**A** **BILL**

TO AMEND SECTION 12‑43‑230, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TREATMENT OF AGRICULTURAL REAL PROPERTY, MOBILE HOME, AND LESSEE IMPROVEMENTS TO REAL PROPERTY, SO AS TO CLASSIFY OFF‑PREMISES OUTDOOR ADVERTISING SIGNS AS PERSONAL PROPERTY AND TO PROVIDE THAT UNDER CERTAIN CIRCUMSTANCES AN OFF‑PREMISES SIGN SITE MUST BE TAXED AT ITS VALUE WHICH EXISTED BEFORE THE ERECTION OF THE SIGN.

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

SECTION 1. Section 12‑43‑230 of the 1976 Code is amended by adding a new subsection to read:

“(e)(1) For ad valorem property tax purposes, an off‑premises outdoor advertising sign must be classified as tangible personal property. The sign owner must file a business personal property tax return annually with the South Carolina Department of Revenue based upon the original cost of the sign structure less allowable depreciation. Any sign permit required by local, state, or federal law must be considered as intangible personal property for ad valorem property tax purposes.

(2) If an off‑premises outdoor advertising sign site is one‑quarter of an acre or less, or is otherwise limited to an area large enough only to accommodate the building structure, foundation, and provide for service or maintenance, is leased from an unrelated third party, or the sign is owned by the owner of the site, and the sign owner has filed a business personal property tax return with the Department of Revenue, then the off‑premises outdoor advertising sign site real property must be assessed to the site owner at its value before the lease or construction of the sign without regard to the structure, the lease, or lease income, and no separate assessment may be issued for the sign company’s lease or ownership interest. The lease or construction of such property does not constitute an assessable transfer of interest pursuant to Article 25, Chapter 37, Title 12, and the real property constituting the sign site shall maintain its same property tax classification as commercial, manufacturing, agricultural, or utility property as it had before the lease.

(3) For purposes of this subsection:

(a) ‘Intangible personal property’ has the same meaning as contained in Section 3(j), Article X, of the Constitution of this State.

(b) ‘Off‑premises outdoor advertising sign’ means a lawfully erected, permanent sign which relates in its subject matter to products, accommodations, services, or activities sold or offered elsewhere other than upon the premises on which the sign is located.

(c) ‘Sign owner’ means the owner of an off‑premises outdoor advertising sign.”

SECTION 2. This act takes effect upon approval by the Governor and first applies to property tax years after 2014. County tax officials shall adjust values and assessment ratios to reflect the provisions of this act, but no refund is allowed on account of the provisions of this act.

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