



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4821  
**Author:** Ott  
**Subject:** Agricultural real property  
**Requestor:** House Ways and Means  
**RFA Analyst(s):** Jolliff  
**Impact Date:** May 6, 2016

**Estimate of Fiscal Impact**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	Undetermined	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

Based upon eighteen county responses, the local expenditure impact will vary by county depending upon the county's current process for notifying taxpayers of a change in assessment, volume of agricultural property, and ability to absorb these additional responsibilities within current staff levels. The responses received ranged from no impact to an increase in expenditures of \$30,000 per year.

The bill is also expected to increase expenditures for probate courts due to the additional requirements they must fulfill in administering the distribution of agricultural use property to heirs and the uncertainties surrounding how these requirements will be accomplished. Given these issues, the statewide local expenditure impact is undetermined.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

This bill would add Section 12-43-235 to required counties to provide a form for new property owners to certify that real property currently being assessed as agricultural property will not change use. The section also requires that if a county does not receive the certification within sixty days from the new owner, the county must notify the owner of the impending change in

assessment and send an additional notice after thirty days for those who did not respond to the first notice.

We contacted the 46 county assessors to determine the local expenditure impact of the bill. To date, we received responses from eighteen counties. These responses are detailed below.

Abbeville replied that these provisions will require an additional part-time staff person and increase expenditures for postage, mailings, and record keeping by a total of approximately \$20,000 per year. Abbeville also estimates a one-time expenditure of \$5,000 to upgrade the county's software to track notifications and compliance. Calhoun County expects the bill will increase expenditures by approximately \$20,000 to administer these requirements. Charleston County anticipates that their annual expenditures will increase by approximately \$18,500 to \$22,500 for the necessary software upgrades, mailings, and staff time needed to administer these requirements. Colleton County anticipates that the bill will require additional staff and increase county expenditures by approximately \$20,000 annually. Georgetown County indicated that this bill will increase expenditures by approximately \$20,000, including the need for one-half of an additional staff person to administer these requirements. Orangeburg indicated that the provisions would require an additional clerk to track replies and contact taxpayers who have not replied. Along with the additional postage, the bill would increase Orangeburg County expenditures by approximately \$30,000 per year. Richland County estimates that the bill will increase expenditures for tracking, printing, and mailing certifications by approximately \$8,000 annually. Spartanburg County responded that the bill is expected to increase expenditures by approximately \$28,000 annually. Union County expects this bill to increase annual expenditures by approximately \$23,000 to \$26,000. Williamsburg County anticipates that the bill will require additional staff and increase county expenditures by approximately \$20,000 annually.

Anderson, Fairfield, Hampton, Horry, Newberry, and Sumter Counties indicated that the bill will increase expenditures for tracking, notifying, and record keeping for these provisions including the potential need for additional staff, but the exact increase for these counties is undetermined.

Clarendon and Dorchester Counties replied that these provisions will not significantly impact their current process and therefore not impact county expenditures.

Based upon these responses, we anticipate that the local expenditure impact will vary by county depending upon the county's current process, volume of agricultural property, and ability to absorb these responsibilities. Given these uncertainties, the statewide impact on county expenditures is undetermined.

The bill is also expected to impact expenditures for probate courts. The bill requires that probate courts provide taxpayers with the certification for agricultural property assessment and that the taxpayer must sign an acknowledgement of receipt of the certification. Because probate courts do not have any information on how property is assessed for taxation, these requirements will require additional staff for researching property tax assessments. Additionally, distributees of property typically do not appear in person and requiring that they sign an acknowledgement of receipt of the certification form would be difficult to administer. These provisions are expected to increase local probate court expenditures. However, given the uncertainties as to how these

requirements will be accomplished and the additional staff time ultimately needed, the impact is undetermined.

**Local Revenue**

N/A

A handwritten signature in blue ink, reading "Frank A. Rainwater". The signature is fluid and cursive, with a prominent initial "F" and "R".

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Frank A. Rainwater, Executive Director