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Tax to go to schools, roads

BY CAROLINE CURRAN, Staff writer

BOLIVIA--Brunswick County Commissioners voted to designate revenue from the proposed .4 percent land transfer tax to fund road and school improvements.

The land transfer tax, if approved by voters this November, would impose a .4 percent tax on all real property sold within the county, according to the N.C. County Land Transfer Act.

At their meeting Tuesday, board members voted to earmark tax revenue for what they call "quality of life" infrastructure projects.

County manager Marty Lawing said "quality of life" infrastructure includes road and school capital projects or debt service and school financed capital projects.

The tax revenue funds would be placed in a capital debt service reserve fund, not into the county's general fund, Lawing said.

Commissioners chairman David Sandifer said the board discussed the transfer tax revenue funding informally several times. The recurring needs were road and school construction and improvements.

While county commissioners agreed to move forward with the designation of the .4 percent land transfer tax revenue to fund road and school construction and improvements, not all officials agree that a transfer tax is the best revenue mechanism to supplement the county coffers.

N.C. Rep. Bonner Stiller, R-Oak Island, said he favors an impact fee for developers rather than a land transfer tax, which would be imposed both on developers and established residents.

"When someone comes in and builds 1,000, 2,000 or even 500 home sites, that has a direct impact on schools, on the health care on some of our senior citizens programs and on law enforcement," Stiller said.

"So the impact fee is one that I support. The transfer tax is one that has been attempted to be passed statewide, and now the state budget] allows each county to decide for themselves what to do."

Stiller said the board needed to clearly outline its intention for tax revenue.

Municipalities, school board weigh in

Shalotte Mayor Gerald Long said the town of Shallotte sent a letter to each Brunswick County municipality, asking that the town and administrators support the transfer tax, but only if county officials share the transfer tax revenue with the municipalities.

Long said the letter asked for a portion of the revenue, but does not designate a specific percentage of the tax revenue, but says should go back to the towns.

"We sent the message saying that we could and would support [the transfer tax] provided that municipalities received a specific percentage of that revenue," Long said.

"The purpose of this letter is to request the county to share the transfer tax proceeds with its municipalities on a per capita basis according to the latest population estimates published by the N.C. Office of State Budget and Management," the letter says.

Although the towns will not receive direct funding from the tax revenue, Sandifer said the towns benefit from road and school improvements.

"Both things we voted on will benefit the towns. We're able to lower the debt for schools without raising taxes and speed up the process of building passable roads," Sandifer said.

Board of Education chairman Scott Milligan said he supports transfer tax proceeds being earmarked to fund new school construction and renovation projects.

"I would like to see the revenue come back this way. The board of education has made it clear to the county and to the

community that with the growth of this county, we need new schools," Milligan said.

Milligan said if the county designated transfer tax revenue to the board of education, the funds would be used only for r construction and school renovation projects, not its general fund.

Even with a general obligation bond referendum for school construction slated for the November 2008 ballots, Milligan s Brunswick County Schools still need additional help funding new school construction projects.

Proceeds from the transfer tax would help the school system offset the cost of its proposed \$100 million high school, bc members want to build in the next few years, he said.

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