



County of Orange  
Financial Services Department - Purchasing Division

**RFP #5224**  
October 18, 2016

**Request for Proposals to Conduct a Tax Equity Study in Orange County, North Carolina**

**I. Overview:**

Orange County, North Carolina is releasing this Request for Proposals (hereafter 'RFP') seeking responses from qualified consultants to conduct a Tax Equity Study

The scope of the analysis will be to assess whether residents of Orange County are experiencing tax equity. The tax equity analysis will focus on whether residents of one jurisdiction are financing services that does not benefit them and to what extent.

There are three areas that should be included in the analysis to assess tax equity.

1. First, an update of the Tax Equity Study in Local government - Wicker (1989) will be performed (attached). This update will essentially be replicating that study with recent data and a change in some of the assumptions.
2. Second, examine the services within a spatial context in coordination with the County and Town representatives. This step is especially important if data is unavailable or imperfect.
3. The third step, which is contingent on time and data, addresses the broader concern of equity. This third step will look at the distribution of where revenue is being generated and where services are being provided (even if they are countywide services).

**II. Proposed timeline:**

4. Fall 2016: Release RFP to contract with consultant
5. January - February 2017: Data is compiled and collected.
6. Spring 2017: Final Report Completed

### III. Procedures – Submitting Response:

Proposals must be received in the office of the Purchasing Agent, 200 S. Cameron Street, PO Box 8181, Hillsborough, NC 27278 no later than **5 pm (EST) November 9, 2016**. Interested firms are required to submit three (3) copies of their proposal to the office of the Purchasing Agent, 200 S. Cameron Street, PO Box 8181, Hillsborough, NC 27278 and include all information as detailed herein. Also submit a single pdf file copy of the submittal to [dcannell@orangecountync.gov](mailto:dcannell@orangecountync.gov).

All interested firms should send an e-mail indicating their interest and/or intent of filing a response to David Cannell by **November 1, 2016** at [dcannell@orangecountync.gov](mailto:dcannell@orangecountync.gov)

All e-mail notifications, as well as any other correspondence sent to the County relating to this RFP, must contain within the subject line of the e-mail the words “**Orange County Equity Study # 5224**”. The purpose of this e-mail notification requirement is to allow staff to send to all interested firms any modifications, updates, or answers to general project questions that would benefit all parties.

Interested bidders are invited to submit any written questions they may have relating to this project. All questions must be submitted via email, with the aforementioned subject line heading, to David Cannell, by **November 2, 2016**. All questions will be compiled, and a complete list of written questions and answers will be forwarded to all firms that have sent an email indicating intent to respond to the RFP.

The proposals must conform to the requirements set forth in this RFP, and shall include the following:

1. A cover letter identifying the firm, or firms proposed for a team approach for the project.
2. An explanation on how the consultant will adhere to the scope of work including a proposed work timeline/schedule that corresponds with the timeline outlined herein. This narrative should include an explanation of the following:
3. Identification of the roles and responsibilities of all team members with the firm including:
  - a. Team organization including an identification of the lead consultant and project manager, key personnel that will be working on the project, the role of any proposed sub-contractor, etc,
  - b. A statement of qualifications for all team members including references and educational background, and
  - c. A description of the current workload for identified individuals.
4. Examples, if any, of similar work product or involvement with the completion of similar studies.
5. A minimum of three (3) references for similar projects including:
  - a. The name and date of the project,

- b. The location of the client, and
  - c. A contact name including relevant contact information.
6. A proposed cost budget including anticipated payment schedule coordinated with the completion of identified milestones.

All proposals, exhibits, responses, attachments, reports, charts, schedules, maps and illustrations shall become the property of Orange County upon receipt.

### **General Requirements**

1. **Living Wage.** Orange County is committed to providing its employees with a living wage and encourages agencies it funds to pursue the same goal. A copy of Orange County's Living Wage Contractor Policy is included with this addendum
2. HB786 imposes E-Verify requirements on contractors who enter into certain contracts with state agencies and local governments. The legislation specifically prohibits governmental units from entering into certain contracts "unless the contractor and the contractor's subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes." (Article 2 of Chapter 64 establishes North Carolina's E-Verify requirements for private employers). It is important to note that the verification requirement applies to subcontractors as well as contractors. The new laws specifically prohibit governmental units from entering into contracts with contractors who have not (or their subs have not) complied with E-Verify requirements. Complete the attached affidavit, and include it with your submittal.
3. Please complete the attached Iran Divestment Act Certification Requirements And Include With Your Submittal

Greg,

Here is a copy of the 87-88 study. It was never polished off. I did not receive a final check from the finance officers and there are improvements to the text that need to be made.

Nevertheless, I think the analysis and the findings are valid and very close to what the finished product would reveal. Any corrections or adjustments, I think, would not change the "bottom line" more than 2%.

September 8, 1994

## TAX EQUITY IN THE FINANCING OF LOCAL GOVERNMENT IN ORANGE COUNTY, 1987-88

## Introduction

The purpose of this study is to examine the equity of present arrangements for financing public services and functions by local governments in Orange County that result from jurisdictional arrangements and practices.

The focus of the study is on the individual citizen and the equity of financing public services by local governments in light of the financing and service practices of all the governments of which each individual is a citizen.

The study should answer the following questions:

1. Do Orange County citizens who are residents of a municipality receive more service or less service than other county citizens because they reside within a municipality?
2. Do County citizens who are residents of the unincorporated area of the county receive more service or less service than those who reside within a municipality because they reside in the unincorporated area?
3. Are County citizens who reside within or outside a municipality within Orange County required to make contributions to municipal, county, state or federal governments when their contributions are not used to support services and functions available to them

within the jurisdiction in which they reside on the same basis as other citizens within that jurisdiction?

4. Are funds derived from taxes and other revenues levied on all citizens of Orange County on the same basis used to support programs that are available to all Orange citizens on the same basis, without regard to municipal jurisdictions?

There is no concern here with the amount of service received by each citizen. The question of concern, for example, is not whether each citizen of Chapel Hill uses the same amount of recreational services, or whether each citizen of Orange County receives the same amount of welfare payments. Nor is the concern whether the citizens of each block in Carrboro receive the same amount of garbage collection services, nor whether Orange County supports the same number of public school students in each Census tract within the county. Rather, the question is whether Chapel Hill's recreational services are available on substantially the same basis to all its citizens; that garbage collections services in Carrboro are provided under uniform policies to all citizens of Carrboro; and that Orange county supports welfare and public school programs under uniform policies throughout the county, without regard to where the individual citizen who receives those services may reside.

In a like manner, there is no concern here with the equity of a particular revenue measure. The regressiveness of the local sales tax, the progressiveness of the state income tax, and the fairness of the local property tax are not examined. The study is concerned with the imposition of any revenue measure throughout any jurisdiction that is not then used to support programs available throughout that jurisdiction.

### Principles of Equity

The principles of equity against which local governmental arrangements in Orange County are examined may be set forth as follows:

1. A revenue that is collected from all the citizens of a jurisdiction under uniform standards should be expended for programs and activities available to all citizens of that jurisdiction under uniform standards.

2. A program that benefits only the residents of a particular jurisdiction should be supported with revenues from citizens of that jurisdiction.

3. A program that has special or additional benefits for the citizens of a particular jurisdiction (as compared with base benefits available to citizens of a larger jurisdiction of which it is a part) should be supported with revenues derived:

...in part from residents of the larger jurisdiction in which there are base (or general) benefits from the program

...in part from additional revenues from citizens in the jurisdiction with special or additional benefits from the program, and

...with support from residents of each jurisdiction in proportion to the level of benefits available to them.

### The Setting

The setting in which local governments in Orange County operate make it difficult to determine the equity of local financing arrangements. There are both structural and conceptual problems.

Some 60 percent of the citizens of Orange County are also citizens of a municipality. All Orange County citizens are also citizens of North Carolina and the United States. Some may also be citizens of a fire district or the Chapel Hill-Carrboro City School district.

Each individual pays taxes and various fees and charges to each of the governments of which he is a citizen, or whose services he may choose, under the laws and policies of the various governments. Each citizen, typically, receives some services from each of the governments of which he is a citizen. At times, a citizen may receive the same type of service from more than one unit or level of government. For example, highway services through city, state and federal programs; welfare services through county, state and federal programs, and recreational services through city, county, state and federal programs.

Also, typically, the taxes paid by a citizen to one government may be turned into a grant to another unit of government. A portion of a citizen's federal tax payments, for example, is given to the states to support welfare programs. In North Carolina, these funds are enlarged by state-collected monies and distributed to county governments, which add locally-raised revenues to complete the package of support for the social service programs in North Carolina.

An examination of the total picture of revenue flows and program benefits in North Carolina shows that most of the funds are raised by the state and federal governments, but most of the program expenditures are made by city and county governments. That total picture in 1986-87 as reported by the Bureau of the Census (Governmental Finances in 1986-87, Table 29) shows the following percentage distribution of the origin of revenues and final disbursement:

	Local	State	Federal
Origin of Revenues	30.4%	52.9%	30.4%
Final Disbursement	56.0	44.0	

Note: Of municipal and county disbursements, 70.4% were by county governments and 29.6% by municipalities.

Another basic feature of the American system of governmental financing is the redistribution of income. This is accomplished to some extent by the system of sharing revenues and making grants, reflected in the table above. Redistribution also results from the revenue measures used and the service programs provided. The income taxes, with graduated rates, take more dollars from those who have more and fewer from those who have fewer. But even the more regressive taxes--property and sales, for example--also provide for some income redistribution. All Orange County citizens, for example, pay a local property tax according to their property ownership. Some of the proceeds of this tax is used to meet the local share of welfare payments. Orange County residents who are more affluent thus help support welfare payments to those who are less-affluent through their property tax.

### The Findings

The findings of the study are set forth in the following six tables. A description of the methods and assumptions used is given in the discussion of each table.

#### Population and Assessed Values

The population for Orange County and each of its municipalities is given in Table 1. In 1987 approximately 40% of the county's citizens lived outside its municipalities and 60% inside the four towns. The percentage of the total assessed value of property for purpose of the property tax is also given in Table 1. As will be noted, a fairly close correlation exists between the distribution of population and the assessed value of property.

#### Distribution of Benefits from Expenditures

Tables 2-A, 2-B and 2-C, respectively, show the estimated distribution of benefits from expenditures for 1987-88 by Orange County, Chapel Hill and Carrboro. The distribution shows only the differences by jurisdiction that flow from law or policies of the units. Differences in the use or service level within a jurisdiction are not examined unless--as in the case of the County--a difference exists because of policies with respect to jurisdictional boundaries.

Orange County. Table 2-A. Over 90% of County expenditures in 1987-88 were for programs and activities that served, or were available to, citizens throughout the county, without regard to municipal boundaries. Comments on

the estimated distribution are needed in some instances and are given below in the order that the items are listed in Table 2-A.

**Elections.** The County conducts elections for Chapel Hill, Carrboro and Hillsborough under contract. The amount of the benefits shown equals the amount expended by the county for the towns. For the purpose of this study the contract sums are assumed to properly reflect benefits received. The countywide election benefits equal the cost of maintaining the county election function for countywide elections.

**Tax Supervision and Collection.** The bulk of this County outlay covers the cost of the work of the tax supervisor's office and the collection of County taxes. The benefits indicated for the three towns are the sums expended by the County for performing the tax collection services for them. Again, the correctness of the contract terms is assumed.

**Inspections.** All the County's building inspection work is either in Hillsborough or the unincorporated area and is distributed between these two jurisdictions on the basis of estimated work load.

**Planning.** The County's comprehensive planning activities cover the entire county and mesh with those of the towns in the areas of joint planning jurisdiction. Thus countywide benefit is listed. The current planning activities, involving zoning and subdivision control, is limited to the unincorporated area and is listed as a benefit to that area only. [Some property owners, of course, may not view planning and land use regulations as a benefit. Nevertheless, the activity is based on the goal of general community benefit and such a general benefit is assumed here.]

**Parks and Recreation.** Most of the County's expenditures for parks and recreation are for facilities and activities that are open to all citizens of the County and are listed here as of countywide benefit. The physical

location of the county facilities is such that not all areas of the county are equally convenient to them, but there is no jurisdictional restriction on their use. The benefits listed for Chapel Hill and Carrboro are equal to the grants paid to the two towns to support the town's parks and recreation programs, which, in turn, are open to all county citizens. (See Table 4-A discussion below for additional comments.)

**Libraries.** Some 42% of county library outlays are for grants to support the Chapel Hill library. This grant is listed as a benefit to Chapel Hill, where the funds are expended. The remainder is assumed to be for countywide benefit. (See below for additional comment on Chapel Hill libraries.)

**Sheriff: Patrol.** Outlays for the Sheriff's Department are divided into two parts: patrol and non-patrol. The distribution of patrol benefits is based on the Sheriff's estimate of patrol routes. Of total patrol expenditures, 15% is allocated to the towns since the patrols go into and through the towns. The major portion of the patrol work--85%--is allocated to the unincorporated area. Slightly more than half of the Sheriff's budget is spent on countywide activities - working with the courts, serving papers, and maintaining the jail.

**Sanitation.** This heading covers the solid waste collection activities of the county. Service is largely to the unincorporated area since the towns provide a collection service for municipal residents. The Department estimates some service to the towns because of the proximity of collection boxes and the special materials to be discarded by some municipal residents.

**Street Surfacing.** This activity is accomplished in cooperation with the Department of Transportation. The county provides temporary financing for the share of improvements made by the State DOT and assessed against the property

owners. All the costs are met by the benefited property owners. (See Table 4-A for offsetting revenues.)

Total outlays by Orange County in 1987-88 were \$31,143,275. Of this sum, 91.5% of the expenditures are estimated to be for purposes of countywide benefit, without regard for municipal boundaries. The unincorporated area is estimated to received an additional 6.4% of the total expenditures in special benefits. The towns of Carrboro, Chapel Hill and Hillsborough also receive small amounts of special benefits.

Chapel Hill and Carrboro. Tables 2-B and 2-C. The distribution of benefits from Chapel Hill and Carrboro expenditures are discussed together since they have the same kind of programs and the same basis for the allocation of benefits is used for each. A few items deserve special comment.

Planning. The amount allocated to the unincorporated area is based on work load estimates by the towns and covers work in the extraterritorial jurisdictions of the two towns. [As noted in the discussion of county planning above, not all residents of the extraterritorial area would view the activity as a benefit. Moreover, the extraterritorial activity by the towns is one that is not mandated and is undertaken because the towns wish to do so. Thus it could be argued, except for the joint agreement with the county, that all of the planning benefits should be allocated to the towns. Furthermore, because of the limitations of time for study, these benefits are allocated to the entire unincorporated area of the county - not to just the extraterritorial area in which they are provided.]

Public Safety. These benefits are all allocated to the two towns. [The Chapel Hill Public Safety Department estimates that in terms of where its services are provided, it would be proper to allocate from its total

expenditures of \$4,004,065 the sums of \$1,000 to Carrboro, \$2,000 to the unincorporated area, and \$2,000 outside the county.]

Parks and Recreation. Allocation of benefits from the park and recreation expenditures raises difficult conceptual issues. It could be argued that all the benefits should be allocated to the towns. This view is based on the fact that (a) these services are not mandated, (b) each town could restrict the use of these services to its own residents, and (c) each town could impose special or additional fees for the use of its facilities by nonresidents sufficient to meet all costs their use may impose.

On the other hand, Orange County has recognized through its grants to the two towns that the towns' park and recreational facilities serve to complement county park and recreational services and make county outlays for facilities in the area of the two towns unnecessary.

The assumption of this study is that the county and municipal expenditures for parks and recreation illustrate a situation where the third principle of equity mentioned above (page 3) should be applied. That is, a portion of the two towns' expenditures should be viewed as being of countywide benefit and the remainder should be viewed as providing a level of service for each of the two towns that is above the countywide level.

This study has not established just what the proper allocation of these benefits between countywide and the towns should be. For the purpose of this study, a per capita allocation has been made for each town that is equal to the countywide level provided. The county's countywide expenditure for parks and recreation is equal to \$4.87 per capita. This sum was multiplied by the population of each town and that amount is allocated as being for countywide benefit. The remainder is then assumed to be the additional benefit provided to the citizens of each town.

[The reader who feels another basis for allocation should be used may simply adjust the figures accordingly. Both towns have made surveys of the use of their facilities by residence of the users. If the allocations were based on the residence of users the following allocation would obtain:

	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Unincorp.</u>	<u>Outside County</u>
For Chapel Hill	1,269,256	230,305	8,498	132,101	53,449
For Carrboro	165,201	303,753	1,551	65,925	11,433

Since for each town the benefits to citizens of another town are benefits to "outside" citizens, no distinction between various outside citizens is made in the study. Service to persons from outside the county are, in effect, allocated to the "special" level of service for each town.]

Landfill. The landfill is operated by Chapel Hill and supported by the various local governments under a joint agreement. (See Table 4-B) Benefits are distributed according to the jurisdictions from which the waste is contributed.

Recycling. All the outlays are estimated as benefits for Chapel Hill in the absence of formal agreements with other jurisdictions. The Chapel Hill department estimates that a distribution by source would show the following:

<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Unincorporated</u>
53,314	17,506	8,753

Library. (Chapel Hill only) Library benefits from Chapel Hill expenditures are handled in the same manner used for parks and recreation. A portion of the town's expenditures - equal to the per capita amount expended directly by the county (\$3.59) multiplied by the town's population - is

estimated as being of countywide benefit. The remainder is allocated to the town. Benefits to persons outside the county, in effect, are allocated to the town.

[A distribution of benefits in proportion to the residence of users as developed by a survey for the Chapel Hill library would show the following:

<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Unincorporated</u>	<u>Outside County</u>
716,134	115,847	157,969	63,188

Fire Protection. (Carrboro only). The benefit shown for the unincorporated area is service to a rural fire district under contract. It is offset in Table 4-C with revenues of an equal amount.

Streets. The countywide benefits from street expenditures for the two towns are listed in an amount equal to the amount of state street aid each received in 1987-88. The basic approach taken in North Carolina is to finance streets and highways from vehicle-related taxes and charges. Responsibility for construction and maintenance of public streets and highways (except for those on federal lands) is divided between the state government and the municipalities. A portion of the state's gasoline tax receipts is distributed to municipalities to finance the portions of the statewide system of streets and highways that are municipal responsibilities. Wherever a citizen drives in North Carolina, the road being used is one that his contributions as a vehicle user is helping to finance.

Street financing in cities is another example of the third principle of equity (page 3). The statewide system of streets and highways is built and maintained from statewide revenues. Most cities and towns, however, provide within their boundaries a higher level of street services than is provided on state-maintained roads outside municipalities. Typically, a much higher

proportion of municipal streets are paved than is the case of among all state-maintained roads outside cities. City-maintained streets also usually have curb and gutter and a wider paved surface - the latter, in effect, is a paved parking lot for the abutting property owners. [No special study to determine how much of each town's street expenditures are necessary to provide a street comparable to that provided from the same revenue base by the state on roads outside the towns and how much represents expenditures for a higher level of street services was made. In past years, officials from various municipalities in North Carolina have made studies in their own cities and towns. They have almost uniformly reported that their cities could provide on city-maintained streets the same level of street services provided by the state outside municipalities within the state street aid distributions. These findings are assumed here to be true for Chapel Hill and Carrboro. Thus the countywide (statewide) benefit is equal to the amount of state street aid and the remainder of each town's street expenditures are estimated to represent additional benefits for each town's citizens.

Neither town estimated use of its streets by "outsiders." It is clear from casual observation, however, that most of the use of the streets within the two towns by "outsiders" is use along state-maintained roads and streets. And the portion on a town-maintained street, as noted above, is on a street to which the user is making a financial contribution.]

Unusual Amounts. This study takes a "slice in time" approach. It is thus important to note any unusually large or unusually small expenditures for the year.

For Carrboro, community development outlays in 1987-88 were unusually large. In 1989-90, for example, they may approach zero.

For Chapel Hill, transportation expenditures for capital outlay from state and federal funds were unusually small in 1987-88, while those for general purposes from bond funds were unusually large in that year.

As might be expected, most of the benefits from the expenditures of the two towns is estimated to be for their own citizens - 92.5% for Chapel Hill and 89.3% for Carrboro. The Carrboro figure is slightly lower than Chapel Hill's because of the inclusion of the contract for fire protection for the rural fire district - a wash. If this contract is excluded, the Carrboro percentage becomes 91.5.

#### Summary of Estimated Benefits

The estimated benefits as allocated in Tables 2-A, 2-B and 2-C are summarized in Table 3. This table shows which of the three units provided the benefits and the jurisdictions within which citizens received the benefits. Both total and per capita benefits are given. Benefits flowing to residents of Hillsborough from the County and the two towns are shown. Hillsborough did not participate in the study and the benefits from its own expenditures are not included.

Approximately 96% of the countywide benefits of \$344.65 per capita are provided by the county government, with the remainder provided by Chapel Hill and Carrboro. The special benefits flowing to the unincorporated area total \$74.46 per capita, of which almost 80% is provided by the county. Total benefits from all governments are highest, of course, in the municipalities and reached an average per capita amount of \$946.06 for Chapel Hill in the year under study.

## ORIGIN OF REVENUES

The estimated origins of revenues, by type and jurisdiction, are given for the three governments in Tables 4-A, 4-B and 4-C. The origin in each case is the unit of government that levies the tax or imposes the charge, unless the tax is imposed by one unit for another or is restricted in some manner.

All taxes and charges levied by the County are listed as countywide in origin. The property taxes paid by citizens who live in Carrboro or in Cheeks Township are paid in their capacity as citizens and taxpayers of Orange County--not as citizens of Carrboro or Cheeks Township. Furthermore, the same rules of taxation apply to the same classes of property throughout the county. The location of the property, inside or outside a municipality, is of no consequence.

The same is true of all revenues imposed and collected by the state or federal governments and transferred to cities or counties as grants or shared taxes. All citizens of Orange County are subject to these taxes on the same basis because they are citizens of North Carolina and the United States. Thus for the purposes of this study--to show the origin of revenues by local jurisdictions--state and federal funds are listed as countywide in origin. The local jurisdictional residence of a state or federal taxpayer does not matter and does not change that taxpayer's obligation under state or federal tax laws.

In a few cases, the estimated origin of a particular revenue measure departs from this general analysis because of its nature and purpose. An explanation of these variations is given in each case.

Orange County. Table 4-A. The property taxes shown are those levied countywide for general county purposes. The special school tax levied in the

Chapel Hill-Carrboro City School District and spent within that District are not included.

Local sales taxes. These are levied by the county and apply throughout the county on the same basis.

Intangibles. These taxes are levied by the State for the local governments as a part of the general system of property taxation.

Inventory. This is the replacement for the reduction in inventory property subject to local taxation. Its origin is general state taxation - or countywide for the purposes of this study.

CATV Franchise. These taxes are derived from the cable system serving citizens outside Carrboro and Chapel Hill.

RSVP Grants. These small grants from Chapel Hill and Carrboro are shown by their origin.

Economic Development. Three of the towns - Chapel Hill, Carrboro and Hillsborough - share in the support of economic development.

Planning and Inspections. These revenues are derived from the areas in which current planning and inspections are performed - the unincorporated area and Hillsborough.

Tax Collection and Elections. These are functions performed by the County for the towns under contract. The amounts paid by the towns are shown here.

As will be noted at the bottom of Table 4-A, 98.5% of all county revenues are derived from county, state and federal sources - all countywide in their incidence.

Chapel Hill and Carrboro. Tables 4-B and 4-C. While county governments receive almost all of their revenues from measures that are countywide (including statewide and nationwide) in their incidence, municipalities in

North Carolina rely heavily on shared revenues and grants from county, state and federally-levied taxes. Almost 36% of Chapel Hill's revenues, for example, is raised by other governments. It is in this fashion that county, state and federal taxpayers contribute to the support of municipal governments in North Carolina. Specific comments on the various measures follow.

Franchise tax. This tax is levied by the state and is paid by all state citizens on the same basis. If the state taxpayer, for example, resides within a city, about half of his utility franchise tax is returned to the city government in which he resides. His neighbor 100 yards away and outside the city pays the same tax (if the same amount of utility service is used) but none of his tax is returned for general use by his local government. Thus two state taxpayers with identical tax status end with a different distribution of benefits - the state taxpayer in a city contributes only half as much through this tax to the support of state government as his neighbor outside the city. The other half goes to support his local public services.

Intangibles. As noted above in the discussion of intangible taxes for Orange County, these are taxes levied by the state for local governments and are part of the general system of property taxation. Real and personal property that is locally taxable is taxed by both the county government and by municipalities. While the state taxes intangibles only once, the distribution formula was designed to substitute for the taxation of the property twice by a city and a county. It is clear, however, since there is a single uniform tax levied by the state, that a portion of all intangible taxes paid by each taxpayer is shared with his county government and the remainder is shared with a municipal government, regardless of whether or not the taxpayer is a municipal resident.

Beer and Wine. This is state tax. Part is distributed to county governments. Cities receive an additional allocation. Thus a state taxpayer who resides within a city receives an additional share of the local distribution - over and above what he receives as a county citizen.

Local sales tax. This tax is levied by the county, but under state law a portion of the tax is distributed to cities. On a statewide basis, approximately 68% of all the local sale taxes paid by each county citizen is distributed to a county government, and 32% is distributed to a city government. For the citizen of a city, all of the tax paid goes to a local government by which he is served. In the case of a county citizen who resides outside a city, approximately two-thirds goes to his county government and the other third he pays is distributed a to local government of which he is not a citizen.

State Fire Protection. (Chapel Hill) This is a payment by UNC-CH to the town for fire protection. The funds are derived, in effect, from general state taxation.

Powell Bill. This share of the State's gasoline tax is part of the general state plan to finance streets and roads in the state from vehicle-related revenues. The funds must be used to construct and maintain streets that are a city's responsibility. (Major roads and streets through the city are on the state system.) As noted above, this study assumes that the amount of state street aid will enable the city to provide on city streets the same level of services that the state provides on state-maintained roads outside the city. The higher level of street services - wider streets, curb and gutter, sweeping and flushing - are supported by local contributions. [Thus wherever a state citizen drives in North Carolina, he is driving on a street

or road to whose construction and maintenance he has contributed on the same basis (for the basic street or road) as every other motorist.]

Inventory Reimbursement. This is a recent example of the 'hold harmless' approach enacted by the state when portions of property in inventory were removed from taxation. The funds for the reimbursement, of course, come from taxes levied on all state citizens--not just those who reside in a municipality.

Park and Recreation and Library Fees. As indicated above in the discussion of the distribution of benefits, park and recreational activities of the two towns and Chapel Hill's library are viewed here as examples of split-level service. The basic level is supported by countywide receipts and is viewed as being of countywide benefit. Services above this level are viewed as a proper town responsibility. The same approach is taken here. Grants to the towns for these purposes are shown separately. Receipts from citizens of the other town, Hillsborough, and the unincorporated area are classed--for each town--as being countywide, thus matching the area of estimated benefit. Receipts from outside the county are allocated to the each case to the town.

[Chapel Hill has developed information on the origin of receipts by residence of those using the facilities and paying the fees. These are reported as follows:

	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Unincorp.</u>	<u>Outside Co.</u>
Library	21,477	3,193	0	4,353	1,741
Recreation	187,239	31,560	1,326	20,951	24,135]

UNC Bus Contract. Chapel Hill. The general payments from University funds are, in effect, from state funds. Thus the designation of origin as countywide.

Bus Farebox. Chapel Hill. Farebox revenues collected by the town and those remitted by the University are both allocated to Chapel Hill. Some of the University payments are derived from students and other passengers who reside in Carrboro or in other places outside Chapel Hill. In the absence of information on which to allocate them to the unincorporated area or to Carrboro they are allocated here to Chapel Hill.

Landfill Tipping Fees. Chapel Hill operates the landfill. Payments shown are the contributions from other jurisdictions under their joint agreement.

Unusual amounts. The amounts for capital projects in Chapel Hill's transportation fund for 1987-88 are unusually low. There were no bus purchases in this year and thus a low level of federal aid. Expenditures from bond funds, on the other hand, were unusually high in 1987-88. In Carrboro, economic development funds were unusually high in the year under study.

#### Summary of Revenue Contributions

A summary of the origins of the revenue contributions from citizens in all of the county's jurisdictions is given in Table 5. The units to which their contributions are made are also given. Both total and per capita amounts are shown.

Over half of all the contributions made by citizens in any of the county's jurisdictions are part of the countywide contributions, with 75.8% of

that amount going to the county government; 19.6% to Chapel Hill; and 4.6% going to Carrboro. Hillsborough's contributions to Chapel Hill and Orange County represent payments for landfill services and planning and inspections services, respectively.

THE BOTTOM LINE: A COMPARISON OF ESTIMATED  
BENEFITS AND CONTRIBUTIONS BY JURISDICTION

In Table 6 the estimated per capita benefits and revenue contributions are given for citizens within Orange County according to their jurisdiction of residence. Information is given only for Carrboro, Chapel Hill and the unincorporated area of the county.

Information on benefits and revenue flows between Hillsborough and the other towns and the county is given in Tables 2-5, but not included here since no separate analysis of Hillsborough's own outlays and revenues was made. (Although no examination was made, the findings for Carrboro and Chapel Hill suggest that, had Hillsborough been included, the findings for Hillsborough would have been similar to those for Chapel Hill and Carrboro.

Information on Mebane was also not included. With so small a portion of Mebane in Orange County, it is assumed that including Mebane would not have significantly affected the findings. The same assumption is made with respect to persons outside the county.

The principal finding is that when Orange County citizens are viewed as a part of the entire governmental arrangement - including city, county, state and federal systems - the citizens who are also municipal residents, on the average, receive more in benefits from and through their local governments

than they make in contributions. Orange County citizens of the unincorporated area, on the other hand, contribute more, on the average, to and through the total governmental systems for their local governments than they receive in local benefits.

Citizens of the unincorporated area contribute to all local governments about 16% more than they receive in benefits.

Chapel Hill citizens receive from all their local governments benefits about 10% greater than their contributions to all those governments.

Benefits received by Carrboro citizens from all their local governments exceed their contributions to all those governments by some 6%.

The flow of benefits and contributions between citizens within the three chief county jurisdictions is set forth on a per capita basis in Table 7.

Payments by citizens to the county, state and federal governments that are used to support grants or shared taxes for local governments in Orange County are shown here as payments to the local unit that receives the grants or shared taxes. Benefits that are financed by these grants or shared taxes are, in like fashion, shown as benefits from the local unit that delivers the benefits.

Chapel Hill citizens. Contributions from Chapel Hill citizens to Orange County, (directly and through their state and federal contributions that are returned to Orange County) on a per capita basis are only about \$5.00 greater than their benefits from Orange County. In the year under study, Chapel Hill citizens contributed some \$22 per capita to Carrboro and received no special benefits. (See p. 10. Benefits received by Chapel Hill citizens from Carrboro recreation programs are classed here as part of the countywide benefits received by Chapel Hill citizens along with other citizens of the county--thus reflected here as flowing from Orange County.)

Carrboro citizens. The Carrboro citizen receives slightly less (about \$6.00) in benefits from Orange County than he contributes directly or indirectly to the County government. In contrast, the average per capita contribution by a Carrboro citizen to Chapel Hill exceeds the benefits received from Chapel Hill by 167%.

Citizens of both towns contribute less to their respective towns than they receive in benefits from those towns--reflecting the contributions made for their benefit by citizens of the unincorporated area.

Unincorporated citizens. Benefits flowing to citizens of the unincorporated area from the County government exceed their contributions to the county government by almost 9%. On the other hand, their contributions to Chapel Hill and Carrboro are 664% greater than the benefits flowing to them from those two towns.

On balance, as shown in Tables 6 and 7, the flows of contributions and benefits in the total governmental system as carried out through the Orange County local governments results in a financial advantage for citizens of the towns and a financial disadvantage for citizens of the unincorporated area.

Draft: 7-11-89  
 Revised: 7-24-89

Table 1

Population of Orange County and Its Municipalities, 1987

	<u>Number</u>	<u>Percent of County</u>	<u>Exhibit: Percent of Assessed Valuation</u>
Carrboro	11,375	13.2	10.1
Chapel Hill	37,205	43.1	43.6
Hillsborough	3,343	3.9	3.4
Mebane	517	.6	.3
Unincorporated	<u>33,796</u>	<u>39.2</u>	<u>42.6</u>
County Total	86,236	100.0%	100.0%

Source: Office of State Budget and Management, October, 1988

- Notes: (1) North Carolina Municipal Population within July 1, 1987 boundaries.  
 (2) Chapel Hill and Mebane populations include only their populations within Orange County.  
 (3) Percent of assessed valuation from Orange County Finance Office. Total county valuation for 1987-88 was \$3.317 billion.

Table 2-A  
ESTIMATED DISTRIBUTION OF BENEFITS FROM EXPENDITURES IN 1987-88  
FOR ORANGE COUNTY BY FUNCTION

Unit and Function	Total Outlay	Distribution of Benefits				Uninc. Area
		Countywide	Chapel Hill	Carrboro	Hillsborough	
Orange County						
Comm'rs	210,610	210,610				
Courts	110,275	110,275				
Elections	169,273	154,180	8,068	2,336	4,689	
Register of Deeds	426,484	426,484				
Soil Conserv.	97,722	97,722				
Co. Mgr.	366,259	366,259				
Tax Supv. & Coll.	718,371	680,798	23,823	9,432	4,318	
Land Records	197,945	197,945				
Erosion Control	217,016	217,016				
Comprehen. Planning	110,993	110,993				
Inspect.	349,545				69,909	279,636
Plans: Current	150,752					150,752
Ag. Ext.	240,354	240,354				
Rec. & Parks	507,687	419,687*	61,600	26,400		
Social Services	4,152,264	4,152,264				
Support Enforce.	147,375	147,375				
Veterans Services	31,297	31,297				

\*Includes \$2,500 to Mebane

<u>Unit and Function</u>	<u>Total Outlay</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
Health	2,147,770	2,147,770				
Emergency Food/Shlt.	12,439	12,439				
Aging	440,603	440,603				
Comm. for Women	37,246	37,246				
Agency Support	1,324,648	1,324,648				
Libraries	309,826	178,183**	131,040			
Sheriff Patrol	1,303,953		138,872	43,031	11,736	1,110,314
Sheriff Non-Patrol	1,334,427	1,334,427				
ABC Law	59,311	59,311				
Emergency Services	1,100,165	1,100,165				
Forest Services	26,541	26,541				
Medical Examiner	10,000	10,000				
Sanitation	524,790		52,479	31,487	20,992	419,832
Street Surfacing	33,848					33,848
Bldgs. & Grounds	225,426	225,426				
CHCCS Schools*	6,926,233	6,926,233				
Orange Schools	6,333,429	6,334,429				

\*\*Includes \$603 to Mebane.

\*Does not include outlays from CHCCS district tax supplement.

<u>Unit and Function</u>	<u>Total Outlay</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
Transfer fr. Funds	878,898	863,898				15,000
Total	31,143,275	28,493,680	415,882	112,686	126,644	1,994,382
%		91.5	1.3	.4	.4	6.4

Note: No effort is made here to determine to what extent county expenditures may benefit persons who are not county citizens. Undoubtedly, for example, persons from outside the county at times use the county's library, recreational and court facilities. These benefits are included here as part of the countywide benefits.

Table 2-B

ESTIMATED DISTRIBUTION OF BENEFITS FROM EXPENDITURES IN 1987-88, FOR CHAPEL HILL BY FUNCTION

Unit and Function	Total Outlay	Distribution of Benefits				
		Countywide	Chapel Hill	Carrboro	Hillsborough	Uninc. Area
<b>CHAPEL HILL</b>						
Mayor/ Council	141,770		141,770			
Manager	690,122		690,122			
Legal	108,524		108,524			
Planning	571,602		400,121			171,481
Insp'tions	263,649		263,649			
Eng'ing	332,340		332,340			
Streets & Pub. Wks.	4,620,780	675,000	3,945,780			
Public Safety	4,004,065		4,004,065			
Fire	1,591,456		1,591,456			
Parks & Rec.	1,693,609	181,188	1,512,421			
Library	1,053,138	133,566	919,572			
Transp. Operations	3,203,137		2,850,792	352,345		
Transit Cap. Proj.	151,595		134,920	16,675		
Landfill	771,051		562,867	61,684	23,132	123,268
Recycling	79,593		79,593			
Debt Svc. OWASA	126,000		126,000			

<u>Unit and Function</u>	<u>Total Outlay</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
<b>CHAPEL HILL</b>						
Parking Facilities	463,710		463,710			
Public Housing	648,000*		615,600	32,400		
Capital Imprvment.	297,207		297,207			
Library (Bonds)	531,986		531,986			
Streets (Bonds)	46,573		46,573			
Parks & Rec (Bonds)	1,623,943		1,623,943			
Mun. Bldg. (Bonds)	89,646		89,646			
Fire (Bonds)	326,427		316,427			
Comm. Dev.	310,448		310,448			
<b>Total</b>	<b>23,730,371</b>	<b>989,754</b>	<b>21,959,532</b>	<b>463,104</b>	<b>23,132</b>	<b>294,849</b>
<b>%</b>		<b>4.2</b>	<b>92.5</b>	<b>2.0</b>	<b>.1</b>	<b>1.2</b>

\*90% of 1988-89. Carrboro housing share based on location of units.

Table 2-C

ESTIMATED DISTRIBUTION OF BENEFITS FROM EXPENDITURES IN 1987-88, FOR CARRBORO BY FUNCTION

Unit and Function	Total Outlay	Incidence of Benefits				Uninc. Area
		Countywide	Chapel Hill	Carrboro	Hillsborough	
<b>CARRBORO</b>						
Governing Board	54,906			54,906		
Manager	96,859			96,859		
Legal	63,598			63,598		
Clerk	48,487			48,487		
Police	874,459			874,459		
Fire	410,727			305,727		105,000
Planning Supv.	125,086			75,052		50,034
Zoning Insp'tions	180,670			108,402		72,268
Parks Maint.	58,749	8,365		50,384		
Recreation	329,047	47,031		282,016		
Pub. Wks. & Streets	1,200,509	182,745		1,017,764		
Human Services	55,058			55,058		
Transp. Fund	337,604			337,604		
Comm. Dev.	398,385			398,385		
Capital Projects	103,054			103,054		
Cemetery	5,245			5,245		
Total	4,342,443	238,141		3,877,000		227,302
%		5.5		89.3		5.2

Table 3  
SUMMARY OF ESTIMATED BENEFITS FROM EXPENDITURES IN 1987-88, TOTAL AND PER CAPITA BY UNIT

Citizens in these jurisdictions or areas received these estimated amounts of benefits

Benefits were provided by these Units	In addition to countywide benefits				
	Countywide	Chapel Hill	Carrboro	Hillsborough Uninc. Area	
Total Orange County Per Capita	28,493,680 330.42	415,882 11.18	112,686 9.91	126,644 37.88	1,994,382 59.01
Total Chapel Hill Per Capita	989,754 11.48	21,959,532 590.23	463,104 40.71	23,132 6.92	294,849 8.72
Total Carrboro Per Capita	238,141 2.76	3,877,000 340.84			227,302 6.73
Totals Per Capita	29,721,575 344.65	22,375,414 601.41	4,452,790 391.46	149,776 44.80	2,516,533 74.46
Plus Per Capita Countywide		946.06	736.11	389.45*	419.11

\*Does not include benefits from expenditures by the Town of Hillsborough.

Table 4-A

ESTIMATED ORIGIN OF REVENUES, 1987-88, FOR ORANGE COUNTY BY REVENUE MEASURE

Unit and Revenue	Total Amount	Jurisdiction				Uninc. Area
		Countywide	Chapel Hill	Carrboro	Hillsborough	
<b>ORANGE COUNTY</b>						
Property Taxes	18,744,796	18,744,796 <sup>3</sup>				
Animal	75,061	75,061				
Licenses & Permits	36,451	36,451				
Local Sales	6,049,149	6,049,149				
Intngbls	1,361,586	1,361,586 <sup>1</sup>				
Beer & Wine	128,636	128,636 <sup>1</sup>				
Inventory Replacement	95,828	95,828 <sup>1</sup>				
ABC	495,742	495,742				
Court Costs	209,481	209,481				
Gas Tax Refund	26,123	26,123 <sup>1</sup>				
AFDC IV D Refund	72,295	72,295 <sup>1</sup>				
Homestead Exemption	42,088	42,088 <sup>1</sup>				
CATV Franchise	26,393					26,393
RSVP Grant	35,043	22,936 <sup>2</sup>	11,366	741		
Emergency Food/Shelt	5,462	5,462 <sup>1</sup>				

<sup>3</sup>Does not include CHCCS district school tax.

<sup>1</sup>State

<sup>2</sup>Federal

<u>Unit and Revenue</u>	<u>Total Amount</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
Social Services-S	116,501	116,501 <sup>1</sup>				
Social Services-F	1,560,881	1,560,881 <sup>2</sup>				
Health: State	200,222	200,222 <sup>1</sup>				
Health: Federal	91,691	91,691 <sup>2</sup>				
Aging	72,461	72,461 <sup>2</sup>				
Emergency Food	2,739	2,739 <sup>2</sup>				
Emergency Shelter	11,199	11,199 <sup>1</sup>				
Waste Mgmt.	4,629	4,629 <sup>1</sup>				
Arts Council	15,820	15,820 <sup>1</sup>				
Support Enforce.	78,217	78,217 <sup>2</sup>				
Veterans Service	1,851	1,852 <sup>1</sup>				
CBA	90,971	90,971 <sup>1</sup>				
Health Promotion	1,819	1,819 <sup>1</sup>				
Econ. Dev.	16,690	4,171	4,173	4,173	4,173	
Register of Deeds	396,265	396,265				
Land Records	6,618	6,618				
Recreation	32,944	32,944				

<sup>1</sup>State  
<sup>2</sup>Federal

<u>Unit and Revenue</u>	<u>Total Amount</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
Planning	68,398					
Health Fees	184,231	184,231				
Human Services	58,217	58,217				
Inspect.	253,671				50,734	202,937
EMS	15,976	15,976				
ABC Law Enforce.	57,022	57,022				
Tax Collection	34,788		22,055	8,736	3,997	
Elections	22,814	8,721	7,469	2,283	4,341	
Investmts.	386,291	386,291				
Special Assessmnts	47,423					47,423
Utility Refunds	32,950	32,950				
Rents	1,180	1,180				
Donations	11,386	11,386				
IV D Refunds	72,295	72,295 <sup>1</sup>				
Transfers In	123,298	123,298				
Total	31,475,593	31,006,201	45,063	15,933	63,245	345,151
%		98.5	.1	.05	.2	1.1

Note: Origins of the countywide revenues, by unit of government and in round figures, are: County: 87%; State: 7%; Federal: 6%.

Table 4-B

## ESTIMATED ORIGIN OF REVENUES, 1987-88, FOR CHAPEL HILL BY REVENUE MEASURE

Unit and Revenue	Total Amount	Jurisdiction			
		Countywide	Chapel Hill	Carrboro	Hillsborough
<b>CHAPEL HILL</b>					
Property Tax	6,887,785		6,887,785		
Occupancy Tax	200,000		200,000		
Licenses & Permits	413,020		413,020		
Fine & Forfeitures	210,354		210,354		
Franchise	1,260,284	1,260,284 <sup>1</sup>			
Intngbls	543,351	543,351 <sup>1</sup>			
Beer & Wine	150,000	150,000 <sup>1</sup>			
Local Sales	2,741,755	2,741,755			
Sales Tax Refund	75,261		75,261		
Gas Tax Refund	63,610		63,610		
State Fire Protection	295,776	295,776 <sup>1</sup>			
Powell Bill	675,000	675,000 <sup>1</sup>			
Inventory Reimburse.	55,132	55,132 <sup>1</sup>			
Food Stamp Exemption	6,656	6,656 <sup>1</sup>			

<sup>1</sup>State

<u>Unit and Revenue</u>	<u>Total Amount</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
Fed. Transit Plan. Grant	11,900	11,900 <sup>2</sup>				
Library Aid	28,658	28,658 <sup>1</sup>				
Shelter Grants	11,122	11,122 <sup>1</sup>				
Traffic Signals	3,702	3,702 <sup>1</sup>				
County Rec. Grant	61,600	61,600				
County Lib. Grant	128,040	128,040				
Police/Fire Training	13,883		13,883			
Library Fees	29,023	7,546	21,477			
Rec. Fees	265,211	53,837	211,374			
Misc. Charges	301,757		301,757			
Misc. Revenues	346,858		346,858			
Interest	195,516		195,516			
Trans. fr/ Other Funds	404,746		404,746			
Transt. Prop. Taxes	513,229		513,229			
Intngbls	38,659		38,659			
UMTA Op. Asst.	990,687	990,687 <sup>2</sup>				

<sup>2</sup>Federal

<sup>1</sup>State

\*Includes 265 for Mebane

<u>Unit and Revenue</u>	<u>Total Amount</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
UNC Bus Contract	425,743	425,743 <sup>1</sup>				
Carrboro Bus	121,620			121,620		
Farebox	899,440		426,201(UNC) 473,239			
Transit. Misc	79,320		79,320			
Landfl. Tipping Fees	506,141	80,983	369,483	40,491	15,184	
Landfl. Fund Balance	239,784	38,365	175,042	19,183	7,194	
Other Landfill	87,471		87,471			
Comm. Dev.	310,448	310,448 <sup>2</sup>				
Transit Cap. Proj.	151,595	15,159 <sup>1</sup> 121,277 <sup>2</sup>	15,159			
Bond Proceeds	2,608,575		2,608,575			
Total	22,336,553	8,001,272	14,131,609	181,294	22,378	-0-
%		35.8	63.3	.8	.1	-0-

Note: Origins of the countywide revenues, by unit of government and in round figures, are: County: 39%; State: 43%; Federal: 18%.

<sup>1</sup>State  
<sup>2</sup>Federal

Table 4-C

ESTIMATED ORIGIN OF REVENUES, 1987-88, FOR CARRBORO BY REVENUE MEASURE

Unit and Revenue	Total Amount	Jurisdiction				Uninc. Area
		Countywide	Chapel Hill	Carrboro	Hillsborough	
<b>CARRBORO</b>						
Property Taxes	1,839,439			1,839,439		
Licenses/Permits	79,376			79,376		
Franchise Tax	199,550	199,550 <sup>1</sup>				
Beer & Wine	41,126	41,126 <sup>1</sup>				
Court Costs	1,300			1,300		
Inventory Reimburse.	5,000	5,000 <sup>1</sup>				
Parking Fines	10,000			10,000		
Intngbls.	134,039	134,039 <sup>1</sup>				
Local Sales	712,390	712,390				
Powell Bill	182,745	182,745 <sup>1</sup>				
Fire District	105,000					105,000
Co. Rec. Supp.	26,400	26,400				
Interest	52,000			52,000		
Misc. Revenues	107,730			107,730		
Sale of Assets	2,000			2,000		

<sup>1</sup>State

<u>Unit and Revenue</u>	<u>Total Amount</u>	<u>Countywide</u>	<u>Chapel Hill</u>	<u>Carrboro</u>	<u>Hillsborough</u>	<u>Uninc. Area</u>
Property (Transit)	121,237			121,237		
Intngbls.	9,293	9,293 <sup>1</sup>				
Misc.	2,776			2,776		
UMTA Operating	122,545	122,545 <sup>2</sup>				
UMTA Planning	74,553	74,553 <sup>2</sup>				
Regional Planning	7,200	7,200 <sup>2</sup>				
Comm. Dev.	398,385	398,385 <sup>2</sup>				
Capital Fund	103,054			103,054		
Cemetery	5,245			5,245		
Total	4,342,443	1,913,286	-0-	2,324,157	-0-	105,000
%		44.1	-0-	53.5	-0-	2.4

Note: Origins of the countywide revenues, by unit of government and in round figures, are: County: 39%; State: 30%; Federal: 31%.

<sup>1</sup>State  
<sup>2</sup>Federal

Table 5  
 SUMMARY OF ESTIMATED REVENUE CONTRIBUTIONS IN 1987-88, TOTAL AND PER CAPITA BY UNIT

Contributions were made to these Units	Citizens in these jurisdictions or areas made these estimated amounts of contributions			
	Countywide	Chapel Hill	Carrboro	Hillsborough Uninc. Area
Total Orange County Per Capita	31,006,201 359.55	45,063 1.21	15,933 1.40	63,245 18.92
Total Chapel Hill Per Capita	8,001,272 92.78	14,131,609 379.83	181,294 15.94	22,378 6.69
Total Carrboro Per Capita	1,913,286 22.19	-0- -0-	2,324,157 204.32	-0- -0-
Totals Per Capita	40,920,759 474.52	14,176,672 381.04	2,521,384 221.66	85,623 25.61
Plus Per Capita Countywide		855.56	696.18	500.13*
				487.84

\*Does not include Town revenues for Hillsborough.

Table 6

COMPARISON OF ESTIMATED PER CAPITA BENEFITS AND  
REVENUE CONTRIBUTIONS BY RESIDENCE OF ORANGE COUNTY CITIZENS, 1978-88

<u>Residence of Citizen</u>	<u>Benefits</u>	<u>Contributions</u>	<u>Difference</u>
Chapel Hill	946.06	855.56	+90.50
Carrboro	736.11	696.18	+39.92
Unincorporated Area	419.11	487.84	-68.73

Source: Tables 3 and 5.

Table 7

Per Capita Contributions and Benefits Flowing  
Between Orange County and Jurisdictions, 1987-88

Residence of Citizen	Unit Receiving Contributions / Providing Benefits				
	Orange County	Chapel Hill	Carrboro	Total	Net
Chapel Hill	359.55	379.83			
	<u>1.21</u>	<u>92.78</u>	<u>22.19</u>	855.56	
	360.76	472.61	22.19		
Chapel Hill					+90.50
	344.65				
Benefits from	<u>11.18</u>	<u>590.23</u>	<u>0.00</u>		
	355.83	590.23	0.00	946.06	
Carrboro	359.55	15.94	22.19		
	<u>9.91</u>	<u>92.78</u>	<u>204.32</u>		
	360.95	108.72	226.51	696.18	
Carrboro					+39.92
	344.65				
Benefits from	<u>9.91</u>	<u>40.71</u>	<u>340.84</u>		
	354.56	40.71	340.84	736.11	
Unincorporated Area	359.55		22.19		
	<u>10.21</u>	<u>92.78</u>	<u>3.11</u>		
	369.76	92.78	25.30	487.84	
Unincorporated Area					-68.73
	344.65				
Benefits from	<u>59.01</u>	<u>8.72</u>	<u>6.73</u>		
	403.66	8.72	6.73	419.11	

Source: Tables 3 and 5.

Note: Contributions to each local government include payments to state and federal governments that are transferred to local units in grants and program support.

STATE OF NORTH CAROLINA

AFFIDAVIT

ORANGE COUNTY

\*\*\*\*\*

I, \_\_\_\_\_ (the individual attesting below), being duly authorized by and on behalf of \_\_\_\_\_ (the entity bidding on project hereinafter "Employer") after first being duly sworn hereby swears or affirms as follows:

- 1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
- 2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).
- 3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (mark Yes or No)
  - a. YES \_\_\_\_\_, or
  - b. NO \_\_\_\_\_
- 4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer.

This \_\_\_\_ day of \_\_\_\_\_, 201\_.

\_\_\_\_\_  
Signature of Affiant  
Print or Type Name: \_\_\_\_\_

State of North Carolina Orange County

Signed and sworn to (or affirmed) before me, this the \_\_\_\_ day of \_\_\_\_\_, 2014.

My Commission Expires:

\_\_\_\_\_  
Notary Public

(Affix Official/Notarial Seal)

**IRAN DIVESTMENT ACT CERTIFICATION REQUIRED BY N.C.G.S.  
143C-6A-5(a)**

Name of Contractor, Vendor or Bidder: \_\_\_\_\_

As of the date listed below, the contractor, vendor or bidder listed above, and all subcontractors utilized by the contractor, vendor or bidder listed above, is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4.

The undersigned hereby certifies that he or she is authorized by the contractor, vendor or bidder listed above to make the foregoing statement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

***Notes to persons signing this form:***

N.C.G.S. 143C-6A-5(a) requires this certification for bids or contracts with the State of North Carolina, a North Carolina local government, or any other political subdivision of the State of North Carolina. The certification is required at the following times:

- When a bid is submitted
- When a contract is entered into (if the certification was not already made when the vendor made its bid)
- When a contract is renewed or assigned

N.C.G.S. 143C-6A-5(b) requires that contractors with the State, a North Carolina local government, or any other political subdivision of the State of North Carolina must not utilize any subcontractor found on the State Treasurer's Final Divestment List. The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address [www.nctreasurer.com/Iran](http://www.nctreasurer.com/Iran) and will be updated every 180 days.

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Section I:	General Government and Administration
Policy 10.0:	Living Wage Contractor Policy
Reviewed by:	County Attorney/County Manager
Approved by:	County Manager
Original Effective Date:	April 21, 2016
Revisions:	

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### **Policy Statement**

It is the policy of Orange County to ensure its employees, and all individuals who provide services for Orange County, are paid a living wage.

### **Purpose**

To encourage all vendors and contractors to pay a living wage to all employees who perform work pursuant to a contract with Orange County.

### **Applicability**

Applies to all Orange County contracts and purchases.

### **Policy**

#### 10.1 Living Wage

10.1.1 Orange County is committed to providing its employees with a living wage and encourages all contractors and vendors doing business with Orange County to pursue the same goal. Orange County's living wage is \$13.16 per hour. To the extent possible, Orange County recommends that contractors and vendors seeking to do business with Orange County provide a living wage to their employees.

10.1.2 Prior to final execution of a contract with Orange County all contractors and vendors seeking to do business with Orange County shall submit to the County's representative a statement indicating whether those employees who will perform work on the Orange County contract are paid at least the living wage amount set out above. If such employees do not make at least the living wage amount set out above the contractor or vendor shall indicate in the statement the actual amount paid to such employees. For bid projects this statement should be submitted as part of the bid packet.

**This policy may be reviewed annually and updated as needed by the Manager's Office**