

Tax cap has cities, counties struggling to provide services

THE UNNECESSARY and arbitrary tax cap the state Legislature imposed on cities and counties last year is frustrating local officials as they attempt to build budgets to meet citizens' service needs.

In implementing the cap, which limits tax increases to the rate of inflation plus population growth, lawmakers trampled on the notion of local control. They also ignored the fact that local communities' needs won't disappear because of a formula they dreamed up.

If a city or county wants to add a major new program or service, it can't raise property taxes to pay for it. Instead, it would have to shut down a current service and use the savings. Local governments can exceed the cap only in extraordinary circumstances.

As Midlands governments plan for next fiscal year, which begins July 1, some complain the cap limits them in funding very ordinary needs:

- Some Richland County officials say they're not sure they will be able to fund expanded services such as the operation of a new public library in Ballentine aimed at accommodating growth in the northwest. The county also is engaged in a dispute with Richland District 1 over how much of a contribution the district should expect from the county, in part because of the cap. The district contends it should get \$3.5 million more than is proposed based on a county projection.
- Columbia wants to purchase new security cameras, improve parks, finish the Three Rivers Greenway and begin new streetscaping projects, among other things. But, like Richland County, the city is struggling to determine just how much it can afford under the new cap.
- In Lexington County, Irmo/Chapin-area Fire Chief Mike Sonefeld cited the new tax cap as an impediment when he withdrew a \$1.8 million request to build and operate a third fire station.

In theory, the cap is supposed to allow cities, towns and counties to maintain current levels of services as they grow. But some local officials say expansions of existing services — adding police officers, for example — to meet growing needs will be difficult, and adding new services will be impossible.

The new landscape actually encourages governments to raise taxes by the maximum amount allowed in order to keep up with inflation in future years. If a city or county doesn't take advantage of all that's available, it won't get credit for it the following year. If there are unexpected needs that following year, there is no way to recapture what it passed up the previous year.

This is just one more example of what a bad idea this cap was and is. It should be eliminated. By no means do we support local tax increases that cannot be clearly justified. But local officials — elected by the voters — should be able to craft a vision of their own communities and make responsible decisions about their real needs. This law limits the amount of tax increase a government can levy regardless of the need or the community's desire and willingness to pay.

We're well aware that some local officials might claim their ability to properly fund services is being harmed when, in truth, they're mildly affected or simply have to make tougher decisions. Some may even threaten to cut or reduce key services in an attempt to gain public sympathy and pressure lawmakers. That would be irresponsible and unacceptable.

But that doesn't excuse the unacceptable behavior of the Legislature in unfairly limiting local governments' ability to make decisions that shape their communities.