

Board of County Commissioners



Resolution

OF INTENT UPON THE PASSAGE OF THE ONE-QUARTER CENT (1/4) COUNTY SALES AND USE TAX PURSUANT TO ARTICLE 46 OF CHAPTER 105 OF THE NORTH CAROLINA GENERAL STATUTES

WHEREAS, property taxes account for approximately 60% of County revenue, while sales taxes account for only 15% of County revenue; and

WHEREAS, the Guilford County Board of Commissioners has considered alternative revenue sources to carry out the recommendations in the Guilford County Schools Facilities Master Plan; and

WHEREAS, Article 46 of Chapter 105 of the North Carolina General Statutes authorizes Guilford County to levy a local sales and use tax at a rate of one-quarter cent ($\frac{1}{4}\text{¢}$) if approved by voters in an advisory referendum; and

WHEREAS, Guilford County is a regional shopping, dining and entertainment destination, and such sales and use tax would be paid in part by non-residents of Guilford County who make purchases in the County, and the local sales and use tax would not apply to purchases of gasoline or groceries, other than prepared food and similar items; and

WHEREAS, it is estimated that a one-quarter cent county sales and use tax would bring an estimated \$20 Million dollars in additional revenues per year; and

WHEREAS, the passage of the one-quarter cent ($\frac{1}{4}\text{¢}$) county sales and use tax would help to prevent significant increases in the property tax burden on homeowners and local businesses, and encourage economic development while providing for the educational needs of the children of Guilford County and the demands for renovated and new school facilities; and

WHEREAS, if approved by the voters, these proceeds will be incorporated into the County's financial policies for the intended use towards school capital needs and/or related debt repayment.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) **that the Board hereby amends its prior resolution of intent, adopted on November 18, 2020, in order to further express its commitment to support a financial plan for school bond debt repayment. And declares that, should the One-Quarter Sales and Use Tax referendum pass on May 17, 2022, the Board of County Commissioners commits to lower the County's property tax rate to an amount equivalent to the sales and use revenues collected (projected to be a minimum of .03 cents) upon adoption of the FY 23 budget; and**
- 2) that the Guilford County Board of Commissioners hereby directs County staff to budget proceeds resulting from the one-quarter cent ($\frac{1}{4}\text{¢}$) county sales and use tax, if it is approved and levied, to exclusively fund school construction needs; and further directs staff to separate the proceeds of one-quarter cent ($\frac{1}{4}\text{¢}$) sales tax proceeds from the General Fund and budget them in a separate fund(s) to be used for school capital needs and/or related debt repayment; and

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- 3) that if any statute is enacted by the General Assembly allowing Guilford County to restrict the use of the Article 46 one-quarter cent (1/4¢) county sales and use tax to school construction needs and to state such restriction on the referendum ballot, the Guilford County Board of Commissioners hereby reserves the right and intends to amend its direction to the Guilford County Board of Elections in order to place such a restriction on the use of the proceeds and to include the school construction needs restriction on the referendum ballot; and
- 4) that the Guilford County Board of Commissioners continues to express its intent to endorse and support an advisory referendum on the Spring 2022 primary election ballot, currently scheduled for May 17, 2022 local ballot pursuant to Article 46 of Chapter 105 of the North Carolina General Statutes on the question of whether to levy a one-quarter cent (1/4¢) local sales and use tax in Guilford County.

ADOPTED this day the 7th of April 2022.



IN WITNESS WHEREOF, I hereunto set my hand and cause the corporate seal of the County of Guilford to be affixed, this the 7th day of April 2022.

Melvin "Skip" Alston, Chairman
Guilford County Board of Commissioners