

Major Revenue Sources

Charleston County

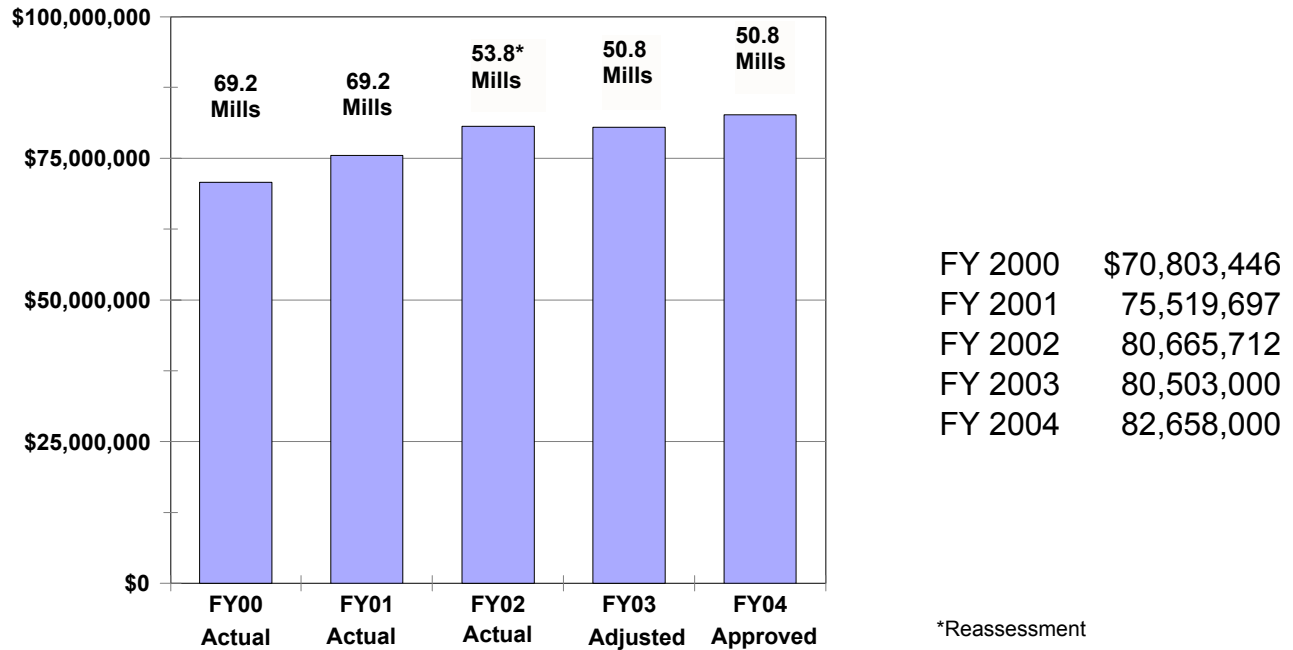
General Fund Ad Valorem Taxes

Description

The County Assessor, the County Auditor, and the State calculate the taxable value of the county's real property, personal property and motor vehicles. The County Auditor applies the appropriate millage rates for the various taxing entities in the county to determine the ad valorem taxes. The Treasurer collects the ad valorem taxes for all of the taxing entities in the county and remits these collections in the following month. The real and personal property are billed annually in September and are due the following January. The motor vehicles are billed annually during the month when the taxpayer's license registration is due for renewal.

Trend

The County's portion of ad valorem taxes for its General Fund has a general trend of increasing. This increase in revenue reflects a growth in the County's tax base.



Revenue Estimate

The tax base for FY 2004 is estimated to grow at 2.5 percent over the current year's projections.

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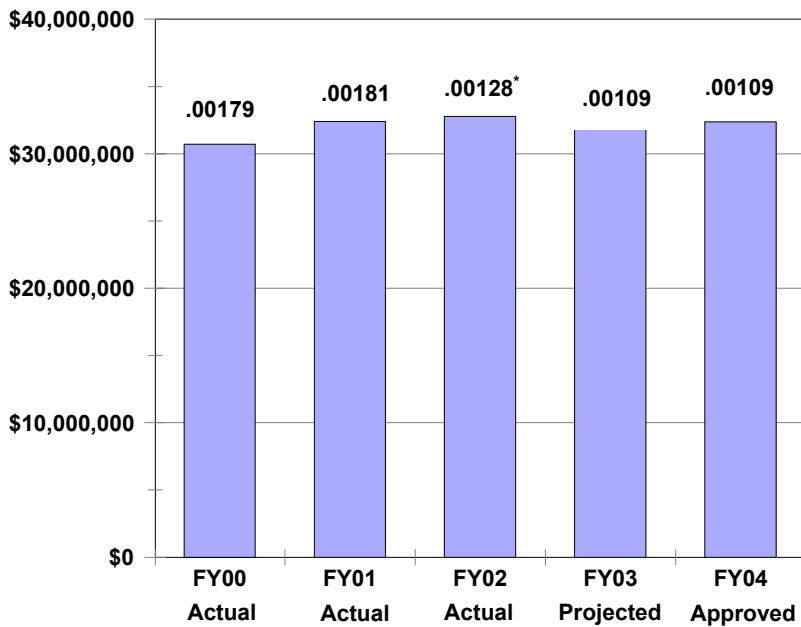
General Fund Local Option Sales Tax

Description

The citizens of Charleston County passed by referendum an additional one percent sales tax to take effect during FY 1991. According to state law, a portion of the sales tax revenues was designated to reduce local property taxes. Charleston County applies 100 percent of the local option sales tax revenues as credits against local property taxes. As the local option sales tax revenues increase, the credit applied increases.

Trend

The revenue from the local option sales tax showed a consistent trend of increasing through FY 2002. Due to the economic downturn in FY 2003, the local option sales tax showed a decrease. As a result of some economic recovery, Charleston County anticipates increased local option sales tax for FY 2004. The local option sales tax is tied directly to the level of consumer spending in Charleston County.



| | |
|---------|--------------|
| FY 2000 | \$30,705,579 |
| FY 2001 | 32,375,877 |
| FY 2002 | 32,787,102 |
| FY 2003 | 31,900,000 |
| FY 2004 | 32,350,000 |

*Reassessment

Revenue Estimate

The budgeted revenues from local option sales tax reflect a \$450,000 or 1.4 percent increase from the current year's projections. The revenue for FY 2004 equates to a credit of \$109 on \$100,000 of appraised value. This reflects no change in the local option sales tax credit.

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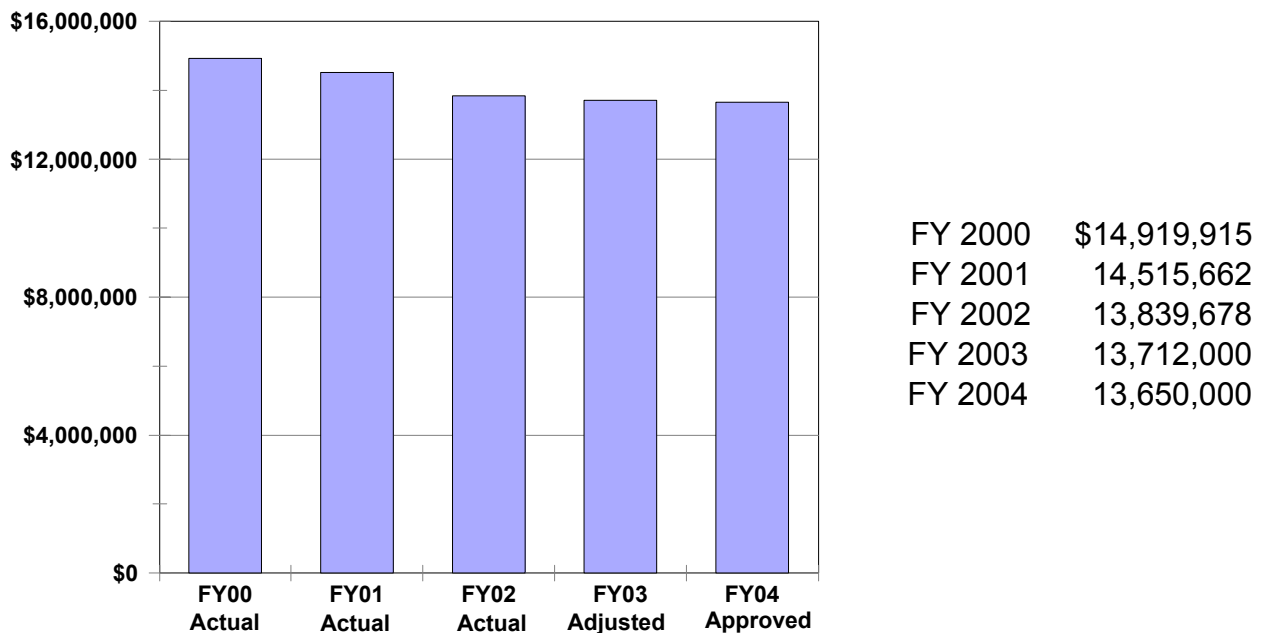
General Fund Aid to Local Subdivisions

Description

The County receives funds from the State of South Carolina to subsidize its operations. This funding was created to reduce the pressure on property taxes and to provide a predictable source of revenue for county and municipal budgeting. In FY 1992, the aid to local subdivisions replaced and consolidated many other taxes allocated by the state. These taxes included the alcohol beverage tax, the bank tax, the beer and wine tax, the brokers tax, the gasoline tax, the income tax and insurance license fees. The State determines the local government fund based on 4.5 percent of the State's General Fund revenues for the State's last completed fiscal year.

Trend

The revenues from aid to local subdivisions reflect an increase through FY 2000 with a general trend of decreasing from FY 2000 forward. The revenues reflect how the State's economy is performing.



Revenue Estimate

The FY 2004 budgeted aid to local subdivisions is lower than the current years projections. This decrease represents the current economic downturn in the state's overall economy.

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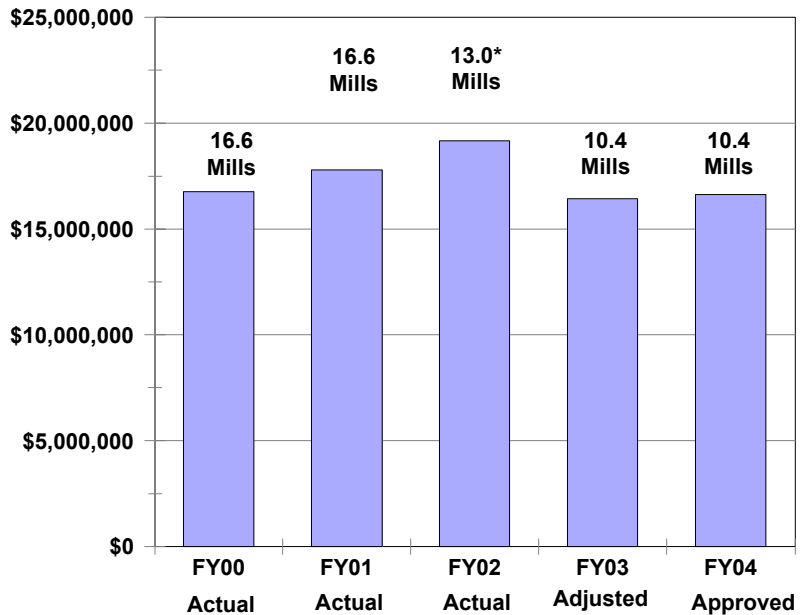
Debt Service Fund Ad Valorem Taxes

Description

The County Assessor, the County Auditor, and the State calculate the taxable value of the county's real property, personal property and motor vehicles. The County Auditor applies the appropriate millage rates for the various taxing entities in the county to determine the ad valorem taxes. The Treasurer collects the ad valorem taxes for all of the taxing entities in the county and remits these collections in the following month. The real and personal property are billed annually in September and are due the following January. The motor vehicles are billed annually during the month when the taxpayer's license registration is due for renewal.

Trend

The County's portion of ad valorem taxes for its Debt Service Fund has a general trend of increasing. Revenues decreased in FY 2003 due to a reduction in the millage rate to reflect lower anticipated needs for the capital lease program. The increase in FY 2004 revenue reflects growth in the County's tax base.



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|---------|--------------|
| FY 2000 | \$16,767,794 |
| FY 2001 | 17,798,623 |
| FY 2002 | 19,168,768 |
| FY 2003 | 16,420,000 |
| FY 2004 | 16,632,082 |

*Reassessment

Revenue Estimate

The FY 2004 millage rate will remain constant at 10.4 mills. The tax base for FY 2004 is estimated to grow at 2.5 percent over the current year's projections.

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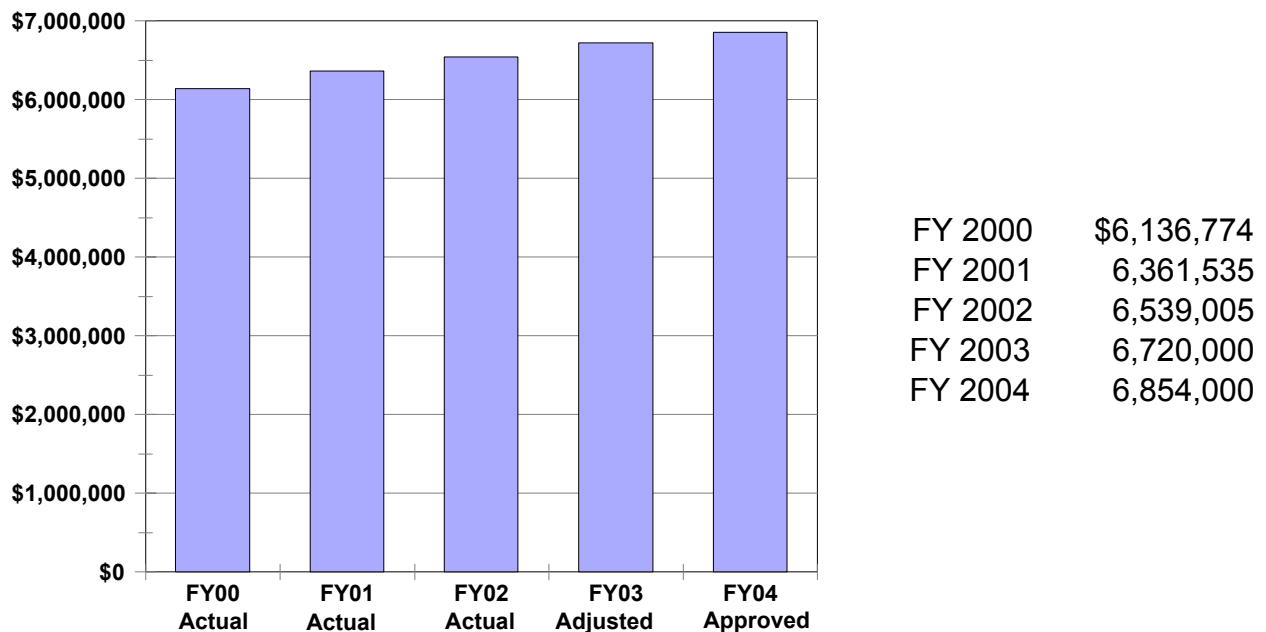
Special Revenue Fund Accommodations Fee

Description

County Council enacted the accommodations fee in FY 1994 to charge a two percent fee against transient room rentals throughout the county. The County began collections on April 1, 1994, but the fee was challenged in court. In November 1995, the state Supreme Court ruled in favor of the fee. The accommodation fee is collected on a monthly basis.

Trend

The revenues from accommodations fee have shown a steady increase, although the downturn in the economy has slowed growth in the past two years. The growth reflects the continued economic expansion and growth in tourism.



Revenue Estimate

The budgeted accommodations fee reflects an estimated 2.0 percent increase from FY 2003 projections.

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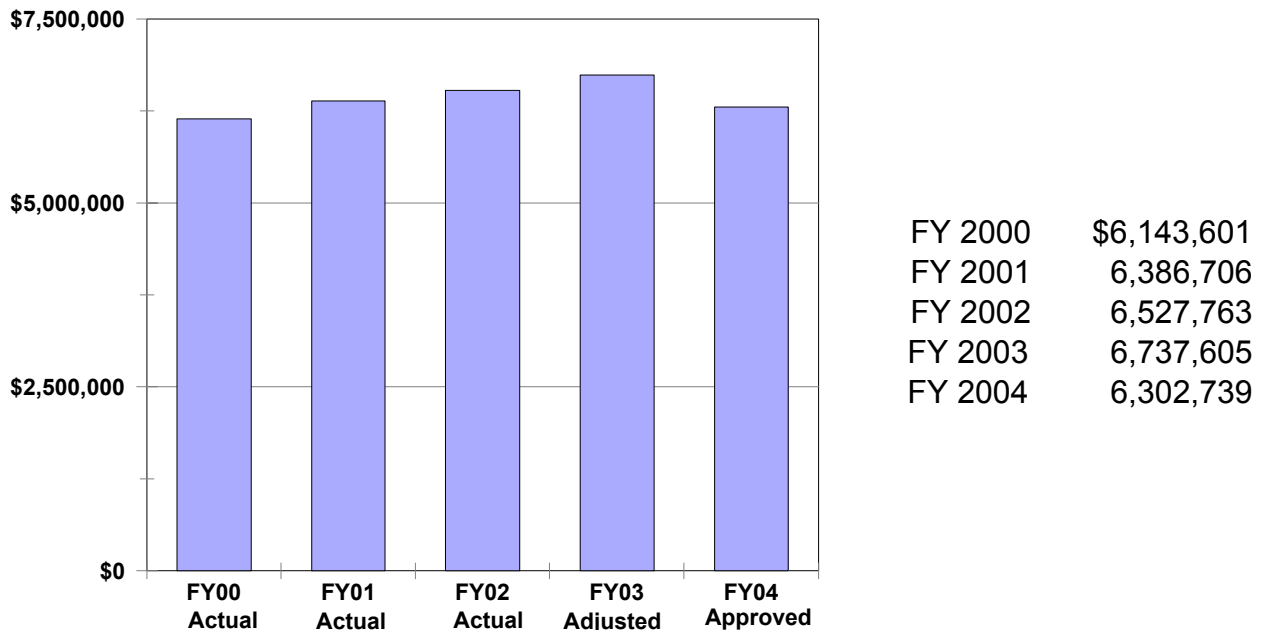
Special Revenue Fund Grants Administration-Grants

Description

The Grants Administration Department develops, administers and monitors grants related to community and workforce development. Significant accomplishments for this department and the County include obtaining the designation as an Urban Entitlement County under the Community Development Block Grant Program and the creating the state's first One Stop Career Center. Funding for this program began in FY 1998.

Trend

This revenue reflects a general trend of increases from FY 2000 through FY 2003, with a decrease expected for FY 2004.



Revenue Estimate

The budgeted revenues for grants under the Grants Administration Department reflect the anticipated awards for the various community and workforce development grants. The decrease in FY 2004 reflects a smaller allocation under the Urban Entitlement Program and the Workforce Investment Act.

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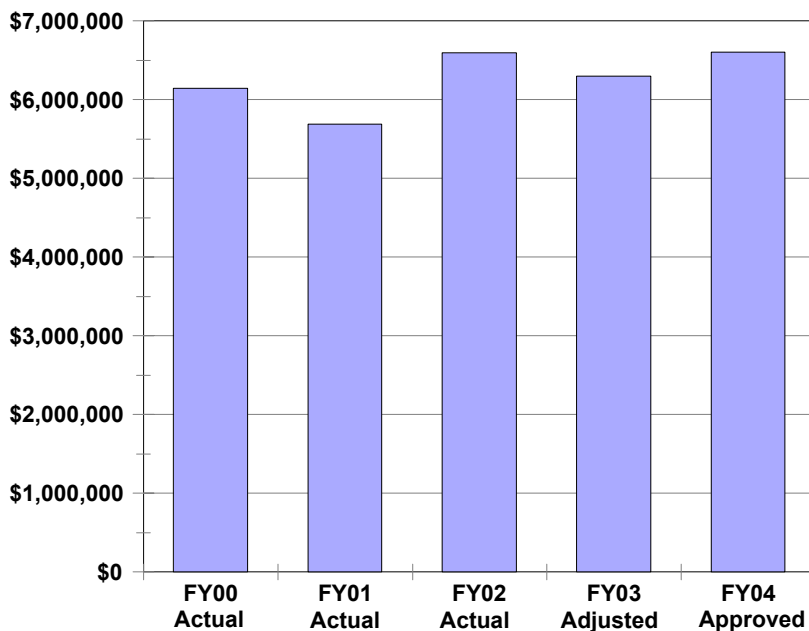
Enterprise Fund Steam & Energy Sales

Description

The Solid Waste Department contracts with Montenay Charleston Resource, Inc. to manage the County's incinerator. The incinerator began commercial operations on November 1, 1989. As the incinerator burns waste, the incinerator generates steam and electricity. The County then sells the steam and electricity to offset the costs of the incinerator. The steam is sold to the United States Navy located at the Charleston Naval Shipyard, and the electricity is sold primarily to Carolina Power and Light. Even though the Charleston Naval Shipyard is closed, the United States Navy has an existing contract to purchase a minimum amount of steam through January 1, 2010.

Trend

The revenue from steam and electrical sales shows a general trend of increasing. Sales are dependent upon the market rate for electricity. However, contract prices are set above market rate.



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| FY 2000 | \$6,142,723 |
| FY 2001 | 5,689,752 |
| FY 2002 | 6,591,490 |
| FY 2003 | 6,300,000 |
| FY 2004 | 6,600,000 |

Revenue Estimate

The budgeted revenues from steam and energy sales reflect the guaranteed payment from the United States Navy and the long-term purchase contract with Carolina Power and Light. The revenues for FY 2004 reflect an increase in the price received for generating electricity.

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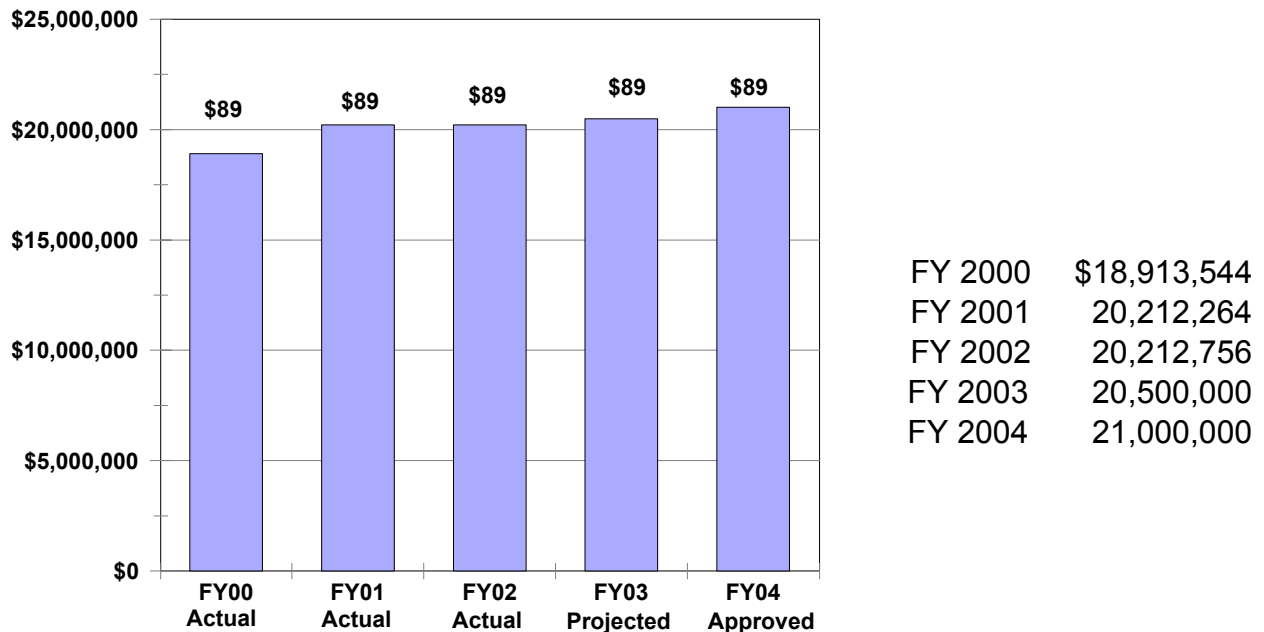
Enterprise Fund User Fee

Description

The County charges a user fee to real property owners and certain commercial and governmental entities to provide funding for the County's solid waste collection and disposal effort. The User Fee Division of the Business License/User Fee Department administers the billing and collection of this fee. The user fee for residential property owners is included in the County Auditor's annual tax bill. The User Fee Division calculates and bills the commercial and governmental entities on an annual basis.

Trend

The revenue from the User Fee has shown a consistent trend of increasing. This increase reflects an expanding number of residents and businesses in the county. The budget has tended to be conservative in relation to actual collections.



Revenue Estimate

Each \$1 of the user fee rate generates approximately \$235,000 in revenue. The user fee is anticipated to remain at \$89 dollars through FY 2005. The next user fee increase is estimated at \$116 in FY 2006.