County looking for more revenue

Workshop planned to consider alternatives such as added sales tax

BY NORMAN CANNADA
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WALHALLA — Oconee County Council will hold a workshop in the next few months to look at a variety of alternative funding resources – including possibly asking voters to consider a sales tax increase.



Moulder

County Administrator Scott Moulder said he would schedule the workshop in the coming months after council members expressed an interest in finding revenue sources other than property taxes at the council's retreat Thursday.

About 76 percent of the county's revenue comes from property taxes, according to finance director Mark Pullian, who presented the county's Comprehensive Annual Financial Report at the retreat.

Assistant County Administrator Glenn Breed suggested alternative funding sources as a way of diversifying the county's revenue.

"The revenue stream is top heavy," said Breed. "A lot of counties have moved to other forms of revenue."

A potential sales tax increase could raise funds for capital building projects in the county but would have to be approved by voters in a referendum.

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Council member Paul Corbeil, who brought up the idea of a 1-cent sales tax increase to pay for a new Seneca Library branch and other projects at Tuesday's council meeting, said a referendum could not likely go to the voters before November 2014.

Breed said 40 of 46 counties have used a sales tax to fund capital projects. He said the referendum generally allows counties to charge the tax for up to seven years.

Breed also discussed the possibility of a road maintenance fund in which residents owning vehicles would pay an annual fee to be used for a variety of needs specifically restricted by the county.

Counties that use a road maintenance fund have fees ranging from $15 to $40 a year. Based on 75,000 registered vehicles in Oconee County, Breed said the fees could generate $1.1 million to $3 million annually.

"The road system is the largest system the county has," said Breed. "Everybody uses it. It is a very expensive proposition. If you defer maintenance, it continues to drive the cost up."

Other potential revenue sources included a solid waste household fee, hospitality tax on prepared meals and beverages, business license fees and a flat rate business registration fee.

Council Chairman Joel Thrift stressed the council is gathering information about alternative revenues and said he would want to see any new funding "get as close to revenue neutral as possible."

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