



Henry County Water Authority

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NEWS

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FACT SHEET

HCWA History and Background on the 2 Mil Tax

The Henry County Water Authority (HCWA) was founded in 1961, through (the Authority) Act of the Georgia General Assembly, establishing an autonomous Authority (enterprise), separate from Henry County Government, to construct and manage a water and sewer utility.

In 1968, an Amendment to the Authority Act provided for the collection of a 2 Mil Tax on all property in Henry County for developing the water and sewer system.

The 2 Mil Tax was necessary for the HCWA to be able to pursue bond issues to secure funding for the development and extension of necessary water and sewer infrastructure throughout Henry County, to serve existing and future residents and businesses.

The 1968 Constitutional Amendment was extended in the 1983 Constitution by approval of the State Legislature.

The 2 Mil Tax is pledged to pay for the Authority's outstanding senior lien bond debt, which totals approximately \$95 million, through the year 2030. The Authority also carries \$39 million junior lien bonds and another \$40 million in GEFA loans.

The 2 Mil Tax has created a significant savings for HCWA ratepayers because it allows the Authority to receive a higher bond rating, resulting in reduced interest rates on its bonds – the primary source of long-term debt.

Without the 2 Mil Tax HCWA rates would increase an estimated 26 percent to provide the same level of services the Authority offers currently.

Among the additional benefits of the 2 Mil Tax is its role in facilitating economic and industrial development, as well as assisting the Authority in addressing environmental and public health issues.

The 2 Mil Tax accounts for roughly 19.9 percent of the overall revenue of the HCWA, according to 2018 figures.

The Authority has over \$900 million worth of anticipated capital improvements planned over the next 30 years.

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