

HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

CONE/MELTON  
APRIL 8, 2014

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CLERK OF THE HOUSE

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*Property Tax Subcommittee* PROPOSES THE FOLLOWING AMENDMENT  
No. TO H. 3733  
(COUNCIL\BBM\3733C004.BBM.HTC14):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY STRIKING SECTION 12-43-222, AS CONTAINED IN SECTION 1, BEGINNING ON PAGE 1, AND INSERTING:**

**/ SECTION 12-43-222. NOTWITHSTANDING THE PROVISIONS OF SECTION 12-43-220(D)(4), THE PROPERTY TAX VALUE, AS DEFINED IN SECTION 12-37-3135, OF THAT PORTION OF A PARCEL OF REAL PROPERTY CHANGED FROM**

**AGRICULTURAL USE FOR PURPOSES OF RESIDENTIAL OR COMMERCIAL DEVELOPMENT THAT IS DESIGNATED ON THE RECORDED DEVELOPMENT PLAT OF THE PARCEL AS 'GREEN SPACE' OR 'OPEN SPACE' IF IT EQUALS TEN PERCENT OR MORE OF THE AREA INCLUDED WITHIN THE OUTERMOST BOUNDARIES OF THE RESIDENTIAL OR COMMERCIAL DEVELOPMENT MUST BE VALUED ACCORDING TO ITS NEW GREEN SPACE OR OPEN SPACE USE FOR ALL PURPOSES IN CALCULATING ROLL-BACK TAX DUE ON THE PARCEL. AS USED IN THIS SECTION ONLY, AND WITHOUT REGARD TO ANY OTHER DEFINITIONS FOR THOSE TERMS IN STATE LAW OR REGULATIONS, 'GREEN SPACE' AND 'OPEN SPACE' HAVE THE MEANING PROVIDED FOR THOSE TERMS BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY . THE COUNTY ASSESSOR SHALL VALUE THE DESIGNATED GREEN SPACE OR OPEN SPACE IN THE MANNER THAT OTHER PROPERTY DEDICATED TO THAT USE IS VALUED AND THAT VALUE MUST BE USED IN THE**

**CALCULATION OF ROLL-BACK TAX ON THE PARCEL PURSUANT TO SECTION 12-43-220(D)(4). APPEALS FROM THE VALUATION OF THE GREEN SPACE OR OPEN SPACE MAY BE TAKEN IN THE MANNER PROVIDED BY LAW FOR APPEALS OF VALUE OF REAL PROPERTY APPRAISED BY COUNTY ASSESSORS.” /**

**AMEND THE BILL FURTHER, PAGE 3, BY STRIKING SECTION 3 AND INSERTING:**

**/ SECTION 3. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR AND APPLIES FOR ELIGIBLE REAL PROPERTY CHANGED FROM AGRICULTURAL USE VALUATION AFTER 2013. /**

**RENUMBER SECTIONS TO CONFORM.**

**AMEND TITLE TO CONFORM.**

# REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(G.R. Smith, Clyburn, Merrill, Huggins & Skelton - Staff Contact: Emily Heatwole)

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## HOUSE BILL 3733

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H. 3733 -- Reprs. Pope, Stringer, Simrill, J.R. Smith, Lucas, Skelton, Southard, Patrick, Bedingfield, Hamilton, Atwater, Huggins, Allison, Ballentine, Barfield, Bernstein, Branham, Chumley, Cole, Erickson, Felder, Finlay, Forrester, Gagnon, Hardee, Henderson, Hixon, Kennedy, King, Loftis, Long, Lowe, D.C. Moss, Norman, Owens, Rivers, G.R. Smith, Tallon, Taylor, Toole and Wood: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12-43-222 SO AS TO PROVIDE WHEN CALCULATING ROLL-BACK TAX DUE ON A PARCEL OF REAL PROPERTY CHANGED FROM AGRICULTURAL TO COMMERCIAL OR RESIDENTIAL USE THE VALUE USED FOR PLATTED GREEN SPACE FOR CONSERVATION OR OPEN SPACE USE OF THE PARCEL, IF SUCH USE IS TEN PERCENT OR MORE OF THE PARCEL, MUST BE VALUED BASED ON THE GREEN SPACE FOR CONSERVATION OR OPEN SPACE USE; AND TO AMEND SECTION 12-43-220, AS AMENDED, RELATING TO CLASSES OF PROPERTY AND APPLICABLE ASSESSMENT RATIOS FOR PURPOSES OF IMPOSITION OF THE PROPERTY TAX, SO AS TO MAKE A CONFORMING AMENDMENT.

***Summary of Bill:***

If a parcel of property classified as agricultural has at least ten percent or more of the area of the parcel classified as green space for conservation or open space use then if that property is re classified for commercial or residential use for development, the parcel of must be valued according to its green space for conservation or open space use for all purposes in calculating roll-back tax due on the parcel.

***Introduced:*** 02/28/2013

***Received by Ways and Means:*** 02/28/2013

***Estimated Fiscal Impact:***

Attached

***Subcommittee Recommendation:***

Favorable as Amended

***Full Committee Recommendation:***

Pending

***Other Notes/Comments:***

## Statement of Estimated Local Revenue Impact

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**Date:** April 1, 2014  
**Bill Number:** H.B. 3733  
**Authors:** Pope, Stringer, Simirill, J.R. Smith, Lucas, *et al.*

### Committee Requesting Impact: House Ways and Means

#### **Bill Summary**

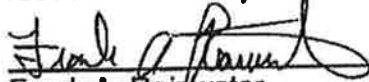
A bill to amend the Code of Laws of South Carolina, 1976, by adding Section 12-43-222 so as to provide when calculating roll-back tax due on a parcel of real property changed from agricultural to commercial or residential use the value used for platted green space for conservation or open space use of the parcel, if such use is ten percent or more of the parcel, must be valued based on the green space for conservation or open space use; and to amend Section 12-43-220, as amended, relating to classes of property and applicable assessment ratios for purposes of imposition of the property tax, so as to make a conforming amendment.

#### **REVENUE IMPACT <sup>11</sup>**

This bill is not expected to impact State revenues. We estimate that local roll-back tax revenue may be reduced by up to \$1,070,000 annually. The reduction in revenue will depend upon the percentage of property platted as open space and the value determination for the open space percentage of the property. The bill is effective for tax years after 2012; therefore, property owners may be due refunds for tax year 2013, potentially doubling the local revenue reduction for one year in 2014.

#### **Explanation**

This bill amends the section on calculation of roll-back tax due on a parcel of real property changed from agricultural to commercial or residential use to specify that if at least ten percent of a parcel is platted for green space for conservation or open space, the open space portion of the property must be valued as such for calculation of the roll-back tax. Currently property converted from agricultural use to commercial or residential property is assessed a penalty based upon the property taxes that would have been collected for the past five years if the property had been taxed under the new property assessment classification and value. Based upon information from county assessors, we estimate that roll-back taxes statewide total approximately \$10,700,000 per year. If all of these properties elected to include the minimum ten percent green space for conservation, local roll-back tax revenue may be reduced up to \$1,070,000 annually statewide. The reduction in local revenue will depend upon the percentage of property platted as open space and the value determination for the open space percentage of the property. The bill is effective for tax years after 2012; therefore, property owners may be due refunds for tax year 2013, potentially doubling the local revenue reduction for one year in 2014.



Frank A. Rainwater  
Chief Economist

**Analyst:** Jolliff

<sup>11</sup> This statement meets the requirement of Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

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**A BILL**

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TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12-43-222 SO AS TO PROVIDE WHEN CALCULATING ROLL-BACK TAX DUE ON A PARCEL OF REAL PROPERTY CHANGED FROM AGRICULTURAL TO COMMERCIAL OR RESIDENTIAL USE THE VALUE USED FOR PLATTED GREEN SPACE FOR CONSERVATION OR OPEN SPACE USE OF THE PARCEL, IF SUCH USE IS TEN PERCENT OR MORE OF THE PARCEL, MUST BE VALUED BASED ON THE GREEN SPACE FOR CONSERVATION OR OPEN SPACE USE; AND TO AMEND SECTION 12-43-220, AS AMENDED, RELATING TO CLASSES OF PROPERTY AND APPLICABLE ASSESSMENT RATIOS FOR PURPOSES OF IMPOSITION OF THE PROPERTY TAX, SO AS TO MAKE A CONFORMING AMENDMENT.

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

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SECTION 1. Article 3, Chapter 43, Title 12 of the 1976 Code is amended by adding:

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“Section 12-43-222. Notwithstanding the provisions of Section 12-43-220(d)(4), the property tax value, as defined in Section 12-37-3135, of that portion of a parcel of real property changed from agricultural use for purposes of residential or commercial development that is designated on the recorded development plat of the parcel as ‘green space for conservation’ or ‘open space’ if it equals ten percent or more of the area of the parcel must be valued according to its new green space for conservation or open space use for all purposes in calculating roll-back tax due on the parcel. The county assessor shall value the designated green space for

1 (D) the amount of the roll-back for that tax year by  
2 multiplying the amount of the additional assessment determined  
3 under (C) of this section by the property tax rate of the taxing  
4 district applicable for that tax year.”

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6 SECTION 3. This act takes effect upon approval by the Governor  
7 and applies for eligible real property changed from agricultural use  
8 valuation after 2012.

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