



# Muscofee County School District

P.O. Box 2427 • Columbus, Georgia 31902

## **For Immediate Release**

Valerie Fuller  
Director of Communications  
Telephone: (706) 748-2164

Date: August 8, 2008

## **NEWS RELEASE**

### **Perdue Announces Plan to Withhold State Reimbursement for Homestead Tax Reimbursement Grants**

#### **School District and City Leaders Discuss Potential 2009 Fiscal Year Budget Impact**

**(Columbus, GA)**-Leaders of the Muscofee County School District and City of Columbus are discussing the possible impact on the 2009 Fiscal Year Budget that could result in a potential shortfall in taxes. The discussions come after the deadline for local governments across the state to establish annual digests and after many local agencies across the state have established fiscal year 2009 budgets.

Governor Sonny Perdue, unexpectedly, announced the State reimbursement paid to local governments (school districts, cities, and counties) for Homestead Tax Relief Grants (HTRG) to local governments, would be withheld until State tax revenues improve or when the legislature meets in January. This action will adversely affect the fiscal year 2009 budgets of the Muscofee County School District and the City of Columbus.

Dr. Peggy Connell, Interim Superintendent of Education, Mayor Jim Wetherington, Muscofee County Tax Commissioner Lula Huff, City Manager Isaiah Hugley, and various staff members met Thursday, August 7, 2008, to discuss the possible implications for the school district and the city. This could potentially result in a shortfall in revenue due to the Governor's unexpected action. Tax Commissioner Huff is expected to make recommendations by Friday, August 15, 2008 when school district and city leaders plan to meet again. Huff will present recommendations to the Columbus City Council on Tuesday, August 19, 2008 for possible action.

-More-

The Governor and the General Assembly authorized the HTRG for the first time in 1999. The General Assembly may appropriate funds for a tax relief credit in any given year and shall specify the eligible assessed value of each qualified homestead receiving one of normal homestead exemptions. The tax relief is reflected on the property tax bill as a credit against taxes that otherwise would have been due. The program has reached an exemption of up to \$8,000 in value on a home in which the owner resided.

According to the Association County Commissioners of Georgia, eliminating the reimbursement from the State to local governments will result in the state reducing its expenditure by \$400 million. However, that cost will have to be absorbed by local governments.

What does this mean to citizens of the Muscogee County School District and Columbus? It could potentially affect the Muscogee County School District by approximately \$5.1 million and approximately \$3.6 million for the City of Columbus.

For more information e-mail [communications@mcsdga.net](mailto:communications@mcsdga.net) or call the MCSD Chief Financial Officer, Sharon Adams, [sadams@mcsdga.net](mailto:sadams@mcsdga.net), (706) 748-2354.

**###**