 Fishel Street)	\$200,425	N/A
City Garage (990 Fishel Street)	\$1,942,000	N/A
Storage Shed (990 Fishel Street)	\$3,035	N/A
Warehouse & Shops (990 Fishel Street)	\$45,724	N/A
Leisure Services (990 Fishel Street)	\$185,618	N/A
Vehicle Storage 1 (990 Fishel Street)	\$160,271	N/A
Smith River Hydro Plant-Generator Building (Memorial Boulevard)	\$610,000	N/A
Smith River Hydro Plant (Storage Building 1)	\$6,633	N/A
Smith River Hydro Plant (Storage Building 2)	\$2,218	N/A
Municipal Building (55 West Church Street)	\$11,451,000	N/A
Jail (55 West Church Street)	\$1,319,000	N/A
Fire Station #1 (65 West Church Street)	\$1,071,000	N/A
Fire Station #1 (Storage) (65 West Church Street)	\$4,320	N/A
Fire Station #2 (829 Starting Avenue)	\$664,500	N/A
Water Treatment Facility Control Building (302 Clearview)	\$10,723,000	N/A
Water Plant (Lime Holding Tank)	\$71,500	N/A
Sedimentation Basin (302 Clearview)	\$2,360,000	N/A
Flocculation Basin (302 Clearview)	\$484,500	N/A
Water Plant (Generator Building)	\$15,600.00	N/A
Clearwell with Storage (302 Clearview)	\$506,000	N/A
Water Plant (Storage Shed)	\$5,019	N/A
Water Plant (Chemical Feed Building)	\$131,911	N/A
Water Plant (Sludge Lagoon)	\$32,600	N/A
Water Plant (Sludge Lagoon 2)	\$38,400.00	N/A
Animal Shelter (300 Clearview Drive)	\$48,803	N/A
Wastewater Treatment Plant (801 Wind Dancer Lane)	\$392,500	N/A
WWTP Primary Digester 2 (801 Wind Dancer Lane)	\$654,000	N/A
WWTP Secondary Digester (801 Wind Dancer Lane)	\$1,216,500	N/A
WWTP Secondary Digester 2 (801 Wind Dancer Lane)	\$1,216,500	N/A
Water Plant (Splitter Boxat Digester)	\$16,800	N/A

¹³ \$893,238 principal + \$186,760 interest.

Water Plant (Lagoon)	\$80,460	N/A
WWTP Secondary Clarifier (801 Wind Dancer Lane)	\$1,127,000	N/A
WWTP Secondary Clarifier 2 (801 Wind Dancer Lane)	\$1,127,000	N/A
WWTP Secondary Clarifier 3 (801 Wind Dancer Lane)	\$1,127,000	N/A
Water Plant (Defoamer Building)	\$16,200	N/A
Water Plant (Digester Valve Vault)	\$38,549	N/A
WWTP Control Building (801 Wind Dancer Lane)	\$942,500	N/A
Water Plant (Electrical Equipment Building)	\$124,000	N/A
Water Plant (Primary Pumping Station)	\$161,619	N/A
Water Plant (Generator Building)	\$4,147	N/A
WWTP Aeration Basin 1 (801 Wind Dancer Lane)	\$831,000	N/A
WWTP Aeration Basin 2 (801 Wind Dancer Lane)	\$831,000	N/A
Water Plant (Sludge Thickener Valve Unit)	\$12,330	N/A
Water Plant (Sludge Thickener Valve Unit)	\$17,240	N/A
Water Plant (Blower Building)	\$116,914	N/A
Water Plant (Maintenance Building)	\$218,300	N/A
Water Plant (Storage Shed)	\$19,146	N/A
WWTP Post Aeration Tank (801 Wind Dancer Lane)	\$333,000	N/A
Water Plant (Chlorine Contact Tank)	\$140,427	N/A
Water Plant (Chlorine Contact Tank 2)	\$140,427	N/A
Water Plant (Chlorine Contact Tank 3)	\$140,427	N/A
Water Plant (Non potable Water Pump Station)	\$19,515	N/A
WWTP Primary Clarifier 1 (801 Wind Dancer Lane)	\$681,000	N/A
WWTP Primary Clarifier 2 (801 Wind Dancer Lane)	\$681,000	N/A
Water Plant (Sludge Thickener)	\$67,900	N/A
Water Plant (New Sludge Thickener)	\$109,660	N/A
Water Plant (Effluent Parshall Flume)	\$20,800	N/A
WWTP Primary Digester 1 (801 Wind Dancer Lane)	\$654,000	N/A
Senior Citizens Center (21 Moss Street)	\$597,500	N/A
Sheriff's Office (13 Moss Street)	\$1,403,500	N/A
Broad Street Substation (Storage Shed 1)	\$23,232	N/A
Broad Street Substation (Storage Shed 2)	\$15,527	N/A
Spruce Street Substation (1061 Spruce Street)	\$1,045,500	N/A
Spruce Street Substation (Storage)	\$2,132.00	N/A
Spruce Street Substation	\$1,015,000	N/A
Watt Street Metering Station (Scada Hut)	\$4,976	N/A
Watt Street Metering Station (901 Watt Street)	\$602,500	N/A
Depot Street Substation (Scada Hut)	\$5,924	N/A
Depot Street Substation (Storage)	\$2,132	N/A
Depot Street Substation (99 Depot Street)	\$1,777,000	N/A
Aaron Street Substation (Scada Hut)	\$4,976	N/A
Aaron Street Substation (Storage)	\$2,132	N/A
Aaron Street Substation (224 Aaron Street)	\$1,468,000	N/A
Indian Trail Substation (Scada Hut)	\$4,976	N/A
Indian Trail Substation (1021 Indian Trail)	\$824,000	N/A
Sara Lee Substation (Scada Hut)	\$2,918	N/A
Sara Lee Substation (202 Cleveland Avenue)	\$863,500.00	N/A
Dam Caretakers-House (450 Caretaker Drive)	\$57,733	N/A
Dam Caretakers-Dock (200 Boat Ramp Road)	\$14,826	N/A

Dam Caretakers-Restroom (101 Boat Ramp Road)	\$15,497	N/A
Old Housing Office (605 Fourth Street)	\$639,500	N/A
Housing Storage (605 Fourth Street)	\$12,674	N/A
Bus Garage (64 Fayette Street)	\$695,000	N/A
Pipe Street Water Tank (Tank Street)	\$556,735	N/A
Pipe Street Water Tank 2 (Tank Street)	\$535,838	N/A
Pipe Street Water Tank Pump Station (Tank Street)	\$96,341	N/A
Bethel Lane Water Tank (Bethel Lane)	\$142,382	N/A
Bethel Lane Water Tank 2 (Bethel Lane)	\$445,412	N/A
Bethel Lane Water Tank 3 (Bethel Lane)	\$619,730	N/A
Bethel Lane Water Tank Pump Station (Bethel Lane)	\$27,329	N/A
Chatham Heights Water Tank (Grandview Road)	\$299,216	N/A
Woodland Water Tank (Summit View Drive)	\$71,547	N/A
New York Water Tank (New York Avenue)	\$1,299,090	N/A
Industrial Park Water Tank Storage (Industrial Park)	\$1,867	N/A
Industrial Park Water Tank (Industrial Park)	\$579,954	N/A
Hooker Field (Concession Stand and Broadcast Facility)	\$56,314	N/A
Hooker Field (Dugout 2)	\$42,880	N/A
Hooker Field (Restroom)	\$27,920	N/A
Hooker Field (Restroom 2)	\$26,854	N/A
Hooker Field (Visitors' Clubhouse)	\$89,558	N/A
Hooker Field (Home Team Clubhouse)	\$121,770	N/A
Hooker Field (Storage)	\$3,503	N/A
Hooker Field (Souvenir Shop)	\$5,370	N/A
Hooker Field (Refreshment Stand)	\$5,370	N/A
Hooker Field (Dugout 1)	\$42,880	N/A
West Piedmont Bus Development Center (22 East Church Street)	\$2,942,500	N/A
College Park (41 Fayette Street)	\$0	N/A
West End Park Restroom (Cardinal Lane)	\$11,713	N/A
Beaver Creek (Pump Station #1)	\$135,065	N/A
Little Beaver Creek Pump Station (1401 Kingsmountain Road)	\$35,492	N/A
Farmer's Market (Church & Moss)	\$118,378	N/A
Farmer's Market Restroom (Church & Moss)	\$52,883	N/A
Memorial Boulevard Building (700 Memorial Boulevard)	\$20,119	N/A
Public Works City Garage (300 Fishel Street)	\$785,700	N/A
Gas Collection Station (Arden Circle)	\$50,000	N/A
Primary Clarifier Valve (801 Wind Dancer Lane)	\$68,300	N/A
Primary Clarifier Splitter (801 Wind Dancer Lane)	\$27,800	N/A
Sodium Bisulfate Building (801 Wind Dancer Lane)	\$59,100	N/A
Sec. Clar. Pump Station (801 Wind Dancer Lane)	\$226,100	N/A
Sec. Clar. Splitter box (801 Wind Dancer Lane)	\$18,000	N/A
Church Street City Park Shelter (Southwest Armstead Street)	\$18,005	N/A
Church Street City Park Shelter (Southwest East Church Street)	\$80,331	N/A
Church Street City Park Shelter (Southwest Armstead Street)	\$38,805	N/A
Chemical Polymer Building (801 Wind Dancer Lane)	\$37,200.00	N/A
Outdoor Storage (801 Wind Dancer Lane)	\$22,000	N/A
Fayette Square Park (Fayette & Moss Street)	\$0	N/A
Single Family House 2 bed, 1 bath (105 Warren Court)	\$38,000	N/A
Single Family House 2 bed, 1 bath (108 Warren Court)	\$10 000.00	N/A

Single Family House 2 bed, 1 bath (110 Warren Court)	\$38,100	N/A
4-story Multi-Tenant Commercial Building (51 East Church Street)	\$179,800	N/A
Commercial Building (62 Fayette Street)	\$162,000	N/A
Smith River Hydro Dam (Memorial Boulevard)	\$1,869,600	N/A
Southside Park (Ranson Road)	\$63,767	N/A
Southside Park (Ranson Road)	\$26,771	N/A
Southside Park (Ranson Road)	\$19,640	N/A
Southside Park (Ranson Road)	\$2,754	N/A
Southside Park (Ranson Road)	\$2,754	N/A
Southside Park (Ranson Road)	\$2,754	N/A
Southside Park (Ranson Road)	\$2,754	N/A
Southside Park (Ranson Road)	\$2,754	N/A
Southside Park (Ranson Road)	\$2,754	N/A
Southside Park (Ranson Road)	\$2,395	N/A
House & Lot 537 Dillard Street (537 Dillard Street)	\$3,000	N/A
House & Lot 539 Dillard Street (539 Dillard Street)	\$10,900	N/A
Mason Park (Clearview Road)	\$22,981	N/A
Mason Park (Clearview Road)	\$18,575	N/A
Chatham Heights Park (Garden Lane)	\$18,575	N/A
Chatham Heights Park (Garden Lane)	\$26,653	N/A
Baldwin Park (Swanson Street)	\$15,617	N/A
Baldwin Park (Swanson Street)	\$26,966	N/A

Note:

* For the two listed elementary schools, “current fair market values” reflect building value and not land value. For both building and land values, see City of Martinsville, 2019 REASSESSMENT BOOK – EXEMPT, *supra*. For the remaining listed facilities, “current fair market values” reflect building value and not contents value. For both building and contents values, see VACORP, CITY OF MARTINSVILLE FINAL CONTRIBUTION ALLOCATION: BUILDINGS AND CONTENTS SCHEDULE (coverage term July 1, 2020 - July 1, 2021) (**Exhibit F**).

Sources:

City of Martinsville, 2019 REASSESSMENT BOOK – EXEMPT, *supra*.

VACORP, CITY OF MARTINSVILLE FINAL CONTRIBUTION ALLOCATION: BUILDINGS AND CONTENTS SCHEDULE, *supra*.

Information regarding outstanding debt provided by the City of Martinsville.

11. At the end of FY2019, Martinsville’s total debt was \$39,330,998. MARTINSVILLE FY2019 FIN. REP., *supra*, at 23. This represents 62.29% of Martinsville’s constitutional debt limit of \$63,144,580. Va. Const. art. X, § 6. For information concerning retirement of municipal debt, see MARTINSVILLE FY2019 FIN. REP., *supra*, note 8, at 69; *id.* exs. 4 & 5, at 36 & 37; and **Exhibit G** and **Exhibit H**, incorporated herein by reference.

12. Except for amounts that the Henry County Public Service Authority owes to Martinsville, Martinsville and Henry County would each retain their respective existing debts under the proposed reversion.

13. Tables 1 and 10 of the following report show the estimates of the annual amount of tax and nontax revenues to be collected by Henry County within Martinsville subsequent to the proposed reversion, and those estimates are incorporated herein by reference: Robinson, Farmer, Cox Assocs., PROSPECTIVE FINANCIAL IMPACT OF REVERSION, *supra*, tbls. 1 & 10.

14. Based on FY2019 figures, the estimated intergovernmental aid to be received by Henry County as a result of the proposed reversion is an additional \$20,110,933,¹⁴ for a total of \$106,160,725.¹⁵

15. Table 12 below shows the estimated net aggregate fiscal impact of the proposed reversion on Henry County during the initial year subsequent to the reversion and during each of the ensuing five years.

Table 12: Reversion’s Estimated Net Aggregate Fiscal Impact on Henry County

PRE-REVERSION HENRY COUNTY REVENUES, EXPENDITURES, AND OPERATIONS			
FY	Total Revenues	Total Expenditures	Net Operations
2021 Budget	\$156,935,858	\$156,935,858	-

PRE-REVERSION HENRY COUNTY TAX RATES PER \$100 ASSESSED VALUE				
Year	Real Property	Personal Property (Vehicles)	Personal Property (Bus. Equipment)	Machinery & Tools
2021 Budget	\$0.5550	\$1.55	\$1.55	\$1.55

POST-REVERSION FORECAST OF HENRY COUNTY REVENUES, EXPENDITURES, AND OPERATIONS			
FY	Total Revenues	Total Expenditures	Net Operations
2021	\$188,538,753	\$188,359,110	\$179,643
2022	\$193,671,116	\$193,286,136	\$384,980
2023	\$198,812,169	\$199,108,918	(\$296,749)

¹⁴ The \$20,110,933 reflects the following: \$3,376,013 (County – Commonwealth); \$93,225 (County – Federal); \$15,049,467 (Schools - Commonwealth); and \$1,592,228 (Schools – Federal).

¹⁵ This information was provided by Robinson, Farmer, Cox Associates.

2024	\$203,963,774	\$204,938,045	(\$974,271)
2025	\$209,121,082	\$210,767,590	(\$1,646,508)
2026	\$214,279,494	\$216,601,832	(\$2,322,338)

POST-REVERSION FORECAST OF HENRY COUNTY TAX RATES PER \$100 ASSESSED VALUE				
FY	Real Property*	Personal Property (Vehicles)	Personal Property (Bus. Equipment)	Machinery & Tools
2021	\$0.6050	\$1.55	\$1.55	\$1.55
2022	\$0.6050	\$1.55	\$1.55	\$1.55
2023	\$0.6050	\$1.55	\$1.55	\$1.55
2024	\$0.6050	\$1.55	\$1.55	\$1.55
2025	\$0.6050	\$1.55	\$1.55	\$1.55
2026	\$0.6050	\$1.55	\$1.55	\$1.55

Note:

* Increasing Henry County's post-reversion real property tax rate 5¢.

Source:

Information provided by Robinson, Farmer, Cox Associates.

16. Assuming that the net aggregate fiscal impact on Henry County resulting from the reversion is addressed solely by an adjustment in Henry County's real property tax rate, the estimated adjustment required in that rate would be a 5¢ increase reaching a rate of 60.5¢ per \$100 assessed value of real property. Robinson, Farmer, Cox Assocs., PROSPECTIVE FINANCIAL IMPACT OF REVERSION, *supra*, at 2 & tbl. 8.

17. Table 13 below shows the estimated net aggregate fiscal impact of the proposed reversion on Martinsville during the initial year subsequent to the reversion and during each of the ensuing five years.

Table 13: Reversion's Estimated Net Aggregate Fiscal Impact on Martinsville

PRE-REVERSION MARTINSVILLE REVENUES, EXPENDITURES, AND OPERATIONS			
Year	Total Revenues	Total Expenditures	Net Operations
FY2021 Budget	\$81,850,087	\$87,585,734	(\$5,735,647)

PRE-REVERSION MARTINSVILLE TAX RATES PER \$100 ASSESSED VALUE				
Year	Real Property	Personal Property (Vehicles)	Personal Property (Bus. Equipment)	Machinery & Tools
FY2021 Budget	\$1.0621	\$2.30	\$2.30	\$1.85

POST-REVERSION FORECAST OF MARTINSVILLE REVENUES, EXPENDITURES, AND OPERATIONS				
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Year	Total Revenues	Total Expenditures	Net Operations
FY2021	\$52,494,187	55,092,001	(\$2,597,814)
FY2022	\$53,721,037	55,854,362	(\$2,133,325)
FY2023	\$54,959,804	57,023,578	(\$2,063,774)
FY2024	\$56,211,659	58,212,172	(\$2,000,513)
FY2025	\$57,477,740	59,422,023	(\$1,944,283)
FY2026	\$58,757,361	60,653,507	(\$1,896,146)

POST-REVERSION FORECAST OF MARTINSVILLE TAX RATES PER \$100 ASSESSED VALUE				
Year	Real Property*	Personal Property (Vehicles)	Personal Property (Bus. Equipment)	Machinery & Tools
FY2021	\$0.5071	\$0.75	\$0.75	\$0.30
FY2022	\$0.5071	\$0.75	\$0.75	\$0.30
FY2023	\$0.5071	\$0.75	\$0.75	\$0.30
FY2024	\$0.5071	\$0.75	\$0.75	\$0.30
FY2025	\$0.5071	\$0.75	\$0.75	\$0.30
FY2026	\$0.5071	\$0.75	\$0.75	\$0.30

Note:

* Martinsville's post-reversion real property tax rate (\$0.5071) is set to be equal to pre-reversion tax rate (\$1.0621) when combined with adjusted County tax rate (\$0.605).

Source:

Information provided by Robinson, Farmer, Cox Associates.

18. Assuming that the net aggregate fiscal impact on Martinsville resulting from the reversion is addressed solely by an adjustment in Martinsville’s real property tax rate, the estimated adjustment required in that rate would be a 60.5¢ decrease reaching a rate of 45.71¢ per \$100 assessed value of real property. Robinson, Farmer, Cox Assocs., PROSPECTIVE FINANCIAL IMPACT OF REVERSION, *supra*, tbl. 8. Real property in Martinsville would also be subject to Henry County’s tax of 60.5¢ per \$100 assessed value of real property. *See supra* Responsive Data & Other Evidence ¶¶ 16 & 17.

19. The proposed reversion would promote strong and viable units of government in Martinsville and Henry County and, as such, would promote the policies of the Commonwealth as declared by the General Assembly. The Governmental Services and Grounds for Reversion discussions below include further information concerning the promotion of such policies. That information is incorporated herein by reference.

20. The Terms and Conditions discussion below specifies the terms and conditions that should be established by the Court to balance the equities between Martinsville and Henry County; protect the best interests of the affected localities, their residents, and the Commonwealth; and ensure Martinsville's orderly reversion to town status. Those terms and conditions are incorporated herein by reference.

GOVERNMENTAL SERVICES

The city-to-town reversion process allows a city to merge into a county as a town. Following Martinsville's reversion to a town, responsibility for governmental services within Martinsville would be allocated between Martinsville and Henry County in the manner according to the traditional town-county relationship. With regard to major governmental functions, the division of responsibility would be as follows:

I. PUBLIC EDUCATION.

A. Existing.

There are separate school divisions for Martinsville and Henry County. Each division has a superintendent and performs its own administrative functions. Davis & Assocs., STUDY REGARDING SCHOOL CONSOLIDATION, *supra*, at 1-3. The divisions do not operate jointly and do not otherwise contract jointly for the provision of public education.

In the 2019-2020 school year, Martinsville had five schools with a total fall enrollment of 1,930 students. Martinsville had one early childhood center (prekindergarten) with a fall enrollment of 139 students and two elementary schools (prekindergarten through fifth grade) with a combined fall enrollment of 814 students. Martinsville had one middle school (sixth through eighth grades) and one high school (ninth through twelfth grades), with fall enrollments of 425 and 552 students respectively.

In the 2019-2020 school year, Henry County had thirteen schools with a total fall enrollment of 7,381 students. Henry County's nine elementary schools (prekindergarten through fifth grade) had a combined fall enrollment of 3,475. Together, Henry County's two middle schools (sixth through eighth grades) had a combined fall enrollment of 1,701. Henry County's two high schools (ninth through twelfth grades) had a combined fall enrollment of 2,205.¹⁶

In FY2018, Martinsville had ninety-six teaching positions for kindergarten through seventh grade (pupil/teacher ratio of 12.34) and seventy-one teaching positions for eighth through twelfth grades (pupil/teacher ratio of 9.74). Martinsville had over 113 instructional positions per 1,000 students. Henry County had 304 teaching positions for kindergarten through seventh grade (pupil/teacher ratio of 14.27) and 205 teaching positions for eighth through twelfth grades (pupil/teacher ratio of 12.89). Henry County had nearly 100 instructional positions per 1,000 students.¹⁷

In FY2019, Martinsville contributed \$6,144,512 to its school board. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 162.

B. Proposed.

With the reversion of Martinsville to town status, Henry County would assume full responsibility for operating the educational system for all residents of Henry County, including residents of Martinsville.

¹⁶ The fall enrollment information in this section was obtained through the Virginia Department of Education's *Fall Membership Build-A-Table*, available at <https://tinyurl.com/vflw2px> (last accessed Apr. 4, 2020).

¹⁷ The information in this paragraph was obtained from Va. Dep't of Educ., SUPERINTENDENT'S ANNUAL REPORT 2017-2018, tbls. 17a & 17b, available at <https://tinyurl.com/yd9sbup9>.

II. JUDICIAL ADMINISTRATION.

A. Existing.

Martinsville and Henry County each have an elected Sheriff, Circuit Court Clerk, and Commonwealth's Attorney. The separate Circuit Courts for Martinsville and Henry County are part of the 21st Judicial Circuit. Va. Code § 17.1-506(21). The separate General District Courts and Juvenile and Domestic Relations District Courts for Martinsville and Henry County are part of the 21st Judicial District. *Id.* § 16.1-69.6(21). In addition, Martinsville and Henry County each have their own jails. Consistent with the Supreme Court's most recent recommendations, Sup. Ct. of Va., FINAL REPORT: VIRGINIA JUDICIAL WORKLOAD ASSESSMENT 29-31 (2017), *available at* <https://tinyurl.com/ueyjt5s>, there are presently three Circuit Court Judges in the 21st Judicial Circuit and two General District Court Judges and two Juvenile and Domestic Relations District Courts in the 21st Judicial District, *Current and Announced Judicial Vacancies*, in Letter from Karl R. Hade, Exec. Sec'y, Sup. Ct. of Va., to Sen. Mark D. Obenshain, et al., Dec. 9, 2019, *available at* <https://tinyurl.com/t9yr7ot>; *Current and Announced Judicial Vacancies*, in Letter from Karl R. Hade, Exec. Sec'y, Sup. Ct. of Va., to Sen. Thomas K. Norment, Jr., et al., Dec. 9, 2019, *available at* <https://tinyurl.com/tsc3d9w>.

Martinsville's courts, clerks' offices, sheriff's department, and jail are about a ten minute (4.2 mile) drive from Henry County's. The courts, clerks' offices, sheriff's department, and jail of Patrick County (which is also a part of the 21st Judicial Circuit and the 21st Judicial District) are about thirty-six minutes (about 28.5 miles) from Martinsville's and about forty-one minutes (about 34.6 miles) from Henry County's.¹⁸

¹⁸ The information in this paragraph was obtained by inputting the respective addresses in the "Directions" function on <https://www.google.com/maps>.

In FY2019, Martinsville spent \$2,401,821 for judicial administration services and \$3,473,582 for support of correction and detention services provided through the Sheriff and the Probation Office. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 161.

B. Proposed.

As a town, Martinsville would have no responsibility for these functions. Henry County and its Sheriff, Circuit Court Clerk, and Commonwealth's Attorney would provide and finance all judicial administration services provided to the citizens of the new town of Martinsville and receive all state funding appropriated for those purposes. Judges appointed to serve in the 21st Judicial Circuit and 21st Judicial District would continue to serve the citizens of Martinsville and Henry County.

III. COMMISSIONER OF REVENUE.

A. Existing.

Martinsville and Henry County each have an elected Commissioner of Revenue. Each Commissioner of Revenue is responsible for assessing real estate within the locality, billing and collecting business license taxes within the locality, and receiving state income tax returns for the locality. In FY2019, Martinsville spent \$448,763 for support of its Commissioner of Revenue. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 160.

B. Proposed.

Towns do not elect Commissioners of Revenue. Therefore, Henry County's Commissioner of Revenue would assume responsibility for property assessments and state income tax returns.¹⁹

¹⁹ It is anticipated that two positions from Martinsville's Office of the Commission of Revenue would be retained in the town's Treasurer's Office. Robinson, Farmer, Cox Assocs., PROSPECTIVE FINANCIAL IMPACT OF REVERSION, *supra*, at 2.

IV. TREASURER.

A. Existing.

Martinsville and Henry County each have an elected Treasurer. Each Treasurer is responsible for the billing and collection of utility charges and most taxes within the locality. In FY2019, Martinsville spent \$299,753 for support of its Treasurer. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 160.

B. Proposed.

Towns do not elect Treasurers. Therefore, Henry County's Treasurer would assume responsibility for collecting Henry County property taxes levied on Martinsville residents.

V. BOARD OF ELECTIONS.

A. Existing.

Martinsville and Henry County each have a Registrar and Board of Elections. The Registrar and Board of Elections are responsible for registering voters and for conducting all elections held within the respective localities. In FY2019, Martinsville spent \$122,133 for support of its Registrar and Board of Elections. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 160.

B. Proposed.

Towns do not have Registrars or Boards of Elections. Therefore, those functions would be assumed by the Henry County Registrar and Board of Elections.

VI. DEPARTMENT OF SOCIAL SERVICES.

A. Existing.

Martinsville and Henry County are served by a joint Henry-Martinsville Department of Social Services (the "HMDSS"). HENRY CNTY. FY2019 FIN. REP., *supra*, at 21. The HMDSS provides a range of social services, including child protective services, adult protective services,

foster care, day care, family planning, aid to dependent children, employment and education services, food stamps, fuel assistance, and general relief.

The Henry-Martinsville Social Services Board (the “HMSSB”) supervises the HMDSS. The HMSSB makes policy decisions, has discretionary power over local funding, prepares and submits budgets and reports to state and local officials, reviews program and personnel performance, and appoints the HMDSS’s Director. The Henry County Board of Supervisors appoints six members to the HMSSB, and the Martinsville City Council appoints three. MARTINSVILLE FY2019 FIN. REP., *supra*, at 45.

The HMSSB is considered a component unit of Henry County, which is financially accountable for HMSS. MARTINSVILLE FY2019 FIN. REP., *supra*, at 45; HENRY CNTY. FY2019 FIN. REP., *supra*, at 21. Martinsville and Henry County have an agreement providing that Martinsville will reimburse Henry County for its share of administrative, operating, and maintenance costs that are unreimbursed by state or federal grants. HENRY CNTY. FY2019 FIN. REP., *supra*, at 21.

In FY2019, Martinsville provided \$349,886 in local funding to the HMSSB. MARTINSVILLE FY2019 FIN. REP., *supra*, at 162.

B. Proposed.

As a town, Martinsville would have no responsibility for local funding of the Social Services Board. Henry County would assume full responsibility for local funding of the Social Services Board.

VII. HEALTH SERVICES.

A. Existing.

Martinsville and Henry County are served by a joint Henry-Martinsville Health Department (the “HMHD”). The HMHD provides a range of health services to Martinsville and

Henry County. In FY2019, Martinsville provided \$198,401 in local funding to the HMHD. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 162.

B. Proposed.

As a town, Martinsville would have no responsibility for local funding of the Health Department. Henry County would assume full responsibility for local funding of the Health Department.

VIII. MENTAL HEALTH SERVICES.

A. Existing.

The Piedmont Regional Community Services Board (the “PRCSB”) is an agent of Henry County, Franklin County, Patrick County, and Martinsville for the development and implementation of mental health, mental retardation, and substance abuse services. *Services, PIEDMONT COMMUNITY SERVICES, available at <https://tinyurl.com/v5k5w4t>* (last accessed Apr. 8, 2020). In FY2019, Martinsville provided \$58,125 in local funding to the PRCSB. MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 162.

B. Proposed.

As a town, Martinsville would have no responsibility for local funding of the PRCSB. Henry County would continue to provide local funding for the PRCSB.

IX. SOLID WASTE DISPOSAL.

A. Existing.

Martinsville provides door-to-door curbside waste collection services to its residents and businesses. Martinsville transports waste to the First Piedmont Transfer Station located at the site of the old city landfill, 225 Arden Circle in Henry County, Virginia. The city landfill was closed in 2006 once the permitted capacity was consumed. Upon closure, Martinsville contracted with First Piedmont Corporation to operate the Transfer Station. Martinsville pays First Piedmont

Corporation a tipping fee based on the weight of the waste to be disposed. Martinsville’s contract with First Piedmont Corporation will continue through 2020. Additionally, Martinsville residents may dispose of their recyclable materials at the city-operated drop-off center. Martinsville then transports recyclables to a local processing facility. Joyce Eng’g, Inc., SOLID WASTE MANAGEMENT PLAN FIVE-YEAR UPDATE 4, 14-19 (2016), available at <https://tinyurl.com/tzy6h4>.

Henry County does not provide door-to-door curbside waste collection services to its residents. Residents may choose to independently contract with a private contractor or haul their waste directly to the First Piedmont Transfer Station for a fee. Henry County, through its Refuse Department, provides convenience centers for residents to dispose of their household trash and certain other items. Additionally, Henry County provides a collection center for residents to dispose of their recyclable materials. *Id.* at 13, 16.

In FY2019, Martinsville’s expenses for solid-waste disposal services totaled \$1,956,974. MARTINSVILLE FY2019 FIN. REP., *supra*, at 30.

B. Proposed.

As a town, Martinsville will continue providing door-to-door curbside waste collection and drop-off recycling services in the same manner as it currently provides.

X. SEWER/WASTEWATER TREATMENT FACILITY.

As a town, Martinsville will continue to provide sewer and wastewater services as set forth in the 1974 Contract (“1974 Contract”) between Martinsville and the Henry County Public Service Authority (“HCPSA”).

A. Existing.

Martinsville has owned and operated the Martinsville Regional Sewage Disposal Facility (the “Disposal Facility”) since the 1960s. To transport its waste to the Disposal Facility, Martinsville maintained a system of interceptor sewer lines that extended beyond the Martinsville

city limits. Because the Disposal Facility was capable of treating more waste than Martinsville generated, Martinsville entered into the 1974 Contract to accept, transport, and treat sewage and waste originating in Henry County. The 1974 Contract provides a specific formula to govern the funding and payment of capital improvements. The 1974 Contract also provides for a proportionate share of costs relating to ordinary maintenance and repair and emergency repairs.

Currently, a dispute exists as to how much HCPSA should be contributing to pay for recent capital improvements and emergency repairs that were made to 6.2 miles of Martinsville's Smith River sewer interceptor (the "Smith River Interceptor"). Martinsville and HCPSA are currently litigating this dispute, *City of Martinsville v. Henry County Public Service Authority*, Case No. CL20000172-00, in the Circuit Court for the City of Martinsville.

The need for the repairs and improvements arose in November 2014, when a 200-foot portion of the Smith River Interceptor partially collapsed. That collapse required the installation of a temporary pump-around line, and further necessitated immediate replacement to ensure the continued transportation of Martinsville and Henry County waste. Those emergency repairs cost Martinsville \$3,346,537.

During the inspection subsequent to the partial collapse, engineers concluded that an additional 6.2 mile stretch of the Smith River Interceptor urgently required improvement because it also was vulnerable to collapse. That improvement project was substantial, consisting of the following tasks and activities, among others:

- A. Replacement of 800 feet of partially-collapsed sections;
- B. Relining of approximately 4 miles of corrugated metal piping;
- C. Relining approximately 2 miles of reinforced concrete pipe with tons of concrete;
- D. The demolition of underground corrugated metal pipe and concrete piers;

- E. Installation of manholes; and
- F. Repaving of various lots that were opened to facilitate the repairs.

Work on that capital improvement began in 2015 and was completed in December 2018. Those costs were incurred and paid solely by Martinsville in the amount of \$14,999,975.32.

Based on these events, and as reflected in the litigation referenced above, Martinsville has demanded that the HCPSA pay its contractual share of the total cost the capital improvements to the Smith River Interceptor (47%), which amounts to \$7,049,988.40, along with its contractual share (47%) for the emergency repairs to the Smith River Interceptor, \$1,572,872. HCPSA has paid nothing toward the cost of these improvements and claims it owes nothing.

B. Proposed.

Following reversion, the 1974 Contract will remain in place, and Martinsville will be paid \$8,622,860.40 by the HCPSA.

XI. Other Urban Services.

A. Existing.

Martinsville currently provides a range of urban services including but not limited to law enforcement and public safety; fire and rescue; building inspections; public works; parks, recreation, and cultural; library²⁰; Blue Ridge Regional Airport Authority²¹; and planning and

²⁰ Martinsville, Henry County, and Patrick Henry provide financial support for, and appoint the governing board of, the Blue Ridge Regional Library (the “Library”). MARTINSVILLE FY2019 FIN. REP., *supra*, at 45. The Library “is considered an intergovernmental (joint) venture.” *Id.* “No one locality contributes more than 50% of the Library’s funding or has oversight responsibility over its operations. The City holds assets in a custodial capacity for the Library.” *Id.* As a town, Martinsville would have no responsibility for funding the Library, but intends to do so, nonetheless.

²¹ Created by Act of February 13, 1964, ch. 25, 1964 Va. Acts 36. Upon reversion, Martinsville would continue to fund the Airport Authority and appoint members to the Airport Authority’s Board of Directors.

community development. Martinsville's expenditures for these services in FY2019 are set out in its financial report. *See generally* MARTINSVILLE FY2019 FIN. REP., *supra*, sch. 2, at 160-65.

B. Proposed.

Following reversion to town status, Martinsville would continue to provide the urban services described above.

GROUNDS FOR REVERSION

Martinsville respectfully submits that its reversion to town status is well-grounded under Va. Code § 15.2-4106. Its current population is below 50,000. Va. Code § 15.2-4106(A)(1); *see supra* Responsive Data & Other Evidence ¶ 2 tbl. 1. The reversion will not substantially impair Henry County's ability to meet the service needs of its population, and it will not result in a substantially inequitable sharing of the resources and liabilities of Martinsville and Henry County. Va. Code § 15.2-4106(A)(3), (4). Martinsville's reversion to town status is, in the balance of equities, in the best interests of the Parties, the people thereof, and the Commonwealth as a whole. *Id.* § 15.2-4106(A)(5), (6).²²

I. REVERSION WILL PROMOTE HENRY COUNTY'S ABILITY TO SERVE THE POPULATION.

Martinsville's reversion will not substantially impair Henry County's ability to meet the service needs of its population. *Id.* § 15.2-4106(A)(3). Rather, the proposed reversion would better leverage the resources and tax revenues available to Martinsville and Henry County, promoting Henry County's ability to meet the service needs of the population.

Henry County will realize significant advantages as a result of the reversion, gaining additional land, residents, and property tax base. Based on 2020 projections, reversion would increase Henry County's population to approximately 63,988 (13,002 from Martinsville), with a land area of 395.49 square miles (11.01 from Martinsville). *See supra* Responsive Data & Other Evidence ¶ 2 tbl. 1. Based on 2019 data, reversion would increase Henry County's total assessed real estate values to \$3,514,619,854 (\$631,445,800 from Martinsville) and total assessed public service real estate values to \$213,170,305 (\$24,296,670 from Martinsville). *See supra* Responsive

²² There is substantial overlap in the considerations that establish the statutory elements justifying reversion. *See* Va. Code § 15.2-4106(A)(3)-(6). While the statutory elements are addressed separately herein, factors addressed under each element inform the satisfaction of the others.

Data & Other Evidence ¶ 5 tbl 4.²³ The increased real estate values translate to an increased bonding capacity for Henry County’s because its bonding capacity is based on the total assessed value of real property therein. *See* HENRY CNTY. FY2019 FIN. REP., *supra*, at 49-50.

While reversion will “concurrently present the County with increased public service responsibilities,” *see* Comm’n on Local Gov’t, REPORT ON THE CITY OF CLIFTON FORGE – COUNTY OF ALLEGHANY VOLUNTARY SETTLEMENT AGREEMENT 22 (2000) [hereafter Comm’n on Local Gov’t, CLIFTON FORGE REP.], *available at* <https://tinyurl.com/u4kjf7v>, this will not substantially impair Henry County’s ability to meet the population’s service needs. A significant factor informing this is “fiscal stress.”²⁴

Reversion relieves fiscal stress on the reverting city by allowing it to cease or reduce funding of high-cost services. *See generally supra* Governmental Services. Counties naturally bear additional fiscal stress in absorbing responsibilities from the reverted city; however, this does not substantially impair a county’s ability to meet the service needs of its population. *See, e.g.,*

²³ “The real property tax is by far the most important source of tax revenue for localities.” Stephen C. Culp, VIRGINIA LOCAL TAX RATES 2017, at 7 (2018), *available at* <https://tinyurl.com/s6zrax5>.

²⁴ This Commission’s “fiscal stress” measures indicate “signs of fiscal weaknesses, or ‘stresses,’ existing in the fiscal position of Virginia’s local governments.” *See* REPORT OF THE JOINT LEGISLATIVE AUDIT & REVIEW COMM’N ON STATE MANDATES ON LOCAL GOV’TS & LOCAL FIN. RESOURCES, H. Doc. No. 15, at 67 (1984), *available at* <https://tinyurl.com/weljosm>. The Commission annually calculates Virginia cities’ and counties’ “fiscal stress scores,” ranks them, and classifies them as “low,” “below average,” “above average,” or “high.” Comm’n on Local Gov’t, REPORT ON COMPARATIVE REVENUE CAPACITY, REVENUE EFFORT, AND FISCAL STRESS OF VIRGINIA’S CITIES AND COUNTIES 1 (2019) (emphasis added) [hereafter Comm’n on Local Gov’t, FY2017 FISCAL STRESS REP.], *available at* <https://tinyurl.com/tvebaxv>. A locality’s classification is “based upon the standard deviation of fiscal stress scores throughout the state.” *Id.* Its fiscal stress score is based on its revenue capacity per capita, revenue effort, and median household income. *Id.* “Revenue capacity is a computation of how much revenue a jurisdiction could generate if it taxed its population at statewide average rates. Revenue effort is a ratio of actual tax collections by a locality to its computed revenue capacity. Median household income represents the level at which exactly half of the households in a jurisdiction earn more and the other half earns less.” *Id.* at 2.

Comm’n on Local Gov’t, REPORT ON THE CITY OF SOUTH BOSTON – COUNTY OF HALIFAX REVERSION ISSUE 20-21 (1992) [hereafter Comm’n on Local Gov’t, SOUTH BOSTON REP.], available at <https://tinyurl.com/rzhdj9n>; Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 28, 30; Comm’n on Local Gov’t, REPORT ON THE CITY OF BEDFORD – COUNTY OF BEDFORD VOLUNTARY SETTLEMENT AGREEMENT 20, 23-24 (2012) [hereafter Comm’n on Local Gov’t, BEDFORD REP.], available at <https://tinyurl.com/tnes6su>. Counties typically have a “greater fiscal potential” to meet the service needs of the population. See Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 17; Comm’n on Local Gov’t, BEDFORD REP., *supra*, at 16. That is reflected in the averages of city and county fiscal stresses in the Commonwealth, and it is the case with Martinsville and Henry County as well.

Table 14: FY2017 Fiscal Stress Levels

	Fiscal Stress	Revenue Capacity	Revenue Effort	Med. HH Income
Martinsville	High 106.89	\$1,255.39	1.4977	\$34,463
Henry County	Above Avg. 101.66	\$1,330.14	0.6684	\$41,206
City Average	Above Avg. 103.10	\$1,888.40	1.3436	\$54,811
County Average	Below Avg. 98.95	\$2,191.90	0.7637	\$59,202
Virginia Average	Avg. 100	\$2,105.18	0.9294	\$57,947

Notes:

The FY2017 average median household incomes for cities, counties, and the Commonwealth are derived from that year’s data reflected at Comm’n on Local Gov’t, FY2017 FISCAL STRESS REP., *supra*, at 69-70.

Source:

Comm’n on Local Gov’t, FY2017 FISCAL STRESS REP., *supra*, at 1, 2, 6, 11, 14, 17, 18, 23, 24, 26

Martinsville is one of the most fiscally-stressed localities in the Commonwealth. It has had a “high” fiscal stress score through the entire period of FY2008-FY2017. Over that time, it has had the fourth highest score in the Commonwealth in five different years (including the most recent year, FY2017). Martinsville’s lowest rank in that period was eighth. Henry County has maintained an “above average” fiscal stress score over the same period. Over that time, its score ranked as high as thirty-third and as low as forty-sixth.

Table 15: Martinsville and Henry County FY2008-FY2017 Fiscal Stress Rankings

FY	MARTINSVILLE				HENRY COUNTY			
	Fiscal Stress	Revenue Capacity	Revenue Effort	Med. HH Income	Fiscal Stress	Revenue Capacity	Revenue Effort	Med. HH Income
2017	4	5	10	7	46	10	107	25
2016	6	8	14	9	36	12	92	14
2015	4	7	11	6	35	11	87	15
2014	7	8	15	2	39	11	82	18
2013	8	9	17	2	40	10	86	18
2012	4	10	16	1	40	11	95	16
2011	6	11	17	2	41	9	98	9
2010	4	12	16	2	45	10	89	8
2009	4	10	12	1	34	11	79	29
2008	5	19	15	6	33	9	73	12

Source:

Comm'n on Local Gov't, FY2017 FISCAL STRESS REP., *supra*, at 52-53, 57-58, 64-65, 71-72.

The most pronounced difference in the fiscal stress factors is in the localities' revenue efforts. Revenue effort reflects a locality's tax collections for every \$1.00 of revenue capacity.²⁵ See Comm'n on Local Gov't, FY2017 FISCAL STRESS REP., *supra*, at 17. In those terms, Martinsville collected almost \$1.50 for every \$1.00 of its revenue capacity in FY2017, while Henry County collected less than 67¢ for every \$1.00 of its revenue capacity. Henry County's revenue effort has consistently ranked far below Martinsville's, one of the highest in the Commonwealth. While Martinsville's high revenue effort is not sustainable over the long term, Henry County has capacity to increase its revenue effort.

²⁵ "A locality's revenue effort is computed as its own-source revenue collections divided by its revenue capacity. The components of own-source revenue used by the Commission on Local Government for this computation are real estate taxes, public service corporation real estate taxes, personal property taxes, local option sales taxes, and other local source revenue." Comm'n on Local Gov't, FY2017 FISCAL STRESS REP., *supra*, at 17. "Revenue capacity per capita measures how much tax revenue a locality could collect per person from its base if it used statewide average rates. There are five primary factors that are involved in the computation: true value of real estate, true value of public service corporation real estate, registered vehicles, local option sales tax receipts, and adjusted gross income." *Id.* at 11.

The relative revenue efforts indicate that reversion to the traditional town-county relationship will better serve the needs of the population, without substantial impairment to Henry County. Its overall fiscal score would remain “above average,” and it would still have the revenue capacity to make a greater revenue effort if needed.

Table 16: FY2017 Fiscal Stress Henry County, Including Martinsville as a Town*

	Fiscal Stress	Revenue Capacity	Revenue Effort	Med. HH Income**
Calculation	102.58***	\$1,314.84	0.8305	\$39,825
Rank****	30	9	68	18

Notes:

*The figures in this Table do not embody any assumptions concerning the realization of fiscal benefits from a restructuring of the existing city-county relationship. In the revenue capacity per capita calculation, the actual statewide average revenues from 2017 are retained and are not adjusted to reflect the removal of Martinsville from the average and not otherwise adjusted to conform the tax revenues in Martinsville to revenues in that area that would have been obtained using Henry County tax rates. Similarly, in the revenue effort calculation, Martinsville’s actual revenues from 2017 are retained and are not adjusted to conform to Henry County’s tax rates. *Cf. supra* Responsive Data & Other Evidence ¶¶ 6 tbls. 5-8 (indicating the different tax rates for Martinsville and Henry County).

** Because the U.S. Census Bureau does not publish a median household income specific to the combined localities, “a figure for median household income must be estimated.” See Comm’n on Local Gov’t, BEDFORD REP., *supra*, at 24. The \$39,825 figure used in this Table is “a weighted-average based upon population.” See *id.*

*** In the recalculated fiscal stress index merging Martinsville into Henry County, Henry County retains its “above average” designation because its fiscal stress score is “less than one standard deviation above the mean.” Comm’n on Local Gov’t, FY2017 FISCAL STRESS REP., *supra*, at 2. The mean is always 100. *Id.* In the recalculated fiscal stress index, the standard deviation is 3.69.

**** For purposes of calculating the fiscal stress index and raking the localities therein, Martinsville would be “eliminated from the computations, which will reduce the total number of cities.” See Comm’n on Local Gov’t, BEDFORD REP., *supra*, at 23. As reflected in this Table, Henry County’s rankings necessarily increase one level.

Sources:

For the methodology used in calculating the respective figures, see Comm’n on Local Gov’t, FY2017 FISCAL STRESS REP., *supra*, at 29-31.

For the data used in the calculations above, see Comm’n on Local Gov’t, COMPUTATIONAL EXHIBITS (2019), available at <https://tinyurl.com/v3v2c87>; Comm’n on Local Gov’t, FY2017 FISCAL STRESS REP., *supra*, *passim*.

In assuming additional revenues and expenditures following reversion, Henry County will see a relatively small disparity in the increase of its expenditures relative to revenues. Henry County could address that disparity by increasing its real estate tax rate by less than one-tenth of a

percentage point, *see* Robinson, Farmer, Cox Assocs., PROSPECTIVE FINANCIAL IMPACT OF REVERSION, *supra*, at 2 & tbl. 8 (adding 0.05% to the 0.555% tax rate), which should be within its revenue capacity after the reversion, *cf. supra* Grounds for Reversion tbl. 16.

There are also “significant long-term benefits” to be considered, “[b]eyond the immediate fiscal impact of the proposed reversion.” Comm’n on Local Gov’t, SOUTH BOSTON REP., *supra*, at 32-33. “Such beneficial consequences include the more efficient use of public resources, economies of scale in the provision of services, elimination of undesirable competition among separate units of government, and an enhanced ability to engage in long-range planning efforts for the future development of the entire community.” Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 29-30. The proposed reversion allows Henry County and Martinsville to reduce redundancies in governmental services provided in close proximity to relatively small populations. In this regard, reversion to town status allows for a more efficient use of the taxpayer’s dollar, increased availability of public resources to meet other needs, and a more effective allocation of those resources.

For these reasons, reversion will not substantially impair but will, rather, promote Henry County’s ability to meet the service needs of the population.

II. REVERSION WILL PROMOTE THE EQUITABLE SHARING OF RESOURCES AND LIABILITIES AMONG HENRY COUNTY AND MARTINSVILLE.

As reflected above and further discussed below, Martinsville’s reversion “will not result in a substantially inequitable sharing of the resources and liabilities of the town and the county.” Va. Code § 15.2-4106(A)(4).

Henry County’s “additional revenues, which will be derived from within the corporate limits of [Martinsville], clearly constitute a sharing of the resources of that municipality in addressing the increased liabilities of the County.” *See* Comm’n on Local Gov’t, SOUTH BOSTON

REP., *supra*, at 32-33. To Martinsville’s tax advantage, reversion would restore its “authority to extend its boundaries through annexation,”²⁶ allowing it the “opportunity to share . . . in the development which has occurred arounds its periphery.” *See* Comm’n on Local Gov’t, BEDFORD REP., *supra*, at 25. As a town, Martinsville would be able to annex territory without threatening Henry County’s tax basis in such territory. *See Fairfax Cnty. v. Alexandria*, 193 Va. 82, 90, 68 S.E.2d 101, 106 (1951) (“in Virginia an incorporated town continues to be an integral part of the county, subject to the jurisdiction of the county authorities and to taxation for general county purposes” (citation omitted)).

Restoring the traditional town-county relationship between Martinsville and Henry County would result in an appropriate division of authority in addressing local matters. *See, e.g.*, Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 17-18; Comm’n on Local Gov’t, SOUTH BOSTON REP., *supra*, at 22 (discussing the traditional division of town and county responsibilities in the context of the equitable sharing of resources and liabilities). Henry County would be responsible for local matters concerning constitutional offices, public education, judicial administration, elections, social services, health, and mental health services. *See supra* Governmental Services ¶¶ I-VIII. As a town, Martinsville would continue to provide its citizens a wide range of services traditionally provided in urban areas, including but not limited to law enforcement and public safety; fire and rescue; building inspections; public works; parks, recreation, and cultural; planning and community development; solid-waste disposal; and sewer/wastewater treatment pursuant to the 1974 Contract between Martinsville and HCPSA. *See supra* Governmental Services ¶¶ IX-XI.

²⁶ Cities are presently barred from annexing county land until 2024. Va. Code § 15-2-3201. The moratorium has been extended time and time again since it was originally enacted. *Cf.* Act of Mar. 22, 1987, ch. 216, 1987 Va. Acts 281 (moratorium until July 1, 1988).

This allocation of local authority and resources will be more efficient and more effective. Because Martinsville will continue to provide a wide range of urban services as a municipal corporation, reversion will not significantly increase demands on Henry County staff and resources for those same services. Thus, reversion would provide for the equitable sharing of local resources and liabilities consistent with the traditional relationship between a town and a county.

III. REVERSION IS IN THE BEST INTERESTS OF THE PARTIES AND THEIR PEOPLE.

As indicated by the factors discussed in the sections above, Martinsville’s reversion to a town within Henry County is, in the balance of equities, in the best interests of Martinsville, Henry County, and their people. Va. Code § 15.2-4106(A)(5). Additional factors, including the population and economic trends in the respective localities, further demonstrate that reversion is in the best interests of the Parties and their people.

A. Population trends further confirm the interests in reversion.

That reversion is in the best interests of Martinsville, Henry County, and their citizens is confirmed by data concerning their populations and the effects that population trends have on the administration of government.

In recommending the reversion of South Boston to a town within Halifax County, this Commission identified the localities’ “diminishing and aging populations” as among the “trends and conditions” establishing the interests in reversion. *See, e.g.*, Comm’n on Local Gov’t, SOUTH BOSTON REP., *supra*, at 42; *see also id.* at 38. This Commission has also identified “three primary interests” small localities have in reversion: (1) reducing the tax effort required to support governmental services; (2) increasing efficiencies and improving economies of scale; and (3) allowing “these localities to provide an expanded level of services to its citizens.” Comm’n on Local Gov’t, REPORT ON LOCAL GOVERNMENT CONSOLIDATION INCENTIVES 7 (2015) [hereafter Comm’n on Local Gov’t, INCENTIVES REP.], *available at* <https://tinyurl.com/yx3gvu85>.

Both Martinsville and Henry County have seen their populations decline substantially, and those trends are expected to continue. Martinsville is presently the ninth smallest of Virginia’s thirty-eight cities, having just over one-quarter of the level of Henry County’s population. *See* Weldon Cooper, POPULATION PROJECTIONS, *supra* (2020 projection).²⁷ During the 2010-2019 intercensal period, Martinsville’s population decline (7.44%) was greater than any other Virginia city and the seventh highest among Virginia’s 133 cities and counties. *See id.* Henry County’s population decline (5.78%) was the seventeenth highest among Virginia’s 133 cities and counties. *See id.* Both localities are projected to see two more decades of population loss, around 10% per decade. This estimate translates to a loss of about a quarter of the population of both Martinsville and Henry County, over the thirty-year period from 2010 to 2040.

Table 17: Population Changes

	MARTINSVILLE	HENRY COUNTY	
		Without Reversion	With Reversion
2010-2020	-5.93%	-5.84%	18.17%
2020-2030	-10.99%	-8.28%	-8.83%
2030-2040	-13.26%	-10.03%	-10.67%
2010-2040	-27.37%	-22.30%	-3.77%

Sources:

Weldon Cooper, INTERCENSAL ESTIMATES 2010-2019, *supra*.

Weldon Cooper, POPULATION PROJECTIONS, *supra*.

If Martinsville reverts to a town, Henry County’s population would still gradually decline over time, but the decline will not be nearly as sharp as it otherwise would be. Henry County would immediately gain 13,002 residents upon Martinsville’s reversion, reaching a population (63,988) 18.17% greater than the level it had in 2010 (54,151). The combined 2040 population of

²⁷ Absent a reversion in the interim, Martinsville will become Virginia’s eighth smallest city by 2030 and maintain that ranking into 2040 while its population continues to decline. *See* Weldon Cooper, POPULATION PROJECTIONS, *supra*.

52,111 would be less than a 4% decline from Henry County’s 2010 population. Rather than shrinking faster separately, reversion offers the localities an increased population as a county unit and the opportunity to mitigate the difficulties that confront smaller local governments, such as tax effort, inefficiency, and limited services. *See* Comm’n on Local Gov’t, INCENTIVES REP., *supra*, at 7.

Concerning the interests in reversion, it is also significant that the populations of Martinsville and Henry County are expected to age. From 2020 to 2040, the percentages of septuagenarians will increase from 8.51% to 12.06% in Martinsville and from 10.81% to 13.92% in Henry County. The percentages of octogenarians will increase from 5.28% to 7.41% and 5.98% to 9.06%, respectively. This translates to a greater percentage of residents aging out of the workforce, as well as greater community needs for resources devoted to the care of the elderly. Those needs will only add to burdens that are already difficult to bear given the redundancies across independent governmental units and corresponding inefficiencies in their use of public resources.

Table 18: Projected Population Percentages by Age

Age	MARTINSVILLE			HENRY COUNTY		
	2020	2030	2040	2020	2030	2040
0-9	11.14%	11.07%	10.88%	9.73%	9.70%	9.72%
10-19	12.11%	11.39%	11.58%	11.65%	10.67%	10.93%
20-29	10.29%	10.23%	9.84%	9.56%	9.94%	9.34%
30-39	11.32%	10.75%	11.01%	10.07%	9.92%	10.61%
40-49	11.71%	12.19%	11.80%	11.19%	10.81%	10.95%
50-59	14.97%	12.07%	12.89%	15.97%	12.44%	12.37%
60-69	14.67%	15.02%	12.54%	15.05%	16.33%	13.10%
70-79	8.51%	11.65%	12.06%	10.81%	12.71%	13.92%
80+	5.28%	5.64%	7.41%	5.98%	7.47%	9.06%

Source:

These figures are derived from information contained in Univ. of Va. Weldon Cooper Ctr. for Pub. Serv., Demogr. Res. Grp., POPULATION PROJECTS BY AGE AND SEX FOR VIRGINIA AND ITS LOCALITIES, 2020-2040 (2019), available at <https://tinyurl.com/yys58yy6>.

Corresponding with the decreasing and aging populations in Martinsville and Henry County, school-age populations and public school enrollments are decreasing. *See supra* Responsive Data & Other Evidence ¶¶ 2 & 4 tbls. 1 & 2. That trend is expected to continue and presents additional difficulties in the maintenance of independent city and county governments.

Martinsville has already witnessed the adverse effects from declining school enrollment, suffering “nearly catastrophic” losses of “direct state aid due to the continuous decline in enrollment.” Davis & Assocs., STUDY REGARDING SCHOOL CONSOLIDATION, *supra*, at 6. It is “extremely difficult” to successfully manage a school division budget when a declining number of students translates to a proportional decrease in financial support from the Commonwealth, “a key revenue source.” *Id.* at 12.

Martinsville’s losses in students and state aid have required “substantial increases from local sources.” *Id.* Compounding the problem, “the continual decline in the numbers of pupils served” makes it “difficult, if not impossible, to reduce proportionally the number of teachers and support personnel.” *Id.* at 27. The school division is handicapped, as it realizes an “absence of *economies of scale*.” *Id.* These and other fiscal stresses present school administrators with a number of unpalatable options, which include (but are not limited to) raising student-teacher ratios, eliminating courses, reducing benefits, freezing salaries and wages, deferring maintenance and other operations, and deferring capital construction *See id.* at 43.

The maintenance of independent school divisions is becoming increasingly inefficient and increasingly limits the course offerings and other educational opportunities afforded to the localities’ youth. Reversion serves compelling interests in education, *cf.* Va. Const. art. VIII, § 1 (public schools of high quality to be maintained), and a consolidated school division will be better

able to operate efficiently and provide students more educational opportunities and resources even while enrollments decline.

It is in the mutual interests of the Parties and their people to pool their resources and increase their clout as members of the same county unit.

B. Economic trends further confirm the interests in reversion.

As this Commission has recognized in other reversion matters, a city's reversion to town status can "have the effect of improving the . . . economic health of the municipality" through the better allocation of its resources to improve the local infrastructure. *See* Comm'n on Local Gov't, BEDFORD REP., *supra*, at 20. The enhanced "fiscal viability" of the municipality also strengthens the "overall economy" of the county. *See* Comm'n on Local Gov't, CLIFTON FORGE REP., *supra*, at 30. As demonstrated by the economic data below, the economies of Martinsville and Henry County are in significant need of assistance. A more-efficient governmental structure would alleviate economic pressures and allow for the better allocation of public resources so as to improve the economic conditions in the area. This is a compelling interest in which Martinsville, Henry County, and their people all share, and it clearly supports reversion.

While the people of the Commonwealth have generally seen substantial gains in income, unfortunately Martinsville and Henry County have seen significant losses. Adjusted for inflation, total and per capita income levels decreased in Martinsville and Henry County during the 1997-2017 period: Martinsville's total adjusted gross income ("AGI") dropped 30.25%, and its per capita AGI dropped 18.17%; Henry County's total AGI dropped 17.74%, and its per capita AGI dropped 8.53%; the Commonwealth's total AGI rose 52.73%, and its per capita AGI rose 23.45%.

Table 19: Income Data

AGI			
	Martinsville	Henry County	Virginia
2017 (% of State)	\$241,750,969 (0.09% of State)	\$897,040,682 (0.32% of State)	\$276,897,521,668
2007 (% of State)	\$270,948,408 (0.12% of State)	\$857,251,860 (0.37% of State)	\$233,706,560,000
1997 (% of State)	\$226,780,732 (0.19% of State)	\$713,544,965 (0.60% of State)	\$118,624,578,790

INFLATION-ADJUSTED AGI			
	Martinsville	Henry County	Virginia
2017	\$241,750,969	\$897,040,682	\$276,897,521,668
2007	\$318,018,270	\$1,006,175,882	\$274,306,671,240
1997	\$346,601,942	\$1,090,551,513	\$181,300,717,110

AGI PER CAPITA			
	Martinsville	Henry County	Virginia
2017	\$18,065	\$17,259	\$32,691
2007	\$19,319	\$15,552	\$30,157
1997	\$14,445	\$12,345	\$17,327

INFLATION-ADJUSTED AGI PER CAPITA			
	Martinsville	Henry County	Virginia
2017	\$18,065	\$17,259	\$32,691
2007	\$22,675	\$18,254	\$35,396
1997	\$22,077	\$18,868	\$26,482

CHANGE IN AGI			
	Martinsville	Henry County	Virginia
1997-2017	6.60%	25.72%	133.42%
1997-2007	19.48%	20.14%	97.01%
2007-2017	-10.78%	4.64%	18.48%

CHANGE IN INFLATION-ADJUSTED AGI			
	Martinsville	Henry County	Virginia
1997-2017	-30.25%	-17.74%	52.73%
1997-2007	-8.25%	-7.74%	97.01%
2007-2017	-23.98%	-10.85%	0.94%

CHANGE IN AGI PER CAPITA			
	Martinsville	Henry County	Virginia
1997-2017	25.07%	39.81%	88.67%
1997-2007	33.74%	25.98%	74.04%
2007-2017	-6.49%	10.98%	8.40%

CHANGE IN INFLATION-ADJUSTED AGI PER CAPITA			
	Martinsville	Henry County	Virginia
1997-2017	-18.17%	-8.53%	23.45%
1997-2007	2.71%	-3.25%	33.66%
2007-2017	-20.33%	-5.45%	-7.64%

Note:

For purposes of inflation-adjusted comparisons, 2007 figures were multiplied by 1.1737226, and 1997 figures were multiplied by 1.5283571.

Sources:

Va. Dep't of Educ., 2020-2022 COMPOSITE INDEX OF LOCAL ABILITY TO PAY (2019) [hereafter Va. Dep't of Educ., 2020-2022 COMPOSITE INDEX], available at <https://tinyurl.com/rfp4a2b>.

Va. Dep't of Taxation, ANNUAL REPORT FISCAL YEAR 2009, tbl 1.5, at 8, 11 (rev. 2010), available at <https://tinyurl.com/tw97uf4>.

Va. Dep't of Taxation, ANNUAL REPORT FISCAL YEAR 1999, tbl 1.5, at 8, 11 (1999), available at <https://tinyurl.com/tw97uf4>.

For purposes of calculating per capita values, respective years' populations were obtained from Weldon Cooper, INTERCENSAL ESTIMATES 2010-2019, *supra*; Univ. of Va. Weldon Cooper Ctr. for Pub. Serv., Demogr. Res. Grp., INTERCENSAL ESTIMATES FOR VIRGINIA, COUNTIES, AND CITIES: 2000-2009 (2011) [hereafter Weldon Cooper, INTERCENSAL ESTIMATES 2000-2009], available at <https://tinyurl.com/sxx7byf>; Univ. of Va. Weldon Cooper Ctr. for Pub. Serv., Demogr. Res. Grp., INTERCENSAL ESTIMATES FOR VIRGINIA, COUNTIES, AND CITIES: 1990-1999 (2003) [hereafter Weldon Cooper, INTERCENSAL ESTIMATES 1990-1999], available at <https://tinyurl.com/w273qq8>.

Employment figures also indicate the gradual weakening of the Martinsville and Henry County economies, in contrast to the trends across the Commonwealth. As a percentage of the respective populations, total employment and unemployment numbers in Martinsville and Henry County were fairly close to the Commonwealth's in 1997. By 2017, those numbers had improved for the Commonwealth but worsened for Martinsville and Henry County. The Commonwealth had 1.26% more employed as a percentage of the population, while Henry County had 6.40% fewer employed, and Martinsville had 9.63% fewer employed. The Commonwealth had 2.59% fewer unemployed, while Henry County had 9.84% more unemployed, and Martinsville had 10.26% more unemployed.

Table 20: Employment Data

EMPLOYMENT			
	Martinsville	Henry County	Virginia
2017 (% of State)	5,161 (0.12% of State)	22,641 (0.55% of State)	4,151,746
2007 (% of State)	5,432 (0.14% of State)	24,336 (0.62% of State)	3,914,087
1997 (% of State)	6,701 (0.20% of State)	26,899 (0.81% of State)	3,314,344

EMPLOYMENT AS A PERCENTAGE OF POPULATION			
	Martinsville	Henry County	Virginia
2017	38.57%	43.56%	49.02%
2007	38.73%	44.15%	50.51%
1997	42.68%	46.54%	48.41%

CHANGE IN EMPLOYMENT			
	Martinsville	Henry County	Virginia
1997-2017	-22.98%	-15.83%	25.27%
1997-2007	-18.94%	-9.53%	18.10%
2007-2017	-4.99%	-6.96%	6.07%

CHANGE IN EMPLOYMENT AS A PERCENTAGE OF POPULATION			
	Martinsville	Henry County	Virginia
1997-2017	-9.63%	-6.40%	1.26%
1997-2007	-9.25%	-5.14%	4.34%
2007-2017	-0.41%	-1.35%	-3.04%

UNEMPLOYMENT			
	Martinsville	Henry County	Virginia
2017 (% of State)	345 (0.22% of State)	1,101 (0.69% of State)	159,430
2007 (% of State)	487 (0.40% of State)	1,416 (1.15% of State)	122,748
1997 (% of State)	367 (0.28% of State)	1,114 (0.84% of State)	131,979

UNEMPLOYMENT AS A PERCENTAGE OF POPULATION			
	Martinsville	Henry County	Virginia
2017	2.58%	2.12%	1.88%
2007	3.47%	2.57%	1.58%
1997	2.34%	1.93%	1.93%

CHANGE IN UNEMPLOYMENT			
	Martinsville	Henry County	Virginia
1997-2017	-5.99%	-1.17%	20.80%
1997-2007	32.70%	27.11%	-6.99%
2007-2017	-29.16%	-22.25%	29.88%

CHANGE IN EMPLOYMENT AS A PERCENTAGE OF POPULATION			
	Martinsville	Henry County	Virginia
1997-2017	-9.63%	-6.40%	1.26%
1997-2007	-9.25%	-5.14%	4.34%
2007-2017	-0.41%	-1.35%	-3.04%

CHANGE IN UNEMPLOYMENT AS A PERCENTAGE OF POPULATION			
	Martinsville	Henry County	Virginia
1997-2017	10.26%	9.84%	-2.59%
1997-2007	48.29%	33.16%	-18.13%
2007-2017	-34.50%	-21.23%	15.96%

Sources:

Va. Emp't Comm'n, CURRENT LOCAL AREA UNEMPLOYMENT STATISTICS (2020) (Martinsville data for 1997, 2007, and 2017), available at <https://tinyurl.com/smprjw5>.

Va. Emp't Comm'n, CURRENT LOCAL AREA UNEMPLOYMENT STATISTICS (2020) (Henry County data for 1997, 2007, and 2017), available at <https://tinyurl.com/uwdtjcn>.

For purposes of calculating values as percentages of population, respective years' populations were obtained from Weldon Cooper, INTERCENSAL ESTIMATES 2010-2019, *supra*; Weldon Cooper, INTERCENSAL ESTIMATES 2000-2009, *supra*; Weldon Cooper, INTERCENSAL ESTIMATES 1990-1999, *supra*.

The fair market value (“FMV”) of taxable real estate is especially important to the tax base of the localities. *See Culp, supra*, at 7. Over the ten-year period from 2007 to 2017, the FMV of taxable real estate in Martinsville decreased over \$11 million. Adjusted for inflation, those numbers translate to a 16.27% decrease in FMV in Martinsville. In the same period, Henry County’s FMV of taxable real estate increased almost \$500 million and the Commonwealth’s increased almost \$100 billion. While the inflation-adjusted FMV also decreased in Henry County and across the Commonwealth, the percentages were much lower: 1.59% and 5.36%, respectively.

Table 21: Taxable Real Estate Data

TAXABLE FMV OF REAL ESTATE			
	Martinsville	Henry County	Virginia
2017 (% of State)	\$630,238,700 (0.06% of State)	\$2,893,029,500 (0.26% of State)	\$1,091,729,146,412
2007 (% of State)	\$641,294,600 (0.07% of State)	\$2,504,735,500 (0.25% of State)	\$982,816,278,651

INFLATION-ADJUSTED TAXABLE FMV OF REAL ESTATE			
	Martinsville	Henry County	Virginia
2017	\$630,238,700	\$2,893,029,500	\$1,091,729,146,412
2007	\$752,701,965	\$2,939,864,663	\$1,153,553,677,901

CHANGE IN TOTAL TAXABLE FMV OF REAL ESTATE			
	Martinsville	Henry County	Virginia
2007-2017	-1.72%	15.50%	11.08%

INFLATION-ADJUSTED PERCENTAGE CHANGE IN TOTAL TAXABLE FMV OF REAL ESTATE			
	Martinsville	Henry County	Virginia
2007-2017	-16.27%	-1.59%	-5.36%

Notes:

For purposes of inflation-adjusted comparisons, 2007 figures were multiplied by 1.1737226.

Although they are both listed under “Tax Year 2017,” Martinsville’s FMV real estate values reflect FY2017-FY2018, while Henry County’s reflect only 2017. See Va. Dep’t of Taxation, ANNUAL REPORT FISCAL YEAR 2018, tbl 6.2, at 45, 48 (2018) [hereafter Va. Dep’t of Taxation, FY2018 ANNUAL REPORT, *supra*], available at <https://tinyurl.com/ssyuwx7>.

Sources:

Va. Dep’t of Taxation, FY2018 ANNUAL REPORT, *supra*, tbl 6.2, at 45, 48.

Va. Dep’t of Taxation, ANNUAL REPORT FISCAL YEAR 2008, tbl 5.2, at 44, 47 (rev. 2009), available at <https://tinyurl.com/wbdklwt>.

The level of taxable retail sales is another important economic indicator, also bearing on the localities’ tax bases. While the Commonwealth has seen significant increases in taxable retail sales over the twenty-year period from 1997 to 2017, there have been substantial declines in Henry County and even greater declines in Martinsville. In 1997, Martinsville had almost \$178 million in taxable retail sales, while Henry County had almost \$331 million, and the Commonwealth had over \$57 billion. By 2017, Martinsville’s taxable retail sales decreased over \$21 million, while Henry County’s increased over \$40 million. Across the Commonwealth, the increase was almost \$47 billion. Accounting for inflation, these changes reflected almost a 20% increase in the Commonwealth’s taxable retail sales, while Henry County suffered a loss of almost 27% and Martinsville lost almost 43%. Looking at the inflation-adjusted taxable retail sales per capita, the trend was similar for Martinsville and Henry County and contrasted starkly to a relatively meager decline across the Commonwealth.

Table 22: Taxable Retail Sales Data

TAXABLE RETAIL SALES			
	Martinsville	Henry County	Virginia
2017 (% of State)	\$156,627,539 (0.15% of State)	\$371,100,552 (0.36% of State)	\$103,741,107,029
2007 (% of State)	\$169,996,834 (0.18% of State)	\$380,792,952 (0.41% of State)	\$92,043,248,947
1997 (% of State)	\$177,802,118 (0.31% of State)	\$330,972,956 (0.58% of State)	\$57,047,801,015

TAXABLE RETAIL SALES PER CAPITA				
	Martinsville	Henry County	Virginia	
2017	\$11,704	\$7,140	\$12,248	
2007	\$12,121	\$6,908	\$11,877	
1997	\$11,325	\$5,726	\$8,333	

INFLATION-ADJUSTED TAXABLE RETAIL SALES				
	Martinsville	Henry County	Virginia	
2017	\$156,627,539	\$371,100,552	\$103,741,107,029	
2007	\$199,529,126	\$446,945,294	\$108,033,241,467	
1997	\$271,745,129	\$505,844,867	\$87,189,411,664	

INFLATION-ADJUSTED TAXABLE RETAIL SALES PER CAPITA				
	Martinsville	Henry County	Virginia	
2017	\$11,704	\$7,140	\$12,248	
2007	\$14,227	\$8,108	\$13,940	
1997	\$17,309	\$8,752	\$12,736	

CHANGE IN TAXABLE RETAIL SALES				
	Martinsville	Henry County	Virginia	
1997-2017	-11.91%	12.12%	81.85%	
1997-2007	-4.39%	15.05%	61.34%	
2007-2017	-7.86%	-2.55%	12.71%	

CHANGE IN TAXABLE RETAIL SALES PER CAPITA				
	Martinsville	Henry County	Virginia	
1997-2017	3.35%	24.69%	46.98%	
1997-2007	7.03%	20.64%	42.53%	
2007-2017	-3.44%	3.35%	3.12%	

CHANGE IN INFLATION-ADJUSTED TAXABLE RETAIL SALES				
	Martinsville	Henry County	Virginia	
1997-2017	-42.36%	-26.64%	18.98%	
1997-2007	-26.57%	-11.64%	23.91%	
2007-2017	-21.50%	-16.97%	-3.97%	

CHANGE IN INFLATION-ADJUSTED TAXABLE RETAIL SALES PER CAPITA				
	Martinsville	Henry County	Virginia	
1997-2017	-32.38%	-18.42%	-3.83%	
1997-2007	-24.27%	-9.71%	23.37%	
2007-2017	-10.71%	-9.64%	-22.05%	

Note:

For purposes of inflation-adjusted comparisons, 2007 figures were multiplied by 1.1737226, and 1997 figures were multiplied by 1.5283571.

Sources:

Univ. of Va. Weldon Cooper Ctr. for Pub. Serv., Ctr. for Econ. Pol'y Studies, TAXABLE SALES SUMMARY REPORT, 1984-2017, available at <https://tinyurl.com/yx7pp3kd>.

For purposes of calculating per capita values, respective years' populations were obtained from Weldon Cooper, INTERCENSAL ESTIMATES 2010-2019, *supra*; Weldon Cooper, INTERCENSAL ESTIMATES 2000-2009, *supra*; Weldon Cooper, INTERCENSAL ESTIMATES 1990-1999, *supra*.

Meanwhile, Martinsville and Henry County have seen increases in the percentages of their populations living in poverty and requiring government assistance. From 1997 to 2017, Martinsville's poverty rate grew from 17.3% to 22.5%, while Henry County's grew from 13% to 16.2%. In contrast, the Commonwealth's poverty rate declined from 11.6% to 10.7%. Over the ten years preceding 2017, Martinsville and Henry County also saw significant increases in the numbers of food-stamp recipients (14.56% more in Martinsville and 35.46% more in Henry County) and students eligible for the national free-lunch program (49.71% more in Martinsville and 95.25% more in Henry County).

Table 23: Poverty and Government Assistance Data

PERSONS IN POVERTY			
	Martinsville	Henry County	Virginia
2017 (% of State)	2,879 (0.33%)	8,183 (0.93%)	876,438
2007 (% of State)	2,827 (0.38%)	8,826 (1.19%)	739,135
1997 (% of State)	2,681 (0.34%)	7,298 (0.93%)	782,827

PERCENTAGE OF POPULATION IN POVERTY			
	Martinsville	Henry County	Virginia
2017	22.5%	16.2%	10.7%
2007	20.3%	16.1%	9.9%
1997	17.3%	13%	11.6%

FOOD STAMP RECIPIENTS			
	Martinsville	Henry County	Virginia
June 2017 (% of State)	3,705 (0.49% of State)	9,718 (1.28% of State)	758,224
June 2007 (% of State)	3,234 (0.63% of State)	7,174 (1.39% of State)	515,279

FOOD STAMP RECIPIENTS AS A PERCENTAGE OF POPULATION			
	Martinsville	Henry County	Virginia
June 2017	27.67%	18.7%	8.95%
June 2007	23.06%	13.01%	6.65%

CHANGE IN FOOD STAMP RECIPIENTS			
	Martinsville	Henry County	Virginia
June 2007-June 2017	14.56%	35.46%	47.15%

STUDENTS ELIGIBLE FOR THE NATIONAL FREE LUNCH PROGRAM			
	Martinsville Sch. Div.	Henry County Sch. Div.	Total Va. Public Sch. Divs.
2017-2018 (% of State)	2,036 (0.40%)	6,371 (1.27%)	503,578
2007-2008 (% of State)	1,360 (0.44%)	3,263 (1.06%)	308,649

CHANGE IN STUDENTS ELIGIBLE FOR THE NATIONAL FREE LUNCH PROGRAM			
	Martinsville Sch. Div.	Henry County Sch. Div.	Total Va. Public Sch. Divs.
2007-2008 to 2017-2018	49.71%	95.25%	63.16%

Sources:

U.S. Census Bureau, SMALL AREA INCOME AND POVERTY ESTIMATES (SAIPE) INTERACTIVE TOOL, available at <https://tinyurl.com/tz3feey>.

Va. Dep't of Soc. Servs., SNAP MONTHLY PARTICIPATION REPORT JUNE 2017 (2017), available at <https://tinyurl.com/u5l6gnp>.

Va. Dep't of Soc. Servs., SNAP MONTHLY PARTICIPATION REPORT JUNE 2007 (2007), available at <https://tinyurl.com/taeudux>.

Va. Dep't of Educ., NATIONAL SCHOOL LUNCH PROGRAM FREE AND REDUCED PRICE ELIGIBILITY REPORTS 2017-2018 (2018), available at <https://tinyurl.com/um4vtwa>.

Va. Dep't of Educ., NATIONAL SCHOOL LUNCH PROGRAM FREE AND REDUCED PRICE ELIGIBILITY REPORTS 2017-2018 (2018), available at <https://tinyurl.com/um4vtwa>.

Va. Dep't of Educ., NATIONAL SCHOOL LUNCH PROGRAM (NSLP) FREE AND REDUCED PRICE ELIGIBILITY REPORT 2007-2008 (2008), available at <https://tinyurl.com/qom9sb6>.

With the exception of the SAIPE data, for purposes of calculating values as percentages of population, respective years' populations were obtained from Weldon Cooper, INTERCENSAL ESTIMATES 2010-2019, *supra*; Weldon Cooper, INTERCENSAL ESTIMATES 2000-2009, *supra*; Weldon Cooper, INTERCENSAL ESTIMATES 1990-1999, *supra*.

Simply put, given the economic conditions and trends in these localities, Martinsville's reversion will have significant economic benefits for Martinsville, Henry County, and their people.

IV. REVERSION IS IN THE COMMONWEALTH'S BEST INTERESTS.

Martinsville's reversion to a town within Henry County is in the Commonwealth's best interests, which include its interests "in promoting strong and viable units of government." Va. Code § 15.2-4106(A)(5), (6).

Counties and municipalities are created to administer the policies of the Commonwealth and to exercise such powers as the General Assembly has entrusted to them. *Mann v. Cnty. Bd. of*

Arlington Cnty., 199 Va. 169, 173, 98 S.E.2d 515, 518 (1957); *Portsmouth v. Va. Ry. & Power Co.*, 141 Va. 44, 47, 126 S.E. 366, 367 (1925). As such, counties and municipalities are of vital importance to the Commonwealth. The Commonwealth has a “paramount interest” in “the preservation and promotion of the viability of” its localities, *see* Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 30, and a related “interest in encouraging improved fiscal conditions for its local governments,” Comm’n on Local Gov’t, INCENTIVES REP., *supra*. at 7.

“How well local governments succeed in promoting the common weal depends in large part upon how they are organized and how they interact with their neighbors.” *Lucy v. Cnty. of Albemarle*, 258 Va. 118, 123, 516 S.E.2d 480, 481 (1999) (citation omitted). “With respect to the Commonwealth’s concern for the viability of its local governments,” this Commission has observed “that numerous study commissions have repeatedly recommended that the State encourage efficiency through the consolidation of local governments and promote interjurisdictional solutions to problems.” Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 31. And this Commission has said more than once that the very existence of the reversion process demonstrates the General Assembly’s intent “that integration of governments and governmental services should be encouraged.” *Id.*; Comm’n on Local Gov’t, SOUTH BOSTON REP., *supra*, at 37-38.

Martinsville respectfully submits that a review of the factors addressed above shows that its reversion to a town is not only in the best interests of Martinsville, Henry County, and their people but also in the best interests of the Commonwealth as a whole. The reversion will improve the respective localities’ abilities to effectively exercise the powers entrusted to them by the General Assembly. Reversion will allow them to better serve the Commonwealth and its people.

V. CONCLUSION.

It is in the best interests of Martinsville, Henry County, the people thereof, and the Commonwealth as a whole that the two localities serve the public through the most efficient governmental structures. In the face of significant fiscal stresses, weakening economies, and declining population levels, reversion is a solution. Reversion will benefit all interested parties through a more-efficient use of public resources, eliminating undesirable competition (which sometimes exists between independent cities and counties) and encouraging coordinated planning for the future development of the entire area. Reversion “offers an opportunity to reintegrate two adjoining and historically close jurisdictions,” Comm’n on Local Gov’t, CLIFTON FORGE REP., *supra*, at 30, in a manner that will promote the viability of the respective governments, and the better administration of the same, for the benefit of the people of Martinsville and Henry County and for the benefit of the Commonwealth as a whole.

TERMS AND CONDITIONS

As part of its reversion to the status of a town within Henry County, Martinsville proposes that the final Court order include the following provisions to ensure a fair and equitable reversion to town status:

1. Charter. The charter of the City of Martinsville should be conformed to a town charter to be used by the Town of Martinsville until such time as the General Assembly grants a new charter.

2. Assets. The title to all real and personal property of the City of Martinsville shall be transferred to the Town of Martinsville. The title to all real and personal property of Henry County shall be retained by Henry County.

3. Special election. A special election should be held for the members of the new town council on a date not less than thirty, and not more than 180, days after the date of the Court order granting town status.

4. County election districts. The Henry County Board of Supervisors should redraw Henry County's election districts to encompass the territory within Martinsville, and a special election should be held to elect supervisors from the new districts. To provide representation for the residents of the Town of Martinsville, the area of the town should be divided among the smallest number of election districts that can be drawn in accordance with applicable requirements of state and federal law.

5. School attendance zones. School children residing within the Town of Martinsville should be given priority in attending those schools located within the town.

6. School buildings. The Henry County School Board should be given the right to use those school facilities currently owned by Martinsville on a basis that will fairly recognize the value of Martinsville's interest in such facilities. Following reversion, the Town of Martinsville

should have the right to use school facilities for recreational purposes at times that would not interfere with school usage. The Town of Martinsville would retain title to Patrick Henry Elementary School and Druid Hills Elementary School, both of which will become redundant upon reversion. Title to Martinsville High School, Martinsville Middle School, the Old Gym, Albert Harris Elementary School, and Clearview Elementary School would be transferred to Henry County.

7. School buses. The Henry County School Board should be given the right to use those school buses currently owned by Martinsville on a basis that will fairly recognize the value of Martinsville's interest in those vehicles.

8. Schoolteachers. Martinsville's schoolteachers should be given priority by the County School Board in hiring schoolteachers following reversion.

9. School debt. The Town of Martinsville will pay off the City's existing school debt. With respect to any other existing school debt, as new residents of Henry County, citizens in the Town of Martinsville will participate in paying down Henry County's existing educational debt through County real estate taxes.

10. Social services. Martinsville and Henry County presently have an agreement providing for Martinsville's reimbursement to Henry County for its share of administrative, operating, and maintenance costs (that are unreimbursed by state or federal grants) for the Henry-Martinsville Social Services Board. Upon reversion, Henry County will assume full responsibility for local funding of the Social Services Board without reimbursement from the Town of Martinsville. Accordingly, the above-referenced agreement will be dissolved.

11. Sewer/Wastewater Treatment Services. Martinsville and Henry County presently operate under the terms of a 1974 contract governing sewage treatment (the "Contract"). Under

the Contract, Martinsville agreed to transport and treat certain sewage and waste originating from Henry County. The 1974 Contract remains in full force and effect. Under an addendum to that agreement, HCPSA may reopen closed plant(s) on 90 days' notice. Reopening, however, would be financially harmful to Martinsville (resulting in a loss of at least approximately \$500,000 per year) and would violate state policy, in that it would involve an inefficient use of regional treatment resources. As a result, upon reversion, Henry County will not open or re-open any competing wastewater facility. In addition, upon reversion, Henry County will abide by the terms of the 1974 Contract with respect to payments to Martinsville, including payments associated with the Smith River Interceptor.

12. Effective date. The reversion to town status should be effective as of a date no sooner than six months from the date of the final Court order granting town status.

13. Other. Such other terms should be included as may be necessary to ensure an orderly transition of Martinsville to town status.

ANNOTATED INDEX

The following is an annotated list of the documents, exhibits, and other materials Martinsville has submitted to the Commission:

NOTICE	Notice to the Commission required pursuant to Va. Code § 15.2-2907(A).
RESOLUTION	Resolution of the Martinsville City Council authorizing the initiation of this proceeding for reversion to a town.
LOCAL GOVERNMENTS NOTIFIED	Listing of local governments and officials receiving the Notice and accompanying material.
INTRODUCTION	Narrative description of the background preceding this matter and the grounds for Martinsville's reversion to a town.
RESPONSIVE DATA AND OTHER EVIDENCE	Narrative and tabular responses required under 1 Va. Admin. Code § 50-20-601.
GOVERNMENTAL SERVICES	Narrative descriptions of existing governmental services provided by Martinsville and proposals concerning the provision of those services after Martinsville's reversion to a town, including: <ol style="list-style-type: none">1. Public Education;2. Judicial Administration;3. Commissioner of Revenue;4. Treasurer;5. Board of Elections;6. Department of Social Services;7. Health Services;8. Mental Health Services;9. Solid Waste Disposal;10. Sewer/Wastewater Treatment Facility; and11. Urban Services.
GROUNDS FOR REVERSION	
I. Reversion will promote Henry County's ability to serve the population.	Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(3).
II. Reversion will promote the equitable sharing of resources	Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(4).

and liabilities among Henry County and Martinsville.

III. Reversion is in the best interests of the Parties and their people.

IV. Reversion is in the best interests of the Commonwealth.

Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(5).

Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(5), (6).

TERMS AND CONDITIONS

Narrative description of the terms and conditions that Martinsville proposes as part of its reversion to a town.

EXHIBITS

A – MARTINSVILLE PUBLIC FACILITIES MAPS (PARKS, PUBLIC SCHOOLS, FACILITIES) (ca. 2009)

B – MARTINSVILLE LAND USE MAP (2020)

C – MARTINSVILLE FUTURE LAND USE MAP (2008)

D – HENRY COUNTY LAND USE MAP (2020)

E – CITY OF MARTINSVILLE, FIXED ASSET ACCOUNTING SYSTEM – SCHOOL BOARD

F – VACORP, CITY OF MARTINSVILLE FINAL CONTRIBUTION ALLOCATION: BUILDINGS AND CONTENTS SCHEDULE (coverage term July 1, 2020 - July 1, 2021)

G – CITY OF MARTINSVILLE, COMBINED AMORTIZATION SCHEDULES

H – CITY OF MARTINSVILLE, SCHOOL-CITY JOINTLY OWNED VALUES (fiscal year 2019)