
1 **2019-38 (2nd READING): TO AMEND SECTION 1 OF ORDINANCE NO. 2019-**
2 **30, THE 2019-20 BUDGET ORDINANCE, TO ADOPT TAX RATES FOR**
3 **OPERATIONS CONSISTENT WITH THE 2019 HORRY COUNTY REASSESSMENT**
4 **AND STATUTES GOVERNING THE IMPLEMENTATION OF A REASSESSMENT.**

5 **Applicant/Purpose:** Staff /to amend the budget ordinance by implementing the 2019-20
6 reassessment, to adopt a “rollback rate”, & to index the originally adopted 2019-20 tax
7 rate.

8 **Brief:**

- 9 • Every 5 years, Counties in SC must reassess all real property.
- 10 • State law:
 - 11 ○ Limits the increases over the then-current base rate that can be adopted
 - 12 annually for millage levied in support of City operations.
 - 13 ○ Provides that, in a reassessment implementation year, the “rollback rate”
 - 14 (rather than prior year’s actual rate), must be used as the base tax rate to
 - 15 which the limits are applied.
 - 16 ○ The reassessment & rollback law does not apply for debt service millage.
- 17 • Proposed ordinance:
 - 18 ○ Adjusts the provisional rate adopted in the 2019-20 Budget Ordinance by
 - 19 substituting the rollback rate for the previous year’s actual rate.
 - 20 ○ The rollback rate is computed according to the revised total Assessed Values
 - 21 provided by the County Assessor.
- 22 • This ordinance includes the 3-mill increase (4.3% when applied to the rollback rate)
- 23 approved in the 2019-20 budget ordinance.
- 24 • No changes since 1st reading.

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26 **Issues:**

- 27 • The rollback millage for 2019 is 69.9 mills, a decrease of 4.6 mills or 6.2%, compared
- 28 w/the raw operating tax rate for 2018-19 of 74.5 mills.
- 29 • Total recommended tax rate for 2019-20 is 78.9 mills compared w/ the provisional
- 30 rate of 83.5 mills adopted in the 2019-20 Budget Ordinance.
- 31 • The total rate includes the rollback rate of 69.9 mills, the 3 mill rate increase for
- 32 operations & maintains the 6-mill levy for debt service.

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34 **Public Notification:** Normal meeting notification.

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36 **Alternatives:** None considered. Horry County does not propose to delay the

37 implementation of the reassessment, & cities are not able to postpone on their own.

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39 **Financial Impact:** If the proposed tax rates are adopted, the long-term financial impact

40 should be negligible. Collection rates normally decline in reassessment years due to appeals.

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42 **Manager’s Recommendation:**

- 43 • I recommend 1st reading (8/1/2019).
- 44 • I recommend approval (8/13/2019).

45
46 **Attachment(s):** Proposed ordinance.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AN ORDINANCE TO AMEND SECTION 1
OF ORDINANCE No. 2019-30, THE
2019-20 BUDGET ORDINANCE, TO
ADOPT TAX RATES CONSISTENT WITH
THE 2019 HORRY COUNTY
REASSESSMENT AND STATUTES
GOVERNING THE IMPLEMENTATION OF
A REASSESSMENT.

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 11, 2019, the City Council of the City of Myrtle Beach (the "Council") adopted Ordinance No. 2019-30 establishing a budget for the fiscal year beginning July 1, 2019 and ending on June 30, 2020 (the "2019-20 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, Horry County and all local governments located therein will implement a reassessment in Tax Year 2019 and Fiscal Year 2019-20; and

WHEREAS, the South Carolina Budget & Control Board has notified the City that the limit on its millage rate increase for operations for the 2019 tax year under SC Code Sec. 6-1-320 is 6.03%; and

WHEREAS, the total allowable increase in millage for operations for the 2019 tax year is 11.59%, taking the aforementioned 6.03% for 2019 together with the cumulative rate of 5.56% 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, the 2019-20 budget ordinance included a 3-mill rate increase to be applied to the base rate or, in a year of reassessment, the "rollback millage rate" as calculated pursuant to Sec. 12-37-251(E); and

WHEREAS, the total tax rate of 78.9 mills comprises the rollback rate of 69.9 mills as determined by the prescribed method, the 3-mill increase referenced above, and a 6-mill rate for debt service;

NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Myrtle Beach, in Council duly assembled and by the authority of the same that Sec. 1 of Ordinance No. 2019-30, the 2019-20 Budget Ordinance, is hereby amended to read, in its entirety, as follows:

"Sec. 1. Levy of taxes.

1 For the support of general governmental functions of the City, an *ad*
2 *valorem* tax to apply for the period July 1, 2019 through June 30, 2020,
3 both inclusive, for the sums and in the manner set forth as follows, is and
4 shall be levied, collected, and paid into the treasury of the City of Myrtle
5 Beach, South Carolina, for the use and service thereof.
6

Tax Levy and Distribution
(in mills)

<u>Purpose of Levy</u>	<u>2019-20 Rates</u>
Operations	72.9
Debt Service	<u>6.0</u>
Total Tax Levy (in mills)	78.9

7
8 Such tax is hereby levied upon the value of all real and personal property
9 within the corporate limits of the City, except such as is exempt from
10 taxation under the Constitution and Laws of the State of South Carolina, as
11 such property is assessed for taxation for County and State purposes.”
12
13

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

17 **Sec. 3. Conflicts with preceding ordinances.** Should conflicts arise between this and any
18 preceding ordinances, this ordinance shall prevail with respect to the conflicting sections.
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20 **This ordinance shall become effective upon its adoption.**
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BRENDA BETHUNE, MAYOR

26 ATTEST:

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30
31 _____
JENNIFER STANFORD, CITY CLERK

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33 First Reading: 8-1-2019

34 Second Reading: 8-13-2019