Oconee council says no to tax cut

BY STEVEN BRADLEY
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WALHALLA — For a second straight year, county council rejected a recommended cut in Oconee's property tax millage, citing uncertainty over future assessments of Duke Energy as a primary reason.

Auditor Ken Nix delivered his annual tax millage proposal to council Tuesday and — as The Journal had reported he planned to do — proposed a 1.8-mill cut, with 1 mill for the county and 0.8 for the School District of Oconee County.

With council unanimously voting for the millage to remain unchanged, Nix said it would generate an extra $518,000 in tax revenue for the county and

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Paul Cain
Oconee County Council member

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$428,000 for the SDOC.

A primary reason for the increase is due to a jump of roughly $12 million in Duke's assessment to $144 million.

In addition to voting to maintain the county millage, including bonds, at 73.9, council voted to hold the School District of Oconee County at 141.1 and Keowee Fire District millage at the maximum 14.5.

District 5 councilman Reg Dexter made the initial motion to hold the total millage at 215 and direct administrator Scott Moulder to work toward putting the additional revenue generated toward the state retirement fund payment that council dipped into to balance the county's budget this year.

"Because that is a recurring cost that's going to come back to us next year," he said.

District 1 member Edda Cammick seconded the motion.

District 3's Paul Cain agreed, saying Oconee sheriff's office deputies are paid less than officers in surrounding municipalities and the county needed to ensure they were well compensated.

"Because they put their lives on the line every day," he said.

Cain noted the county is also facing an approximate cost of $450,000 per year to maintain county roads at their current state, based on a recent study.

"If we reduce the millage, we're really going to be facing some tough decisions in the future," he said.

District 4 member Joel Thrift agreed it was "prudent business" to maintain the millage, based on annual uncertainty of the Duke assessment, as well as statutory limits on how much council could potentially raise the millage if needed.

Nix said his proposal could have been for a 1.2-mill increase had Duke's assessment, which he received last week, not come in higher than anticipated.

"We as a county are extremely unique because we have one entity that produces 30 percent of our revenue base," Nix said. "Until that number is obtained, we are sort of dead in the water, so to speak."

With Duke's increase, however, the value of a county mill also increased to $518,357, and the value of an SDOC mill to $534,843.

Per $100,000 of property value, the drop in millage Nix proposed would have meant a $4 savings on a legal residence and $10.80 on a property that is assessed at 6 percent.

Nix said he was conservative in his approach because he had to factor in anticipated appeals or changes, which could have particularly unpredictable effects in a year of reassessment such as this one.

Duke's assessment has seen significant fluctuation in recent years. After coming in at $130.5 million in 2009, it jumped to $145 million in 2010 and dropped to $143 million the next year.

After hovering around $130 million to $132 million from 2012-14, this year Nix got a pleasant surprise when it jumped to $144 million.

"Those are drastic changes," Nix said. "I have no clue what it's going to be next year. It could reverse. I could also get an amendment between now and Jan. 15."

Last year, after questioning from Nix and other county auditors, Duke discovered an error in its calculations, which led to Nix proposing a 1.9-mill decrease at that time.

But like Tuesday night, council voted that down unanimously.

Nix said based on Department of Revenue information, he does not anticipate any changes to Duke's assessment this year.

He also noted that even with no county tax increase, West Union and Westminster residents would see an increase because their councils increased their millage.

sbradley@upstatetoday.com | (864) 973-6685