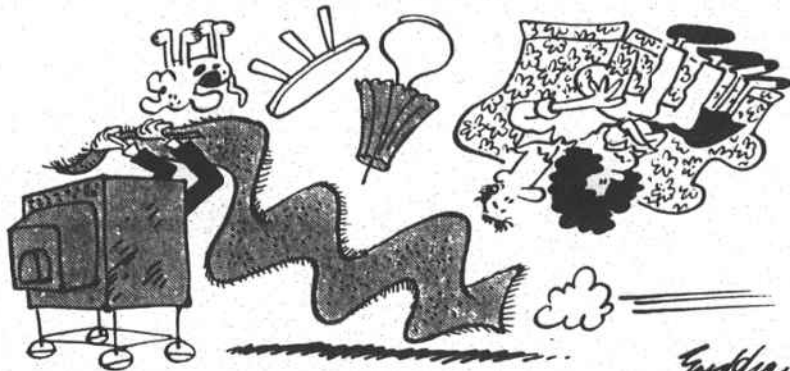


# Opinions

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## School construction tax eyed

Many North Carolinians may be surprised to learn that in the year they expected a state tax cut, they may face a state tax increase.

Companion bills have been filed in the House and Senate that would raise the state sales tax by one-half cent to three and one-half cents. (The other penny and a half sales tax is local option.)

The estimated \$176 million in new money raised each year would go into a special capital construction fund for schools. It would be divided among the state's 142 school districts according to their student populations. A local board would have to spend a dollar of its own to draw down \$3.50 in state matching funds. In that way, the local and state money made available for school construction by this proposal totals \$226.2 million.

This bill, as in the case of any tax increase, will be controversial. But one fact that hardly anyone disputes is the need for school construction funds. In this column, the arguments for the tax cut will be discussed. The arguments against will be presented in a later column.

"In 1981, it was estimated that



Watching  
By Paul T.  
O'Connor

the state had \$1.8 billion worth of capital needs," says Sen. Dennis Winner, D-Buncombe, one of the chief sponsors of the tax increase. "In 1984, it was estimated we had \$2.2 billion in needs."

"Many, many counties don't have the property valuation to do the job by themselves," Winner said. In his home country, for example, a \$30 million bond issue was just approved but there are an additional \$45 million in school needs still unmet.

"Some of the schools are 60 or 70 years old and are literally falling down," Winner said. "Children cannot learn in conditions of severe overcrowding and where the buildings are literally dangerous."

Rep. Dave Diamont, D-Surry, a teacher, is a co-sponsor of the House Bill. He says he's seen a Surry County school that had plywood covering weakspots in

classroom floors. Diamont said some windows are so warped they can't be fully closed in the winter. And he told of a student who actually fell through the floor of a trailer that was being used as a classroom.

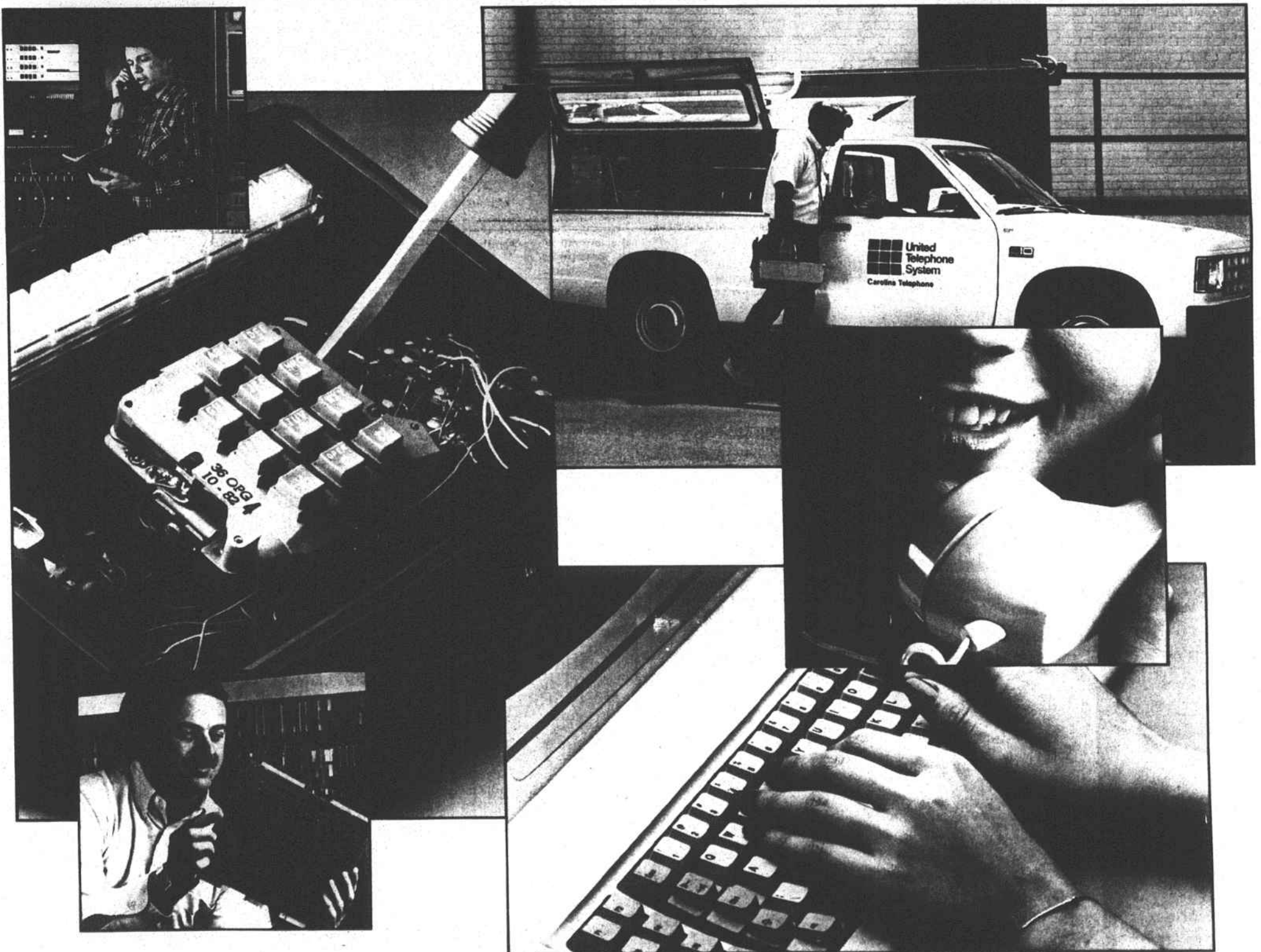
"As I see it, we have three options (for funding school construction)," Diamont said. "We can pay with property taxes which everybody opposes. We can pay with a bond issue and end up paying as much in interest as you make in capital outlay. Or the state can come in and help us."

The uncertainty of locally approved bond issues has prompted the Senate minority leader to sign onto the bill. Sen. Bill Redman, R-Iredell, sponsor of Gov. Jim Martin's tax cut package, is a co-sponsor of this tax increase.

In Redman's district, a bond issue is being discussed that would provide three school districts with \$15 million. "Throughout this state, there are school needs which are not being met," he said. The tax increase is needed as a fallback if the bonds fail, he said.

The bill has a total of 19 Senate co-sponsors which indicates a lot of support.

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