

Get the Math Right

Columbus County leaders are wrong about proposed tax hike's size, need

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KEY POINTS

- ♦ Columbus County commissioners are overselling the value of a proposed tax increase to voters by at least \$300,000.
- ♦ County commissioners have repeatedly said the new quarter-cent sales tax increase would raise \$1.0 million, but recent estimates from the county finance officer suggest the tax would bring in about \$700,000. That would be equivalent to a 2.2-cent property tax rate increase.
- ♦ The upcoming referendum is the third time since 2007 the county has sought a tax increase.
- ♦ County commissioners plan to spend \$5,000 on a committee to “educate citizens ... about the advantages” of their desired sales tax hike. Three county commissioners are non-voting members of that committee.
- ♦ Commissioners passed a resolution to use money for capital projects, but the tax would have no end date. Commissioners could still use the new tax revenues for any legal purpose, not just those stated.
- ♦ No specific projects have been identified to receive funding, although 20 schools, the community college, department of aging, and courthouse are all listed as in need of improvement.
- ♦ Property taxes in Columbus County are 81.5 cents per \$100 valuation this year, up from 73.0 cents five years ago — a 12 percent increase.
- ♦ 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.
- ♦ Columbus County voters should think twice before harming small employers with a tax increase of ambiguous size for ambiguous purposes.

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A REFERENDUM, FIRST AND FOREMOST, ON RAISING TAXES

Columbus County commissioners are asking voters a third time to approve a new quarter-cent sales tax. Commissioners claim the tax will raise \$1 million for capital projects.¹ Bonnie Faircloth,

Columbus County Facilities Deemed in Need of Improvement

Southeastern Community College	Old Dock Elementary
Acme Delco Elementary	South Columbus High
Acme Delco Middle	Tabor City Elementary
Cerro Gordo Elementary	Tabor City Middle
Chadbourn Elementary	West Columbus High
Chadbourn Middle	Williams Township Central Middle
East Columbus High	Edgewood Elementary
Evergreen Elementary	Whiteville High
Guideway Elementary	Whiteville Primary
Hallsboro-Artesia Elementary	Columbus County Courthouse
Hallsboro Middle	Department of Aging
Nakina Middle	

Source: Columbus County government

county finance officer, recently put the estimate closer to \$700,000 and stated the higher number was from two years ago. Even at the lower estimate, residents face the equivalent of a 2.2-cent increase in their property tax rate.

This is the third time county commissioners have sought voter approval for higher taxes. Commissioners have established a new committee, with three commissioners as non-voting members, tasked to educate voters on the advantages of the sales tax. Commissioners have allocated \$5,000 to the committee.²

One of the selling points of the proposed tax increase is that the proceeds would purportedly go to school facilities and other capital projects. Capital projects, however, are short-term. The tax would have no sunset. Furthermore, state law would allow the new tax revenue to go to any purpose. Voters who would approve the new tax to pay for facilities should recognize that their vote would be first and foremost in favor of a tax increase.

Commissioners passed a resolution July 19 to dedicate half of the funds to school capital and use the other half for unspecified capital projects.³ Although the county has kept up with repairs, the educational brochure includes ominous language about the need for capital spending: “Services are currently being provided in buildings and educational facilities that are over 60 years old and a Courthouse that is almost 100 years old.”⁴

The committee’s brochure lists ten grade schools, six middle schools, four high schools, Southeastern Community College, the department of aging, and the county courthouse as “facilities in need of improvement.”⁵ Splitting the money evenly between school and non-school projects would leave just \$350,000 per year to share among 21 different school facilities, or just \$16,667 per school. If the county commission or school board were to choose to use the funds for a handful of specific projects, then voters have a right to know which projects they would select for the first round of repairs.

Since the special county taxing authority was established by the legislature in 2007, voters have turned down 68 of 85 requests for tax increases — including the previous two in Columbus County. If county commissioners cannot even get the size of the tax increase right, it would be reasonable for county taxpayers and voters to question a tax hike for unspecified projects. Even if the money were used initially for the general purposes specified, the higher tax would continue well into the future.

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END NOTES

1. Sales tax brochure, Columbus County government, www.columbusco.org/pdfs/QCST.pdf, accessed October 10, 2010.
2. Minutes of June 6, 2010, Columbus County Board of Commissioners meeting, Agenda Item #16, pp. 739-740, www.columbusco.org/Minutes/2010s/2010-06-19.pdf.
3. Minutes of July 19, 2010, Columbus County Board of Commissioners meeting, Agenda Item #15, pp. 773-774, www.columbusco.org/Minutes/2010s/2010-07-19.pdf.
4. Columbus County brochure about the sales-tax hike.
5. *Ibid.*