COMMITTEE REPORT

January 31, 2017

**S. 75**

Introduced by Senator Young

S. Printed 1/31/17--S.

Read the first time January 10, 2017.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 75) to amend Section 12‑43‑220(c)(2) of the 1976 Code, relating to programs and uniform assessment ratios for county equalization and reassessment, to provide, 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 and inserting:

/ SECTION 1. Section 12‑43‑220(c)(2) of the 1976 Code is amended by adding a subsubitem at the end to read:

“(ix) If an owner who is entitled to the special assessment ratio for owner-occupied residential property allowed pursuant to this item (c), becomes a patient at a nursing home or a community residential care facility, then the owner retains the four percent assessment ratio and applicable exemptions for as long as the owner remains in the home or facility so long as the owner otherwise qualifies, has an intention of returning to the property, and the property is not rented in excess of the amount allowed by this subitem (c)(2). For purposes of this subsubitem, nursing home and community residential care facility have the same meaning as provided in Section 44‑7‑130.”/

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Amended by Senate Finance on January 24, 2017**

**Local Revenue**

The amended bill establishes that an owner, who is entitled to the special four percent assessment ratio for an owner-occupied residential property and becomes a patient in a nursing home, retains the four percent assessment ratio. This is as long as the owner otherwise qualifies, has an intention to return to the property, and the property is not rented in excess of seventy-two days in a year, per §12-43-220(c)(2). The amendment makes minor wording changes and identifies a section of law more specifically. These clarifications do not change the original analysis of the bill’s fiscal impact.

Based on prior conversations with assessors, the general practice among counties is to allow such a taxpayer to retain the owner-occupied residential assessment as long as the owner intends to return home and the property is not rented for longer than §12-43-220(c)(2) allows. There may be a few incidences where this has not been the case. However, as these cases are few, they are not likely to have a significant impact on local revenue.

**Introduced on January 10, 2017**

**Local Revenue**

This bill establishes that an owner, who received the special four percent assessment ratio for an owner-occupied residential property and now resides in a nursing home, retains the four percent assessment ratio so long as the owner has an intention to return to the property and has no rental income attributable to the property.

Based on prior conversations with assessors, the general practice among counties is to allow such a taxpayer to retain the owner-occupied residential assessment as long as the owner intends to return home and the property is not rented. There may be a few incidences where this has not been the case. However, as these cases are few, they are not likely to have a significant impact on local revenue.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 12‑43‑220(c)(2) OF THE 1976 CODE, RELATING TO PROGRAMS AND UNIFORM ASSESSMENT RATIOS FOR COUNTY EQUALIZATION AND REASSESSMENT, TO PROVIDE THAT AN OWNER ELIGIBLE FOR AND RECEIVING THE SPECIAL ASSESSMENT PURSUANT TO SECTION 12‑43‑220(c) WHO IS RESIDING AT A NURSING HOME RETAINS THE SPECIAL ASSESSMENT RATIO OF FOUR PERCENT FOR AS LONG AS THE OWNER REMAINS IN THE NURSING HOME.

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

SECTION 1. Section 12‑43‑220(c)(2) of the 1976 Code is amended by adding:

“(ix) An owner who received the special assessment ratio for owner-occupied residential property allowed pursuant to this subsection, who is unable to reapply for the special assessment ratio because he is now residing at a nursing home as defined in Section 44‑7‑130(13), and who otherwise does not have an agent, including but not limited to a living spouse, retains the four percent assessment ratio and applicable exemptions for as long as the owner remains in the nursing home. The four percent assessment ratio shall be retained so long as the owner has an intention of returning to the property and no rental income is attributable to the property.”

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

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