Oconee prosperity helps offset Duke shortfall

Auditor: Property value growth prevented possible 4-mill hike

BY STEVEN BRADLEY
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WALHALLA — The Duke Energy tax shortfall would have meant roughly a 4-mill increase for Oconee to meet its budget if not for economic gains elsewhere in the county, according to auditor Ken Nix.

On the flip side, without the net decrease of $9.5 million from last year in the Oconee Nuclear Station's assessment, the county could have decreased millage by 2 mills — or back to where it was before the 2-mill hike of 2013.

Those were among the points of interest in Nix's millage presentation Tuesday night to county council, which ultimately shot down his proposed

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1-mill increase to 216 total mills for the 2014 tax year.

"We've experienced another seamless conversion for all tax assessments," Nix said as he began his presentation.

Last month, Nix released the assessment numbers from the state's Department of Revenue that valued Duke Energy's Oconee Nuclear Station at $118.6 million — a net decrease of $9.5 million from a year ago.

Nix said Duke made significantly more investment in North Carolina last year, with only 13 percent of its investment being made in South Carolina. Oconee saw only 2 percent of the 13 percent investment in the state, a primary reason for the assessment decrease.

As far as offsets to the Duke Energy shortfall, Nix said a $1.1 million rise in assessed property values in the city of Seneca made a significant impact.

"The Hampton Inn was a major contributor there," he said.

There was also an approximately $1 million boost in assessed values in Keowee Key and an increase of about $2 million in assessed values of vehicles.

OCONEE COUNTY TAX YEAR 2014 MILLAGE

County	73.9
SDOC	141.1
Total	= 215.0 mills

County Breakdown

Operating	57.6
Emergency Services	2.9
Economic Development	2.2
Bridges & Culverts	1.0
Roads Maintenance	2.1
Tri-County Tech	2.1
Debt Service	6.0
Total	= 73.9 mills

SDOC Breakdown

Operating	110.1
Debt Service	31.0
Total	= 141.1 mills

"I look at that as a sign of the economy recovering and people getting out and buying new cars," Nix said.

Nix also noted Keowee Key's total assessed value is "shortly less" than all five cities in Oconee combined. The total assessed values of the county's cities is $50.4 million, while Keowee Key alone has an assessed value of $47.2 million, Nix clarified for The Journal on Wednesday.

The 1-mill increase council shot down would have wholly gone toward the School District of Oconee County's operating budget. The SDOC operating millage would have increased from 110.1 mills last year to 111.1 mills this year, according to Nix.

What that means is the proposed millage increase would not have actually affected the property taxes for residential property owners because of the school tax credit, which exempts all school operational millage.

"The only time legal residence taxes go up is when the county portion increases or school bonds

as much as rest of county

increase," Nix told The Journal. "Bonds are not exempt."

Thus, the estimated tax due on a residential property valued at $100,000 would've been $419.60, the same amount as in 2013. That would have held true with higher-value properties as well.

Non-residential property owners, however, would have paid $6 more on a property valued at $100,000 under the 6-percent ratio without the benefit of a school tax credit.

The SDOC millage for its bonding remained at 31.0 mills, so the total millage for the SDOC remained at 141.1 mills, instead of the 142.1 that Nix proposed.

Superintendent Michael Thorsland said Tuesday the SDOC had "about" $20.5 million in its current fund balance, and he acknowledged that spending into the fund balance would be "in the neighborhood" of $4 million this year, which would put the SDOC below the 20 percent threshold related to tax revenue called for by county policy.

The fund balance three years ago was at a high of $25 million, Thorsland said.

Thorsland asked the council for $59,393,849, which was the same amount generated by the 110.1 mills council approved for the SDOC last year.

Because council voted to hold the SDOC millage at 110.1 mills — due to how millage is calculated per S.C. Department of Revenue guidelines — that will generate roughly $58.9 million in tax revenue, according to Nix.

"We are disappointed that our local revenue was reduced, but are understanding of the tough decisions that county council members have to make," Thorsland said. "The immediate result will be increased fund balance spending. Eventually, though, our expenditures will have to match our revenue.

"That could mean a reduction of positions and/or programs."

Greg Oliver contributed to this story.

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