

A Question of Trust

Alamance County commissioners don't trust voters; can voters trust them?

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KEY POINTS

- ♦ Alamance County commissioners are asking county voters to approve a \$2.4 million tax increase at a time of high unemployment. This amount is equal to a property tax increase of 1.9 cents per hundred dollars of value.
- ♦ The three commissioners who supported the tax hike rejected a public hearing on the referendum.
- ♦ Payment on debt has grown faster since 2006 than any area of government operations except education.
- ♦ County commissioners have not announced what they would do with the money nor have they promised to make the new tax revenue-neutral by reducing the property tax rate.
- ♦ Regardless, all new revenue would go into the general fund and could be spent by commissioners for any legal purpose.
- ♦ Since the special county taxing authority was established by the legislature in 2007, voters have turned down 68 of 85 requests for tax increases, sending the message that county commissioners must be more responsible stewards of taxpayers' hard-earned money before voters will entrust them with tax increases.
- ♦ Alamance County voters should think twice before harming small employers with a tax increase.

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NEW TAXATION WITHOUT JUSTIFICATION

Alamance County commissioners would like voters to approve a \$2.4 million tax hike without knowing how the money would be used, without a public hearing,¹ and without a strong record of fiscal responsibility.

Voters are asked to approve an increase in the sales tax rate by a quarter-cent, which in terms of revenue would raise the equivalent of a 1.9-cent property tax hike. The three county commissioners who voted to approve the tax referendum (Chair Linda Massey, Vice Chair Eddie Boswell, and Commissioner Ann Vaughan) also voted against a public hearing on the topic. The three do not agree

among themselves how to spend the money, nor do any of them agree with County Manager Craig Honeycutt's ideas on how to spend the new revenue. Their ideas include capital improvements, employee pay, education, ambulances, facility maintenance, and paying back money taken from the county's savings balance.² Two of the three said property taxes would not rise, but none of them offered to reduce property taxes to make the entire package revenue neutral.

Even if commissioners could agree on a purpose for the funds, there would be no binding way to limit how the new money would be spent. Voters simply support or reject a sales tax increase, not specific projects. The lack of agreement among county commissioners makes the proposed tax hike's lack of purpose clearer, but not any more real.

Commissioner Massey did little to improve her standing or that of the tax push when she downplayed its impact, saying, "It's only a quarter-cent and it's not going to burden anybody."³

Since 2007, voters across the state have

rejected 68 of 85 tax hike requests. Alamance County has benefited from the anti-business environment in Orange County. Voters can decide whether they agree with Commissioner Massey or whether they think employers and families already face enough economic difficulties.

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END NOTES

1. Alamance County Commission meeting minutes, June 7, 2010, www.alamance-nc.com/fileadmin/alamance/Commissioners/Minutes/2010/060710.pdf.
2. Chris Lavender, "Commissioners, think tank, weigh in on county's quarter-cent sales tax increase vote," Burlington Times-News, October 9, 2010, www.thetimesnews.com/news/tax-37594-quarter-cent.html.
3. *Ibid.*