

**HABERSHAM COUNTY BOARD OF COMMISSIONERS**  
**WORK SESSION MINUTES**  
**5:30 P.M., MONDAY, JULY 17, 2023**  
**HABERSHAM COUNTY COURTHOUSE**  
**295 LLEWELLYN STREET, CLARKESVILLE, GA 30523**

The Habersham County Board of Commissioners held a work session at 5:30 p.m. on Monday, July 17, 2023 in the Jury Assembly Room of the Habersham County Courthouse located at 295 Llewellyn St, Clarkesville, GA 30523.

Present were Chairman Ty Akins, Vice Chairman Bruce Harkness, Commissioner Bruce Palmer, Commissioner Dustin Mealor, Commissioner Jimmy Tench, County Manager Alicia Vaughn, County Attorney Donnie Hunt, County Clerk Brandalin Carnes, staff, members of the media and the public.

Chairman Akins called the meeting to order at 5:33 p.m.

Commissioner Harkness lead the invocation.

Commissioner Palmer lead the Pledge of Allegiance.

**ADOPTION OF AGENDA**

**DISCUSSION:**

a. Discussion Regarding Millage Rate Setting Process

County Manager Alicia Vaughn gave a PowerPoint presentation to the Commission regarding the millage rate setting process. She informed the Commission that the County has a fiscal year cycle of July 1<sup>st</sup> to June 30<sup>th</sup> and gave them a breakdown of the steps in this cycle which includes preparation and approval of the budget, setting a millage rate to fund the budget that was approved, collection of property tax revenue, spending of revenue based on purchasing policy, accounting of the budget by the finance department, and finally a financial audit. The process then starts all over again with the budget. .

Mrs. Vaughn broke down some basic terminology that she would be using during the presentation. She informed everyone that the “millage rate” is a tax rate that, when multiplied against the net assessed value of taxable property, calculates the amount of property taxes to be paid. The “net assessed value” is the value of all of the county the property is allowed to tax after exemptions have been deducted from the value. The current tax rate for Habersham County is 12.682 mills, which when multiplied by the current net assessed taxable value of property in the county of \$1,725,714,014 would yield \$21,885,505 in property tax revenue for the county.

Commissioner Harkness inquired about the tax digest, stating that he thought that the county had surpassed \$2 billion? Mrs. Vaughn informed him that the gross tax digest does surpass \$2 billion, however the total exemptions of around \$555 million dollars is what brings the net digest down to \$1.7 billion.

Mrs. Vaughn explained to everyone that “fair market value” is the estimated amount that a property can be bought or sold in an arm’s length transaction. The Tax Assessor’s Office is required to appraise property using the fair market value. The county does not tax on the full appraised value, it taxes on 40% of the appraised value. This reduced value that is used in calculating property tax bills is called the “assessed value”. Sometimes the full assessed value of a property is exempt from being taxed due to the type of property it is (nonprofits, public property, religious property, schools, etc). Those properties are called “exempt property”. Sometimes a portion of the assessed value of an individual’s property is not subject to taxation due to meeting specific criteria. This is called an “exemption”, and a well-known example is the homestead exemption.

Mrs. Vaughn further elaborated on homestead exemption options that are currently available to Habersham County Residents. The first is a standard \$2,000 homestead exemption. The second is a homestead exemption freeze which freezes the value of the home to that of the base year in which the application is made. With the homestead exemption freeze the value of the property stays the same until any new improvements are made to the property, which would trigger a revaluation. She informed the Commission that Habersham County is unique in that the homestead exemption that are offered are much higher than other counties in the state of Georgia. Mrs. Vaughn wanted to let everyone know about the special one-time exemption being offered for this year called the 2023 Property Tax Relief Grant, which is being provided by the state of GA. The 2023 Property Tax Relief Grant will further reduce the assessed values of homestead property by an additional \$18,000. This did not show on the assessment notices that people have already received but will show on their actual property tax bill and will decrease the bill. Mrs. Vaughn stated that special \$18,000 exemption will apply to the county, schools and cities.

Mrs. Vaughn showed the Commissioners a comparison between the current 2022 millage rate and the proposed 2023 millage rates for the General Fund M&O Millage, the Hospital Debt Fund- Bonds, Emergency Services and the Habersham County School Board. The School Board intends to roll their millage rate back to from 26.075 to 25.002. If the Commission votes to keep the General Fund M&O Millage the same at 12.682 then there will be an overall countywide decrease of 1.073 mills for the unincorporated county residents.

Commissioner Harkness had a question regarding the special exemption of \$18,000 being provided by the state, asking what if someone's property is only valued at \$18,000? regarding the tax relief of \$18,000, what if someone has a property that is only \$18,000? Mrs. Vaughn stated that in effect, this person's tax bill would be \$0.00 as the total value of their property would be exempt, but to keep in mind that this exemption only applies to homesteads so that property would have to be the individual's primary residence.

Mrs. Vaughn reviewed a slide with the Commission comparing the county's tax digest versus the net tax digest. She explained to the Commission that the tax digest is the total value of all property in a tax jurisdiction before exemptions, whereas the net tax digest is the total value after exempt property and exemptions are deducted from the value. The tax digest for the county is \$2,281,348,716. The net tax digest for the county is \$1,725,714,013. The difference of \$555,634,703 is made up of exemptions. These exemptions cost the county about \$7 million dollars per year in potential property tax revenue and most of the exemptions are from the homestead exemption freeze. She feels that this is important to take into consideration considering the county also does not receive the local option sales tax (LOST). For every 1 mill the county brings in around \$1,725,000.

Mrs. Vaughn gave an overview of the roles that are played by many county government entities in the budget and millage rate setting process. The Board of Commissioners approve the annual budget based on the county's needs and set the millage rate to bring in the revenue need to provide those services. The Board of Commissioners is also responsible for publishing the 5-year history, current digest values and proposed tax rate as well as advertising and holding public hearings regarding the proposed tax increases. The Board of Assessors are a separate board that are appointed by the Board of Commissioners. The Board of Assessors is responsible for classifying and stratifying property, determining property subject to taxation, determining fair market value (FMV) of property, approve/deny exemptions, work through taxpayer appeals and designate the Chief Appraiser for the county. The County Chief Appraiser is appointed by the Board of Assessors and is responsible for overseeing the functions of the appraisal staff, certifies and signs documents prepared by staff, implements procedures for efficient operation of appraisal staff in assessing property in the county, attends all property appraisal hearings, and provides Board of Equalization with information related to the assessments that are being appealed. Mrs. Vaughn next discussed the role of the Tax Commissioner, stressing that the Tax Commissioner's responsibility is to collect taxes and that they are not responsible for deciding

property values. She wanted everyone to know that they don't have an ability to decide how to collect taxes as they must follow the rules that are handed down by the state of Georgia. The Tax Commissioners role is to send out the tax bills with the millage rates that are set by the different taxing authorities and based off of property values that are determined by the Board of Assessors. Mrs. Vaughn wanted to emphasize that these roles are all very distinct and separate and they are designed to be that way for a reason. The Board of Equalization is a division of the Superior Court Clerk that is appointed by the Grand Jury. It is comprised of three members and three alternate members who serve a three-year term and must complete training. The Board of Equalization hears taxpayer appeals regarding the value of property, uniformity of assessments, taxability of property and denial of exemptions. Mrs. Vaughn stated that often the Commission Office here's complaints regarding the school's budget or millage rate, but it is important to note that the Board of Education is it's own taxing authority and the Board of Commissioners has no authority over the schools budget or millage rate. She feels that some of the confusion regarding this arises from the fact that the Board of Commissioners have to approve the schools millage rate during the same meeting that they approve the county millage rate. This does not mean that the Board of Commissioners has control over the Board of Education's millage rate, it is just a requirement by the state. The State of Georgia plays a role in the beginning and ending of the entire process as the general assembly creates the tax laws that must be followed, the governor is the chief policy maker, and the Department of Revenue approves the digest submitted by the county and writes rules to comply with the state laws that are passed.

Mrs. Vaughn informed the Commission that many people have confusion regarding why the county is having to advertise a tax increase when there is not an increase in the proposed millage rate? Mrs. Vaughn explained that every year, the tax digest generally goes up due to either inflation or due to new/improved properties. Increases due to inflation are called "reassessment growth". Increases due to new/improved properties are called "real growth". The law says that if a county is going to be receiving new revenue due to reassessment growth resulting from inflation, then it must be advertised as a tax increase. This law is called "The Taxpayers Bill of Rights", and the purpose behind it's passing was to promote transparency and prevent back door tax increases. Every year the state requires the counties to fill out and submit a PT-32.1 form that calculates the reassessment growth and converts it to a millage rate, which is then subtracted from the current millage rate to get a rollback rate. The rollback rate for 2023 is 11.661. If the millage rate for the upcoming fiscal year is not decreased to rollback rate of 11.661 than it is considered a tax increase because there is new property tax revenue from the reassessment growth. Commissioner Akins asked if the majority of the growth that occurred this year was from reassessments and Mrs. Vaughn confirmed that this was the case. Mrs. Vaughn informed the Commission that the proposed budget that they approved assumed the millage rate would remain the same at 12.682. If the Commission chooses to rollback the millage rate to 11.661 than it would result in a decrease in property tax revenue of \$1,761,954. This would mean that they would have to go back and figure out adjusting the budget to reduce it by that amount.

Mrs. Vaughn informed everyone that there will be three millage rate hearing that will occur. The first millage rate hearing will be held on July 19<sup>th</sup> at 6:00 p.m. in the Courthouse, the second will be held on July 26<sup>th</sup> at 11:30 a.m. in the Administrative Building and the third/final hearing will be held on July 26<sup>th</sup> at 6:00 p.m. in the Courthouse.

Mrs. Vaughn asked the Commission if they had any questions and their were none.

#### **ADDITIONAL COMMENTS:**

None of the Commission wished to make any additional comments.

#### **ADJOURN**

Motion by Commissioner Harkness, seconded by Commissioner Mealor and voted unanimously 5-0 to adjourn the work session at 5:57 p.m.

Respectfully submitted,

By: \_\_\_\_\_  
Commission Chairman Ty Akins

Attest: \_\_\_\_\_  
County Clerk Brandalin Carnes

DRAFT