

March 23, 2007

MEMORANDUM

To: Council Chairpersons; Chief Administrative Officers; Budget/Finance Directors; County Attorneys

Subject: **Millage Rate Limitation for FY 2008**

On March 22, the U.S. Census Bureau released the county population estimates from the past fiscal year, one of the two components that make up the millage rate limitation prescribed in § 6-1-320(A) as amended by the General Assembly last year:

...a local governing body may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in **the average of the twelve monthly consumer price indexes** for the most recent twelve-month period consisting of January through December of the preceding calendar year, **plus, beginning in 2007, the percentage increase in the previous year in the population of the entity** as determined by the Office of Research and Statistics of the State Budget and Control Board. However, in the year in which a reassessment program is implemented, the rollback millage, as calculated pursuant to Section 12-37-251(E), must be used in lieu of the previous year's millage rate.

The CPI to be used for this year's budget is 3.2% PLUS the percentage increase in your county's population from FY 2005 to FY 2006. PLEASE SEE THE FAR RIGHT COLUMN OF THE ATTACHED SPREADSHEET FOR YOUR TOTAL MILLAGE RATE LIMITATION FOR FY 2008. Please note that for purposes of the millage cap, if your population DECREASED, you are deemed to have "0.0" population growth. Therefore, your millage rate limitation will be 3.2%, the CPI ONLY.

Section 6-1-320(B) was amended to provide that the millage rate limitation may only be suspended and the millage rate increased upon a **two-thirds vote of the membership of the county governing body** and **ONLY for the following purposes:**

- (1) the deficiency of the preceding year;
- (2) any catastrophic event (natural disaster, severe weather event, act of God, act of terrorism, fire, war, or riot);
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by 10% or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) compliance with a regulation or statute enacted by the federal or state government after 06/07/06 for which no funds or means of obtaining funds are provided by the federal or state government.

If a tax is levied to pay for items (1) through (5), the amount of the tax must be listed on the tax statement as a separate surcharge and cannot be included with a general millage increase. Each surcharge must have an explanation of the reason for the surcharge. The increase permitted under (B) is in addition to the increases from the previous year permitted under (A) and shall be an additional millage levy above that permitted by (A). The millage limitation does not apply to revenues, fees, or grants not derived from ad valorem property tax millage or to the receipt or expenditure of state funds.

The millage rate limitation **does not** affect millage that is levied to pay bonded indebtedness or payments for real property purchased using a lease-purchase agreement or used to maintain a reserve account. If you have any questions, please call Kathy Williams or Susan Turkopuls at 1-800-922-6081.

FY 2008 Millage Rate Limitations					
County	2005 Pop. Est.	2006 Pop. Est.	% Change*	CPI	Millage Rate Cap (% change* + CPI)
Abbeville	26,051	25,935	-0.45%	3.20%	3.20%
Aiken	150,053	151,800	1.16%	3.20%	4.36%
Allendale	10,873	10,748	-1.15%	3.20%	3.20%
Anderson	175,258	177,963	1.54%	3.20%	4.74%
Bamberg	15,787	15,678	-0.69%	3.20%	3.20%
Barnwell	23,289	23,265	-0.10%	3.20%	3.20%
Beaufort	138,037	142,045	2.90%	3.20%	6.10%
Berkeley	149,526	152,282	1.84%	3.20%	5.04%
Calhoun	15,059	15,026	-0.22%	3.20%	3.20%
Charleston	329,482	331,917	0.74%	3.20%	3.94%
Cherokee	53,620	53,886	0.50%	3.20%	3.70%
Chester	33,093	32,875	-0.66%	3.20%	3.20%
Chesterfield	43,191	43,191	0.00%	3.20%	3.20%
Clarendon	33,127	33,339	0.64%	3.20%	3.84%
Colleton	39,430	39,467	0.09%	3.20%	3.29%
Darlington	67,369	67,551	0.27%	3.20%	3.47%
Dillon	30,851	30,984	0.43%	3.20%	3.63%
Dorchester	112,784	118,979	5.49%	3.20%	8.69%
Edgefield	25,343	25,261	-0.32%	3.20%	3.20%
Fairfield	23,844	23,810	-0.14%	3.20%	3.20%
Florence	130,259	131,297	0.80%	3.20%	4.00%
Georgetown	60,215	60,860	1.07%	3.20%	4.27%
Greenville	407,154	417,166	2.46%	3.20%	5.66%
Greenwood	67,860	68,213	0.52%	3.20%	3.72%
Hampton	21,153	21,268	0.54%	3.20%	3.74%
Horry	227,520	238,493	4.82%	3.20%	8.02%
Jasper	21,409	21,809	1.87%	3.20%	5.07%
Kershaw	56,341	57,490	2.04%	3.20%	5.24%
Lancaster	63,060	63,628	0.90%	3.20%	4.10%
Laurens	70,247	70,374	0.18%	3.20%	3.38%
Lee	20,589	20,559	-0.15%	3.20%	3.20%
Lexington	234,934	240,160	2.22%	3.20%	5.42%
McCormick	10,129	10,226	0.96%	3.20%	4.16%
Marion	34,798	34,684	-0.33%	3.20%	3.20%
Marlboro	27,722	29,152	5.16%	3.20%	8.36%
Newberry	37,315	37,762	1.20%	3.20%	4.40%
Oconee	69,676	70,567	1.28%	3.20%	4.48%
Orangeburg	90,916	90,845	-0.08%	3.20%	3.20%
Pickens	113,221	114,446	1.08%	3.20%	4.28%
Richland	341,813	348,226	1.88%	3.20%	5.08%
Saluda	18,968	19,059	0.48%	3.20%	3.68%
Spartanburg	266,764	271,087	1.62%	3.20%	4.82%
Sumter	104,909	104,430	-0.46%	3.20%	3.20%
Union	28,511	28,306	-0.72%	3.20%	3.20%
Williamsburg	35,272	36,105	2.36%	3.20%	5.56%
York	190,111	199,035	4.69%	3.20%	7.89%

* For counties whose population decreased, 0% change is used to calculate the millage cap.

Sources: U.S. Census, Population Estimates: U.S. Department of Labor, Bureau of Labor Statistics