Millage Proposal for Tax Year 2017

Oconee County
SDOC
Keowee Key Dist. 17

Christy Hubbard – Oconee County Auditor

Who does what?

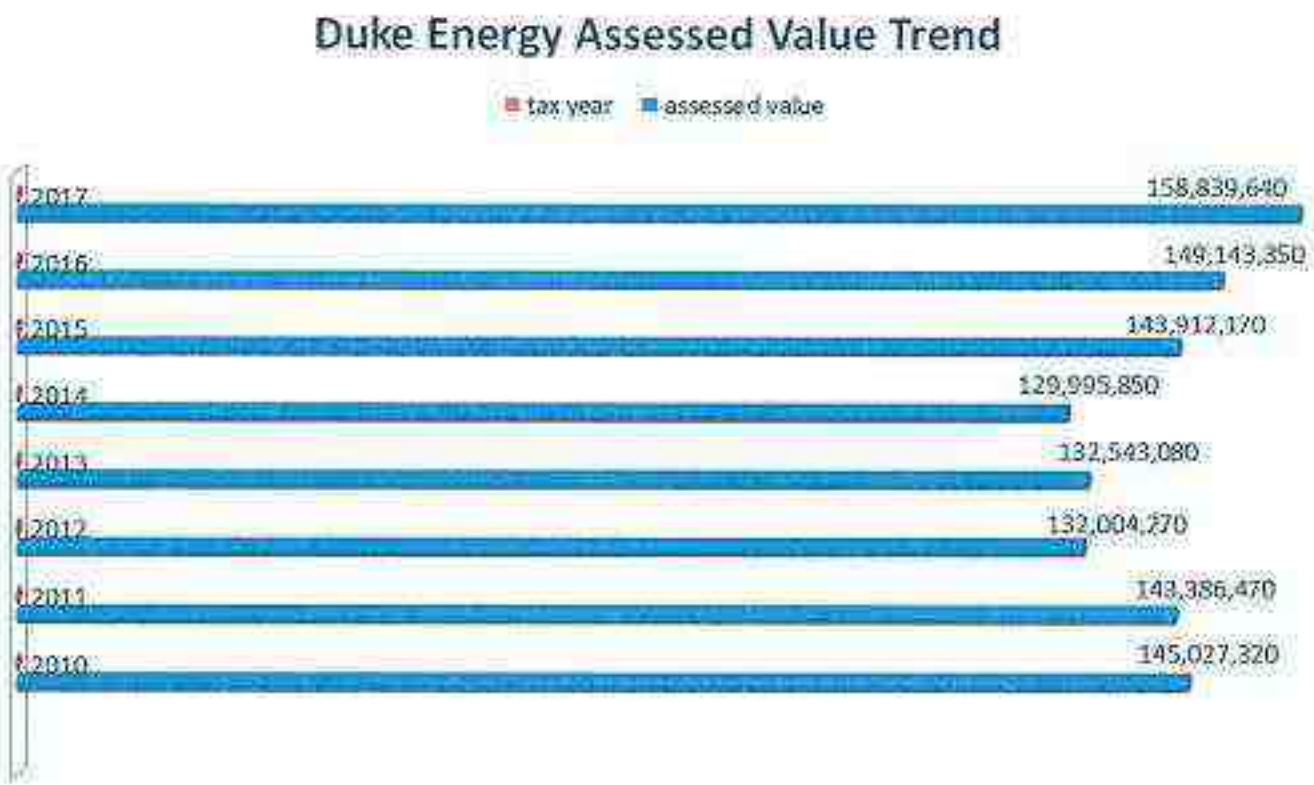
- **Operational Millage is set by county council – county and school**
- The county auditor, after receiving, the appropriate information from the SC DOR and other offices, will propose millage that will cover budgets previously adopted by county council. The millage proposed shall determine the sums required from the levy on the assessed value of all real and personal property. *However, the authority to set a levy belongs to the county governing body*. During the year reassessment is implemented a millage calculation must be used. S.C. Code Ann. Section 12-39-180 (Supp.1999) 6-1-320 (A)(1); Lee County v. Stevens (S.C.1982) 277 S.C. 421, 289 S. E. 2d 155.

- **Bond Millage is set by the county Auditor – county and school**
- The auditor calculates and determines the revenues needed for the payment of principal and interest (amortization/debt service) on bonds. S.C. Code Ann. Sections 4-15-150 (Supp.1999), 59-71-150(Supp.1999), 11-23-40 (Supp. 1999), 4-19-140 (1976).

County Council Approved Budgets to fund:

- **County** **$34,190,058**
- **SDOC** **$65,797,636**

2017 Duke Assessed Value



High Pointe

- Bond Payment - $320,610
- Tax Base - $968,036

2017 Value of a Mill

- County $537,612

  (Operations & Bond)

- SDOC Operations $402,469
- SDOC Bond $564,670

Why do these numbers differ?

- A **County Mill** is derived from gathering the total assessed value for the county, less any manufacturer abatements. Manufacturer abatements are a credit that businesses receive for machinery that they have put into service within the last 5 years. The value for the machinery is abated from the county portion of millage only.

- A **School Operation Mill** is derived from gathering the total assessed value in the county less the total assessment for legal residential properties in the county. This calculation came into effect with Act 388 in 2006 and is called the School Tax Credit. This now has to be done to prevent a shortfall in operational revenue for school districts when Tier dollars do not equal the school tax credit.

2016 Legal Resident assessment 162,201,150 x .1101	=$17,858,346
2016 Tier dollars from Act 388	=$15,358,376
Total shortfall	=($ 2,499,970)

- A **School Bond Mill** is derived from 100% of the total assessed value for the county.

2017 Tax Year is a Year of Reassessment for Oconee County

What is Reassessment?
Reassessment is the process of revaluing all the property in a county to assign new values for tax purposes.

How Often Does Reassessment Occur?
Reassessment is required every five years by South Carolina state statutes. South Carolina Code of Laws 12-43-217(A)

Millage in a reassessment year

State law requires counties to adjust their millage after reassessment of property values to ensure that local governments receive the same amount of taxes as they did the year before. This is done to prevent a windfall (positive or negative). This year sets the new millage base until the next reassessment year. Millage can be increased above this if needed by using the growth base or the increase allowance from CPI and Population Growth.

SECTION 6-1-320 (A)(1) Notwithstanding Section 12-37-251(E), a local governing body may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in the average of the twelve monthly consumer price indices for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2007, the percentage increase in the previous year in the population of the entity as determined by the Office of Research and Statistics of the State Budget and Control Board. If the average of the twelve monthly consumer price indices experiences a negative percentage, the average is deemed to be zero. If an entity experiences a reduction in population, the percentage change in population is deemed to be zero. However, in the year in which a reassessment program is implemented, the rollback millage, as calculated pursuant to Section 12-37-251(E), must be used in lieu of the previous year's millage rate.

The calculation for millage reassessment per SC Code is:

SECTION 12-37-251. Calculation of rollback millage; adjustments to assessed value.

(E) Rollback millage is calculated by dividing the prior year property taxes levied as adjusted by abatements and additions by the adjusted total assessed value applicable in the year the values derived from a countywide equalization and reassessment program are implemented. This amount of assessed value must be adjusted by deducting assessments added for property or improvements not previously taxed, for new construction, for renovation of existing structures, and assessments attributable to increases in value due to an assessable transfer of interest.

$$\frac{\text{Prior year taxes levied (adjusted for abatements and additions)}}{\text{Adjusted total assessed value}} = \text{Base Millage}$$

How are the numbers calculated for the formula?

Prior year taxes levied = total tax dollars charged for Tax Year 2016

Adjusted total assessed value = 2017 assessed values minus growth

Growth = Adjustments to new total assessed value as a result of reassessment.

Examples of adjustments are:
Subtract assessments for property (real and personal) or improvements not previously taxed
Subtract assessments for new construction
Subtract assessments for renovation of existing structures
Subtract assessments attributable to an assessable transfer of interest

How numbers are calculated/determined for millage proposal

Determine Tax Year 17 Assessed Values For:

- Real Estate (from Assessor)
- Aircraft
- Boats/Motors/Documented Vessels
- Business Personal Property
- Manufacturing
- Utilities
- Rail Road
- Vehicles
- Manufacturing Abatement
- Legal Residential Assessment

Calculate factors for reassessment millage

2017 REASSESSMENT CALCULATION WORKSHEETS

Source	Total Taxes Charged
Auditors Summary	$111,103,590.00
Vehicle Digest Report	$8,297,818.00
Grand Total	$119,401,408.00

Prior Year Millage	215	% of millage	% used
County Operations + TCTC	70.7	0.328837209	32.9
County Bonds	3.2	0.014883721	1.5
School Operations	110.1	0.512093023	51.2
School Bonds	31	0.144186047	14.4
	215	1	100

Dollars chrg 2016	Less $ for Ind Abatements or Tier	Totals
$39,283,063.23	1,534,099.00	$37,748,964.23
$1,791,021.12		
$61,133,520.90	15,358,376.00	$45,775,144.90
$17,193,802.75		
$119,401,408.00		

Calculate Growth

- School Growth:
  17,663,891 or 4.20%
- County Growth:
  18,305,741 or 3.3%

Growth is removed from the assessed value to ensure that the new millage base will produce the same amount of dollars collected in the prior year.

These numbers are the difference in the 2017 beginning assessed values and the year end assessed values from 2016 and/or a percentage of.

Growth can be added to the millage base as well as the CPI and population allowance per Act 388.

County Operations calculated for reassessment millage

County Operations reassessment millage calculation

$37,748,964.23 Prior Year Taxes charged (Less Industrial abatement)

$37,261,545 Current Year Assessed Value (Less Growth)

Equal 2017 Millage Base of :	70.3	mills
Growth Equals Millage of:	2.3	mills
Total Millage if growth is captured:	72.6	mills

School Operations calculated for reassessment millage

School Operations reassessment millage calculation

$45,755,144.90 Prior Year Taxes charged (Less Tier dollars received in 2016)

402,760,225 Current Year Assessed Value (Less Growth)

Equal 2017 Millage Base of:	113.7	mills
Growth Equals Millage of:	5	mills
Total Millage if growth is captured:	118.7	mills

Calculate Town and Special District Value

SCH F	Town/Special District totals to determine 2.9 mil value						
	SALEM	SENECA	WALHALLA	WEST UNION	WESTMINSTER		Keowee Fire
REAL ESTATE	471,220	28,643,930	6,359,800	1,220,600	4,796,670		42,589,970
AIRCRAFT	$ -	0	0	0	0		960
BOAT/MOTOR	$ 700	160,850	26,380	3,670	11,660		915,880
537 STATE BUSI	$ 15,040	1,270,820	205,620	144,080	350,440		244,910
MFG PERSONAL		3,560					
MFG REAL		0					
UTILITIES	$ 282,040	792,420	569,580	63,310	490,500		155,760
RAIL ROADS		104,288		21,148	103,935		
SUBTOTAL	769,000	30,975,668	7,171,380	1,453,008	5,953,205	45,922,261	43,907,300
VEHICLES	69,746	3,558,453	1,156,902	107,967	640,747	5,533,815	3,158,413
TOTAL	838,746	34,534,121	8,328,282	1,560,975	6,193,952	51,456,076	47,065,713
VALUE OF A MILL	839	34,534	8,328	1,561	6,194	51,456	47,066
MILLAGE	37.0	60.5	84.0	48.8			14.5
ESTIMATED GROSS REVENUE	31,034	2,089,314	699,576	76,175	0		682,453
		Value of Mill	2016 Millage	2015 Millage	Net Difference		
Keowee Fire District		$ 47,066	14.5	14.5	0.0		
Emergency Service		$ 480,156					

Deduct non millage dollars anticipated in tax year 2017

Funds deducted from approved budget amounts

County Request Per Budget Document	$ 34,190,058
	$ 34,190,058
Less State Reimburse - Non Mill	
Filot Reimbursement	
Merchants Inventory Tax Reimb.	
Manufacturers Reimbursement	
Motor Carriers	
Penalties	
Delinquent Collections Identified	
	(1,786,953)
Total Adjusted Funds	$ 32,093,105

Millage should be set to fund this dollar amount

SDOC Request Per Ordinance	$ 65,757,636
Tier $ received prior year (PER TREASURER)	$ (15,358,376)
	$ 50,439,260
Less State Reimburse - Non Mill	
Filot Reimbursement	
Merchants Inventory Tax Reimb	
Manufacturers Depreciation	
Motor Carriers	
Penalties	
Delinquent Collections Identified	
	(4,020,111)
Total Adjusted Funds	$ 46,419,149

Millage should be set to fund this dollar amount

Mill Value-2017 Calculation Sheet

Proposed Millage to cover approved budgets

	Proposed Millage for Council's Consideration		
MILL VALUES 8/31/2017	2017 Budget	MILLAGE Value	TO FUND BUDGETS 2017 MILLAGE
OPERATIONS			
OCONEE CO OPERATING	$ 32,893,106	$ 537,612	60.9
EMERGENCY SERVICES	$ 1,498,652	$ 486,166	2.9
ECONOMIC DEVELOPMENT	$ 591,379	$ 537,612	1.1
BRIDGES & CULVERTS	$ 537,612	$ 537,612	1.0
ROAD MAINTENANCE	$ 1,126,975	$ 537,612	2.1
2010 Refunding Bond	$ -	$ 537,612	0.0
2011 Detention Bond	$ 913,941	$ 537,612	1.7
2013A Echo Hills	$ 322,667	$ 537,612	0.6
2016 B	$ 645,135	$ 537,612	1.2
Total County Bonds	$ 1,881,743.31		3.5
TRI-COUNTY TEC	$ 1,612,836	$ 537,612	3.0
TOTAL COUNTY	$ 39,555,407		73.5
SCHOOL OPERATIONS	$ 46,419,148	$ 402,489	115.3
SCHOOL BONDS			
Bonds that paid out in FY			
2010 A	$ 1,016,406	$ 564,670	1.8
2011 A	$ 677,604	$ 564,670	1.2
2012 A	$ 1,355,208	$ 564,670	2.4
2013	$ 508,203	$ 564,670	0.9
2014 A	$ 1,155,208	$ 564,670	2.4
2015 A	$ 847,005	$ 564,670	1.5
2016 A	$ 1,806,944	$ 564,670	3.2
2017 School A	$ 8,187,716	$ 564,670	14.5
2017 School B	$ 1,750,477	$ 564,670	3.1
TOTAL SCHOOL BONDS	17,504,772		31.0
TOTAL SCHOOL MILLAGE	$ 63,923,921		146.3
TOTAL OPERATIONS MILLAGE	$ 103,479,328		220.2

County Proposed Millage

to fund approved budget and bond payments

• County Operations/TCTC	=	70.4
• Bonds	=	3.5
• Total	=	73.9

SDOC Proposed Millage

to fund approved budget and bond payment

• Operational	=	115.3
• Bonds	=	31.0
• Total	=	146.3

Total Proposed Millage

- Tax Year 2017 = 220.2 Mills
- Increase = 5.2 Mills

How will the proposed millage increase my property tax notices?

2016 Versus 2017 Tax Dollars Due

NON-RESIDENTIAL PROPERTY

Tax Year	Home Value	Non-Residential Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Homestead Exemption	Estimated Tax Due
2016	$100,000.00	6%	$ 6,000.00	215.0	$ 1,290.00	-	-	$ 1,290.00
2017	$100,000.00	6%	$ 6,000.00	220.2	$ 1,321.20	-	-	$ 1,321.20
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2				$ 31.20

RESIDENTIAL PROPERTY (NO HOMESTEAD EXEMPTION)

Tax Year	Home Value	Residential Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Homestead Exemption	Estimated Tax Due
2016	$100,000.00	4%	$ 4,000.00	215.0	$ 860.00	$ (440.40)	-	$ 419.60
2017	$100,000.00	4%	$ 4,000.00	220.2	$ 880.80	$ (461.20)	-	$ 419.60
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2			-	0.00

RESIDENTIAL PROPERTY WITH HOMESTEAD EXEMPTION

Tax Year	Home Value	Residential Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Less Homestead Exemption	Estimated Tax Due
2016	$100,000.00	4%	$ 4,000.00	215.0	$ 860.00	$ (440.40)	$ (209.80)	$ 209.80
2017	$100,000.00	4%	$ 4,000.00	220.2	$ 880.80	$ (461.20)	$ (209.80)	$ 209.80
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2				0.00

2016 Versus 2017 Tax Dollars Due

NON-RESIDENTIAL PROPERTY

Tax Year	Home Value	Non-Residential Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Homestead Exemption	Estimated Tax Due
2016	$250,000.00	6%	$ 15,000.00	215.0	$ 3,225.00	-	-	$ 3,225.00
2017	$250,000.00	6%	$ 15,000.00	220.2	$ 3,303.00	-	-	$ 3,303.00
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2				$78.00

RESIDENTIAL PROPERTY (NO HOMESTEAD EXEMPTION)

Tax Year	Home Value	Residential Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Homestead Exemption	Estimated Tax Due
2016	$250,000.00	4%	$ 10,000.00	215.0	$ 2,150.00	$ (1,101.00)	-	$ 1,049.00
2017	$250,000.00	4%	$ 10,000.00	220.2	$ 2,202.00	$ (1,153.00)	-	$ 1,049.00
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2			-	0.00

RESIDENTIAL PROPERTY WITH HOMESTEAD EXEMPTION

Tax Year	Home Value	Residential Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Less Homestead Exemption	Estimated Tax Due
2016	$250,000.00	4%	$ 10,000.00	215.0	$ 2,150.00	$ (1,101.00)	$ (209.80)	$ 839.20
2017	$250,000.00	4%	$ 10,000.00	220.2	$ 2,202.00	$ (1,153.00)	$ (209.80)	$ 839.20
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2				0.00

2016 Versus 2017 Tax Dollars Due

Vehicle								
Tax Year	Vehicle Value	Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Homestead Exemption	Estimated Tax Due
2016	$ 25,000.00	6%	$ 1,500.00	215.0	$ 322.50	-	-	$ 322.50
2017	$ 25,000.00	6%	$ 1,500.00	220.2	$ 330.30	-	-	$ 330.30
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2				$ 7.80

Vehicle								
Tax Year	Vehicle Value	Ratio	Assessment	Millage	Taxes	Less School Operating Millage	Homestead Exemption	Estimated Tax Due
2016	$ 50,000.00	6%	$ 3,000.00	215.0	$ 645.00	-	-	$ 645.00
2017	$ 50,000.00	6%	$ 3,000.00	220.2	$ 660.60	-	-	$ 660.60
DIFFERENCE (INCREASE (DECREASE) IN TAX)				5.2				$ 15.60

- Keowee Fire District

14.5 Mills

$682,457

2017 City Millages

City	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	% Change
Salem	32.4	32.4	34.9	36.4	36.4	36.4	37.0	1.62%
Seneca	52.3	52.3	55.3	55.3	55.3	59.3	60.5	1.98%
Walhalla	84.0	84.0	84.0	84.0	84.0	84.0	84.0	0.00%
West Union	42.0	45.0	46.0	46.0	48.3	48.8	48.8	0.00%
Westminster	90.7	90.7	90.7	97.3	99.3	99.3	99.3	0.00%

Tax Year 2017

Questions?