

11. **Question:** What happens if the sales tax referendum is defeated?

**Answer:** If the sales tax referendum is defeated, the school facilities and other improvements that would have been paid for with this sales tax revenue will instead have to be paid for with other local funds – primarily property taxes. At present, each 1 cent of property tax rate produces about \$470,000.

12. **Question:** If the referendum fails, can a county hold a subsequent referendum on the same question, and if so, must a county wait a certain period of time prior to holding another referendum?

**Answer:** According to Gerry Cohen (N.C. General Assembly Bill Drafting), there are no restrictions on resubmitting the new quarter-cent sales tax to the voters again if it has failed.

**NOTE: Voters who are already registered to vote need not re-register to vote in this election. Residents who are not registered to vote must register by October 12, 2007, to be eligible to vote in this election.**

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IF YOU HAVE OTHER QUESTIONS OR DESIRE ADDITIONAL INFORMATION, CALL MACON C. SAMMONS, JR., COUNTY MANAGER, AT 401-8201 OR ANY MEMBER OF THE BOARD OF COUNTY COMMISSIONERS.

Chairman Craig Hunter	336-786-1356
Vice-Chairman Paul Johnson	336-351-5526
Commissioner Bill Hamlin	336-374-3318
Commissioner Jim Harrell, Jr.	336-835-3337
Commissioner Jimmy Miller	336-786-6829



118 Hamby Road  
Dobson NC, 27017

# Will You Support 1/4 Of A Penny?



PUBLIC INFORMATION REGARDING  
THE UPCOMING NOVEMBER 6, 2007  
REFERENDUM FOR A ONE-FOURTH  
PENNY SALES TAX

THE GENERAL ASSEMBLY HAS RECENTLY DECIDED TO PROVIDE COUNTIES WITH THE AUTHORITY TO CONDUCT A 0.25% SALES TAX REFERENDUM IN ORDER TO PROVIDE A MEANS OF FINANCING SCHOOL FACILITIES, CAPITAL NEEDS AND NEEDED INFRASTRUCTURE.

AS A PUBLIC SERVICE AND INFORMATION FOR THE VOTERS, THE FOLLOWING FREQUENTLY ASKED QUESTIONS ARE ANSWERED IN A BRIEF SUMMARY.



- Question:** Why is this referendum being conducted?  
**Answer:** The 2007 General Assembly recognized that counties need alternative means of paying for school buildings, other public facilities and infrastructure. Also, for these same reasons, the Surry County Board of Commissioners and most counties have asked for the authority to establish a small additional sales tax to pay for capital needs. Furthermore, since everyone pays sales tax, it is seen by many as a fairer means of paying for public facilities. **Finally, because Surry County is a trade center for several counties, a significant share of these sales taxes will be paid by persons who are not Surry County residents.**

- Question:** What is the question that will be placed on the ballot?  
**Answer:** Whether the voters wish to authorize the County Board of Commissioners to levy an additional ¼ of a penny sales tax, (one penny for each \$4.00 of taxable sales).
- Question:** Is there a prescribed format for the question on the ballot?  
**Answer:** Yes. Legislation specifies how the question must be presented on the ballot: Ballot Question – The form of the question to be presented on a ballot for a special election concerning the levy of the tax authorized by this Article shall be:

**“[ ] For [ ] Against  
Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes.”**

- Question:** When will the sales tax referendum be conducted?  
**Answer:** Tuesday, November 6, 2007
- Question:** Are there restrictions on the use of the new sales tax revenues?  
**Answer:** The sales tax is not restricted or earmarked.
- Question:** Can a county stipulate uses of the monies on the ballot as a part of the referendum?  
**Answer:** A county may not stipulate the use of the money on the ballot.



- Question:** How much will a ¼% sales tax raise?  
**Answer:** The State’s estimate for Surry County is just over \$1.9 million dollars.
- Question:** How does this amount compare to our existing capital and debt service requirements?  
**Answer:** In FY 06, the most recent fiscal year for which Surry County has audited results, the total cost of capital expense and debt service was \$15.4 million, with about 72% of this being for school facilities. The remaining 28% provided capital and debt funding for economic development, the community college, water and sewer and county projects.
- Question:** How much would the ¼% sales tax cost the individual?  
**Answer:**  
Examples:  

<u>Taxable Goods</u>	<u>Tax</u>
\$100 purchase	25 cents
\$300 purchase	75 cents
\$500 purchase	\$1.25
- Question:** When is the earliest the sales tax will become effective if the Board of County Commissioners levies the sales tax via resolution (following a referendum) during November 2007?  
**Answer:** April 1, 2008, so long as the resolution levying the tax is adopted in November 2007. The sales tax becomes effective on the first day of any calendar quarter so long as the county gives the Secretary of Revenue at least 60 days advance notice.