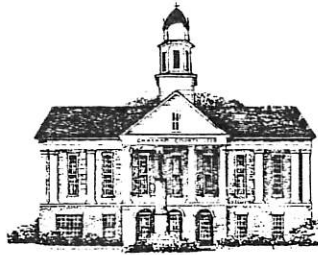


# COUNTY OF CHATHAM



## COMMISSIONERS

GARY PHILLIPS  
Chairman

MARGARET BRYANT POLLARD  
Vice Chair

BOB ATWATER  
RICK GIVENS  
CARL OUTZ

CHARLIE HORNE  
County Manager

ROBERT L. GUNN  
County Attorney

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P. O. BOX 87  
PITTSBORO, N. C. 27312-0087

ORGANIZED 1770

707 SQUARE MILES

## 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; and,

**WHEREAS**, the Chatham County Board of Commissioners held the public hearing on the issue of adopting this resolution on July 15th, 2002, as required by N.C.G.S. 105-517(b) and proper public notice of the Board's intent to consider this resolution was provided as required by N.C.G.S. 105-517(b); and,

**WHEREAS**, The General Assembly levied a one half percent (1/2%) state sales tax effective October 16, 2001 by enacting Section 34.14(a) of Session Law 2001-424, and this tax expires July 1, 2003, the same day the sales and use tax levied hereby becomes effective; and,

**WHEREAS**, Certain members of the General Assembly have expressed support for legislation allowing the local governments of North Carolina to adopt, implement, and benefit from these sales tax proceeds as early as August of 2002; and,

**WHEREAS**, AS OF July 1, 2003, Chatham County will lose an estimated \$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:

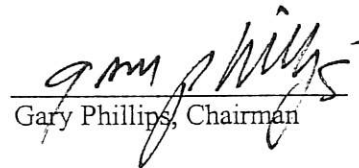
(1) There is hereby imposed and levied within Chatham County, The Third one-half cent (1/2¢) Local Government Sales and Use Tax authorized by Section 34.14(a) of Session Law 2001-424 and codified as Article 44 of Chapter 105 of the General Statutes of North Carolina. The tax hereby imposed and levied shall apply to the same extent and be subject to the same limitations as are set forth in said Session Law 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 July, 2003 or as soon as August, 2002 should the General Assembly amend or adopt legislation allowing for the earlier collection.


(3) The net proceeds of the tax levied herein shall be distributed by the Secretary of Revenue on a quarterly basis 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 taxes 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 5th day of August, 2002.

  
Gary Phillips, Chairman

ATTEST:

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