



**RESOLUTION CLARIFYING THE INTENT OF THE FORSYTH COUNTY BOARD OF COMMISSIONERS TO USE REVENUE FROM THE PROPOSED ARTICLE 46 LOCAL OPTION SALES TAX TO FUND DEBT SERVICE FOR THE PROPOSED NEW COURT FACILITIES AND TO DIRECT POSSIBLE EXCESS REVENUE FOR OTHER PURPOSES**

**WHEREAS**, Forsyth County has begun work to construct new court facilities to replace the current 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 new court facilities 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 rate at a rate of one-quarter percent (0.25%) if approved by voters in an advisory referendum; and

**WHEREAS**, such sales and use tax would lessen the County's dependence on property taxes and shift some of the tax burden to out-of-county shoppers; and

**WHEREAS**, on August 2, 2018, the Forsyth County Board of Commissioners directed 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; and

**WHEREAS**, it is estimated that revenue generated from Article 46 local sales and use tax will possibly generate revenue in excess of the amount necessary to fund the debt service and expenses related to the design and construction of the new court facilities ("excess revenue"); and

**WHEREAS**, Forsyth County currently provides funding to the Winston-Salem/Forsyth County School system based on a funding formula taking into account changes in enrollment and changes in ad valorem and sales and use tax revenue;

**NOW, THEREFORE, BE IT RESOLVED** that the Forsyth County Board of Commissioners hereby directs County staff to budget proceeds resulting from the Article 46 local sales and use tax, if it is approved and levied, to fund the debt service and expenses related to the design and construction of the new court facilities and to include projected excess revenue resulting from the local sales and use tax in the resource factor when determining the proposed funding allocation for the Winston-Salem/Forsyth County School system, provided that such direction is subject to change at the discretion of the Board of Commissioners.

Adopted this the 4<sup>th</sup> day of October, 2018.

**RESOLUTION CLARIFYING THE INTENT OF THE FORSYTH COUNTY BOARD OF COMMISSIONERS TO USE REVENUE FROM THE PROPOSED ARTICLE 46 LOCAL OPTION SALES TAX TO FUND DEBT SERVICE FOR THE PROPOSED NEW COURT FACILITIES AND TO DIRECT POSSIBLE EXCESS REVENUE FOR OTHER PURPOSES**

**WHEREAS**, Forsyth County has begun work to construct new court facilities to replace the current 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 new court facilities 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 rate at a rate of one-quarter percent (0.25%) if approved by voters in an advisory referendum; and

**WHEREAS**, such sales and use tax would lessen the County's dependence on property taxes and shift some of the tax burden to out-of-county shoppers; and

**WHEREAS**, on August 2, 2018, the Forsyth County Board of Commissioners directed 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; and

**WHEREAS**, it is estimated that revenue generated from Article 46 local sales and use tax will possibly generate revenue in excess of the amount necessary to fund the debt service and expenses related to the design and construction of the new court facilities ("excess revenue"); and

**WHEREAS**, Forsyth County currently provides funding to the Winston-Salem/Forsyth County School system based on a funding formula taking into account changes in enrollment and changes in ad valorem and sales and use tax revenue;

**NOW, THEREFORE, BE IT RESOLVED** that the Forsyth County Board of Commissioners hereby directs County staff to budget proceeds resulting from the Article 46 local sales and use tax, if it is approved and levied, to fund the debt service and expenses related to the design and construction of the new court facilities and to include projected excess revenue resulting from the local sales and use tax in the resource factor when determining the proposed funding allocation for the Winston-Salem/Forsyth County School system, provided that such direction is subject to change at the discretion of the Board of Commissioners; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Forsyth County Board of Commissioners hereby directs County staff to limit proposed use of remaining proceeds from the local sales and use tax, available after funding court facilities and the WSFCS allocation, to other County debt service, capital expenditures, or reduction of property taxes, provided that such direction is subject to change at the discretion of the Board of Commissioners.

Adopted this the 4<sup>th</sup> day of October, 2018.