~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 14, 2010

**S. 1164**

Introduced by Senator Rose

S. Printed 4/14/10--S.

Read the first time February 10, 2010.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 1164) to amend Section 12‑43‑220 of the South Carolina Code of Laws, 1976, as amended, relating to classifications for assessment ratios, so as to provide that, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking SECTION 1 in its entirety and inserting:

/ SECTION 1. Section 12‑43‑220(c)(1) of the 1976 Code is amended to read:

“(c)(1) The legal residence and not more than five acres contiguous thereto, when owned totally or in part in fee or by life estate and occupied by the owner of the interest, and additional dwellings located on the same property and occupied by immediate family members of the owner of the interest, are taxed on an assessment equal to four percent of the fair market value of the property. If residential real property is held in trust and the income beneficiary of the trust occupies the property as a residence, then the assessment ratio allowed by this item applies if the trustee certifies to the assessor that the property is occupied as a residence by the income beneficiary of the trust. When the legal residence is located on leased or rented property and the residence is owned and occupied by the owner of a residence on leased property, even though at the end of the lease period the lessor becomes the owner of the residence, the assessment for the residence is at the same ratio as provided in this item. If the lessee of property upon which he has located his legal residence is liable for taxes on the leased property, then the property upon which he is liable for taxes, not to exceed five acres contiguous to his legal residence, must be assessed at the same ratio provided in this item. If this property has located on it any rented mobile homes or residences which are rented or any business for profit, this four percent value does not apply to those businesses or rental properties. For purposes of the assessment ratio allowed pursuant to this item, a residence does not qualify as a legal residence unless the residence is determined to be the domicile of the owner‑applicant.

The assessment ratio allowed pursuant to this subsection includes the legal residence and not more than five contiguous acres thereto located on ‘heirs’ property’ so long as the legal residence is owned and occupied by one or more heirs. For purposes of this item, ‘heirs’ property’ includes, but is not limited to, land that is owned collectively by heirs of a deceased person whose estate never passed through the probate process. For purposes of qualifying for the assessment ratio allowed by this subsection by an owner of heirs’ property, proof of ownership may include, but is not limited to, a birth certificate, language in a deed, authentic family papers, and other means that shall be designated by regulation by the Department of Revenue.” /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND SECTION 12‑43‑220 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, RELATING TO CLASSIFICATIONS FOR ASSESSMENT RATIOS, SO AS TO PROVIDE THAT THE LEGAL RESIDENCE AND NOT MORE THAN FIVE CONTIGUOUS ACRES THERETO LOCATED ON THE HEIRS’ PROPERTY ALSO QUALIFIES FOR THE FOUR PERCENT ASSESSMENT PROVIDED BY THIS SUBSECTION AS LONG AS THE LEGAL RESIDENCE IS OWNED AND OCCUPIED BY ONE OR MORE OF THE COLLECTIVE OWNERS OF THE HEIRS’ PROPERTY.

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

SECTION 1. Section 12‑43‑220(c)(1) of the 1976 Code is amended to read:

“(c)(1) The legal residence and not more than five acres contiguous thereto, when owned totally or in part in fee or by life estate and occupied by the owner of the interest, and additional dwellings located on the same property and occupied by immediate family members of the owner of the interest, are taxed on an assessment equal to four percent of the fair market value of the property. If residential real property is held in trust and the income beneficiary of the trust occupies the property as a residence, then the assessment ratio allowed by this item applies if the trustee certifies to the assessor that the property is occupied as a residence by the income beneficiary of the trust. When the legal residence is located on leased or rented property and the residence is owned and occupied by the owner of a residence on leased property, even though at the end of the lease period the lessor becomes the owner of the residence, the assessment for the residence is at the same ratio as provided in this item. If the lessee of property upon which he has located his legal residence is liable for taxes on the leased property, then the property upon which he is liable for taxes, not to exceed five acres contiguous to his legal residence, must be assessed at the same ratio provided in this item. If this property has located on it any rented mobile homes or residences which are rented or any business for profit, this four percent value does not apply to those businesses or rental properties. For purposes of the assessment ratio allowed pursuant to this item, a residence does not qualify as a legal residence unless the residence is determined to be the domicile of the owner‑applicant. The legal residence and not more than five contiguous acres thereto located on the heirs’ property also qualifies for the four percent assessment provided by this subsection as long as the legal residence is owned and occupied by one or more of the collective owners of the heirs’ property. For purposes of this subsection, ‘heirs’ property’ means land that is owned collectively by the heirs of a deceased person who has been dead for over ten years and whose estate never passed through the probate process.”

SECTION 2. This act takes effect upon approval by the Governor.

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