

Alliance for a Prosperous North Carolina

Members of the North Carolina General Assembly,

We are representatives of communities across the entire state, from the mountains to the Piedmont to the coast. Our communities are small and large, rural, suburban and urban. We are business owners, managers and elected officials of local governments as well as chamber of commerce staffs. On the attachment you will see the organizations that have come together in this communication.

We share a common concern. We have concerns about how proposals to change the distribution of sales tax revenues will harm our communities and our state.

We are concerned because a change in the formula would immediately impact current revenues. Those communities in our state are creating and retaining jobs and must continue investing in ways that maintain our competitiveness. Property taxes will have to be raised to pay for infrastructure investments already made, threatening our continued economic growth.

We are concerned because a change in the formula would impact revenues over time. Those communities might see an immediate increase in revenues but any future growth in revenue collections might result in them ultimately losing revenue. These growing communities will not receive the revenue to support the increasing demands on local services.

We are concerned because the proposals will increase our revenues only if citizens approve a referendum to increase local option sales taxes. This is an unrealistic assumption in most of our communities. If the electorate doesn't support the tax increase, those communities will ultimately lose revenue and they will fall further behind.

We are concerned because a change in the formula would have a negative impact on bond ratings for cities and counties by making it more difficult to meet certain rating criteria. In addition, many communities have issued Special Obligation Bonds pledging all or part of the Local Option Sales Taxes. Redistribution of sales tax could cause higher interest rates.

We are concerned because a change in the formula could negatively affect the attraction of economic development prospects due to already higher-than-average costs of housing in many of the affected counties. Having to increase property taxes

to compensate for the shifting sales taxes will place us at a further disadvantage, harming the jobs market for entire regions.

We are concerned with the overall growth and vitality of the State of North Carolina. Many individuals commute into high growth regions for jobs while having the option to live in a more rural setting. We believe offering current and future citizens choices about where to live and work is best for the state. We believe investing in infrastructure that allows for regional economies rather than county-oriented economies is best for the state.

As you begin the negotiations regarding the sales tax redistribution proposals, we urge you to reconsider the ramifications of redistributing sales tax revenues. Ultimately, we ask that you oppose any proposal to redistribute sales tax revenues.

Signed,

Alamance County Commission Chair	Catawba County Chamber of Commerce
Asheville Area Chamber of Commerce	Chapel Hill-Carrboro Chamber of Commerce
Asheville Downtown Association	Charlotte Chamber of Commerce
Atlantic Realty, Inc.	City of Asheville
Beach Painting Contractors	City of Charlotte
Bell Pride, LLC	City of Claremont
Blowing Rock Chamber of Commerce	City of Concord
Boone Area Chamber of Commerce	City of Conover
Brindley Beach Vacations	City of Durham
Brunswick County Commission Chair	City of Greensboro
Brunswick County Chamber of Commerce	City of Hickory
Cabarrus County	City of Newton
Cabarrus Regional Chamber of Commerce	City of Wilmington
Cahoon & Kasten Architects	Coastal Beverage of Elizabeth City
Carteret County Chamber of Commerce	Coastal Carolina Water
Catawba County	Currituck Chamber of Commerce

Dare County
Dare County Sheriff's Office
Goldsmith Molis & Gray, PLLC
Greater Durham Chamber of Commerce
Greater Raleigh Chamber
High Cotton, Inc.
Highlands
Highlands Area Chamber of Commerce
Inn at Corolla Light
Iredell County
Iredell County Republican Party
Jackson County Commission Chair
Jim Brown
Kitty Hawk Kites
Lake Norman Chamber of Commerce
Lorrie Love
M.E. Gray Broker
Mecklenburg County Commission Chair
Mooresville City
Mooresville-South Iredell Chamber of
Commerce
MountainTrue
Nancy Griffin
New Hanover Commission Chair
North Brunswick Chamber of Commerce

North Carolina Watermen United
(NCWU)
Ocean Blvd Bistro & Martini Bar
Outer Banks Chamber of Commerce
Outer Banks Inn/Colonial Inn
Outer Banks Popcorn Shoppe
Owens Restaurant & Motel
Phoenix Restoration
Pleasure Island Chamber of Commerce
Roanoke Island Animal Clinic
Seaside Art Gallery
Skyrunner, Inc.
Sleeping Inn LTD
Statesville City
Sun Realty
Surry County Commission
Susie Sullivan, Realtor with Sun Realty
Swain County Chamber/Great Smokies
Chamber of Commerce
The Greater Statesville Chamber of
Commerce
The Outer Banks Hospital
The Pool Guy
Town of Biltmore Forest
Town of Chapel Hill
Town of Maiden
Town of Montreat

Town of Nags Head

Town of Shallotte

Town of Troutman

Town of Woodfin

Tranzon for Auctions

Trio Wine, Beer & Cheese

Wake County Commission Chair

Wilmington Chamber of Commerce

Wrightsville Beach Chamber of
Commerce