



# **Charleston County School District**

## **Revenue Analysis**



April 25, 2011

# Local Revenues

## Property Tax Analysis

# Changes in Laws Affecting Property Tax Revenue

## Property Tax Formula

FMV x Assessment Ratio = Assessed Value x Millage Rate = Revenue

## Changes in Law

Exemption: Fees in Lieu of Taxes and Multi-County Parks

Exemption: Homestead (100% School Operating Taxes)

Exemption: 15% Reassessment Limitation

Assessed Value: Reduction Cars from 10.5% to 6%

Assessed Value: Reduction in Minimum Investment for FILOT

Millage Rate: Limitation of Act 388 (§ 6-1-320)

Revenue: Suspend/Repeal EIA Minimum Effort

Revenue: County Authority over FILOT/Multi-County Parks



### Property Tax Formula

FMV x Assessment Ratio = Assessed Value x Millage Rate = Revenue

## **In the Good Old Days (Prior to Act 388)**

### **Residential**

$\$200,000 \times 4\% = \$8,000 \times 97.8 \text{ mills} = \$783$

### **Commercial**

$\$200,000 \times 6\% = \$12,000 \times 97.8 \text{ mills} = \$1,174$

### **Industrial**

$\$200,000 \times 10.5\% = \$21,000 \times 97.8 \text{ mills} = \$2,054$



## Property Tax Formula

FMV x Assessment Ratio = Assessed Value x Millage Rate = Revenue

### **Examples After Act 388**

#### **Residential – 100% exemption**

$\$200,000 \times 0\% = \$0 \times 97.8 \text{ mills} = \$0$

#### **Commercial**

$\$200,000 \times 6\% = \$12,000 \times 97.8 \text{ mills} = \$1,174$

#### **Industrial**

$\$200,000 \times 6\% = \$12,000 \times 97.8 \text{ mills} = \$1,174$



## Charleston County Assessed Property 2001-2010

Property Class	2001	2010	Percent Change 2001- 2010
Agriculture 4%	\$1,819,140	\$1,740,370	-4.3%
Agriculture 6%	\$697,300	\$148,360	-78.7%
Aircraft	\$2,475,780	\$3,968,070	60.3%
Business Personal Property	\$9,934,230	\$13,139,120	32.3%
SCTC Bus. Personal Property	\$32,960,650	\$43,203,590	31.1%
Manufacturing	\$37,724,060	\$23,938,380	-36.5%
Mobile Home 4%	\$2,578,250	\$2,611,470	1.3%
Mobile home 6%	\$3,294,180	\$3,151,770	-4.3%
Motor Vehicle	\$150,577,523	\$124,064,211	-17.6%
Railroad	\$1,221,450	\$2,471,106	102.3%
Real Property 4%	\$348,605,948	\$737,585,430	111.6%
Real Property 6%	\$596,335,590	\$1,250,367,240	109.7%
Rental Residential	\$1,487,660	\$2,971,550	99.7%
Utility	\$56,710,600	\$69,173,630	22.0%
Watercraft 4%	\$38,700	\$40,340	4.2%
Watercraft 6%	\$0	\$690,560	NA
Watercraft Other	\$10,851,830	\$18,345,482	69.1%
<b>Total</b>	<b>\$1,257,312,891</b>	<b>\$2,297,610,679</b>	<b>82.7%</b>
<b>Total Less 4% Residential</b>	<b>\$908,706,943</b>	<b>\$1,560,025,249</b>	<b>71.7%</b>
Source: Charleston County Assessor's Office 2011			

## Charleston County Assessed Property 2009-2010

Property Class	2009	2010	Percent Change 2009- 2010
Agriculture 4%	\$1,728,870	\$1,740,370	0.7%
Agriculture 6%	\$728,320	\$148,360	-79.6%
Aircraft	\$3,328,390	\$3,968,070	19.2%
Business Personal Property	\$14,485,660	\$13,139,120	-9.3%
SCTC Bus. Personal Property	\$44,112,710	\$43,203,590	-2.1%
<b>Manufacturing</b>	<b>\$18,265,470</b>	<b>\$23,938,380</b>	<b>31.1%</b>
Mobile Home 4%	\$2,688,930	\$2,611,470	-2.9%
Mobile home 6%	\$2,969,240	\$3,151,770	6.1%
<b>Motor Vehicle</b>	<b>\$131,124,292</b>	<b>\$124,064,211</b>	<b>-5.4%</b>
Railroad	\$1,913,863	\$2,471,106	29.1%
<b>Real Property 4%</b>	<b>\$728,300,390</b>	<b>\$737,585,430</b>	<b>1.3%</b>
Real Property 6%	\$1,231,331,180	\$1,250,367,240	1.5%
Rental Residential	\$2,896,180	\$2,971,550	2.6%
Utility	\$66,029,850	\$69,173,630	4.8%
Watercraft 4%	\$35,270	\$40,340	14.4%
Watercraft 6%	\$803,550	\$690,560	NA
Watercraft Other	\$17,063,030	\$18,345,482	7.5%
<b>Total</b>	<b>\$2,267,805,195</b>	<b>\$2,297,610,679</b>	<b>1.3%</b>
<b>Total Less 4% Residential</b>	<b>\$1,539,504,805</b>	<b>\$1,560,025,249</b>	<b>1.3%</b>
Source: Charleston County Assessor's Office 2011			

# Impacts of Tax Increment Financing Districts in Charleston County

- **Nine TIF's**
  - **City of Charleston -- 5**
  - **North Charleston -- 3**
  - **Mt. Pleasant -- 1**



## Potential Revenues from Expiring TIF's

### Potential Operating Revenues from Expiring King Street TIF

	<u>2013-2014</u>
Assessed Value of Non - 4% Property	\$159,023,460
Operating Millage (97.8)	<u>0.0978</u>
Est'd Operating Revenue from Non - 4% Property	\$15,552,494

### Potential Debt Service Revenues from Expiring King Street TIF

	<u>2013-2014</u>
Assessed Value of All Property	\$214,223,529
Debt Service Millage (27.9)	<u>0.0279</u>
Est'd Debt Service Revenue from All Property	\$5,976,836

# Impacts of Act 388

- \* **Loss of 4% tax base and State dollars not keeping up**
- \* **15% Cap on Reassessment**
- \* **Millage Rate Cap**



# Impacts of Act 388

	<u>2009-2010</u>
<b>Estimated (Pre-Act 388)</b>	
Assessed Value of 4% Property	\$940,816,260
Operating Millage (97.8)	<u>0.0978</u>
Est'd Operating Revenue from 4% Property	\$92,011,830
 <b>Actual</b>	
Current Tier I Funds	\$16,955,782
Current Tier II Funds	\$3,557,262
Current Tier III Funds	<u>\$62,346,841</u>
Total Current Revenues from 4% Property	\$82,859,885
 <b>Difference in Actual vs. Pre-Act 388</b>	 <b>\$9,151,945</b>
<b>(i.e. lost due to Act 388)</b>	

# Charleston County School District

## Revenue Analysis

Thank you