

**REPORT OF THE
GENERAL GOVERNMENT,
PERSONNEL & BENEFITS SUBCOMMITTEE**
(Herbkersman, White, J.H. Neal, Pitts & Umphlett - Staff Contact: Emily Heatwole)

HOUSE BILL 3404

H. 3404-- Reps. Cooper, Horne and Allison: A JOINT RESOLUTION TO REVISE THE METHOD OF CALCULATING THE INDEX OF TAXPAYING ABILITY FOR PURPOSES OF THE EDUCATION FINANCE ACT (EFA) FOR FISCAL YEARS 2011-2012 AND 2012-2013 BY IMPUTING AN INDEX VALUE FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY ASSESSED AT FOUR PERCENT OF VALUE AND TO PROVIDE THAT FOR THOSE YEARS, THE INDEX OF TAXPAYING ABILITY FOR REAL PROPERTY ASSESSED AT SIX PERCENT MUST BE CALCULATED USING SALES RATIO DATA.

Summary of Bill:

This joint resolution revises the method of calculating the index of taxpaying ability for purposes of the Education Finance Act (EFA) for fiscal years 2011-2012 and 2012-2013 by imputing an index value for owner-occupied residential property assessed at four percent of value and to provide that, for those years, the index of taxpaying ability for real property assessed at six percent must be calculated using sales ratio data.

Introduced: 1/20/2011

Received by Ways and Means: 1/20/2011

Estimated Fiscal Impact:

Pending

Subcommittee Recommendation:

Favorable with Amendment

Full Committee Recommendation:

Pending

Other Notes/Comments:

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HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

CONE/MELTON
FEBRUARY 8, 2011

CLERK OF THE HOUSE

REP. PROPOSES THE FOLLOWING AMENDMENT
No. TO H. 3404 (COUNCIL\BBM\10037HTC11):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE JOINT RESOLUTION, AS AND IF
AMENDED, IN SECTION 1(B), PAGE 2, BY
STRIKING ITEM (3).**

RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.

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A JOINT RESOLUTION

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TO REVISE THE METHOD OF CALCULATING THE INDEX OF TAXPAYING ABILITY FOR PURPOSES OF THE EDUCATION FINANCE ACT (EFA) FOR FISCAL YEARS 2011-2012 AND 2012-2013 BY IMPUTING AN INDEX VALUE FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY ASSESSED AT FOUR PERCENT OF VALUE AND TO PROVIDE THAT FOR THOSE YEARS, THE INDEX OF TAXPAYING ABILITY FOR REAL PROPERTY ASSESSED AT SIX PERCENT MUST BE CALCULATED USING SALES RATIO DATA.

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

- SECTION 1. (A) As used in this section:
- (1) "EFA" means Chapter 20, Title 59 of the 1976 Code, the Education Finance Act of 1977;
 - (2) "department" means the South Carolina Department of Revenue;
 - (3) "fee in lieu of tax property" means property for which an annual payment in lieu of property tax is required pursuant to Section 4-29-67, Chapter 12, Title 4, and Chapter 44, Title 12, all of the 1976 Code;
 - (4) "index of taxpaying ability" means the annual calculation made by the department required pursuant to the EFA and other applicable provisions of law.
- (B)(1) Notwithstanding any other provision of law, and for the purpose of calculating the index of taxpaying ability applicable for fiscal year 2011-2012 only, the department shall impute an index value for owner-occupied residential property qualifying for the special four percent assessment ratio allowed such residential property pursuant to Section 12-43-220(c) of the 1976 Code in the

1 manner provided in this subsection. The department shall add the
2 total of Tier 1, 2, and 3 reimbursements paid each school district in
3 this state for property tax year 2009 pursuant to Section
4 11-11-156(A) of the 1976 Code, not including the supplemental
5 distribution paid pursuant to Section 11-11-156(B) of the 1976
6 Code, and calculate an index value using the methodology the
7 department uses to calculate such index value for fee-in-lieu of tax
8 property.

9 (2) For the index of taxpaying ability calculated by the
10 department applicable for fiscal year 2012-2013, the department
11 shall include an index value for owner-occupied residential
12 property qualifying for the special four percent assessment ratio
13 allowed such property pursuant to Section 12-43-220(c) of the
14 1976 Code in the manner provided in item (1) of this subsection,
15 except that the reimbursements to be included in the calculation
16 are those paid to school districts for property tax year 2010.

17 (3) For fiscal years 2011-2012 and 2012-2013 for real
18 property assessed at six percent pursuant to Section 12-43-220(e)
19 of the 1976 Code, the calculation of the index of taxpaying ability
20 must be made from sales ratio data in the manner provided in
21 Section 59-20-20(3) of the 1976 Code.

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23 SECTION 2. This joint resolution takes effect upon approval by
24 the Governor.

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