



ADDITION

CABARRUS COUNTY

**BOARD OF COMMISSIONERS
REGULAR MEETING**

MAY 18, 2015

6:30 P.M.

AGENDA CATEGORY:

New Business

SUBJECT:

BOC – Resolution Regarding Senate Bill 369

BRIEF SUMMARY:

A resolution regarding Senate Bill 369 is attached for consideration.

REQUESTED ACTION:

Motion to adopt resolution.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Mike Downs, County Manager

BUDGET AMENDMENT REQUIRED:

COUNTY MANAGER RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:



**RESOLUTION BY THE CABARRUS COUNTY BOARD
OF COMMISSIONERS REGARDING SENATE BILL 369**

WHEREAS, Senators Harry Brown, Brent Jackson, and Ben Clark have filed and sponsored Senate Bill 369, titled “A BILL TO BE ENTITLED AN ACT TO PHASE-IN THE CONVERSION OF THE LOCAL SALES AND USE TAXES AUTHORIZED UNDER ARTICLES 39, 40, AND 42 TO A STATE SALES AND USE TAX THAT IS ALLOCATED TO THE COUNTIES AND CITIES ON A PER CAPITA BASIS AS A LOCAL REVENUE SOURCE,” (“SB 369”); and

WHEREAS, since enactment, sales taxes in North Carolina have been a primary funding source for the municipalities and counties of the State and considered the “property” of those local governments who provide the resources and infrastructure to generate the sales taxes; and

WHEREAS, historically the majority of sales taxes have been distributed on a “point of delivery” basis due in large part to the fairness of the concept that those who pay for the infrastructure supporting sales should be entitled to collect the tax spawned by their investment; and

WHEREAS, SB 369 has the stated purpose of taking revenues away from the place where they were generated and redistributing it to counties and municipalities that are less prosperous areas; and

WHEREAS, in doing so the legislation provides a windfall to local governments, who have not provided the resources and infrastructure necessary to generate significant sales taxes for their local community, by taking it from the local governments whose communities and budgets bear the physical and fiscal brunt of the costs of development. In effect, the legislation proposes to socialize sales tax revenues and redistribute them under the guise of fairness; and

WHEREAS, the taking of an asset statutorily vested in the local governments of North Carolina and redistributing it on the basis of a currently perceived “fairness” will be financially devastating to Cabarrus County and its towns, as well as a majority of counties and municipalities in the State, forcing them to make up the difference by increasing ad valorem taxes. Gifting the sales tax revenues on a per capita distribution is tantamount to a tax increase mandated by the Legislature; and

WHEREAS, this legislation not only proposes to strip local governments of a statutorily vested funding source and mandate it to recover those revenues elsewhere, it proposes to further effectively increase County set aside requirements for public school capital outlays; and

WHEREAS, despite the text of SB 369 stating the Governor may not reduce or withhold the distribution to local government, the legislation will convert the local sales tax to a state sales tax funneling it into the State’s General Fund, which threatens future distributions to local governments just as has occurred with lottery proceeds, as well as the beer and wine taxes; and

WHEREAS, ultimately this conversion of the local sales tax to a state sales tax under the guise of “fairness” is in fact unfair and a fundamental change in the way government is financed in North Carolina.

NOW THEREFORE BE IT RESOLVED by the Cabarrus County Board of Commissioners:

1. That the passing of SB 369 threatens to take over \$6 million in sales tax revenue from Cabarrus County annually; and
2. That the proposed legislation is far from fair, but rather it burdens the citizens of Cabarrus County and its municipalities; and
3. That the Cabarrus County Board of Commissioners adamantly opposes SB 369 and any similar legislation that threatens the status and distribution of local sales and use taxes; and
4. It is hereby requested that the local delegation of the North Carolina General Assembly elected to represent the interests of the citizens of Cabarrus County and its municipalities vigorously oppose SB 369 and any similar bill filed in the House.
5. The Commissioners shall seek the support of the municipalities of Concord, Harrisburg, Kannapolis, Locust, Midland, Mount Pleasant and numerous

volunteer fire departments to join in this resolution or adopt similar resolutions.

Adopted this 18th day of May, 2015.

Stephen M. Morris, Chairman
Cabarrus County Board of Commissioners

ATTEST:

Megan I. E. Smit, Clerk to the Board

ADDITION



CABARRUS COUNTY

**BOARD OF COMMISSIONERS
REGULAR MEETING**

**MAY 18, 2015
6:30 P.M.**

AGENDA CATEGORY:

New Business

SUBJECT:

BOC – Resolution Supporting Governor McCrory’s Bond Proposal

BRIEF SUMMARY:

A resolution regarding Governor McCrory’s bond proposal is attached for consideration.

REQUESTED ACTION:

Motion to adopt resolution.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Mike Downs, County Manager

BUDGET AMENDMENT REQUIRED:

COUNTY MANAGER RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:



**A RESOLUTION OF THE CABARRUS COUNTY BOARD OF
COMMISSIONERS SUPPORTING GOVERNOR MCCRORY’S BOND
PROPOSAL**

WHEREAS, Governor McCrory has proposed a \$2.85 billion bond purposed for investment in the State of North Carolina’s infrastructure to strengthen and support the needs of transportation, public health, education, technology, parks, ports and military operations; and

WHEREAS, in his proposal, Governor McCrory dedicates \$1.48 billion to 101 infrastructure projects in 64 counties and \$1.37 billion to 203 highway and paving projects in 57 counties across North Carolina, creating substantial short-term and long-term job growth through projects enhancing North Carolina’s readiness for economic growth; and

WHEREAS, among the projects in his bond proposal, there are significant investments in Cabarrus County and its neighboring counties; and

WHEREAS, in his proposal, Governor McCrory dedicated \$7 million to improvements at the Reed Gold Mine State Historic Site, both a landmark and an important piece of Cabarrus County history that should be maintained and preserved for future generations; and

WHEREAS, also in his proposal, Governor McCrory dedicated \$17 million to the George Liles Parkway Extension Project, to improve connectivity and accessibility while meeting key transportation needs in Cabarrus County; and

WHEREAS, North Carolina has a history of using long-term financing to meet infrastructure needs, and it is considered prudent to invest when current rates are at historic lows; and

WHEREAS, the bond proposal does not require a tax increase and is well within the State's debt affordability as determined by the State Treasurer and the nonpartisan Debt Affordability Committee; and

WHEREAS, fifteen years have passed since the State's last general obligation bond was authorized for the improvement of public infrastructure, resulting in years of statewide deferred maintenance;

NOW THEREFORE BE IT RESOLVED the Cabarrus County Board of Commissioners hereby supports the addition of Governor McCrory's general obligation bond proposal to the November 2015 ballot.

Adopted this 18th day of May, 2015.

Stephen M. Morris, Chairman
Cabarrus County Board of Commissioners

ATTEST:

Megan I. E. Smit, Clerk to the Board

ADDITION

CABARRUS COUNTY

**BOARD OF COMMISSIONERS
REGULAR MEETING**

**MAY 18, 2015
6:30 P.M.**



AGENDA CATEGORY:

New Business

SUBJECT:

BOC – Resolution Supporting North Carolina’s Historic Preservation Tax Credit Programs

BRIEF SUMMARY:

A resolution regarding North Carolina Historic Preservation Tax Credit Programs is attached for consideration.

REQUESTED ACTION:

Motion to adopt resolution.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Mike Downs, County Manager

BUDGET AMENDMENT REQUIRED:

COUNTY MANAGER RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:



A RESOLUTION SUPPORTING NORTH CAROLINA'S HISTORIC PRESERVATION TAX CREDIT PROGRAMS

WHEREAS, Cabarrus County along with other local and regional partners supports the revitalization of historic downtown Concord and downtown Kannapolis to establish them as vital economic sectors and for the benefit of the community; and

WHEREAS, Cabarrus County realizes that a healthy, vibrant downtown overflows to make other economic development initiatives in the community easier to achieve; and

WHEREAS, Cabarrus County understands it is important to retain a wealth of historic commercial and residential structures that offer unique opportunities by differentiating our community from others and by preserving our own unique history and culture, therefore we wish to preserve those structures for future use and reinvestment; and

WHEREAS, Cabarrus County recognizes that these buildings offer opportunities for small business development, job creation and desirable living spaces in an environment with previously invested infrastructure; and

WHEREAS, the rehabilitation of historic structures is challenging in terms of acquiring needed bank financing, meeting building code regulations and overcoming general risks of unknown conditions and securing private investment; and

WHEREAS, Cabarrus County recognizes that these programs offer an often necessary financial tool that level the private investment risks and opportunities when competing for sites outside the built area and also provide leverage needed to meet financial gaps experienced with traditional lending institutions; and

WHEREAS, Cabarrus County and its municipalities have experienced success with meeting these historic rehabilitation challenges due to the availability of the North Carolina Historic Preservation Tax Credit (HPTC) Programs which resulted in positive private investment projects that support our local economy;

NOW THEREFORE BE IT RESOLVED the Cabarrus County Board of Commissioners hereby supports the North Carolina Historic Preservation Tax Credit Programs and their continued availability as a tool to spur economic recovery and growth in the downtown areas of our community; and

BE IT FURTHER RESOLVED that a copy of this Resolution will be submitted and shared with surrounding counties and municipalities to encourage support of our position to maintain the North Carolina Historic Preservation Tax Credit Programs for continued availability to those interested in reinvesting in our historic structures.

Adopted this 18th day of May, 2015.

Stephen M. Morris, Chairman
Cabarrus County Board of Commissioners

ATTEST:

Megan I. E. Smit, Clerk to the Board