

ORDINANCE 2014-71

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AN ORDINANCE TO AMEND SECTION 1
OF ORDINANCE No. 2014-38, THE
2014-15 BUDGET ORDINANCE, TO
ADOPT TAX RATES CONSISTENT WITH
THE 2014 HORRY COUNTY REASSESS-
MENT AND STATUTES GOVERNING THE
IMPLEMENTATION OF A REASSESS-
MENT.

WHEREAS, Section 5-13-30(3) of the Code of Laws of South Carolina (the "SC Code") requires that a municipal council shall act by ordinance to adopt budgets and to levy taxes; and

WHEREAS, on June 10, 2014, the City Council of the City of Myrtle Beach (the "Council") adopted Ordinance No. 2014-38 establishing a budget for the fiscal year beginning July 1, 2014 and ending on June 30, 2015 (the "2014-15 Budget Ordinance") based upon an amount of property tax revenue, absent new growth, that equals the revenue generated in the previous year; and

WHEREAS, Section 6-1-30 of the SC Code establishes limits for the determination and levy of the millage rates for local government operations both during and outside of years when a reassessment is implemented, and

WHEREAS, the South Carolina Budget & Control Board has notified the City that the limit on its millage rate increase for operations for the 2014 tax year under SC Code Sec. 6-1-320 is 4.44%; and

WHEREAS, the total allowable increase in millage for operations for the 2014 tax year is 13.40%, taking the aforementioned 4.44% for 2014 together with the cumulative rate of 8.96% for operating millage increases that were allowed but not imposed for the previous three tax years, in accordance with SC Code Sec. 6-1-320(A)(2); and

WHEREAS, Section 6-1-30 further requires that, in a year of implementation of a reassessment, the rollback millage as calculated pursuant to Sec. 12-37-251(E) must be used in lieu of the previous year's millage rate as the base rate for determining the maximum allowable millage rate; and

WHEREAS, Horry County and all local governments located therein will implement a reassessment in Tax Year 2014 and Fiscal Year 2014-15; and

WHEREAS, the 2014-15 Budget Ordinance provided that the millage rates expressed therein were provisional rates and may be amended by means of a separate ordinance in order to implement the "rollback millage" rate by the method prescribed in SC Code Sec. 12-37-251(E); and

WHEREAS, the County Assessor has now provided the Reassessment property values,

1 NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Myrtle Beach, in
2 Council duly assembled and by the authority of the same that Sec. 1 of Ordinance No. 2014-
3 38, the 2014-15 Budget Ordinance, is hereby amended with to read, in its entirety, as follows:

4
5 **"Sec. 1. Levy of taxes.**

6 For the support of general governmental functions of the City, an *ad*
7 *valorem* tax to apply for the period July 1, 2014 through June 30, 2015,
8 both inclusive, for the sums and in the manner set forth as follows, is
9 and shall be levied, collected, and paid into the treasury of the City of
10 Myrtle Beach, South Carolina, for the use and service thereof.
11

Tax Levy and Distribution
(in mills)

<u>Purpose of Levy</u>	<u>2014-15 Rates</u>
Operations	66.5 68.5
Debt Service	<u>6.0</u>
Total Tax Levy (in mills)	72.5 74.5

12
13 Such tax is hereby levied upon the value of all real and personal
14 property within the corporate limits of the City, except such as is
15 exempt from taxation under the Constitution and Laws of the State of
16 South Carolina, as such property is assessed for taxation for County and
17 State purposes."
18

19 **Sec. 2. Validity of the ordinance.** If, for any reason, any sentence, clause or provision of this
20 ordinance shall be declared invalid, such declaration shall not affect the remaining
21 provisions thereof.

22 **Sec. 3. Conflicts with preceding ordinances.** Should conflicts arise between this and any
23 preceding ordinances, this ordinance shall prevail with respect to the conflicting
24 sections.
25

26 This ordinance shall become effective upon its adoption.
27
28

29
30 
31 **JOHN RHODES, MAYOR**

32 **Attest:**

33 
34
35 **SANDRA ZANFINI, DEPUTY CITY CLERK**

36
37 **First Reading: 9-9-2014**

38 **Second Reading: 9-23-2014**

ROLLBACK MILLAGE AND MILLAGE LIMITATION FOR FY2014-15**Calculation of Rollback Millage for Operations**

(E) Rollback millage is calculated by dividing the prior year property taxes levied as adjusted by abatements and additions by the adjusted total assessed value applicable in the year the values derived from a countywide equalization and reassessment program are implemented. This amount of assessed value must be adjusted by deducting assessments added for property or improvements not previously taxed, for new construction, for renovation of existing structures, and assessments attributable to increases in value due to an assessable transfer of interest.

	<u>Calculation</u>	<u>Levy on Properties Previously Taxed</u>
<u>Calculation of Adjusted Total Assessed Value</u>		
Assessed Value for TY 2014	354,469,495	
Less: New growth per statute	<u>(8,509,523)</u>	
Adjusted Total Assessed Value	345,959,971 ¹	
<u>Calculation of Rollback Millage Rate</u>		
TY 2013 property tax levy adjusted by adds & abatement	<u>21,243,301</u>	
Adjusted Total Assessed Value	345,959,971	345,959,971
Rollback Millage Rate for Operations	0.0614	<u>x 0.0614</u>
		21,241,942
<u>Millage Rate Adjustments Allowed by Law</u>		
Adjustment under millage rate cap (13.40% of .0596)	0.0082	
Art. 10 Sec. 7 adjustment to prevent current year deficit	-	
Art. 10 Sec 7 adjustment for prior year deficit	-	
Additional Operating Funds--Emergency	-	
Amt to fund reserve account	<u>-</u>	
Total Allowable adjustments	0.0082	
Total Millage Allowed for Operations	0.0696	

¹ Compares with June 30, 2009 Value of \$ 430,679,035
and June 30, 2011 Value of \$ 365,139,016

2014-15 Reassessment Implementation

Millage Rates and Tax Levy for 2015 Budget

<u>Operations Millage Rate</u>	<u>Assessed Value</u>	<u>Rate</u>	<u>Levy</u>
Rollback Millage Rate	354,469,495	0.0614	21,764,427
Operating millage increase (8.3%)	354,469,495	0.0051	1,807,794
Special Levy for Memorial Day Plan	354,469,495	0.0020	708,939
Total Millage for Operations		0.0685	24,281,160
 <u>Debt Service Millage Rate</u>			
Net Property Tax Funds Required for GO Debt Service	2,130,901		
Divided by Assessor's adjusted total assessed value	354,469,495		
Total Millage for Debt Service		0.0060	2,126,817
Composite Millage Rate		0.0745	26,407,977

2014-15 Reassessment Implementation

Revenue Estimates

Assumed Collections Rate for revenue estimates: 93.2%

	Operations	Debt Service	Total
Total Tax Levy	\$ 24,281,160	\$ 2,126,817	\$ 26,407,977
Less: Tourism Development Credits	(2,630,000)	(245,000)	(2,875,000)
Net Tax Levied	21,651,160	1,881,817	23,532,977
Taxes Collectible at 93.2%	\$ 20,178,881	\$ 1,753,853	\$ 21,932,735
2014-15 Budget (Property Taxes from 2015 levy)	\$ 19,448,000	\$ 1,741,000	\$ 21,189,000
Less: Amount Generated by Special Levy	\$ (665,979)	-	\$ (665,979)
Projected Difference +/-(-)	64,902 0.33%	12,853 0.74%	77,756 0.37%

2014-15 Reassessment Implementation

Revenue Estimates

Assumed Collections Rate for revenue estimates: 94.5%

	<u>Operations</u>	<u>Debt Service</u>	<u>Total</u>
Total Tax Levy	\$ 24,281,160	\$ 2,126,817	\$ 26,407,977
Less: Tourism Development Credits	<u>(2,630,000)</u>	<u>(245,000)</u>	<u>(2,875,000)</u>
Net Tax Levied	21,651,160	1,881,817	23,532,977
Taxes Collectible at 94.5%	\$ 20,460,347	\$ 1,778,317	\$ 22,238,664
2014-15 Budget (Property Taxes from 2015 levy)	\$ 19,448,000	\$ 1,741,000	\$ 21,189,000
Less: Amount Generated by Special Levy	\$ (674,192)	-	\$ (674,192)
Projected Difference +/-(-)	338,155 1.74%	37,317 2.14%	375,472 1.77%