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More people, more taxes

A new coalition wants the legislature to approve new taxes for infrastructure

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Another South Carolina in 30 years. That's how fast North Carolina's population is growing, demographers say.

That growth won't be healthy unless the state and its cities do more -- and spend more -- to accommodate expansion wisely, a new coalition of local governments and private groups says.

The Partnership for North Carolina's Future is calling on the General Assembly to approve more bond referendums and new or higher taxes to pay for improvements in five key areas: schools, roads, lower-cost housing, water and sewer service, and parks and open space.

"North Carolina is falling behind in areas critical to our quality of life and economy," the group said on its launch. "If this downward spiral is allowed to continue, it will cost our state jobs, damage our economy and adversely affect the livelihoods of families."

The group hasn't endorsed specific taxes, but highlights such possibilities as a "transfer tax" on the sale of homes and businesses, "impact fees" on new homes, sales tax increases, higher fuel taxes, and state bonds for public schools, clean water, lower-cost housing, and land conservation.

"Every fair and reasonable revenue source ought to be on the table for discussion," said Ellis Hankins, the group's president and executive director of the N.C. League of Municipalities. "Nothing should be off limits. Our needs are real -- and growing."

The group confronts conservative lawmakers opposed to tax increases and an alliance of Realtors and homebuilders who are working to block legislative proposals for transfer taxes and impact fees. Instead, those groups favor bond issues backed by broad-based sales taxes and property taxes.

"Our group supports economic development and progress for our state," said Tim Kent, executive vice president of the N.C. Association of Realtors. "We're adding jobs, bringing more people into the tax base. Adequate revenues are available to handle a significant portion of this."

Both groups point out the self-interest of the other's members: on one side, home sellers who don't want higher taxes on their product; and on the other side, road-builders, contractors and architects who benefit from infrastructure spending.

In the middle of the debate are North Carolina's 170 legislators, who must decide whether to allow more taxing and spending.

Rep. Bill Owens, an Elizabeth City Democrat and businessman who participated in the new group's news conference Wednesday, said the legislature must face the demands of the state's growth.

"The General Assembly's got a tough job ahead of us to figure out a way to get the resources to make this happen," he said. "Everywhere you look, no matter what resource you look at, it's unpopular with one group or another."

Among the new coalition's members are the N.C. Association of County Commissioners, the N.C. Housing Coalition, promoters of open-space preservation, several developers, and state associations of public school boards and school administrators.

They cite estimates that North Carolina's population in 2030 will be about 4 million more than it was in 2000, a difference roughly the size of today's South Carolina.

And they warn that North Carolina faces "a population tsunami" for which it is ill-prepared.

"Today we stand together to say to the public, 'Your future is at risk,' " said coalition member Tom Lambeth, chairman of the N.C. Rural Economic Development Center. "Meeting the needs of another 4 million people cannot be done by trying to hold this state together with baling wire, belt-tightening and Band-Aids."

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