

REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(Barfield, Clyburn, Merrill, Huggins & Skelton - Staff Contact: Emily Heatwole)

HOUSE BILL 5049

H. 5049 -- Reps. Merrill and Brannon: A BILL TO AMEND SECTION 12-43-215, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPEAL OF A PROPERTY ASSESSMENT VALUE, SO AS TO PROVIDE THAT THE APPEAL MUST BE BASED ON THE MARKET VALUES OF REAL PROPERTY AS OF DECEMBER THIRTY-FIRST OF THE TAX YEAR UNDER APPEAL; TO AMEND SECTION 12-60-2510, RELATING TO A PROPERTY TAX ASSESSMENT NOTICE, SO AS TO PROVIDE THAT IN A YEAR IN WHICH AN ASSESSABLE TRANSFER OF INTEREST OCCURS DUE TO A CONVEYANCE, IF THE ASSESSOR DETERMINES THAT FAIR MARKET VALUE IS MORE THAN THE PURCHASE PRICE, THE ASSESSOR SHALL STATE WITH PARTICULARITY, THE BASIS FOR THE INCREASE IN FAIR MARKET VALUE, TO PROVIDE THAT THE TAXPAYER AT LEAST HAS THIRTY DAYS OF RECEIPT OF THE TAX NOTICE TO APPEAL, AND TO REQUIRE THE ASSESSOR TO INCLUDE A PROPERTY TAX REFUND ASSIGNMENT CONTRACT IN CERTAIN CASES; TO AMEND SECTION 12-60-2530, RELATING TO AN APPEAL TO THE COUNTY BOARD OF ASSESSMENT APPEALS, SO AS TO PROVIDE THAT IN THE CASE OF A TIE VOTE, THE ASSESSOR'S DETERMINATION IS OVERTURNED; BY ADDING SECTION 12-60-2570 SO AS TO PROVIDE THAT THE COUNTY ASSESSOR SHALL HAVE THE BURDEN OF PROOF IN A PROPERTY TAX APPEAL; AND BY ADDING SECTION 12-60-2580 SO AS TO ALLOW A TAXPAYER TO APPEAL THE VALUE ONCE EVERY FIVE YEARS AND TO PROVIDE EXCEPTIONS.

Summary of Bill:

Adjustments by the assessor based on an appeal of the owner must be based on the market values of December 31st of the tax year under appeal. The assessor must clearly state the basis if the fair market value is determined to be more than the purchase price. Owner may provide written notice 30 days after receipt of the bill in addition to the current 90 days after mailed by the county. Assessment notice must be uniform and include a property tax refund assignment contract. In any years in which an assessable transfer of interest has occurred a purchaser may appeal the fair market value. Decision of appeal must be voted on and in the case of a tie the assessor's decision is overturned and the board must make a determination subject to appeal.

Introduced: 3/22/2012

Received by Ways and Means: 3/22/2012

Estimated Fiscal Impact:

Pending

Subcommittee Recommendation:

Adopted as Amended

Full Committee Recommendation:

Pending

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

GOOD/DOWNEY
APRIL 18, 2012

CLERK OF THE HOUSE

THE PROPERTY TAX SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 5049
(COUNCIL\NBD\12357DG12):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
DELETING SECTION 3.**

RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.

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A BILL

TO AMEND SECTION 12-43-215, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPEAL OF A PROPERTY ASSESSMENT VALUE, SO AS TO PROVIDE THAT THE APPEAL MUST BE BASED ON THE MARKET VALUES OF REAL PROPERTY AS OF DECEMBER THIRTY-FIRST OF THE TAX YEAR UNDER APPEAL; TO AMEND SECTION 12-60-2510, RELATING TO A PROPERTY TAX ASSESSMENT NOTICE, SO AS TO PROVIDE THAT IN A YEAR IN WHICH AN ASSESSABLE TRANSFER OF INTEREST OCCURS DUE TO A CONVEYANCE, IF THE ASSESSOR DETERMINES THAT FAIR MARKET VALUE IS MORE THAN THE PURCHASE PRICE, THE ASSESSOR SHALL STATE WITH PARTICULARITY, THE BASIS FOR THE INCREASE IN FAIR MARKET VALUE, TO PROVIDE THAT THE TAXPAYER AT LEAST HAS THIRTY DAYS OF RECEIPT OF THE TAX NOTICE TO APPEAL, AND TO REQUIRE THE ASSESSOR TO INCLUDE A PROPERTY TAX REFUND ASSIGNMENT CONTRACT IN CERTAIN CASES; TO AMEND SECTION 12-60-2530, RELATING TO AN APPEAL TO THE COUNTY BOARD OF ASSESSMENT APPEALS, SO AS TO PROVIDE THAT IN THE CASE OF A TIE VOTE, THE ASSESSOR'S DETERMINATION IS OVERTURNED; BY ADDING SECTION 12-60-2570 SO AS TO PROVIDE THAT THE COUNTY ASSESSOR SHALL HAVE THE BURDEN OF PROOF IN A PROPERTY TAX APPEAL; AND BY ADDING SECTION 12-60-2580 SO AS TO ALLOW A TAXPAYER TO APPEAL THE VALUE ONCE EVERY FIVE YEARS AND TO PROVIDE EXCEPTIONS.

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

1 SECTION 1. Section 12-43-215 of the 1976 Code, as last
2 amended by Act 138 of 2005, is further amended to read:

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4 "Section 12-43-215. When owner-occupied residential property
5 assessed pursuant to Section 12-43-220(c) is valued for purposes
6 of ad valorem taxation, the value of the land must be determined
7 on the basis that its highest and best use is for residential purposes.
8 When a property owner or an agent for a property owner appeals
9 the value of a property assessment, the assessor shall consider the
10 appeal and make any adjustments, if warranted, based on the
11 market values of real property as ~~they existed in the year that the~~
12 ~~equalization and reassessment program was conducted and on~~
13 ~~which the assessment is based~~ of December thirty-first of the tax
14 year under appeal."

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16 SECTION 2. Section 12-60-2510 of the 1976 Code, as last
17 amended by Act 57 of 2007, is further amended to read:

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19 "Section 12-60-2510. (A)(1) In the case of property tax
20 assessments made by the county assessor, whenever the assessor
21 increases the fair market value or special use value in making a
22 property tax assessment by one thousand dollars or more, or
23 whenever the first property tax assessment is made on the property
24 by a county assessor, the assessor, by July first in the year in which
25 the property tax assessment is made, or as soon after as is practical,
26 shall send the taxpayer a property tax assessment notice. In years
27 when real property is appraised and assessed under a countywide
28 equalization program, substantially all property tax assessment
29 notices must be mailed by October first of the implementation
30 year. In these reassessment years, if substantially all of the tax
31 assessment notices are not mailed by October first, the prior year's
32 property tax assessment must be the basis for all property tax
33 assessments for the current tax year. A property tax assessment
34 notice under this subsection must be in writing and must include:

35 (a) the fair market value; in a year in which an assessable
36 transfer of interest occurs due to a conveyance, if the assessor
37 determines that fair market value is more than the purchase price,
38 the assessor shall state with particularity, the basis for the increase
39 in fair market value;

40 (b) value as limited by Article 25, Chapter 37, Title 12;
41 (c) the special use value, if applicable;
42 (d) the assessment ratio;
43 (e) the property tax assessment;

- 1 (f) the number of acres or lots;
- 2 (g) the location of the property;
- 3 (h) the tax map number; and
- 4 (i) the appeal procedure.

5 (2) The notice must be served upon the taxpayer personally
6 or by mailing it to the taxpayer at his last known place of residence
7 which may be determined from the most recent listing in the
8 applicable telephone directory, the Department of Motor Vehicles'
9 motor vehicle registration list, county treasurer's records, or
10 official notice from the property taxpayer.

11 (3) In years when there is a notice of property tax
12 assessment, the property taxpayer, within ninety days after the
13 assessor mails the property tax assessment notice or within thirty
14 days of receipt of a property tax bill, whichever is later, must give
15 the assessor written notice of objection to one or more of the
16 following: the fair market value, the special use value, the
17 assessment ratio, and the property tax assessment.

18 (4) In years when there is no notice of property tax
19 assessment, the property taxpayer may appeal the fair market
20 value, the special use value, the assessment ratio, and the property
21 tax assessment of a parcel of property at any time. The appeal
22 must be submitted in writing to the assessor. An appeal submitted
23 before the first penalty date applies for the property tax year for
24 which that penalty would apply. An appeal submitted on or after
25 the first penalty date applies for the succeeding property tax year.

26 (B) The department shall prescribe a standard property tax
27 assessment notice designed to contain the information required in
28 subsection (A) in a manner that may be easily understood as well
29 as a property tax refund assignment contract which may be utilized
30 in a year in which the purchaser of property files an appeal.

31 (C) In any year in which an assessable transfer of interest has
32 occurred, a purchaser of the real property may appeal the fair
33 market value, the special use value, the assessment ratio, and the
34 property tax assessment of a parcel of property in the same manner
35 as the taxpayer. The assessor may require a written assignment of
36 any property tax refund executed by the buyer and seller."

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38 SECTION 3. Section 12-60-2530(J)(1) of the 1976 Code is
39 amended to read:

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41 "(1) The decision must be made by a majority vote of the board
42 members present at the conference. In case of a tie, the assessor's

1 determination is ~~upheld~~ overturned and the board must make a
2 determination, subject to further appeal."

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4 SECTION 4. Subarticle 9, Article 9, Chapter 60, Title 12 of the
5 1976 Code is amended by adding:

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7 "Section 12-60-2570. Notwithstanding any other provision of
8 law, for any appeal or protest brought pursuant to this subarticle,
9 the county assessor shall have the burden of proof of showing that
10 the fair market value, the special use value, the assessment ratio,
11 and the property tax assessment are appropriate.

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13 Section 12-60-2580. Notwithstanding any other provision of
14 law, a taxpayer may appeal a property tax assessment on an annual
15 basis, except that a taxpayer may only appeal due to a change in
16 value once every five years in conjunction with the county's
17 reassessment cycle pursuant to Section 12-43-217. However, if the
18 property undergoes an assessable transfer of interest during the
19 reassessment cycle, and the value has already been appealed in the
20 reassessment cycle, the taxpayer may appeal the value once more
21 during the reassessment cycle following the assessable transfer of
22 interest."

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24 SECTION 5. This act takes effect upon approval by the Governor
25 and applies to property tax years beginning after 2011.

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