



**Alamance County Board of Commissioners**

**ACTION ITEM AGENDA ITEM**

**TO:** Alamance County Board of Commissioners

**MEETING DATE:** 03/2/20

**FROM:** Bryan Hagood

**DATE SUBMITTED:** 01/24/20

**DEPT:** County Manager

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**ISSUE/ACTION REQUESTED:**

Board will consider a Memorandum of Understanding between Alamance County and the Alamance-Burlington School System which outlines the terms of an agreement for Alamance County to make payment directly to vendors for the capital projects being renovated or constructed using bond debt. This agreement will allow us to request a full refund of sales tax paid during bond project construction.

To remain legally compliant, Alamance County would pay direct construction costs using bond funds but would pay any sales tax with local funding to be reimbursed per statutory guidelines.

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**BACKGROUND/PURPOSE OF REQUEST:**

North Carolina allows an annual refund of sales and use taxes paid on direct purchases and leases of tangible personal property and services to certain entities per G.S. 105-164.14(c). Since a County may receive the annual refund of sales and use tax but a school system may not, Alamance County will directly pay vendors for the school renovation and construction projects in order to request a refund of any sales and use tax incurred. This agreement was reviewed by our bond attorney for compliance with laws related to bond issuance, the County attorney, and legal representatives of Alamance-Burlington School System. Other North Carolina Counties and School Systems have used a similar arrangement.

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**FISCAL IMPACT:**

**COUNTY MANAGER'S RECOMMENDATION:**

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**ATTACHMENTS:**

Microsoft Word - Interlocal Sales Tax Agreement - revised 1-21-20 (PDF)

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**ACTION OF THE BOARD OF COMMISSIONERS**

**RESULT:**

**APPROVED [UNANIMOUS]**

**MOVER:**

Steve Carter, Vice Chairman

**SECONDER:**

Bill Lashley, Commissioner

**AYES:**

Lashley, Galey, Carter, Boswell, Sutton