**A** **BILL**

TO AMEND SECTION 12-45-75, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE OPTION ALLOWED COUNTIES TO ALLOW PAYMENT OF PROPERTY TAXES ON REAL PROPERTY BY INSTALLMENTS, SO AS TO REQUIRE COUNTIES AFTER 2013 TO ALLOW INSTALLMENT PAYMENTS, TO REQUIRE REAL PROPERTY TAX NOTICES TO EXPLAIN THE INSTALLMENT OPTION AND REQUIRE SUCH NOTICES TO INCLUDE AN APPLICATION, AND TO MAKE OTHER TECHNICAL CHANGES.

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

SECTION 1. Section 12‑45‑75 of the 1976 Code, as last amended by Act 388 of 2006, is further amended to read:

“Section 12‑45‑75. (A)(1) ~~The governing body of a county may by ordinance allow each~~ A taxpayer owning a parcel of taxable real property within the county ~~the option~~ may elect to pay property taxes in installments as provided in this section. An installment election is not allowed for taxes paid through an escrow account.

(2) A taxpayer electing to pay ~~ad valorem~~ property taxes in installments or electing to opt out of paying in installments, ~~must~~ shall notify the county treasurer in writing no later than January fifteenth of the tax year for which the installment payments are applicable, and no earlier than December first of the preceding tax year. If the treasurer does not receive written notification from December first to January fifteenth, the taxpayer ~~must~~ shall pay ad valorem taxes in the same manner as the previous taxable year.

(3) The treasurer ~~must~~ shall notify the county auditor and county assessor of each taxpayer electing the installment payment option or electing to opt out of paying in installments. ~~If the county assessor determines the property has diminished in value, an estimated property tax obligation must be adjusted to reflect the reduced value.~~ Upon being notified of an adjustment for reduced value or eligibility for an exemption from the assessor or auditor, the county treasurer ~~must~~ shall notify the property owner of the adjusted estimated property tax obligation.

(B) An installment payment is based on the total property tax due for the previous property tax year, after applying all applicable credits and adjustments reflecting reduced value as determined by the county assessor. An amount equal to sixteen and two‑thirds percent of the estimated property tax obligation must be paid to the county treasurer in each of five installments according to the following schedule:

In the case of the following estimates, the due date is on or before:

First February 15

Second April 15

Third June 15

Fourth August 15

Fifth October 15

The remaining balance is due on or before January fifteenth of the following taxable year in accordance with Section 12‑45‑70. The treasurer ~~must~~ shall notify the county auditor of the amount of a property owner’s payments received no earlier than October fifteenth and no later than November fifteenth. A notice of the remaining tax due and other authorized charges and information must then be prepared and mailed to the property owner.

(C) If a taxpayer electing to pay in installments does not timely make each payment pursuant to the schedule in subsection (B), the county may refuse to accept all other installment payments. If the county refuses to accept other installment payments, the remaining balance is due in accordance with Section 12‑45‑70.

(D) Estimated property taxes paid in installments during a property tax year are a credit against the total property tax due on the real property for the property tax year. The estimated property taxes paid in installments during a property tax year must be deposited by the county treasurer in an interest bearing account. The interest is to be retained by the treasurer to offset the administrative expenses of installment payments. Once final payment is made, and no later than January fifteenth of the following taxable year, the installment payments must be credited to the accounts of property taxing entities in the county in the same proportion that millage was imposed by such entities in the previous tax year with the necessary adjustments made to reflect current tax year millage impositions when property taxes for the current year are paid.

(E) If the credit allowed for estimated property tax paid during the property tax year results in an overpayment of property tax, the overpayment must be refunded to the taxpayer together with the actual interest earned by the county treasurer, running from the later of the due date of the installment resulting in the overpayment, without regard to additional amounts paid, or the actual date the overpayment was received by the county treasurer, to the date the refund is issued. ~~Except that~~ However, if the ~~overpayment~~ refund is issued to the taxpayer within forty‑five days of the installment payment that resulted in the overpayment, the treasurer may retain the interest earned.

(F)(1) Every tax notice for real property, for which the installment payment option has been elected, must contain a calculation of any estimated property tax due and a payment schedule and return envelopes for these payments.

(2) Every tax notice on real property must inform taxpayers of the installment election and have included in it an application for the installment election.

(G) The payment of estimated property tax as provided in this section and the credit allowed arising from these payments in no way alters the due date, penalty schedule, and enforced collection of property taxes as provided by law.”

SECTION 2. This act takes effect January 1, 2014, and applies for property taxes attributable to property tax years beginning after 2013.

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