

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: April 19, 2006

SUBJECT: Local Option Sales Tax Distribution Method

ATTACHMENTS: None

SUMMARY OF REQUEST:

This agenda item is a follow-up to the Board's meeting on April 10, 2006. The Board has requested that each municipality voice its preference for the distribution method of local option sales. This information along with additional data/documents developed by staff will be presented during the meeting on April 19, 2006.

According to NC General Statutes, "during the month of April each year" the Board of Commissioners must determine whether to use the "per capita" method of distributing the revenue from the optional sales taxes authorized by the County between the County and its municipalities, or to use the "ad valorem" method of distribution. Should the Board determine that the ad valorem method is appropriate, no decision on whether to adjust fire district tax rates is required at this time.

BOARD ACTION REQUESTED:

The Board is requested to determine which method of local option sales tax distribution is appropriate for Henderson County. The Board must take action on this item before the end of April 2006.