~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

May 12, 2011

**H. 3713**

Introduced by Reps. Merrill, J.R. Smith, Ryan, Hamilton, G.R. Smith, Bedingfield, Barfield, Sandifer, McCoy, Horne, Stavrinakis, Clemmons, Loftis, Lucas, Herbkersman, Patrick, Erickson, G.M. Smith, Hixon, Pinson, Viers and Henderson

S. Printed 5/12/11--H.

Read the first time February 17, 2011.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑37‑3135 SO AS TO PROVIDE THAT WHEN A PARCEL OF REAL PROPERTY AND IMPROVEMENTS THEREON PREVIOUSLY SUBJECT TO PROPERTY TAX UNDERGOES AN ASSESSABLE TRANSFER OF INTEREST AND THE VALUE OF THE PARCEL AS DETERMINED AT THE TIME OF THE ASSESSABLE TRANSFER OF INTEREST IS GREATER THAN THE VALUE OF THE PARCEL USED IN THE PROPERTY TAX ASSESSMENT ON THE PARCEL FOR THE MOST RECENTLY COMPLETED PROPERTY TAX YEAR, THERE IS ALLOWED AN EXEMPTION OF AN AMOUNT OF THE FAIR MARKET VALUE OF THE PARCEL SUFFICIENT TO ELIMINATE ANY INCREASE IN THE VALUE OF THE PARCEL; TO AMEND SECTION 12‑37‑3140, AS AMENDED, RELATING TO DETERMINING FAIR MARKET VALUE, SO AS TO MAKE A CONFORMING CHANGE; AND TO AMEND SECTION 12‑60‑30, AS AMENDED, RELATING TO DEFINITIONS IN THE REVENUE PROCEDURES ACT, SO AS TO CLARIFY THE DEFINITION OF PROPERTY TAX ASSESSMENT.

Amend Title To Conform

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12-37-3140 of the 1976 Code, as last amended by Act 275 of 2010, is further amended to read:

“Section 12‑37‑3140. (A)(1) For property tax years beginning after 2006, the fair market value of real property is its fair market value applicable for the later of:

(a) the base year, as defined in subsection (C) of this section;

(b) subject to the provisions of item (3) of this subsection, December thirty‑first of the year in which an assessable transfer of interest has occurred;

(c) as determined on appeal; or

(d) as it may be adjusted as determined in a countywide reassessment program conducted pursuant to Section 12‑43‑217, but limited to increases in such value as provided in subsection (B) of this section.

(2) To the fair market value of real property as determined at the time provided in item (1) of this subsection, there must be added the fair market value of subsequent improvements and additions to the property.

(3) If a parcel of real property which has had no further improvement since the most recent countywide reassessment program was implemented undergoes an assessable transfer of interest, the implementation of the transfer value as determined pursuant to item (1)(b) of this subsection is postponed until the property tax year of implementation of the next countywide assessment program and that transfer value is the value to which the limit on increases in fair market value provided pursuant to subsection (B) of this section applies.

(B) Any increase in the fair market value of real property attributable to the periodic countywide appraisal and equalization program implemented pursuant to Section 12‑43‑217 or as implemented pursuant to subsection (A)(3) of this section is limited to fifteen percent within a five‑year period to the otherwise applicable fair market value. This limit must be calculated on the land and improvements as a whole. However, this limit does not apply to the fair market value of additions or improvements to real property in the year those additions or improvements are first subject to property tax, nor ~~do they~~ does the limit apply to the fair market value of real property when an assessable transfer of interest occurred in the year that the transfer value is first subject to tax.

(C) For purposes of determining a “base year” fair market value pursuant to this section, the fair market value of real property is its appraised value applicable for property tax year 2007.

(D) Real property valued by the unit valuation concept is excluded from the limits provided pursuant to subsection (B) of this section.

(E) Value attributable to additions and improvements, and changes in value resulting from assessable transfers of interest occurring in a property tax year are first subject to property tax in the following tax year except as provided pursuant to subsection (A)(3) of this section and Section 12‑37‑670(B).”

SECTION 2. This act takes effect upon approval by the Governor and applies for property tax years beginning after 2010.

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