

## REFERENDA

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elected officials, investors, developers, builders or Realtors can argue that the 1% L.T.T. is “bad public policy” and ignore all the success as stated by Perquimans Co., Currituck Co., Pasquotank Co., Dare Co., Chowan Co., and Camden Co. All we’re asking is the ability to raise our own revenue to meet our specific needs to grow Chatham County in a responsible manner as part of the Greater Triangle Region...without driving our middle and lower income families out. This is already happening and will continue without the 1% L.T.T. We are way behind the curve and we have to pay for what we have to do. Raising real property taxes will ensure this sad result.”

In addition former Ferrington resident and member of the affordable housing task force, Bob Eby, wrote an opinion piece in 2007 arguing in favor of a 1% Land Transfer Tax (LTT) for Chatham County.

Bob cited in his piece the seven counties in eastern North Carolina that then Senate Majority Leader Marc Basnight (D) represented that had a 1% land transfer tax and how effective the policy tool had been in raising revenues for these county governments while keeping real property tax rates under control.

He also commented on the projected growth for Chatham County—especially Pittsboro—the 15-501 corridor and the northeast quadrant and how this future population would reconcile with the County’s needs, its budget, and tax base.

Indeed, nearly 10 years later Bob’s words still ring out:

“How will Chatham County pay for the infrastructure needed to support this burgeoning population? Where will the funds come from for schools, county office and social service buildings, water and sewer systems, courthouses, firehouses, and libraries?”

And:

“...Study after study has shown that new residential property owners provide less in tax income to the county than is spent in services to these new residents. The only current way to pay for all the new costs is to keep raising the tax rate on all of Chatham’s residents, new and old...”

The opponents of the LTT referendum had a narrow view of the issue which they defined in terms of “personal liberty”. They believed that the transfer tax would be “bad for business” and an “unjust burden” on the owners of real property when they conveyed fee simple title. (Of course most mortgage brokers and realtors who make fees based on the sale of real estate certainly did not argue that their commissions and fees collected when fee simple title is conveyed were “bad for business.”)

Despite advocacy on behalf of a 1% LTT by the Association of County Commissioners and the Chatham County Board of Commissioners, a raging battle ensued in the NC General Assembly about whether counties should be allowed to place a transfer tax referendum on the ballot at all and if so, for how much (percentage).

Ultimately a bill was passed by the General Assembly that allowed counties to place a referendum on the ballot, but the transfer tax for new counties such as Chatham, unlike the seven counties previously cited down east, were capped at 0.4% instead of the 1% fee requested by advocates; thus if the LTT passed and a \$100,000 sale (transfer) of real property was implemented, it would yield Chatham County \$400 for a \$100,000 sale as opposed to \$1,000 for the same sale at the rate of 1%.

Despite the disappointing legislative result, the five Chatham County Commissioners, who were Democrats, favored the idea, but were split regarding the timing of the election on the referendum. The Commissioners decided by a 3-2 vote to place the referendum for a 0.4% Land Transfer Tax on the ballot during the municipal elections of Fall 2007.

The battle in Chatham County over the LTT attracted a significant amount of outside money to fight the referendum as well as new so-called grassroots groups such as Americans for Prosperity (AFP), who were beginning to flex their financial muscles with a growing

ability to out maneuver legitimate, local grassroots groups by bringing greater financial resources in to amplify their message.

The local effort against the LTT was led by the Chatham County Conservative Voice, which partnered with the North Carolina branch of Americans for Prosperity. The Conservative Voice ostensibly supported “a strong, friendly business environment in Chatham County in order to increase jobs and revenue” and thus opposed the LTT on the grounds that it was “bad for business”.

In addition, the progressive changes in Chatham County and the potential for a LTT referendum was a top priority for the NC branch of Americans for Prosperity. “It has become clear that Chatham County is ground zero for property rights in North Carolina,” said AFP-NC State Director Francis De Luca. “There clearly is a need for an enhanced organization fighting for property rights and for individual freedom.”

The local group, led by Mark Cares, Heather Johnson and others was clear as well on its mission to stop the LTT and thus “fighting a proposed Land Transfer Tax would be among the first priorities of the new partnership” with AFP-NC.

In fact after the statements from AFP-NC’s Francis DeLuca, Candace Steele, a grassroots member of the Chatham Conservative Voice, said “It is important we don’t tax people out of the hard-earned equity in their homes. A land transfer tax will hurt economic growth and personal prosperity in Chatham County.”

The result of the alliance between the AFP-NC and the Chatham Conservative Voice was to defeat the Chatham LTT referendum. It also created the foundation and a framework for a conservative movement and the new Republican Party in Chatham.

Later in 2011, the Republican-led NC General Assembly under then Speaker Thom Tillis, pushed to eliminate the LTT option for NC counties and thus this potential policy option for counties was removed in North Carolina.

These victories were celebrated by the groups that pushed to eliminate the LTT.

So what was the public policy impact to Chatham County and the amount of potential revenue lost? To calculate the answer we can look at the excise tax fees collected by the Chatham County Register of Deeds. By law the Register of Deeds collects two dollars per thousand of a sale when it’s recorded. So if a property sells for \$100,000 the county would collect \$200. This historical data provides an insight into the ebbs and flows of the real estate market in Chatham County.

The data indicates that the last market peak in Chatham County was in 2006. In that year Chatham County recorded approximately \$710,101,000 in third party (non-exempt) sales that were subject to the excise tax.

Then the 2008 recession occurred. The local market bottomed out in 2010. Even by 2014 the market was still at 80.37 percent of its peak in 2006. By 2015 annual sales had nearly equaled the volume of those in 2006. Chatham County is now on track to reach a new sales peak in 2016.

Granted, in the midst of the recession (2009-2010) with short sales in vogue, an LTT option would have been tricky to implement. However with the market steadily regaining strength, Briar Chapel continuing to expand, and Chatham Park on the horizon, an LTT would have been a good public policy tool for the County to have in its financial tool box. Real property taxes would have been kept in check and there would have been another stream of revenue to make bond payments needed for schools, county buildings, water and sewer systems, courthouses, firehouses, and libraries.

Ultimately, the failure to pass the LTT referendum in 2007 has already cost Chatham County over \$16 million dollars in potentially lost revenue since 2008 and over \$40 million dollars in lost revenue if the General Assembly had allowed Chatham County to implement the requested 1% Land Transfer Tax.

The growth anticipated for Chatham County will soon hit roughly \$1 billion of transferred non-exempt real estate a year. This

equates to nearly \$4 million dollars a year of lost revenue at the rate 0.4%, and \$10 million dollars a year if the General Assembly had allowed for a transfer fee of 1%.

At the current rate of recorded sales, the Chatham County Register of Deeds would have collected approximately \$2,336,852 in LTT fees through October 31st of FY 2016 and approximately \$2,506,464 in FY 2015. FYI, an additional penny on the tax rate in the budget for FY 2016-2017 will generate nearly \$990,630 dollars for the county with a tax rate of 63.38 cents or as the average Joe understand: “real money”.

So indeed, election results matter.

One election result gave the Chatham residents Liquor by the Drink, new restaurants, more jobs, and greater revenue. A second

election result ensured that property taxes would increase and cut off a recurring source of revenue to fund our schools and other needed infrastructure that makes Chatham County one of the best places to live, work, and play.

These are stakes when we vote and potential consequences for the results.

\*Although many Republican-owned businesses and leaders supported and voted for the referendum, the Chatham County Republican Party, under the leadership of its chairman at the time, Brian Bock, declined to provide a resolution of support.

*Randy Voller of Pittsboro, a political and business consultant, is the former Mayor of Pittsboro and former chair of the North Carolina Democratic Party.*

## Political Correctness is Thought Control

by Jeff Davidson

In a recent exchange with a friend, I found myself elaborating for the first time on why political correctness is so damaging to our society and to the world in general:

My friend asked, verbatim: “What is your definition of ‘political correctness’? And if it means not offending or angering people from whom you are trying to get information, what is ineffective about that? If I am seeking information from someone of a certain category (racial, religious, national), am I not more likely to be effective by acting/speaking in a way that makes the subject feel respected and an equal?”

### LITTLE CORRECT ABOUT IT

My answer: If only political ‘correctness’ – there is little correct about it per se – were limited to your view of it being thoughtful and appropriate use of language, employed to extract relevant meaning and maintain cordial relations. Unfortunately it has become culturally dangerous and it is used as a battering ram by those who would:

- 1) silence others,
- 2) belittle them for the language that they use when such language it is not particularly or overtly offensive,
- 3) label others who don’t agree with their viewpoint, and in general,
- 4) diminish any way of proceeding in this world that doesn’t conform to such verbal fascism.

Political Correctness has become the thought-control and verbal weapon of choice for many who insist that everyone think like they do and toe the line as they direct. What’s worse, it often immobilizes otherwise dedicated government agents from doing their jobs, protecting U.S. citizenry, and upholding the Constitution (think ‘sanctuary cities’ and the city officials within them; by definition they are at odds with the Constitution which afford protection to U.S. citizens, not to illegal aliens).

In 2009, when she was Secretary of Homeland Security, Janet Napolitano would not mention the word “terrorism” even following blatant acts of terrorism on U.S. soil. During her first testimony on Capitol Hill she told a reporter that while she is ever aware of terrorism threats, she employs the terms “man-caused” disasters. Man-caused disasters!

### BIG BROTHER IS WATCHING

PC is employed to thwart effective and productive investigation into the potentially nefarious activities of groups and individuals. As such, PC kills. In San Bernardino, many people who observed the questionable behavior and activities of the Islamic husband and wife who became mass murderers consciously avoided reporting them, specifically because of their minority status.

In April 2016, the Department of Justice coined new terminology for

convicted criminals: hereafter they are to be called justice-involved individuals. Youthful offender are to be called justice-involved youth. Such language restriction and contortion is nothing less than Big Brotherism.

In Orlando, the same phenomenon as in San Bernardino re-occurred: the Islamic mass murderer actually was known by many people to be unhinged and potentially violent. Too late: 49 people are dead, many more gravely injured, and a town, state, and nation are in shock over the incident. Had the shooter used a bomb instead of a gun, he might have murdered close to 350 people, not “merely” 49.

In the wake of the Orlando massacre, the Obama Administration mandated that the U.S. Department of Justice, Homeland Security, and other agencies be barred from using the words Jihad and Sharia. This is verbal fascism and a not-so-thinly veiled attempt at thought control.

### MODERN DAY MCCARTHYISM

PC is the modern day, reverse equivalent of McCarthyism, and it is the curse of our times. It is the go-to tool of oppression which essentially holds that Caucasians, primarily western males, are the embodiment of oppression themselves, and that their views, behaviors and actions are invariably wrong because they are Caucasian western males. It comes with its own set of trigger words such as “white privilege,” “mansplain,” and “micro-aggression” among others, each designed to squelch the experiences, rational, observations, and, indeed, worthiness of the presumably non-conforming opposition.

Conversely, PC holds that minorities can do no wrong essentially because they are minorities and that the consequences of their individual behavior are invariably excusable. Consider Michael Brown of Ferguson, Missouri, even at age 18, a career criminal, who, it has been proven, never put his hands up and never said “don’t shoot.”

Because such individuals are the “continuing victims” of the Caucasian western male-dominated society, PC advocates grant them a de facto life-time free pass for their relentless, socially destructive behavior. In essence PC has morphed into reverse racism or, as it is also called, “progressive racism.”

May your children and grandchildren one day live in an era when political ‘correctness’ has been swept out of our society.

*Jeff Davidson of Raleigh is a regular contributor to Chatham County Line. He is “The Work-Life Balance Expert”, the premier thought leader on work-life balance issues, Jeff is the author of 65 books, among them Breathing Space, Dial it Down, Live it Up, Simpler Living, 60 Second Innovator, and 60 Second Organizer. Visit [www.BreathingSpace.com](http://www.BreathingSpace.com)*

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