

Group says state 'playing favorites' with Google

Written by Lauren Ohnesorge
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After negotiating for more than a year with the state, Google agreed to invest \$600 million dollars to build a Lenoir data center.

Incentives offered include 30-year exemptions, reductions on personal property and real estate taxes from both the city and county, utility discounts, a Jobs Development Investment Grant and exemptions on retail sales and use taxes relating to the construction and operation of the center. A group in Raleigh that says such incentives are unconstitutional.

The North Carolina Institute for Constitutional Law filed a lawsuit yesterday alleging tax credits and grants offered to Google are unconstitutional.

Plaintiffs represented by the group include Libertarian gubernatorial candidate Michael Munger, former candidate Barbara Howe of Oxford and concerned citizen Mark Cares.

According to the group's executive director Dean Webster- the plaintiffs have a clear-cut case.

The subsidies are inappropriate, he says. Google's activity is profit- just like other private businesses that are not offered state incentives.

Webster says as a private business, Google's operation will not provide public service, public amenities or public infrastructure- therefore the subsidies are in violation of the Public Purpose clause in the state constitution.

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According to the Associated Press, those tax breaks and subsidies could save Google \$260 million dollars over thirty years.

While Caldwell County and the city of Lenoir are not included in the suit, they stuck up for the subsidies- saying the economic impact of Google can only be a benefit.

Webster says there are other ways to attract businesses.

A fair market will incite growth, he says.

Through lower taxes, reasonably reduced regulations and no special treatment- businesses can develop and thrive, Webster says.

The group attempted a similar lawsuit against Dell in 2005, only to have it thrown out by a trial

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judge. The case is currently in the court of appeals- and Webster hopes this lawsuit will fare better.

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The state attorney general's office does not comment on pending suits.