

# LEGACY FUND

## Introduction:

### I. The North Carolina Legislature

- A. Shall enact legislation creating a local option capital reserve program for Guilford County, to be known as the Legacy Fund.
- B. The legislation will provide for the accumulation of a fund balance by local governmental bodies such that the interest from said fund balance - and the interest yielded only - be revenue used by those local governing bodies participating in said capital reserve program, and in direct proportion to their contributions.
- C. The voters in Guilford County shall be given an opportunity to approve the local option.
- D. Upon approval of vote, and the first year after the 20 year fund maturity date, the legislation enacted will require the County Commissioners to reduce the tax rate by four cents per one hundred dollars of tax valuation.

### II. The Legacy Fund, as administered by Guilford County Commissioners

- A. Said Capital Reserve Fund shall be financed by the dedication of five cents per one hundred dollars of Guilford County tax valuation, and further, the Guilford County Commissioners shall have such authority for 20 years, or until said Legacy Fund, together with accumulated interest, shall have grown to \$1,000,000,000 (One Billion Dollars).
- B. Guilford County Commissioners shall present the Legacy Fund to voters of Guilford County for approval.

### III. Operation of Legacy Fund

- A. Upon approval by voters, Commissioners shall be required to dedicate annually five cents per one hundred dollars of Guilford County tax valuation to Legacy Fund growth.
- B. Further, upon voter approval of establishment of the Legacy Fund, Commissioners may not divert any part of the fund balance, or reduce contributions, until the fund shall have grown to its one billion dollar maturity.
- C. After maturity, Commissioners and/or their appointed trustees may withdraw from the fund an amount not to exceed the previous full fiscal year interest yield.

### IV. Procedures to follow

- A. All yearly tax and other contributions, together with all previous principal and interest amounts, shall be put-out to bid each 6 month period so as to achieve maximum fund growth annually.
- B. Since the purpose of the fund is creation of a constant money source eliminating need for bonds for capital projects, Commissioners shall have authority to levy or dedicate one cent per one hundred dollars of tax value to compensate for inflation, as needed, after fund maturity.