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CHAPTER 43.

COUNTY EQUALIZATION AND REASSESSMENT

ARTICLE 3.

PROGRAMS; UNIFORM ASSESSMENT RATIOS

**SECTION 12‑43‑210.** Uniform and equitable assessments; rules and regulations.

(A) All property must be assessed uniformly and equitably throughout the State. The South Carolina Department of Revenue may promulgate regulations to ensure equalization which must be adhered to by all assessing officials in the State.

(B) No reassessment program may be implemented in a county unless all real property in the county, including real property classified as manufacturing property, is reassessed in the same year.

**SECTION 12‑43‑215.** Owner‑occupied residential real property; highest and best use; appeals of assessment value.

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.

**SECTION 12‑43‑217.** Quadrennial reassessment; postponement ordinance.

(A) Notwithstanding any other provision of law, once every fifth year each county or the State shall appraise and equalize those properties under its jurisdiction. Property valuation must be complete at the end of December of the fourth year and the county or State shall notify every taxpayer of any change in value or classification if the change is one thousand dollars or more. In the fifth year, the county or State shall implement the program and assess all property on the newly appraised values.

(B) A county by ordinance may postpone for not more than one property tax year the implementation of revised values resulting from the equalization program provided pursuant to subsection (A). The postponement ordinance applies to all revised values, including values for state‑appraised property. The postponement allowed pursuant to this subsection does not affect the schedule of the appraisal and equalization program required pursuant to subsection (A) of this section.

(C) Postponement of the implementation of revised values pursuant to subsection (B) shall also postpone any requirement for submission of a reassessment program for approval by the Department of Revenue.

**SECTION 12‑43‑220.** Classifications shall be equal and uniform; particular classifications and assessment ratios; procedures for claiming certain classifications; roll‑back taxes.

Except as otherwise provided, the ratio of assessment to value of property in each class shall be equal and uniform throughout the State. All property presently subject to ad valorem taxation shall be classified and assessed as follows:

(a)(1) All real and personal property owned by or leased to manufacturers and utilities and used by the manufacturer or utility in the conduct of the business must be taxed on an assessment equal to ten and one‑half percent of the fair market value of the property.

(2) Real property owned by or leased to a manufacturer and used primarily for research and development is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to this item (a). The term “research and development” means basic and applied research in the sciences and engineering and the design and development of prototypes and processes.

(3) Real property owned by or leased to a manufacturer and used primarily as an office building is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to this item (a) if the office building is not located on the premises of or contiguous to the plant site of the manufacturer.

(4) Real property owned by or leased to a manufacturer and used exclusively for warehousing and wholesale distribution is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to this item (a).

(b) All inventories of business establishments shall be taxed on an assessment equal to six percent of the fair market value of such property and all power driven farm machinery and equipment except motor vehicles registered with the Department of Motor Vehicles owned by farmers and used on agricultural lands as defined in this article shall be taxed on an assessment equal to five percent of the fair market value of such property; provided, that all other farm machinery and equipment and all livestock and poultry shall be exempt from ad valorem taxes.

(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.

(2)(i) To qualify for the special property tax assessment ratio allowed by this item, the owner‑occupant must have actually owned and occupied the residence as his legal residence and been domiciled at that address for some period during the applicable tax year. A residence which has been qualified as a legal residence for any part of the year is entitled to the four percent assessment ratio provided in this item for the entire year, for the exemption from property taxes levied for school operations pursuant to Section 12‑37‑251 for the entire year, and for the homestead exemption under Section 12‑37‑250, if otherwise eligible, for the entire year.

(ii) This item does not apply unless the owner of the property or the owner’s agent applies for the four percent assessment ratio before the first penalty date for the payment of taxes for the tax year for which the owner first claims eligibility for this assessment ratio. In the application the owner or his agent must certify to the following statement:

“Under penalty of perjury I certify that:

(A) the residence which is the subject of this application is my legal residence and where I am domiciled at the time of this application and that I do not claim to be a legal resident of a jurisdiction other than South Carolina for any purpose; and

(B) that neither I nor any other member of my household is residing in or occupying any other residence which I or any member of my immediate family has qualified for the special assessment ratio allowed by this section.”

(iii) For purposes of subitem (ii)(B) of this item, “a member of my household” means:

(A) the owner‑occupant’s spouse, except when that spouse is legally separated from the owner‑occupant; and

(B) any child of the owner‑occupant claimed or eligible to be claimed as a dependent on the owner‑occupant’s federal income tax return.

(iv) In addition to the certification, the burden of proof for eligibility for the four percent assessment ratio is on the owner‑occupant and the applicant must provide proof the assessor requires including, but not limited to:

(A) a copy of the owner‑occupant’s most recently filed South Carolina individual income tax return;

(B) copies of South Carolina motor vehicle registrations for all motor vehicles registered in the name of the owner‑occupant;

(C) other proof required by the assessor necessary to determine eligibility for the assessment ratio allowed by this item.

If the assessor determines the owner‑occupant ineligible, the six percent property tax assessment ratio applies and the owner‑occupant may appeal the classification as provided in Chapter 60 of this title.

(v) A member of the armed forces of the United States on active duty who is a legal resident of and domiciled in another state is nevertheless deemed a legal resident and domiciled in this State for purposes of this item if the members permanent duty station is in this State. A copy of the member’s orders filed with the assessor is considered proof sufficient of the member’s permanent duty station.

(vi) No further applications are necessary from the current owner while the property for which the initial application was made continues to meet the eligibility requirements. If a change in ownership or use occurs, the owner who had qualified for the special assessment ratio allowed by this section shall notify the assessor of the change in classification within six months of the change. Another application is required by the new owner to qualify the residence for future years for the four percent assessment ratio allowed by this section.

(vii) If a person signs the certification, obtains the four percent assessment ratio, and is thereafter found not eligible, or thereafter loses eligibility and fails to notify the assessor within six months, a penalty is imposed equal to one hundred percent of the tax paid, plus interest on that amount at the rate of one‑half of one percent a month, but in no case less than thirty dollars nor more than the current year’s taxes. This penalty and any interest are considered ad valorem taxes due on the property for purposes of collection and enforcement.

(viii) Failure to file within the prescribed time constitutes abandonment of the owner’s right for this classification for the current tax year, but the local taxing authority may extend the time for filing upon a showing satisfactory to it that the person had reasonable cause for not filing before the first penalty date.

(3) Notwithstanding any other provision of law, a taxpayer may apply for a refund of property taxes overpaid because the property was eligible for the legal residence assessment ratio. The application must be made in accordance with Section 12‑60‑2560. The taxpayer must establish that the property in question was in fact his legal residence and where he was domiciled. A county council, by ordinance, may allow refunds for the county government portion of property taxes for such additional past years as it determines advisable.

(4) A legal residence qualifying for the four percent assessment ratio provided by this item must have an assessed value of not less than one hundred dollars.

(5) To qualify for the four percent assessment ratio, the owner‑occupant of a legal residence that is being purchased under a contract for sale or a bond for title must record the contract for sale or the bond for title in the office of the register of mesne conveyances or the clerk of court in those counties where the office of the register of mesne conveyances has been abolished.

For purposes of this subsection, a contract for sale or a bond for title is the sale of real property by a seller, who finances the sale and retains title to the property solely as security for the debt.

(6) Notwithstanding any other provision of law, a purchaser who purchases a residential property intending that the property shall become the purchaser’s primary residence, but subject to vacation rentals as provided for in Title 27, Chapter 50, Article 2 for no longer than ninety days, may apply for the four percent assessment ratio when the purchaser actually occupies the property. If the owner actually occupies the residence within ninety days of acquiring ownership, the four percent assessment ratio, if the owner is otherwise qualified, applies retroactively to the date ownership was acquired.

(7) Notwithstanding any other provision of law, the owner‑occupant of a legal residence is not disqualified from receiving the four percent assessment ratio allowed by this item if the taxpayer’s residence meets the requirements of Internal Revenue Code Section 280A(g) as defined in Section 12‑6‑40(A) and the taxpayer otherwise is eligible to receive the four percent assessment ratio.

(d)(1) Agricultural real property which is actually used for such agricultural purposes shall be taxed on an assessment equal to:

(A) Four percent of its fair market value for such agricultural purposes for owners or lessees who are individuals or partnerships and certain corporations which do not:

(i) Have more than ten shareholders.

(ii) Have as a shareholder a person (other than an estate) who is not an individual.

(iii) Have a nonresident alien as a shareholder.

(iv) Have more than one class of stock.

(B) Six percent of its fair market value for such agricultural purposes for owners or lessees who are corporations, except for certain corporations specified in (A) above.

(2)(A) “Fair market value for agricultural purposes”, when applicable to land used for the growth of timber, is defined as the productive earning power based on soil capability to be determined by capitalization of typical cash rents of the lands for timber growth or by capitalization of typical net income of similar soil in the region or a reasonable area of the region from the sale of timber, not including the timber growing thereon, and when applicable to land used for the growth of other agricultural products the term is defined as the productive earning power based on soil capability to be determined by capitalization of typical cash rents or by capitalization of typical net annual income of similar soil in the region or a reasonable area of the region, not including the agricultural products thereon. Soil capability when applicable to lands used for the growth of timber products means the capability of the soil to produce such timber products of the region considering any natural deterrents to the potential capability of the soil as of the current assessment date. The term, when applicable to lands used for the growth of other agricultural products, means the capability of the soil to produce typical agricultural products of the region considering any natural deterrents to the potential capability of the soil as of the current assessment date. The term “region” means that geographical part of the State as determined by the department to be reasonably similar for the production of the agricultural products. After average net annual earnings have been established for agricultural lands, they must be capitalized to determine use‑value of the property based on a capitalization rate which includes:

1. an interest component;

2. a local property tax differential component;

3. a risk component;

4. an illiquidity component.

Each of these components of the capitalization rate must be based on identifiable factors related to agricultural use of the property. The interest rate component is the average coupon (interest) rate applicable on all bonds which the Federal Land Bank of Columbia, which serves South Carolina farmers, has outstanding on July first of the crop‑years being used to estimate net earnings and agricultural use‑value. Implementation of the provisions contained in this section is the responsibility of the department.

(B)(i) For tax year 1988 and subsequent tax years, fair market value for agricultural purposes must be determined by adjusting the applicable base year value by an amount equal to the product of multiplying the applicable base year value by a percentage factor obtained through the formula provided in this item. For tax year 1988, the applicable base year is 1981. The fair market value for agricultural purposes determined for the 1991 tax year is effective for all subsequent years.

(ii) The percentage factor provided in this item is derived from the most recent edition of the United States Department of Agriculture publication “AGRICULTURAL LAND VALUES AND MARKETS”, specifically, from “Table 1‑‑Farm Real Estate Values: Indexes of the average value per acre of land and buildings.. .” as listed for this State. The formula to determine the applicable percentage factor is the index of the year of change less the index of the base year with the resulting amount being divided by the index of the base year and rounded to the nearest whole number. For purposes of the formula, the base year is the last year in which values were adjusted under this item.

(3) Agricultural real property does not come within the provisions of this section unless the owners of the real property or their agents make a written application therefor on or before the first penalty date for taxes due for the first tax year in which the special assessment is claimed. The application for the special assessment must be made to the assessor of the county in which the agricultural real property is located, on forms provided by the county and approved by the department and a failure to apply constitutes a waiver of the special assessment for that year. The governing body may extend the time for filing upon a showing satisfactory to it that the person had reasonable cause for not filing on or before the first penalty date. No additional annual filing is required while the use of the property remains bona fide agricultural and the ownership remains the same. The owner shall notify the assessor within six months of a change in use. For failure to notify the assessor of a change in use, in addition to any other penalties provided by law, a penalty of ten percent and interest at the rate of one‑half of one percent a month must be paid on the difference between the amount that was paid and the amount that should have been paid, but not less than thirty dollars nor more than the current year’s taxes.

(4) When real property which is in agricultural use and is being valued, assessed, and taxed under the provisions of this article, is applied to a use other than agricultural, it is subject to additional taxes, hereinafter referred to as roll‑back taxes, in an amount equal to the difference, if any, between the taxes paid or payable on the basis of the valuation and the assessment authorized hereunder and the taxes that would have been paid or payable had the real property been valued, assessed, and taxed as other real property in the taxing district, in the current tax year (the year of change in use) and each of the five tax years immediately preceding in which the real property was valued, assessed, and taxed as herein provided. If in the tax year in which a change in use of the real property occurs the real property was not valued, assessed, and taxed under this article, then the real property is subject to roll‑back taxes for each of the five tax years immediately preceding in which the real property was valued, assessed, and taxed hereunder. In determining the amounts of the roll‑back taxes chargeable on real property which has undergone a change in use, the assessor shall for each of the roll‑back tax years involved ascertain:

(A) the fair market value without consideration of the standing timber of such real property under the valuation standard applicable to other real property in the same classification;

(B) the amount of the real property assessment for the particular tax year by multiplying such fair market value by the appropriate assessment ratio provided in this article;

(C) the amount of the additional assessment on the real property for the particular tax year by deducting the amount of the actual assessment on the real property for that year from the amount of the real property assessment determined under (B) of this section;

(D) the amount of the rollback for that tax year by multiplying the amount of the additional assessment determined under (C) of this section by the property tax rate of the taxing district applicable for that tax year.

(5) Any other provision of law to the contrary notwithstanding, a dockside facility whose primary use is the landing and processing of seafood is considered agricultural real property.

(6) Any property which becomes exempt from property taxes under Section 12‑37‑220(A)(1) or any economic development property which becomes exempt under Section 12‑37‑220(B) is not subject to rollback taxes.

(e) All other real property not herein provided for shall be taxed on an assessment equal to six percent of the fair market value of such property.

(f) Except as specifically provided by law, all other personal property must be taxed on an assessment of ten and one‑half percent of fair market value of the property, except that commercial fishing boats, and commercial tugboats and pilot boats must be taxed on an assessment of five percent of fair market value. As used in this item “commercial fishing boats” means boats used exclusively for commercial fishing, shrimping, or crabbing and (1) licensed by the Department of Natural Resources, or (2) on or from which is used commercial fishing equipment licensed by the Department of Natural Resources. As used in this item, “commercial tugboats” shall mean boats used exclusively for harbor and ocean towing, documented with the U.S. Coast Guard, constructed of steel, and being at least seventy‑nine feet in length and having a gross tonnage of at least ninety‑nine tons. As used in this item, “pilot boats” shall mean boats used exclusively for pilotage and operated exclusively by state pilots who are licensed by the Commissioners of Pilotage pursuant to Chapter 15 of Title 54 and Chapter 136 of the regulations issued pursuant thereto.

(g) All real and personal property owned by or leased to companies primarily engaged in the transportation for hire of persons or property and used by such companies in the conduct of such business and required by law to be assessed by the department shall be taxed on an assessment equal to nine and one‑half percent of the fair market value of such property.

The department shall apply an equalization factor to real and personal property owned by or leased to transportation companies for hire as mandated by federal legislation.

Notwithstanding any other provision of this article, on June 3, 1975, if it is found that there is a variation between the ratios being used and those stated in this section, the county may provide for a gradual transition to the ratios as herein provided for over a period not to exceed seven years; provided, however, that all property within a particular classification shall be assessed at the same ratio, provided, further, however, that all property enumerated in subsection (a) shall be assessed at the ratio provided in such subsection and the property enumerated in subsections (b), (c), (d), (e), (f), and (g) shall be increased or decreased to the ratios set forth in this article by a change in the ratio of not less than one‑half of one percent per year nor more than one percent per year. Provided, however, that notwithstanding the provisions of this section, a county may, at its discretion, immediately implement the assessment ratios contained in subsections (b), (c), (d), (e), and (f). Provided, however, that livestock shall not be subject to ad valorem taxation unless such livestock is physically located within the State for a period in excess of nine months. Provided, that this section shall not apply to farm animals and farm equipment in use on a farm in those counties which do not tax such property as of June 3, 1975.

Provided, however, all agricultural or forest land within easements granted to public bodies, agencies, railroads, or utilities for rights of way of thirty feet in width or greater shall be assessed at the same cropland value per acre as soil class 7 in schedule 1 of R 117‑126 of the State Department of Revenue. In order to receive such assessment the landowner must apply to the tax assessor of the county where the easement is located, with documentation of the existence, location, and amount of acreage contained in the easement.

As used in this section, fair market value with reference to real property means fair market value determined in the manner provided pursuant to Article X of the Constitution of this State, Section 12‑37‑930 and Article 25, Chapter 37 of this title.

**SECTION 12‑43‑221.** Property purchased by installment contract for sale; applicable assessments and exemptions.

Property in which the occupant has an interest pursuant to an installment contract for sale with the United States Department of Veterans Affairs, or its assignee, is eligible for the assessment ratio provided in Section 12‑43‑220(c) and the exemptions provided in Sections 12‑37‑220, 12‑37‑250, and 12‑37‑290, as long as the additional requirements of those sections, other than the ownership requirement, are also met.

**SECTION 12‑43‑224.** Assessment of undeveloped acreage subdivided into lots.

Notwithstanding the requirement that real property is required by law to be appraised at fair market value for ad valorem tax purposes, when undeveloped acreage is surveyed into subdivision lots and the conditional or final plat is recorded with the appropriate county official, the county assessor shall appraise each lot as an individual property and then discount his gross actual market value estimate of the developer’s lot holdings under the following conditions:

1. The discount rate shall include only:

(a) typical interest rate as charged by developers within the county to purchasers of lots when the purchase is financed by the developer or, in the absence of financing by the developer, the typical interest rate charged by local savings & loan institutions for mortgages on new homes.

(b) the effective tax rate for the tax district that the lots are located in.

2. The developer has ten or more unsold lots within the homogeneous area on the December 31 tax control date.

3. The assessor shall determine a reasonable number of years for the developer to sell the platted lots, however the estimate shall not exceed seven years.

Each of these components shall be based on identifiable factors in determining “The Present Worth of Future Benefits” based on the discounting process.

Platted lots shall not come within the provisions of this section unless the owners of such real property or their agents make written application therefore on or before May 1st of the tax year in which the multiple lot ownership discounted value is claimed.

The application for the discounted value shall be made to the assessor of the county in which the real property is located, upon forms provided by the county and approved by the department and a failure to so apply shall constitute a waiver of the discounted value for that year.

**SECTION 12‑43‑225.** Multiple lot discounts.

(A) For subdivision lots in a plat recorded on or after January 1, 2001, and notwithstanding the provisions of Section 12‑43‑224, a subdivision lot discount is allowed in the valuation of the platted lots only as provided in subsection (B) of this section, and this discounted value applies for five property tax years or until the lot is sold, or a certificate of occupancy is issued for the improvement on the lot, or the improvement is occupied, whichever of them elapses or occurs first. When the discount allowed by this section no longer applies, the lots must be individually valued as provided by law.

(B) To be eligible for a subdivision lot discount, the recorded plat must contain at least ten building lots. The owner shall apply for the discount by means of a written application to the assessor on or before May first of the year for which the discount is claimed. The value of each platted building lot is calculated:

(1) by dividing the total number of platted building lots into the value of the entire parcel as undeveloped real property; and

(2) as provided in Section 12‑43‑224 and the difference between the two calculations determined.

The value of a lot as determined under Section 12‑43‑224 is reduced as follows:

For lots in plats recorded in 2001, the value is reduced by thirty percent of the difference.

For lots in plats recorded in 2002, the value is reduced by sixty percent.

For lots in plats recorded after 2002, the value is reduced by one hundred percent of the difference.

(C) If a lot allowed the discount provided by this section is sold to the holder of a residential homebuilder’s license or general contractor’s license, the discount continues through the first tax year which ends twelve months from the date of sale if the purchaser files a written application for the discount with the county assessor by May first of the year for which the applicant is claiming the discount.

**SECTION 12‑43‑227.** Valuation of homeowners’ association property.

The fair market value of homeowners’ association property, as defined in Section 12‑43‑230, for ad valorem tax purposes is defined as the nonqualified earnings value to be determined by the capitalization of the property’s nonqualified gross receipts. For purposes of this section, “nonqualified gross receipts”, means the gross receipts from the use of the property other than:

(1) amounts received as membership dues, fees, or assessments from the members of the homeowners’ association; and

(2) amounts received from the developer of the property owned by the homeowners’ association as reported on the most recently filed application submitted pursuant to Section 12‑43‑230. If additional reporting is required pursuant to Section 12‑43‑230, nonqualified gross receipts shall be determined utilizing gross receipts from the most recent completed tax year. After a piece of property’s nonqualified gross receipts have been established, they must be capitalized to determine nonqualified earnings value by utilizing a capitalization rate of twenty percent. Notwithstanding any other provision of this section, in the event of real property with zero or de minimus nonqualified gross receipts, the special valuation of homeowners’ association property shall not result in any homeowners’ association property being valued at a rate less than five hundred dollars an acre.

**SECTION 12‑43‑230.** Treatment of agricultural real property, mobile home and lessee improvements to real property; department shall prescribe regulations.

(a) For the purposes of this article, unless otherwise required by the context, the words “agricultural real property” shall mean any tract of real property which is used to raise, harvest or store crops, feed, breed or manage livestock, or to produce plants, trees, fowl or animals useful to man, including the preparation of the products raised thereon for man’s use and disposed of by marketing or other means. It includes but is not limited to such real property used for agriculture, grazing, horticulture, forestry, dairying and mariculture. In the event at least fifty percent of a real property tract shall qualify as “agricultural real property”, the entire tract shall be so classified, provided no other business for profit is being operated thereon. The term “agricultural real property” shall include real property used to provide free housing for farm laborers provided such housing is located on the tract of land that qualifies as agricultural real property.

The department shall provide by regulation for a more detailed definition of “agricultural real property” consistent with the general definition set forth in this section, to be used by county assessors in determining entitlement to special assessment under this article. Such regulations shall be designed to exclude from the special assessment that real property which is not bona fide agricultural real property for which the tax relief is intended.

(b) For the purposes of this article all mobile homes in this State and all improvements to leased real property made by the lessee shall be considered real property and shall be classified and assessed for ad valorem taxation in accordance with the provisions of Section 12‑43‑220. “Mobile homes” is defined as a portable unit designed and built to be towed on its own chassis, comprised of a frame and wheels, connected to utilities, and designed without a permanent foundation for year‑round residential use. A mobile home may contain parts that may be folded or collapsed when being towed, and expanded on site to provide additional space. The term “mobile home” shall also include units in two or more separately towable components designed to be joined into one integral unit for use, and capable of being again separated into the components for repeated towing. It may also include two units which may be joined, on site, into a single residential unit.

(c) The department may further provide by regulation for definitions not inconsistent with general law for real property and personal property in order that such property must be assessed uniformly throughout the State.

(d) For purposes of this article, “homeowners’ association property” means real and personal property owned by a homeowners’ association if:

(1) property owned by the homeowners’ association is held for the use, benefit, and enjoyment of members of the homeowners’ association;

(2) each member of the homeowners’ association has an irrevocable right to use and enjoy on an equal basis, property owned by the homeowners’ association, subject to any restrictions imposed by the instruments conveying the right or the rules, regulations, or bylaws of the homeowners’ association; and

(3) each irrevocable right to use and enjoy property owned by the homeowners’ association is appurtenant to taxable real property owned by a member of the homeowners’ association.

Subject to making the appropriate application pursuant to this subsection, a homeowners’ association may designate one or any number of its qualifying tracts or parcels as homeowners’ association property for purposes of the special valuation contained in Section 12‑43‑227.

As used in this subsection, “homeowners’ association” means an organization which is organized and operated to provide for the acquisition, construction, management, and maintenance of property.

Homeowners’ association property does not come within the provisions of this subsection unless the owners of the real property or their agents make a written application for it on or before the first penalty date for taxes due for the first tax year in which the special valuation is claimed. The application may be with respect to one or any number of tracts or parcels owned by the homeowners’ association. The application for the special valuation must be made to the assessor of the county in which the special valuation property is located, on forms provided by the county and approved by the department which includes the reporting of nonqualified gross receipts, and failure to apply constitutes a waiver of the special valuation for that year. No additional annual filing is required while the property remains homeowners’ association property and the ownership remains the same, unless the nonqualified gross receipts within the meaning of Section 12‑43‑227 for the most recent completed tax year either (i) exceed the amount of nonqualified gross receipts with respect to the property reported on the most recently filed application by ten percent or more or (ii) are less than ninety percent of the amount of nonqualified gross receipts with respect to the property reported on the most recently filed application. In that case, the owners of the real property or their agents must make additional written application with respect to the property and report the change in nonqualified gross receipts.

**SECTION 12‑43‑232.** Requirements for agricultural use.

In addition to all other requirements for real property to be classified as agricultural real property, the property must meet the following requirements:

(1)(a) If the tract is used to grow timber, the tract must be five acres or more. Tracts of timberland of less than five acres which are contiguous to or are under the same management system as a tract of timberland which meets the minimum acreage requirement are treated as part of the qualifying tract. Tracts of timberland of less than five acres are eligible to be agricultural real property when they are owned in combination with other tracts of nontimberland agricultural real property that qualify as agricultural real property. For the purposes of this item, tracts of timberland must be devoted actively to growing trees for commercial use.

(b) A tract which meets the acreage requirement of subitem (a) of this item devoted to growing Christmas trees is considered timberland. A Christmas tree tract not meeting the acreage requirement qualifies as agricultural property if the landowner reports gross income from Christmas trees that meets the income test provided in item (3) of this section, mutatis mutandis.

(2) For tracts not used to grow timber as provided in item (1) of this section, the tract must be ten acres or more. Nontimberland tracts of less than ten acres which are contiguous to other such tracts which, when added together, meet the minimum acreage requirement, are treated as a qualifying tract. For purposes of this item (2) only, contiguous tracts include tracts with identical owners of record separated by a dedicated highway, street, or road or separated by any other public way.

(3)(a) Nontimberland tracts not meeting the acreage requirement of item (2) qualify as agricultural real property if the person making the application required pursuant to Section 12‑43‑220(d)(3) earned at least one thousand dollars of gross farm income for at least three of the five taxable years preceding the year of the application. The assessor may require the applicant (i) to give written authorization consistent with privacy laws allowing the assessor to verify farm income from the Department of Revenue or the Internal Revenue Service and (ii) to provide the Agriculture Stabilization and Conservation Service (ASCS) farm identification number of the tract and allow verification with the ASCS office.

(b) An owner making an initial application required pursuant to Section 12‑43‑220(d)(3) for a nontimberland tract of less than ten acres may claim the property as agricultural real property for each year for the first five years of operation if he earned at least one thousand dollars of gross farm income in at least three of the first five years. The assessor may require the new owner (i) to give written authorization consistent with privacy laws allowing the assessor to verify farm income from the Department of Revenue or the Internal Revenue Service and (ii) to provide the Agriculture Stabilization and Conservation Service (ASCS) farm identification number of the tract and allow verification with the ASCS office.

If the new owner fails to meet the income requirements in the five‑year period, the tract is not considered agricultural real property and is subject to the rollback tax.

(c) Real property idle under a federal or state land retirement program or property idle pursuant to accepted agricultural practices is agricultural real property if the property otherwise would have qualified as agricultural real property subject to satisfactory proof to the assessor.

(d) Unimproved real property subject to a perpetual conservation easement as provided in Chapter 8 of Title 27 is agricultural real property if the property otherwise would have qualified as agricultural real property subject to satisfactory proof to the assessor.

(e) A nontimberland tract that does not meet the acreage or income requirements of this section to be classified as agricultural real property must nevertheless be classified as agricultural real property if the current owner or an immediate family member of the current owner has owned the property for at least the ten years ending January 1, 1994, and the property is classified as agricultural real property for property tax year 1994.

The property must continue to be classified as agricultural real property until the property is applied to some other use or until the property is transferred to other than an immediate family member, whichever occurs first. For purposes of this subitem, “immediate family” is a person related to the current owner within the third degree of consanguinity or affinity and a trust all of whose noncontingent beneficiaries are related to the grantor of the trust within the third degree of consanguinity or affinity.

(4) In the case of rented or leased agricultural real property, either the lessor or the lessee shall meet the requirements of this section.

(5)(a) On the application required pursuant to Section 12‑43‑220(d)(3), the owner or his agent shall certify substantially as follows: Subject to the penalty provided in Section 12‑43‑340, either:

(i) “I certify that the property which is the subject of this application meets the requirements to qualify as agricultural real property as of January first of the current tax year”; or

(ii) “I certify that the property which is the subject of this application meets the requirements to qualify as agricultural real property and for the special assessment ratio for certain agricultural real property as of January first of the current tax year”.

(b) If it is determined that the property for which the certification was made did not meet the requirements to qualify for agricultural use classification at the time the certification was made, the property which is the subject of the certification is denied agricultural use value for the property tax year or years in question and in lieu of the rollback tax, the tax on the property for each tax year in question must be recalculated using fair market value, the appropriate assessment ratio, and the appropriate millage. There must be deducted from the recalculated tax liability any taxes paid for the year and the penalties provided pursuant to Section 12‑45‑180 must be added to the balance due. Interest at the rate of one percent a month must be added to the unpaid taxes calculated from the last penalty date. Additional property tax revenues derived from the operation of this section changing agricultural use property to some other use must be used only for the purpose of rolling back property tax millage.

**SECTION 12‑43‑233.** Agritourism uses.

(A) In addition to and incidental to the uses required for real property to be classified as agricultural real property pursuant to Sections 12‑43‑220(d), 12‑43‑230(a), and 12‑43‑232, and applicable regulations, uses of tracts of agricultural real property for “agritourism” purposes is deemed an agricultural use of the property to the extent agritourism is not the primary reason any tract is classified as agricultural real property but is supplemental and incidental to the primary purposes of the tract’s use for agriculture, grazing, horticulture, forestry, dairying, and mariculture. These supplemental and incidental agritourism uses are not an “other business for profit” for purposes of Section 12‑43‑230(a). For purposes of this section, agritourism uses include, but are not limited to: wineries, educational tours, education barns, on‑farm historical reenactments, farm schools, farm stores, living history farms, on‑farm heirloom plants and animals, roadside stands, agricultural processing demonstrations, on‑farm collections of old farm machinery, agricultural festivals, on‑farm theme playgrounds for children, on‑farm fee fishing and hunting, pick your own, farm vacations, on‑farm pumpkin patches, farm tours, horseback riding, horseback sporting events and training for horseback sporting events, cross‑country trails, on‑farm food sales, agricultural regional themes, hayrides, mazes, crop art, harvest theme productions, native ecology preservations, on‑farm picnic grounds, dude ranches, trail rides, Indian mounds, earthworks art, farm animal exhibits, bird‑watching, stargazing, nature‑based attractions, and ecological‑based attractions.

(B) The Department of Revenue by regulation may further define those uses qualifying as agritourism and appropriate definitions for “supplemental and incidental” as used in this section.

**SECTION 12‑43‑240.** Counties shall require building permits; copies shall be furnished to assessor.

All counties shall require by law or ordinance that building permits be issued to persons engaging in new construction or renovation and such permits shall correspond to minimum requirements of the department. The county shall furnish a copy of the building permit to the assessor within ten days after such issuance.

Every municipality in the county requiring building permits shall furnish copies of said permit to the county assessor within ten days after such issuance.

**SECTION 12‑43‑250.** Sales ratio studies; reassessment or remapping.

The department shall make sales ratio studies in all counties of the State and when, in the judgment of the department, a county needs to reassess or remap property, the department shall make application to the circuit court in which the county is located for a determination of whether or not the county shall be required to commence reassessment or remapping. If the circuit court determines that the county needs reassessment or remapping, such county shall be required to commence the reassessment or remapping within thirty days of such determination.

**SECTION 12‑43‑260.** Counties wilfully failing to comply with article shall not be entitled to certain State aid; certification of compliance.

Any county which wilfully fails to comply with the provisions of this article shall not be entitled to twenty percent of the allocation of the taxes as provided for in the General Appropriations Act for State Aid to Subdivisions. The department shall make application to the circuit court for a determination as to whether or not such county meets the requirements of this article. The department shall then, based on this determination, certify to the State Treasurer that such county meets the requirements of this article before any tax allocation is made to the county.

**SECTION 12‑43‑280.** Repealed by 2000 Act No. 399, Section 3(Q)(3), eff August 17, 2000.

**SECTION 12‑43‑285.** Certification of millage rates; excessive rates.

(A) The governing body of a political subdivision on whose behalf a property tax is billed by the county auditor shall certify in writing to the county auditor that the millage rate levied is in compliance with laws limiting the millage rate imposed by that political subdivision.

(B) If a millage rate is in excess of that authorized by law, the county treasurer shall either issue refunds or transfer the total amount in excess of that authorized by law, upon collection, to a separate, segregated fund, which must be credited to taxpayers in the following year as instructed by the governing body of the political subdivision on whose behalf the millage was levied. An entity submitting a millage rate in excess of that authorized by law shall pay the costs of implementing this subsection or a pro rata share of the costs if more than one entity submits an excessive millage rate.

**SECTION 12‑43‑290.** Repealed by 2000 Act No. 399, Section 3(Q)(3), eff August 17, 2000.

**SECTION 12‑43‑295.** No additional millage shall be levied as inflation factor under equalization or reassessment program.

Notwithstanding any other provision of law, no additional millage shall be levied as an inflation factor under the provisions of any equalization or reassessment program pursuant to the provisions of this chapter.

**SECTION 12‑43‑296.** Preparation of budgets and carry forward of positive general fund balances.

In accordance with Article X, Section 7(b) of the Constitution of this State, political subdivisions, including school districts, of this State shall prepare and maintain annual budgets which provide for sufficient income to meet estimated expenses for each fiscal year. Notwithstanding any other provision of law, political subdivisions, including school districts, of this State may maintain and carry forward reasonable positive general fund balances from fiscal year to fiscal year including, but not limited to, those years in which property within a political subdivision or school district is subject to reassessment.

**SECTION 12‑43‑300.** Extension of time for filing of objection to valuation and assessment; standard reassessment form.

The governing body of the county may by ordinance extend the time for filing an objection to the valuation and assessment of real property resulting from reassessment within a county.

The Department of Revenue shall prescribe a standard reassessment form designed to contain the information required in Section 12‑60‑2510(A)(1) in a manner that may be understood easily.

**SECTION 12‑43‑310.** Article shall not affect certain contracts.

In those counties which have a nondevelopment contract, those contracts which have been executed as of June 3, 1975 shall be valid for the period for which they were executed.

**SECTION 12‑43‑320.** Legislative repeal of certain rules and regulations.

Any or all rules and regulations promulgated by the South Carolina Department of Revenue for the implementation of the provisions of Act 208 of 1975 [Sections 12‑37‑90 to 12‑37‑110, 12‑39‑340, 12‑39‑350, 12‑43‑210 to 12‑43‑310, 12‑37‑970] may be declared null and void by passage of a joint resolution expressing such intention. Such rules and regulations declared null and void will be considered repealed on and after the date of passage of the joint resolution.

**SECTION 12‑43‑330.** Property exempt from taxation is also exempt from assessment.

Property exempted from ad valorem taxation by Section 12‑37‑220 is also exempt from assessment.

**SECTION 12‑43‑335.** Classification of assessed property of merchants and related businesses; classification of assessed property of manufacturers; classification of assessed property of railroads, private carlines, airlines, water, power, telephone, cable television, sewer and pipeline companies.

(A) For the purpose of assessing property of merchants and related businesses, as provided by Section 12‑37‑970, the department shall follow the classifications of the most recent North American Classification System Manual, as follows:

(1) Sector 23;

(2) Sector 48, except subsectors 48551 and 48541;

Sector 484, except subsectors 48412 and 48423;

Sector 483, except subsector 483211;

Sector 481, except subsector 481112;

Sector 56;

Sector 51, except subsectors 517, 5152, 51511, and 51512;

Sector 22, except subsectors 221 and 2212;

(3) Sector 42;

(4) Sectors 44 and 45;

(5) Sectors 71 and 81;

(6) Sector 453;

(B) For the purpose of assessing property of manufacturers as provided in Section 12‑4‑540(A), the department shall follow the classifications set out in Sectors 21, 31 to 33 of the most recent North American Industry Classification System Manual; however, establishments which publish newspapers, books, and periodicals which do not have facilities for printing or which do not actually print their publications are not classified as manufacturers, notwithstanding the provisions of Sectors 31 to 33, relating to printing, publishing, and allied industries.

(C) For the purpose of assessing property of railroads, private carlines, airlines, water, power, telephone, cable television, sewer and pipeline companies, as provided in Section 12‑4‑540(A), the department shall follow the Sector 22 classification of the most recent North American Industry Classification System Manual, as follows:

(1) Sector 482;

(2) Sector 485, except subsectors 4851, 48521, 48531, 48541, 4859, and 488490;

(3) Sector 424, except subsectors 48411, 48422, 492, 493, and 488490;

(4) Sector 483, except subsectors 48311, 483113, 483211, and 483114;

(5) Sector 481, except subsectors 4812 and 48811;

(6) Sector 486;

(7) Sector 51, except subsectors 51511 and 51512;

(8) Sector 22, except subsectors 56292, 562211, 562212, 562213, 562219, 488119, 56291, 56171, 562998, 22133, and 22131.

**SECTION 12‑43‑340.** Agricultural use application; false statement.

It is unlawful for a person knowingly and wilfully to make a false statement on the application required pursuant to Section 12‑43‑220(d)(3) to a county assessor for the classification of property as agricultural real property or for the special assessment ratio for certain agricultural real property. A person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined not more than two hundred dollars.

**SECTION 12‑43‑350.** Standardized tax bill.

Affected political subdivisions must use a tax bill for real property that contains standard information as follows:

(1) tax year;

(2) tax map number;

(3) property location;

(4) appraised value, taxable;

(5) tax amount;

(6) state homestead tax exemption pursuant to Section 12‑37‑250, if applicable;

(7) state homestead tax exemption pursuant to Section 12‑37‑220(B)(47) and the estimated value of the exemption and the amount of any credit against the property tax liability for county operations on owner‑occupied residential property attributable to an excess balance in the Homestead Exemption Fund;

(8) local option sales tax credit, if applicable;

(9) any applicable fees;

(10) total tax due;

(11) tax due with penalties and applicable dates;

(12) prior year amount paid‑‑only required to be shown if assessment is unchanged from prior year, except during reassessment years, in which case all properties must show the prior year tax amount.

The information required pursuant to this section must be contained in a “boxed” area measuring at least three inches square placed on the right side of the tax bill.

**SECTION 12‑43‑360.** Assessed value of aircraft.

The governing body of a county by ordinance may reduce the assessment ratio otherwise applicable in determining the assessed value of general aviation aircraft subject to property tax in the county to a ratio not less than four percent of the fair market value of the general aviation aircraft. The ordinance must apply uniformly to all general aviation aircraft subject to property tax in the county.

**SECTION 12‑43‑365.** Golf course valuation.

(A) The value of tangible personal property and intangible personal property and any income or expense derived from such property, whether directly or indirectly, must not be included in the determination of fair market value of golf course real property for ad valorem tax purposes.

(B) For purposes of this section “intangible personal property” has the same meaning as “intangible personal property” as contained in Article X, Section 3(j) of the Constitution of this State.

(C) If the fair market value of golf course real property for ad valorem tax purposes is determined pursuant to the capitalized income approach, the taxpayer shall provide income and expense data for the entire golf course operation, golf cart rentals, food and beverage services, and pro shop sales on a form designed by the county assessors and golf course owners and approved by the South Carolina Department of Revenue. Any data provided by the taxpayer for this purpose is not public data and may not be disclosed except in the process of a formal appeal involving the subject real property.