Overshooting the mark

Oconee tax collections continue to exceed projections

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WALHALLA — Tax revenues continue to flow into Oconee County coffers in excess of budgeted projections.

In the fiscal year ending June 30, 2011, Oconee collected just more than $37 million in taxes or $2.4 million more than the $34.6 million budgeted.

County officials told The Journal in a recent interview that excess tax collection in fiscal 2011 is not an accurate picture because $1.8 million of the $2.4 million overcollected went toward paying Oconee's debt service, which because of some quirky accounting practice is not budgeted by Oconee in the General Fund.

After adjusting for the unbudgeted debt service, Oconee tax revenues still exceeded projections by $612,113.

By the county's own calculations, during fiscal years 2009-2011, property tax collections after adjustments have exceeded projections by $3.4 million.

Oconee's knack for collecting more taxes than needed to provide government services has been the norm rather than the exception in the new millennium.

The $3.4 million overcollected during the past three fiscal years roughly translates to almost 7 additional mills that could have been shaved off property owners' tax bills without impacting services.

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County Administrator Scott Moulder said the excess tax revenues have been rolled into Oconee's more than $21 million fund balance, of which roughly $13 million is unrestricted and now tucked away in the current budget as a rainy day fund that could be spent.

On Moulder's recommendation, County Council adopted a new policy this summer that for the first time caps how much unrestricted money Oconee can keep in its fund balance. The rule establishes a minimum of 25 percent and up to a maximum of 30 percent of unrestricted rainy day money in the General Fund in a fiscal year.

After multiplying the General Fund budget by 30 percent this year, Oconee still has some $882,000 more than needed for its rainy day fund, so council amended the budget to appropriate the extra money.

"Next year, if we collect $1 million more than we were supposed to and that puts us over the Fund Balance amount, we'll have to take that $1 million and spend it on a capital project, put it into health insurance reserve or something," Moulder said. "We can't let it sit there and accumulate like we have."

Finance Director Kendra Brown said the excess over the allowable Fund Balance could be used for many things, including paying the debt service.

tax bills this fall

At Tuesday night's meeting of the Oconee County Council, or at the next council meeting Sept. 20, County Auditor Ken Nix will make his annual millage rate recommendation.

In calculating millage needed to fund this year's spending plan, Nix will have to take into account the county's reassessed property values that the county has not made public, as well as a lower assessment to Oconee's biggest taxpayer, Duke Energy.

Given the trend of over-collection of taxes, Oconee property owners will be closely watching to see what their tax bill might look like in the fall.

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