Formula limits Oconee's taxing power

Negative Consumer Price Index means property taxes can't go up more than 0.6 mills this year

The Journal
1/26/2010

BY CARLOS GALARZA
THE JOURNAL

WALHALLA — Oconee County property owners won't have to worry about getting a hefty tax bill increase in 2010.

Even if county officials wanted to approve an increase in millage, the most it could go up this year is 0.6 mills.

Interim County Administrator Gene Klugh presented Oconee County Council with an assessment of local government's taxing margin during a budget workshop over the weekend.

Klugh said millage assessment would be restricted because of a significant reduction in the Consumer Price Index (CPI). According to tax reform legislation enacted in 2006, millage is limited to CPI plus population growth.

Klugh said he found out during a state's city and county managers winter meeting in Greenwood last week that the CPI this year is a negative .4 percent. He said last year the CPI was 3.5 percent, which coupled with 4.7 percent population growth, would have allowed the county to increase property tax by approximately 3 mills.

County Council approved a slight decrease in millage last year.

Klugh said the limit on how much millage could be raised this year is something the council would have to take into consideration as it prepares the new 2010-11 county budget.

"This year the most it could increase is .6 mills, according to our calculation," Klugh said. "It's a new experience to have negative CPI to work with."

During the workshop Saturday, Finance Director Kendra Brown also presented council with a six-month statement of revenues, expenditures and changes in fund balance covering July 1-Dec. 31, 2009.

Brown's report showed $11.2 million in revenues

SEE FORMULA, PAGE 7A

FORMULA: Negative CPI means property taxes can't go up much in '10

FROM PAGE 1A

and $18.5 million in expenditures for a deficit of $7.2 million over the six-month period. She said $7.9 million in tax revenue, or 26 percent of the $30.7 million budgeted, had been collected.

"That's because the (tax) notices went out late," Brown said.

However, County Treasurer Greg Nowell has assured county officials receipts are picking up in January and should catch up by March. Brown said Nowell thinks that for now there is no need to amend the current budget.

Councilman Paul Corbeil said he was concerned of the six-month budget report adding stress to county employees because 54 percent of the county's budget goes toward salaries.

Council Vice Chairman Joel Thrift addressed Corbeil's concern.

"We're not going to slash and cut people out of jobs, but we're going to argue for greater efficiency," Thrift said.

Klugh said steps are being taken to make sure that tax notices go out on time in the future.

"We need to get our house in order so we don't have a 60-day delay in sending out notices," he said.

Council members approved Klugh's recommended schedule for dealing with the new budget. Klugh said he would have an initial meeting with department heads Feb. 3 to present them with a new form they have to complete to make and justify their budget requests. He wants the requests returned to him by March 3.

Klugh's timeline calls for a first reading of the proposed budget to go before council April 6. A second reading of the budget ordinance would be on May 4, with public hearings scheduled for May 25. A third and final reading of the budget would take place June 1.

carlos@dailyjrn.com | (864) 973-6685