

One penny. One public. One purpose.

A one-cent sales tax, to be paid by all consumers, to fund facilities for education



Local Option Sales Tax

providing funding for Horry County Schools, Coastal Carolina University, and Horry-Georgetown Technical College

On November 4, 2008, voters in Horry County will decide how to fund school

building needs of public schools and the county's two schools of higher education. If passed, a one-penny local option sales tax would roll-back the property tax levied by the school district for debt service, provide a reliable revenue stream to help pay for growth, and allow for more collaboration for educational programs with Horry County Schools, Coastal Carolina University, and Horry-Georgetown Technical College.

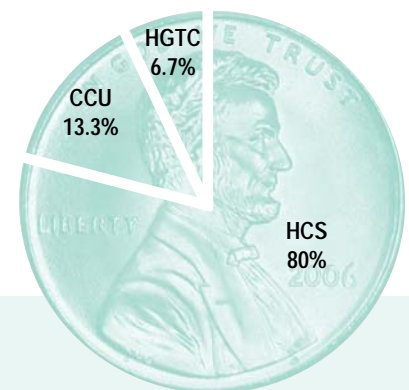
A **YES** vote:

- ✓ Adds a revenue source for debt service;
- ✓ Rolls back debt service millage on all property including houses, businesses, vehicles, land, and personal property;
- ✓ Generates over \$1 billion for school facilities for K-12 public education and the county's two post secondary schools; and
- ✓ Broadens the base of tax payers by allowing everyone, including non-residents, to help pay for school facilities.

A **NO** vote:

- ✓ Maintains the current millage for debt service on taxes for houses, businesses, vehicles, land, and personal property; and
- ✓ Current and future school buildings for the school district will continue to be funded by property taxes.

If passed, the local option sales tax would go into effect in March 2009 and would be collected for 15 years. Debt service millage is expected to be reduced to 24 mills by Fall 2009. It is the intent of the School Board to reduce debt service to 10 mills by Fall 2010.



Our growing educational community

- **Horry County Schools** is the fastest growing among the state's 85 school districts and is the third largest district in the state, adding 10,000 students in the last decade. At our current growth rate, we could gain an additional 17,000 students in the next 15 years.
- **Coastal Carolina University** is the fastest growing four-year university in South Carolina, accounting for more than 60 percent of enrollment growth among all comprehensive universities in the state.
- **Horry-Georgetown Technical College** is the fastest growing of all public two-year colleges in the state, nearly doubling enrollment over the past decade.

Frequently Asked Questions

What will the penny do?

The penny provides an additional revenue stream from which funds will be used to retire existing debt for school construction and address immediate and emerging facility needs for a growing school district and higher education institutions in Horry County. It lightens the load on property owners by rolling back debt service millage and allows all consumers, those who live here and those who visit, an opportunity to contribute to the costs for facility needs of public K-12 schools and public institutions of higher education.

How much money will the sales tax generate?

Based on conservative estimates, the penny sales tax is expected to generate more than a billion dollars (\$1,086,269,396) over a 15-year period. This number assumes a four percent annual increase in sales tax collections. The school district will receive 80 percent of the total, or \$869,015,517. Coastal Carolina University will receive 13.3 percent while Horry-Georgetown Technical College will receive 6.7 percent of the total.

What will be taxed?

The penny sales tax would be applicable to most all taxable goods and services that you currently pay sales tax on at the time of purchase. It would not apply to some routine expenses such as groceries, gasoline, and prescription drugs. Remember that many weekly and monthly expenditures, like mortgage payments, rent, daycare, and insurance are not subject to current sales taxes.

Will the penny cost me more than I am paying in taxes now?

Whether the penny would cost you more or save you money depends on two things: the value of the property you own and your consumer spending habits.

When does the tax go into effect?

If approved by voters, the sales tax would take effect in March 2009.

How much of the tax will be paid by non-residents?

It is estimated that 60 percent of the sales taxes collected locally are paid by non-residents. All of the sales tax revenue for the local option sales tax will stay in Horry County.

How much is the current debt service for Horry County Schools?

The current debt service is 28 mills and it has not been higher than 28 mills in the last 13 years. Coastal Carolina University and Horry-Georgetown Technical College do not levy taxes for debt service.

What is the current value of a mill?

Currently, a mill generates \$1.8 million.

Why doesn't the school district use lottery money to pay for schools?

Horry County Schools receives minimal funding through the South Carolina Education Lottery. The funds that are received are required to be used for the enhancement of the instructional programs at the elementary and middle school levels. The South Carolina Education Lottery was designed primarily to support scholarships for post-secondary education.

How could revenue from the penny sales tax be used for joint projects?

Horry County Schools, Coastal Carolina University, and Horry-Georgetown Technical College share many common interests regarding the educational preparation of our county's future leaders and workforce. All three institutions have worked together for the last five years to offer advanced opportunities for high school students to earn college courses and jump-start college degrees. In addition, Coastal Carolina University provides more teachers for Horry County Schools than any other college or university. More students from Horry County Schools attend Coastal Carolina University and Horry-Georgetown Technical College than from any of its bordering school districts. A joint project could provide for a bridge to facilitate more collaboration for the educational infrastructure of Horry County.

The November 4 ballot question:

Must a special one percent sales tax be imposed in Horry County for 15 years with the revenue of the tax used to pay directly, or indirectly, the cost or some or all of the cost of education capital improvement projects in Horry County. All revenue received by the School District from the sales and use tax will be used to reduce property taxes to pay debt service on School District bonds and to directly pay the costs of education capital improvement projects. Shared revenue will be used to pay debt service on bonds issued for Coastal Carolina University and Horry-Georgetown Technical College and directly pay the costs of education capital improvement projects.

In favor of the question [Yes]

Opposed to the question [No]

If you have questions or concerns, e-mail penny@horrycountyschools.net.

To request a speaker for a community group, or obtain additional copies of this flyer, e-mail Eddie Rodelsperger, Chief Officer for Construction Management, at erodelsperger@horrycountyschools.net or call 843-488-6711.