

BOARD OF ALDERMEN

ITEM NO. B(4)

AGENDA ITEM ABSTRACT

MEETING DATE: March 18, 2003

TITLE: A Request to Approve a Resolution Opposing Any Change in the Reimbursement Agreement

DEPARTMENT: N/A	PUBLIC HEARING: No
ATTACHMENTS: A. Resolution	FOR INFORMATION CONTACT: Mike Brough, 929-3905

PURPOSE

The purpose of this item is to request that the Board of Aldermen approve a resolution that opposes any change to the reimbursement agreement

INFORMATION

The General Assembly authorized the local sales tax option to be levied as early as Dec. 1, 2002 and that the hold harmless funds would be distributed beginning in 2003-04. Governor Michael Easley proposes to change state law to eliminate the hold harmless funds that are scheduled to go into effect July 1, 2003 to offset any differences between proceeds from the new one-half cent local sales tax option and the previous reimbursements as part of his efforts to close the state's projected \$1.1 billion shortfall in revenue.

ADMINISTRATION'S RECOMMENDATION

The Administration recommends that the Board of Aldermen approve the attached resolution that opposes any change in the reimbursement agreement.