

**FORSYTH COUNTY  
BOARD OF COMMISSIONERS**

**BRIEFING  
DRAFT**

MEETING DATE: AUGUST 2, 2018

AGENDA ITEM NUMBER: 11

**SUBJECT: RESOLUTION DIRECTING THE FORSYTH COUNTY BOARD OF ELECTIONS TO CONDUCT AN ADVISORY REFERENDUM ON THE QUESTION OF WHETHER TO LEVY A ONE-QUARTER PERCENT COUNTY SALES AND USE TAX PURSUANT TO ARTICLE 46 OF CHAPTER 105 OF THE NORTH CAROLINA GENERAL STATUTES**

**COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:**

**SUMMARY OF INFORMATION:-**

In 2007, the North Carolina General Assembly gave counties a local-option quarter-cent sales tax which must be approved by voters in a referendum before it can be adopted by a county. Unlike other local-option sales taxes (Articles 39, 40, and 42), the revenue generated by this sales tax can be used for any purpose and is not shared with municipalities.

The Forsyth County Board of Commissioners has agreed that replacing the current Hall of Justice facility is the best option to update court facilities in Forsyth County and will finance this \$120 million project through the issuance of Limited Obligation Bonds. In order to pay the debt service on this amount of Limited Obligation Bonds, it is estimated to require an increase of real and personal property tax rates on the citizens of Forsyth County of 3.1 cents per \$100 valuation.

It is estimated that the Article 46 Sales Tax will generate enough revenue to pay the debt service related to the Limited Obligation Bonds without increasing property tax rates. If the referendum passes, the Forsyth County Board of Commissioners will need to adopt a resolution to levy the tax.

The earliest levy of the Article 46 Sales Tax would be April 1, 2019. This tax would not apply to groceries or gas purchases.

ATTACHMENTS:     YES     NO

SIGNATURE: \_\_\_\_\_

COUNTY MANAGER

DATE: \_\_\_\_\_

**RESOLUTION DIRECTING THE FORSYTH COUNTY BOARD OF ELECTIONS TO  
CONDUCT AN ADVISORY REFERENDUM ON TUESDAY, NOVEMBER 6, 2018, ON  
THE QUESTION OF WHETHER TO LEVY A ONE-QUARTER PERCENT COUNTY  
SALES AND USE TAX PURSUANT TO ARTICLE 46 OF CHAPTER 105  
OF THE NORTH CAROLINA GENERAL STATUTES**

**WHEREAS**, Forsyth County has begun work to construct a new Hall of Justice at a cost of approximately \$120,000,000, and will issue bonds to finance the construction; and

**WHEREAS**, if Forsyth County were to repay the construction and financing costs of the Hall of Justice through property taxes, it is estimated to require an increase of real and personal property tax rates on the citizens of Forsyth County of 3.1 cents per \$100 valuation; and

**WHEREAS**, Article 46 of Chapter 105 of the North Carolina General Statutes authorizes Forsyth County to levy a local sales and use tax at a rate of one-quarter percent (0.25%) if approved by voters in an advisory referendum; and

**WHEREAS**, Forsyth County is a regional shopping destination, and such sales and use tax would be paid in part by non-residents of Forsyth County who make purchases in the County; and

**WHEREAS**, such sales and use tax would fully fund the construction and financing costs associated with the construction of the Hall of Justice without the imposition of increased real and personal property taxes; and

**WHEREAS**, such sales and use tax would lessen the County's dependence on property taxes and would be a preferable manner to pay for the construction; and

**WHEREAS**, the next general election in North Carolina will be held on November 6, 2018;

**NOW, THEREFORE, BE IT RESOLVED** that the Forsyth County Board of Commissioners hereby directs the Forsyth County Board of Elections to conduct an advisory referendum on November 6, 2018, on the question of whether to levy a local sales and use tax in Forsyth County pursuant to Article 46 of Chapter 105 of the North Carolina General Statutes, placing on the ballot the following question:

FOR                       AGAINST

Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes", or in such form as required or authorized by law.

Adopted this 2nd day of August, 2018.