



Legislation Text

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**TITLE**

**ARTICLE 46 1/4 CENT SALES TAX PROCESS FOR THE PURPOSE OF SUPPORTING SCHOOL CONSTRUCTION NEEDS**

**SPONSOR**

Mark Payne

**RESOLUTION**

**RESOLUTION OF INTENT FOR  
BY APPROVING REFERENDUM ON ONE-QUARTER CENT (1/4¢)  
COUNTY SALES AND USE TAX**

WHEREAS, the Guilford Board of Commissioners has considered alternative revenue sources to pay for anticipated school capital construction needs, as outlined in the Joint Board of Education and Guilford County Board of Commissioners facilities and construction assessment, with facilities needs identified in the \$2 billion range; and

WHEREAS, the cost of such necessary school construction could require a significant increase to the county's existing ad valorem tax rate and could burden property owners in Guilford County; and

WHEREAS, the provisions of North Carolina General Statute §163-287 and §105-537 authorize county boards of commissioners to levy a one-quarter cent (1/4¢) county sales and use tax, contingent on an advisory referendum in which the majority of those casting ballots voted for the levy of the tax; and

WHEREAS, from the proceeds of the one-quarter cent (1/4¢) local sales and use tax, the County would receive approximately \$19 million annually in additional revenue; and

WHEREAS, the levy of a one-quarter cent (1/4¢) sales and use tax would provide a much-needed revenue source for the anticipated debt service for the proposed school construction bonds, enabling the County to carry out the recommendations in the School Facility Needs Assessment, and

WHEREAS, the NC General Assembly is currently considering the authority of a one-half cent ( $\frac{1}{2}\%$ ) county sales and use tax, contingent on an advisory referendum in which the majority of those casting ballots vote in favor for the levy of the tax; and

WHEREAS, the passage of the one-quarter cent ( $\frac{1}{4}\%$ ) 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, it is the considered judgment of the Board of Commissioners that the levy of a one-quarter cent ( $\frac{1}{4}\%$ ) sales and use tax would be the most fiscally prudent and appropriate manner in which to finance the needs of local schools; and

WHEREAS, it is also the Board of Commissioners preference to reserve the decision to place either a one-quarter cent ( $\frac{1}{4}\%$ ) sales and use tax or one-half cent ( $\frac{1}{2}\%$ ) sales and use tax option, which is pending approval of the NC General Assembly in April; and

WHEREAS, the Board, through the approval of this resolution, shares its intentions with the County Board of Elections to conduct an advisory referendum on the November 2020 ballot on the question of to levy the one-quarter cent ( $\frac{1}{4}\%$ ) County Sales and Use Tax in Guilford County; and

WHEREAS, by this resolution the Board of Commissioners does indicate its support for approval of the one-quarter cent ( $\frac{1}{4}\%$ ) sales tax proposal on the November 2020 referendum and will reserve the right to amend the resolution should the one-half cent ( $\frac{1}{2}\%$ ) sales and use tax option become available and garner consensus from the Board.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) That unless amended by this body, the Clerk to the Board of Commissioners is authorized and directed to transmit a certified copy of this Resolution and final decision based on legislative authority for either a one-quarter cent ( $\frac{1}{4}\%$ ) sales and use tax or a one-half cent ( $\frac{1}{2}\%$ ) sales and use tax to the Guilford County Board of Elections no later than August 03, 2020; and publish legal notice of the special advisory referendum in the final approved rate (either one-quarter cent ( $\frac{1}{4}\%$ ) sales and use tax or a one-half cent ( $\frac{1}{2}\%$ ) sales and use tax. as allowed for by the NC Legislators).
- 2) That County staff lead efforts to educate the public as to usage, purpose and impact of a sales tax referendum; and
- 3) That County intends to use any proceeds from this sales tax exclusively for school

construction needs.

- 4) The Board of Commissioners expresses its intent to endorse and support an advisory referendum on the November 2020 local ballot pursuant to Article 46 of Chapter 105 of the General Statutes on the question of whether to levy a one-quarter cent ( $\frac{1}{4}\text{¢}$ ) local sales and use tax in Guilford County.

This the 21<sup>st</sup> day of May 2020.

**REQUESTED ACTION**

Adopt resolution supporting a 1/4 Cent County Sales and Use Tax proposal for the purposes of School Construction needs to be placed on the November 3, 2020 voter referendum.