Oconee council declines tax drop

'I don't like this, but I'm going to have to go along with it, because basically our financial backs are against the wall.'

Wayne McCall
District 3 Oconee County councilman

BY STEVEN BRADLEY
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WALHALLA — Oconee County Council voted down a chance to lower taxes by nearly two mills despite auditor Ken Nix's assurances both the county and school district's budgets would have still been fully funded.

Nix said earlier this month he could have proposed a two-mill decrease if not for an assessment shortfall in Duke Energy's property, and given the chance, he followed through in council chambers Tuesday night.

But like the one-mill increase Nix proposed two weeks earlier, council again shot down his revised proposal — after an amended assessment of Duke's Oconee Nuclear Station — for a 1.9-mill decrease.

In light of Duke's amended assessment that reduced the shortfall in its taxable value from $9.5 million to $2.5 million, Nix proposed council lower the total mills to 213.1 for tax year 2014.

For perspective, Nix's proposed decrease would have saved the owner of a $100,000 residential property $3.20 in property taxes this year and a non-residential property owner $11.40.

But the vote to maintain the millage was unanimous, and Oconee's total millage will remain at 215, with 141.1 going to the School District

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f Oconee County and 73.9 going o fund the county.

The most common reasons ited by council members for naintaining the status quo ather than lowering taxes were ncertainty over the future iability of the Local Governnent Fund (LGF) from the tate legislature, as well as the eed to replenish the county's eserve fund.

District 2 councilman Paul Corbeil made the original notion to maintain the millge, noting council had aleady trimmed its spending by 900,000 to balance its budget to rovide for potential shortfalls n revenue.

"Rather than possibly refund .9 mills today and have to take t back next year ... I think that we ought to make sure that our reserve fund — which is very close to the minimum today once adjusted for the FOCUS (broadband) project — is within the target range that we want to have for our policy," Corbeil said.

Thrift agreed with Corbeil's comments and called maintaining the millage at 215 "a prudent move" on the part of council. He also noted the decision would help to prepare the county for a likely shortfall in the LGF in the coming year.

District 5 councilman Reg Dexter pointed out that the LGF represented roughly six mills and pointed the finger at the state government for refusing to raise taxes, yet forcing counties to raise them instead.

"I haven't talked to one legislator that's in favor of fully funding (the LGF)," he said. "I've found a couple that are happy with keeping it the way it is right now, but there's more that are in favor of reducing it — and the scary thing is there is a good number of them that would like to do away with it."

District 1 council member Paul Cain said the council believed it was making "some progress" in increasing the value of a mill and indicated that would help the county maintain the millage in the future.

"I think it's good news that we have the opportunity to keep the millage where it's at," he said.

District 3 councilman Wayne McCall was the most reluctant to vote against the tax decrease, but said he believed it was necessary to avoid a possible hike in the near future.

"We're all heroes if we give 1.9 mills back today, but the next budget comes up and we're dipping into our reserves — then we have to come back and jerk your taxes up," he said. "So then we've gone from heroes to no good in the course of a year. ... I don't like this, but I'm going to have to go along with it, because basically our financial backs are against the wall."

During his initial proposal Sept. 3, Nix proposed a millage of 216 total mills, which would have been a one-mill boost over 2013, when the county increased two mills.

But council voted 4-1 against Nix's proposal — with Thrift the lone member to vote in favor of accepting the hike — and chose to hold millage status quo, citing school spending and Duke's uncertain future in the county as primary concerns.

Last week, Nix announced he had received notification from the S.C. Department of Revenue (DOR) that Duke had made an error in York County, and that correction equated into an increase in Oconee County assessment.

Thus, Duke's total assessment of $130 million for 2014 is down only $2.5 million — instead of $9.5 million — from the 2013 assessment.

On Tuesday, Nix said Duke's amended assessment will produce $405,000 in revenue toward the county's budget.

And ultimately, council opted to hang on to that extra money.

"This is not money being spent; it's money being saved," Corbeil said.