~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

April 25, 2012

**H. 5049**

Introduced by Reps. Merrill, Brannon, Clemmons and Bowen

S. Printed 4/25/12--H. [SEC 4/26/12 3:36 PM]

Read the first time March 21, 2012.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

There is no fiscal impact on the General Fund of the State or on federal and/or other funds.

**LOCAL GOVERNMENT IMPACT:**

Pursuant to Section 2-7-76 of the Code of Laws of South Carolina, 1976, the State Budget Division surveyed counties in the FIST Network of local governments. Florence County estimated an annual impact of over $250,000 per year; however, it is difficult to estimate the number of appeals. Dorchester County reported they could not provide a cost estimate due to the unknown factor on the number of appeals. Greenville County indicated there would be no fiscal impact to them.

**SPECIAL NOTES:**

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this bill.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND SECTION 12‑43‑215, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPEAL OF A PROPERTY ASSESSMENT VALUE, SO AS TO PROVIDE THAT THE APPEAL MUST BE BASED ON THE MARKET VALUES OF REAL PROPERTY AS OF DECEMBER THIRTY‑FIRST OF THE TAX YEAR UNDER APPEAL; TO AMEND SECTION 12‑60‑2510, RELATING TO A PROPERTY TAX ASSESSMENT NOTICE, SO AS TO PROVIDE THAT IN A YEAR IN WHICH AN ASSESSABLE TRANSFER OF INTEREST OCCURS DUE TO A CONVEYANCE, IF THE ASSESSOR DETERMINES THAT FAIR MARKET VALUE IS MORE THAN THE PURCHASE PRICE, THE ASSESSOR SHALL STATE WITH PARTICULARITY, THE BASIS FOR THE INCREASE IN FAIR MARKET VALUE, TO PROVIDE THAT THE TAXPAYER AT LEAST HAS THIRTY DAYS OF RECEIPT OF THE TAX NOTICE TO APPEAL, AND TO REQUIRE THE ASSESSOR TO INCLUDE A PROPERTY TAX REFUND ASSIGNMENT CONTRACT IN CERTAIN CASES; TO AMEND SECTION 12‑60‑2530, RELATING TO AN APPEAL TO THE COUNTY BOARD OF ASSESSMENT APPEALS, SO AS TO PROVIDE THAT IN THE CASE OF A TIE VOTE, THE ASSESSOR’S DETERMINATION IS OVERTURNED; BY ADDING SECTION 12‑60‑2570 SO AS TO PROVIDE THAT THE COUNTY ASSESSOR SHALL HAVE THE BURDEN OF PROOF IN A PROPERTY TAX APPEAL; AND BY ADDING SECTION 12‑60‑2580 SO AS TO ALLOW A TAXPAYER TO APPEAL THE VALUE ONCE EVERY FIVE YEARS AND TO PROVIDE EXCEPTIONS.

Amend Title To Conform

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

SECTION 1. Section 12‑43‑215 of the 1976 Code, as last amended by Act 138 of 2005, is further amended to read:

“Section 12‑43‑215. When owner‑occupied residential property assessed pursuant to Section 12‑43‑220(c) is valued for purposes of ad valorem taxation, the value of the land must be determined on the basis that its highest and best use is for residential purposes. When a property owner or an agent for a property owner appeals the value of a property assessment, the assessor shall consider the appeal and make any adjustments, if warranted, based on the market values of real property as ~~they existed in the year that the equalization and reassessment program was conducted and on which the assessment is based~~ of December thirty‑first of the tax year under appeal.”

SECTION 2. Section 12‑60‑2510 of the 1976 Code, as last amended by Act 57 of 2007, is further amended to read:

“Section 12‑60‑2510. (A)(1) In the case of property tax assessments made by the county assessor, whenever the assessor increases the fair market value or special use value in making a property tax assessment by one thousand dollars or more, or whenever the first property tax assessment is made on the property by a county assessor, the assessor, by July first in the year in which the property tax assessment is made, or as soon after as is practical, shall send the taxpayer a property tax assessment notice. In years when real property is appraised and assessed under a countywide equalization program, substantially all property tax assessment notices must be mailed by October first of the implementation year. In these reassessment years, if substantially all of the tax assessment notices are not mailed by October first, the prior year’s property tax assessment must be the basis for all property tax assessments for the current tax year. A property tax assessment notice under this subsection must be in writing and must include:

(a) the fair market value; in a year in which an assessable transfer of interest occurs due to a conveyance, if the assessor determines that fair market value is more than the purchase price, the assessor shall state with particularity, the basis for the increase in fair market value;

(b) value as limited by Article 25, Chapter 37, Title 12;

(c) the special use value, if applicable;

(d) the assessment ratio;

(e) the property tax assessment;

(f) the number of acres or lots;

(g) the location of the property;

(h) the tax map number; and

(i) the appeal procedure.

(2) The notice must be served upon the taxpayer personally or by mailing it to the taxpayer at his last known place of residence which may be determined from the most recent listing in the applicable telephone directory, the Department of Motor Vehicles’ motor vehicle registration list, county treasurer’s records, or official notice from the property taxpayer.

(3) In years when there is a notice of property tax assessment, the property taxpayer, within ninety days after the assessor mails the property tax assessment notice or within thirty days of receipt of a property tax bill, whichever is later, must give the assessor written notice of objection to one or more of the following: the fair market value, the special use value, the assessment ratio, and the property tax assessment.

(4) In years when there is no notice of property tax assessment, the property taxpayer may appeal the fair market value, the special use value, the assessment ratio, and the property tax assessment of a parcel of property at any time. The appeal must be submitted in writing to the assessor. An appeal submitted before the first penalty date applies for the property tax year for which that penalty would apply. An appeal submitted on or after the first penalty date applies for the succeeding property tax year.

(B) The department shall prescribe a standard property tax assessment notice designed to contain the information required in subsection (A) in a manner that may be easily understood as well as a property tax refund assignment contract which may be utilized in a year in which the purchaser of property files an appeal.

(C) In any year in which an assessable transfer of interest has occurred, a purchaser of the real property may appeal the fair market value, the special use value, the assessment ratio, and the property tax assessment of a parcel of property in the same manner as the taxpayer. The assessor may require a written assignment of any property tax refund executed by the buyer and seller.”

SECTION 3. Subarticle 9, Article 9, Chapter 60, Title 12 of the 1976 Code is amended by adding:

“Section 12‑60‑2570. Notwithstanding any other provision of law, for any appeal or protest brought pursuant to this subarticle, the county assessor shall have the burden of proof of showing that the fair market value, the special use value, the assessment ratio, and the property tax assessment are appropriate.

Section 12‑60‑2580. Notwithstanding any other provision of law, a taxpayer may appeal a property tax assessment on an annual basis, except that a taxpayer may only appeal due to a change in value once every five years in conjunction with the county’s reassessment cycle pursuant to Section 12‑43‑217. However, if the property undergoes an assessable transfer of interest during the reassessment cycle, and the value has already been appealed in the reassessment cycle, the taxpayer may appeal the value once more during the reassessment cycle following the assessable transfer of interest.”

SECTION 4. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2011.

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