

A RESOLUTION OPPOSING ANY CHANGE IN THE
REIMBURSEMENT AGREEMENT
Resolution No. 129/2002-03

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS his proposal would renege on the agreement made last year when the North Carolina League of Municipalities and the North Carolina Association of County Commissioners agreed to give up the reimbursements for previously repealed local taxes; and

WHEREAS, they agreed to accept authority for a half-cent local sales tax option instead of the reimbursements only if all local governments could be held harmless if the sales tax produced less revenue for any municipality or county than the newly adopted half-cent sales tax; and

WHEREAS, local governments have taken more than their fair share of cuts.

NOW, THEREFORE BE IT RESOLVED by the Carrboro Board of Aldermen that the Aldermen hereby pass this resolution opposing any change in the reimbursement agreement.

BE IT FURTHER RESOLVED that the Aldermen urge the General Assembly to keep the statute in place unchanged.

This the 18th day of March 2003.