**A** **BILL**

TO AMEND SECTION 12‑43‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CLASSIFICATION OF PROPERTY FOR PURPOSES OF THE PROPERTY TAX AND THE APPLICABLE ASSESSMENT RATIOS, SO AS TO PROVIDE THAT IF AN OWNER‑OCCUPIED RESIDENTIAL PROPERTY LAWFULLY RECEIVING THE SPECIAL FOUR PERCENT ASSESSMENT RATIO AND RELATED EXEMPTIONS SHOULD NO LONGER BE ELIGIBLE FOR THAT SPECIAL ASSESSMENT RATIO WHEN ITS OWNER LEAVES THE RESIDENCE TO ENTER A LONG‑TERM CARE FACILITY, THEN THE RESIDENCE CONTINUES TO RECEIVE THE SPECIAL FOUR PERCENT ASSESSMENT RATIO AND APPLICABLE EXEMPTIONS, TO PROVIDE THE MAXIMUM DURATION FOR THIS PROPERTY TAX TREATMENT, TO PROVIDE THAT SUCH TAX TREATMENT IS NOT ALLOWED IF THE RESIDENCE PRODUCES RENTAL INCOME, AND TO PROVIDE THAT THIS PROPERTY TAX TREATMENT MUST BE CONSTRUED AS A PROPERTY TAX EXEMPTION.

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

SECTION 1. Section 12‑43‑220(c) of the 1976 Code, as last amended by Act 179 of 2012, is further amended by adding a new subitem at the end to read:

“(9)(i) If an owner‑occupied residential property lawfully receiving the special four percent assessment ratio allowed pursuant to this item should be no longer be eligible for that special assessment ratio because the owner has left the residence to enter a long‑term care facility, then the residence retains the four percent assessment ratio and any exemptions the former occupant of the residence was eligible for at the time of entering the long‑term care facility for the shorter of the end of the second property tax year succeeding the property tax year during which the occupant entered the long‑term care facility or the end of the property tax year in which the residential property undergoes an assessable transfer of interest. The residence does not qualify for this treatment if it produces rental income.

(ii) The special four percent assessment ratio allowed by this subitem must be construed as a property tax exemption for an amount of the fair market value of the residence sufficient to equal a four percent assessment ratio and other exemptions allowed applicable to property qualifying for the special assessment ratio.”

SECTION 2. This act takes effect upon approval by the Governor and applies for residential property owners entering a long‑term care facility after 2013.

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