

# **REPORT OF THE PROPERTY TAX SUBCOMMITTEE**

(G. R. Smith, Herbkersman, Finlay, Weeks, Hewitt - Meredith Ross, staff)

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## **HOUSE BILL 3669**

H. 3669 -- Rep. Hart: A BILL TO AMEND SECTION 12-37-610, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PERSONS LIABLE FOR TAXES AND ASSESSMENTS ON REAL PROPERTY, SO AS TO PROVIDE THAT CERTAIN DISABLED VETERANS OF THE ARMED FORCES OF THE UNITED STATES ARE EXEMPT FROM PROPERTY TAXES IN THE YEAR IN WHICH THE DISABILITY OCCURS.

***Received by Ways and Means:*** 1/14/21

***Summary of Bill:*** This bill provides that a veteran of the Armed Forces of the United States who is permanently and totally disabled as a result of a service-connected disability is exempt from paying property taxes in the year in which the disability occurs. While disabled veterans are currently exempt from ad valorem taxation, this bill would change the timing of the exemption and allow for it to apply immediately in the year the disability takes place. Otherwise, the exemption does not effectively apply until a year following the occurrence of the disability because under 12-37-610(A), a taxpayer is liable for taxes on property that they own as of December 31 of the preceding year.

***Estimated Revenue Impact:*** This bill will result in a minimal property tax revenue loss, as less than 1 percent of owner occupied properties would receive a property tax exemption one year earlier than what is currently allowed beginning in TY 2021. Additionally, RFA anticipates that local governing entities will adjust millage rates, within the millage rate limitations, to offset any loss of property tax revenue due to this bill.

***Other Notes/Comments:*** Passed Property Tax Subcommittee on 4/28.



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	H. 3669	Introduced on January 14, 2021
<b>Author:</b>	Hart	
<b>Subject:</b>	Property Tax	
<b>Requestor:</b>	House Ways and Means	
<b>RFA Analyst(s):</b>	Miller	
<b>Impact Date:</b>	April 30, 2021	

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### **Fiscal Impact Summary**

This bill will result in a minimal property tax revenue loss, as less than 1 percent of owner-occupied properties would receive a property tax exemption one year earlier than what is currently allowed beginning in TY 2021. Additionally, RFA anticipates that local governing entities will adjust millage rates, within the millage rate limitations, to offset any loss of property tax revenue due to this bill.

### **Explanation of Fiscal Impact**

**Introduced on January 14, 2021**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

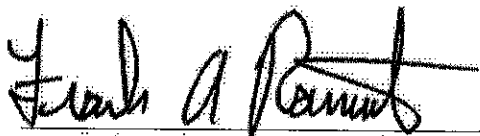
N/A

**Local Revenue**

This bill allows a veteran of the Armed Forces of the United States, who is permanently and totally disabled as a result of a service-connected disability, to immediately claim a property tax exemption for his owner-occupied property. The veteran must file with the Department of Revenue (DOR) certifying the disability to receive this exemption.

Currently, veteran of the Armed Forces of the United States, who is permanently and totally disabled as a result of a service-connected disability, may claim a property tax exemption of his owner-occupied property. But the exemption does not take effect until the year following the approval from DOR. This bill would allow veteran to receive the exemption one year earlier. According to DOR, 3,185 disabled veterans qualified for this exemption in TY 2020. This represents less than 1 percent of the total owner-occupied properties statewide. This bill will result in a minimal impact to local property tax revenue as there are a limited number of properties that would receive the exemption one year earlier. Additionally, RFA anticipates that

local governing entities will adjust millage rates, within the millage rate limitations, to offset any loss of property tax revenue due to this bill. Therefore, this bill will result in a minimal local property tax revenue loss.

A handwritten signature in black ink, appearing to read "Frank A. Rainwater". The signature is written in a cursive, flowing style with a horizontal line extending from the end.

Frank A. Rainwater, Executive Director

**South Carolina General Assembly**  
124th Session, 2021-2022

**H. 3669**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Hart, Gilliard and Weeks

Document Path: I:\council\bills\nbd\11131sa21.docx

Introduced in the House on January 14, 2021

Currently residing in the House Committee on **Ways and Means**

Summary: Property tax

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
1/14/2021	House	Introduced and read first time ( <a href="#">House Journal-page 542</a> )
1/14/2021	House	Referred to Committee on <b>Ways and Means</b> ( <a href="#">House Journal-page 542</a> )
4/22/2021	House	Member(s) request name added as sponsor: Gilliard
4/28/2021	House	Member(s) request name added as sponsor: Weeks

View the latest [legislative information](#) at the website

**VERSIONS OF THIS BILL**

1/14/2021

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4  
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8  
9 **A BILL**

10  
11 TO AMEND SECTION 12-37-610, CODE OF LAWS OF SOUTH  
12 CAROLINA, 1976, RELATING TO PERSONS LIABLE FOR  
13 TAXES AND ASSESSMENTS ON REAL PROPERTY, SO AS  
14 TO PROVIDE THAT CERTAIN DISABLED VETERANS OF  
15 THE ARMED FORCES OF THE UNITED STATES ARE  
16 EXEMPT FROM PROPERTY TAXES IN THE YEAR IN WHICH  
17 THE DISABILITY OCCURS.

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

21  
22 SECTION 1. Section 12-37-610 of the 1976 Code is amended to  
23 read:

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25 “Section 12-37-610. (A) Each person is liable to pay taxes and  
26 assessments on the real property that, as of December thirty-first of  
27 the year preceding the tax year, he owns in fee, for life, or as trustee,  
28 as recorded in the public records for deeds of the county in which  
29 the property is located, or on the real property that, as of December  
30 thirty-first of the year preceding the tax year, he has care of as  
31 guardian, executor, or committee or may have the care of as  
32 guardian, executor, trustee, or committee.

33 (B) Notwithstanding any other provision of law, a veteran of the  
34 Armed Forces of the United States, who is permanently and totally  
35 disabled as a result of a service-connected disability and who files  
36 with the department a certificate signed by the county service officer  
37 certifying this disability, and who otherwise meets the requirements  
38 of Section 12-37-220(B)(1) may immediately claim the exemption  
39 for the entire year in which the disability occurs.”  
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1 SECTION 2. This act takes effect upon approval by the Governor  
2 and applies to property tax years beginning after 2020 and any open  
3 period less than three years.  
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