Meeting Notes – Jun. 14, 2022 –

The LaFayette Rotary Club met on Tuesday, June 14, for its weekly meeting. Chambers County engineer Josh Harvill, Chambers County Schools superintendent Casey Chambley and asst. superintendent David Owen were our guest speakers. Josh Harvill and Casey Chambley both spoke on the impact the six-mill tax has on their respective organizations.

Josh began by explaining exactly what a mill, short for "millage", is. A mill is 1/10 of one cent. So, six mills equate to $0.006 or 6/10 of one cent. This millage rate is used, along with property classifications and exemptions, to assess an ad valorem tax on property. He gave an example of an actual piece of land owned by an individual in Chambers County. The property, slightly over 200 acres, is appraised at approximately $368,500.00. Its current use value is assessed to be $12,140. The millage rate is applied to the assessed current use value, not the appraised value. So, $12,140 X $0.006 = $72.84. This is the cost per year, in ad valorem tax, that the landowner is required to pay on this 200-acre piece of property. To break it down further, these six mills is costing this landowner $6.07 a month or about $1.50 a week.

The Highway Dept. receives three of the six mills. This tax generates about a million dollars annually for the county Highway Dept., which in turn uses it to pave roads. It is a stable source of revenue, as opposed to proceeds from the gasoline tax, which fluctuate greatly with the amount of gasoline purchased. When gas prices go up, usage goes down, and less revenue is generated by the gas tax. The stability of the six-mill tax allows for realistic budget-planning. The $1 million in revenue from the six-mill tax comprises about 1/4 of the Highway Dept.'s revenue. Much of the department's budget is used to provide the local match required to secure federal grants to pay for the paving. Josh discussed the rising costs of paving and provided us with a map showing where road improvement projects had been completed, were underway and were planned. In 2005 when the roads were assessed, 30% of Chambers County roads had received a grade of B or better. In 2021, that had increased to 50%. Without the availability of funds from the six-mill tax, many of these projects could not have been undertaken.

Casey Chambley gave an example of the cost of the six-mill tax on a homeowner. The appraised value of a single-family home with a garage on a 1/2- acre lot in the Valley area is $124,460.00. The assessed value (residential rate of 10% of the appraised value) is $12,440.00. Applying the six-mill ad valorem tax to the $12,440.00 results in the homeowner paying $74.64 annually. Broken down, this is $6.22 a month or about $1.50 a week. Just like the Highway Dept, the school system receives three of the six mills or roughly $1 million a year in revenue from this tax. Each mill is worth about $350,000.00. This money is budgeted for expenses not covered by the state, such as some transportation costs and salaries for custodial staff, CNP workers, and paraprofessionals. Without this revenue, the school system could not afford to provide all it currently does for the students. Cuts would have to be made somewhere.

Both Mr. Harvill and Mr. Chambley stressed that this is not a new tax, but simply the renewal of an existing tax. Both organizations are dependent on the revenue created by the tax and services to the citizens/students would be diminished if the tax were not renewed. Rotary members were encouraged to go to the poll on June 21 and vote in favor of the ad valorem tax.

Diane Sherriff