

## Tax Hike in Person Would Be Bad for Small Business

### *Three of Five Commissioners Agree*

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#### KEY POINTS

- Person County commissioners are asking county voters to approve a \$675,000 tax increase at a time of high unemployment. This amount is equal to a property tax increase of 1.8 cents per hundred dollars of value.
- The commissioners voted 3-to-2 to put the tax increase to a vote of the people, but three commissioners expressed concerns that this tax increase would harm Person County small businesses during this weak economy.
- In November 2008, commissioners asked voters to increase the sales tax, and 77 percent of voters said no.
- Voters did approve a \$6 million bond in 2008 for a yet-to-be-built recreation and senior center. The county manager has said a 2-cent property tax increase would be needed to pay for this center.
- Now commissioners are promising that if the tax increase passed, they would use the money to “Fund Quality of Life Expenses.”
- Regardless of the county commissioners’ promises, all new revenues 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.
- Person County voters should think before harming small businesses with a tax increase.

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#### A DEEPLY DIVIDED COUNTY COMMISSION

Person County commissioners are asking voters to approve a \$675,000 tax increase. The commission is divided 3-to-2 over this issue. County commissioners considered putting this tax increase on the November ballot at their July 19 meeting.<sup>1</sup>

According to the minutes of the meeting, commissioners Kyle Puryear and Samuel Kennington voted against the measure. Kennington cited the negative impact a sales-tax increase would have

on small businesses in the county. He further argued that “with nearly 14 percent of Person County families below the poverty level and the unemployment rate at 10.5 percent, ... the timing is not right to add more tax burden onto the citizens.”<sup>2</sup>

Puryear also opposed the tax increase based on the negative impact on local merchants. Commissioner Jimmy Clayton agreed that the timing of the tax increase was not good due to the weak economy but was willing to send the measure to a vote of the people.<sup>3</sup>

### PLEASE TELL US WHAT “QUALITY OF LIFE EXPENSES” MEANS

In order to build support for the tax increase, the commissioners adopted a resolution August 16 that stated that the new tax would “Fund Quality of Life Expenses.”<sup>4</sup> The qualifier “Quality of Life” is so nebulous that it could include almost anything, so it does not even seem to be a commitment to fund the recreation and senior center approved by voters in November 2008, when they also first rejected the sale tax hike.

County Manager Heidi York correctly pointed out that “the resolution does not have the authority of the law but reflects the committed intention of the Board for the use of the funds noting future Boards have the authority to use the revenue differently.”<sup>5</sup> She should have added that this resolution does not even legally bind the current board. The current board, by law, could spend the funds from the tax increase for any legal purpose.

Again the commissioners were divided. The resolution carried 4-to-1 with Puryear

voting against. He argued that the tax was a burden on taxpayers and that he had a “preference to lowering the tax rate to rejuvenate the economy and the citizens of Person County.”<sup>6</sup>

### VOTERS WILL DECIDE WHICH COMMISSIONERS ARE RIGHT

Voters will decide on November 2 whether they believe a \$675,000 tax increase during this economic downturn is a good idea. They will decide if a tax increase to fund a non-binding commitment to “quality of life” activities during this time of economic hardship for many Person County families is a good idea.

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### END NOTES

1. Minutes, Person County Board of Commissioners, July 19, 2010, [www.personcounty.net/Commissioners/MinutesArchive/2010Minutes.aspx](http://www.personcounty.net/Commissioners/MinutesArchive/2010Minutes.aspx).
2. *Ibid.*
3. *Ibid.*
4. Minutes, Person County Board of Commissioners, August 16, 2010, [www.personcounty.net/Commissioners/MinutesArchive/2010Minutes.aspx](http://www.personcounty.net/Commissioners/MinutesArchive/2010Minutes.aspx).
5. *Ibid.*
6. *Ibid.*