

**RESOLUTION LEVYING THE THIRD ONE-HALF CENT (1/2¢) LOCAL  
GOVERNMENT SALES AND USE TAX AND PRESCRIBING THE METHOD OF  
DISTRIBUTION OF THE PROCEEDS  
WITHIN CHATHAM COUNTY**

**WHEREAS**, the General Assembly has authorized the Chatham County Board of Commissioners to levy a one-half percent (1/2%) local sales and use tax by enacting N.C.G.S. 105-517(b) in Section 34.14(a) of Session Law 2001-424, as amended by S.L. 2002-123, "An Act to Accelerate the Additional One-half Cent (1/2¢) Local Option Sales and Use Tax and to Make Conforming and Technical Changes," and

**WHEREAS**, the Chatham County Board of Commissioners gave proper public notice of the Board's intent to consider this resolution, as required by Section 10 of S.L. 2002-123, and

**WHEREAS**, Chatham County has lost \$1.7 million in funds made available by the State of North Carolina to replace revenue lost because of legislative action: (1) to repeal sales taxes imposed on purchases made with Food Stamps; (2) to repeal property taxes imposed on inventories held by manufacturers, retailers and wholesalers; (3) to repeal taxes on intangible personal property; and (4) to reduce taxes levied on residential property owned by low-income elderly taxpayers; and

**WHEREAS**, the Chatham County Board of Commissioners hereby finds that, particularly in light of the circumstances cited herein, the levy of "The Third One-Half Cent (1/2¢) Local Government Sales and Use Tax" is necessary to adequately finance the operations of the county and the cities and towns herein.

**NOW, THEREFORE, BE IT RESOLVED** by the Chatham County Board of Commissioners that:

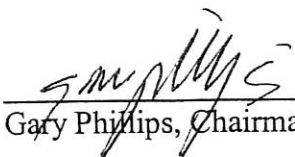
(1) There is hereby imposed and levied within Chatham County the third one-half cent (1/2¢) Local Government Sales and Use Tax authorized by Section 34.14(a) of S.L. 2001-424, as amended by S.L. 2002-123, and codified as Article 44 of Chapter 105 of the General Statutes of North Carolina. The tax hereby imposed and levied shall apply to the same extent and be subject to the same limitations as are set forth in said S.L. 2001-424.

(2) Collection of the tax by the North Carolina Secretary of Revenue, and liability therefore, shall begin and continue on and after the first day of December, 2002.


(3) The net proceeds of the tax levied herein shall be distributed by the Secretary of Revenue to Chatham County as prescribed by N.C.G.S. 105-520. The amount distributed to Chatham County shall be divided among the county and the municipalities herein in accordance with the method by which the one percent (1%) sales and use tax levied in Chatham County, pursuant to Article 39 of General Statutes Chapter 105, are distributed.

(4) This Resolution is effective upon its adoption, and a certified copy hereof shall be forwarded to the North Carolina Secretary of Revenue.

Adopted this 7th day of October, 2002.

  
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Gary Phillips, Chairman

ATTEST:

  
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Sandra B. Sublett, Clerk to the Board  
Chatham County Board of Commissioners