

## Session 116 - (2005-2006)

**H\*4449 (Rat #0417, Act #0388 of 2006) General Bill, By Cotty, Harrell, Merrill, Walker, Ballentine, Limehouse, E.H. Pitts, Haley, Clark, Townsend, Altman, Anthony, Bailey, Bingham, Bowers, Cato, Ceips, Chellis, Clyburn, Coleman, Cooper, Dantzler, Davenport, Dellene, Duncan, Edge, Frye, Hagood, Harrison, Haskins, Herbkersman, Hinson, Leach, Littlejohn, Loftis, Mahaffey, Martin, Phillips, Pinson, M.A. Pitts, Rhoad, Sandifer, Scarborough, F.N. Smith, G.M. Smith, J.R. Smith, Thompson, Toole, Tripp, Umphlett, Vaughn, White, Whitmire, Young, Bales, Lucas, Kirsh, Huggins, Brady, Hamilton, McGee and Stewart**

**Summary:** Property tax reform bill

AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 11 TO CHAPTER 36 OF TITLE 12, RELATING TO THE SALES TAX, SO AS TO IMPOSE AN ADDITIONAL ONE PERCENT SALES AND USE TAX; TO AMEND SECTION 12-36-910, AS AMENDED, RELATING TO SALES TAXES GENERALLY, SO AS TO PROVIDE THAT THE SALES TAX ON UNPREPARED FOOD IS THREE PERCENT AND TO PROVIDE FOR CERTAIN GENERAL FUND TRANSFERS TO THE EDUCATION IMPROVEMENT ACT FUND FOR EACH FISCAL YEAR TO OFFSET EIA REVENUES LOST AS A RESULT OF THE REDUCED SALES TAX ON THE SALE OF UNPREPARED FOOD; TO ADD SECTION 11-11-155 SO AS TO CREATE THE HOMESTEAD EXEMPTION FUND, TO PROVIDE FOR THE OPERATION OF THE FUND, AND PROVIDE FOR THE TRANSFER INTO THE FUND OF THE ADDITIONAL ONE PERCENT SALES TAX REVENUES PROVIDED FOR ABOVE AND CERTAIN OTHER FUNDS; TO AMEND SECTION 12-37-220, AS AMENDED, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO PROVIDE AN ADDITIONAL EXEMPTION EQUAL TO ONE HUNDRED PERCENT OF THE FAIR MARKET VALUE OF OWNER-OCCUPIED RESIDENTIAL PROPERTY FROM THE PROPERTY TAX IMPOSED FOR SCHOOL OPERATING PURPOSES, TO PROVIDE THAT THIS EXEMPTION WITH CERTAIN EXCEPTIONS DOES NOT APPLY WITH RESPECT TO PROPERTY TAX IMPOSED FOR PAYMENT OF GENERAL OBLIGATION DEBT, AND TO REQUIRE A TWO-THIRDS VOTE OF THE MEMBERSHIP OF EACH HOUSE TO DELETE OR REDUCE THIS EXEMPTION; TO AMEND SECTION 11-11-150, AS AMENDED, RELATING TO THE DISTRIBUTION OF CERTAIN STATE TAX REVENUES INCLUDING THOSE FOR THE TRUST FUND FOR TAX RELIEF; TO AMEND SECTION 12-37-251, AS AMENDED, RELATING TO THE TRUST FUND FOR TAX RELIEF AND REIMBURSEMENTS TO SCHOOL DISTRICTS FROM THIS TRUST FUND; TO AMEND SECTION 12-37-270, RELATING TO REIMBURSEMENTS TO POLITICAL SUBDIVISIONS AS A RESULT OF THE HOMESTEAD PROPERTY TAX EXEMPTION FOR PERSONS SIXTY-FIVE AND OVER, SO AS TO MAKE CONFORMING CHANGES TO THESE SECTIONS TO REFLECT THE REDIRECTION OF CERTAIN STATE REVENUES AS A RESULT OF THE ESTABLISHMENT OF THE HOMESTEAD EXEMPTION FUND IN SECTION 11-11-155 ABOVE; TO REPEAL SECTION 12-37-223A ALLOWING COUNTIES TO LIMIT PROPERTY TAX VALUATION INCREASES; TO SUSPEND THE IMPOSITION OF SALES, USE, AND CASUAL EXCISE TAXES TO OTHERWISE TAXABLE EVENTS OCCURRING ON NOVEMBER 24 AND 25, 2006, AND TO PROVIDE EXCEPTIONS; TO ADD SECTION 11-11-156 SO AS TO PROVIDE FOR THE MANNER, AMOUNT, AND CONDITIONS UNDER WHICH REVENUES OF THE HOMESTEAD EXEMPTION FUND SHALL BE DISTRIBUTED TO SCHOOL DISTRICTS AND FOR CERTAIN OTHER PURPOSES; TO AMEND SECTION 6-1-320, AS AMENDED, RELATING TO THE LIMITATIONS ON MILLAGE INCREASES, SO AS TO REVISE THESE LIMITATIONS AND THE MANNER IN WHICH EXCEPTIONS MAY BE APPROVED, COMPUTED, AND IMPLEMENTED; TO PROVIDE FOR THE MANNER IN WHICH REFERENDUMS MAY BE HELD AT THE SAME TIME AS THE 2006 GENERAL ELECTION AS TO WHETHER OR NOT THE IMPOSITION OF A LOCAL OPTION SALES TAX IN A COUNTY SHOULD BE REPEALED; TO AMEND TITLE 12, BY ADDING ARTICLE 25 TO CHAPTER 37, ENACTING THE "SOUTH CAROLINA PROPERTY TAX VALUATION REFORM ACT", SO AS TO PROVIDE FOR A VALUATION OF REAL PROPERTY FOR PURPOSES OF THE PROPERTY TAX THAT LIMITS THE INCREASE IN TAXABLE VALUE NOT TO EXCEED FIFTEEN PERCENT OVER A FIVE-YEAR PERIOD UNLESS AN ASSESSABLE TRANSFER OF INTEREST OCCURS; TO AMEND SECTION 12-43-220, AS AMENDED, RELATING TO CLASSIFICATIONS OF PROPERTY FOR THE PROPERTY TAX, SO AS TO FURTHER PROVIDE HOW FAIR MARKET VALUE OF REAL PROPERTY SHALL BE DETERMINED; TO AMEND SECTION 6-1-50, RELATING TO FINANCIAL REPORTS, SO AS TO REQUIRE SUBMISSION OF ANNUAL FINANCIAL REPORTS TO THE STATE BUDGET AND CONTROL BOARD, OFFICE OF RESEARCH AND STATISTICS, ECONOMIC RESEARCH SECTION AND TO PROVIDE SUBMISSION AND COMPLIANCE CRITERIA FOR THESE REPORTS; TO AMEND SECTION 12-60-2510, AS AMENDED, RELATING TO PROPERTY TAX NOTICES, SO AS TO ALLOW THAT IN YEARS IN WHICH THERE IS NO NOTICE OF A PROPERTY TAX ASSESSMENT, A TAXPAYER MAY PROTEST THE ASSESSMENT VALUE NINETY DAYS AFTER THE TAX NOTICE IS MAILED AND TO MAKE A CONFORMING AMENDMENT; TO AMEND CHAPTER 10, TITLE 4 BY ADDING ARTICLE 7 SO AS TO PROVIDE FOR THE MANNER IN WHICH LOCAL OPTION SALES AND USE TAXES MAY BE IMPOSED FOR LOCAL PROPERTY TAX CREDITS INCLUDING THE REQUIREMENT OF A REFERENDUM; TO

PROVIDE THAT THE SALES TAX EXEMPTIONS IN SECTION 12-36-2120 SHALL BE REVIEWED BY THE GENERAL ASSEMBLY AT LEAST BY 2010 AND AT LEAST EVERY TEN YEARS THEREAFTER; TO AMEND SECTION 12-37-670, RELATING TO LISTING AND ASSESSMENT OF NEW STRUCTURES FOR PROPERTY TAX PURPOSES, SO AS TO AUTHORIZE A COUNTY GOVERNING BODY BY ORDINANCE TO REQUIRE THAT A NEW STRUCTURE BE LISTED BY THE FIRST DAY OF THE MONTH AFTER THE CERTIFICATE OF OCCUPANCY IS ISSUED FOR THE STRUCTURE AND TO PROVIDE FOR THE TIMING OF PAYMENT OF TAXES DUE; TO REPEAL SECTION 12-37-680 RELATING TO A LOCAL COUNTY ORDINANCE ADOPTING THE SAME RULE; TO AMEND SECTION 12-45-75, AS AMENDED, RELATING TO THE PAYMENT OF PROPERTY TAXES IN INSTALLMENTS, SO AS TO FURTHER PROVIDE FOR THE MANNER IN WHICH A COUNTY MAY PROVIDE FOR THE PAYMENT OF PROPERTY TAXES IN INSTALLMENTS; AND TO AMEND SECTION 11-27-110, AS AMENDED, RELATING TO LEASE PURCHASE OR FINANCING AGREEMENTS SUBJECT TO CONSTITUTIONAL DEBT LIMITATIONS, SO AS TO REVISE THE DEFINITION OF A "FINANCING AGREEMENT" AND "REFINANCING AGREEMENT" TO INCLUDE CERTAIN SCHOOL DISTRICT OR POLITICAL SUBDIVISION CONTRACTS; AND TO PROVIDE FOR THE MANNER IN WHICH THE ABOVE PROVISIONS SHALL TAKE EFFECT. - ratified title

01/17/06 House Introduced and read first time HJ-40  
01/17/06 House Referred to Committee on Ways and Means HJ-43  
01/19/06 House Member(s) request name added as sponsor: W.D.Smith, Bales, Lucas, Kirsh, Huggins, Brady, Hamilton  
01/19/06 House Member(s) request name removed as sponsor: Hayes  
01/24/06 House Member(s) request name added as sponsor: McGee, Stewart  
02/01/06 House Member(s) request name removed as sponsor: W.D.Smith  
02/01/06 House Committee report: Majority favorable with amend., minority unfavorable Ways and Means HJ-3  
02/01/06 House Special order, set for immediately after second reading special order consideration of H. 4450 (Under H. 4575) HJ-34  
02/07/06 Scrivener's error corrected  
02/08/06 House Amended HJ-59  
02/08/06 House Read second time HJ-170  
02/08/06 House Roll call Yeas-86 Nays-31 HJ-170  
02/08/06 House Ordered to third reading with notice of amendments HJ-169  
02/09/06 House Read third time and sent to Senate HJ-15  
02/10/06 Scrivener's error corrected  
02/14/06 Senate Introduced and read first time SJ-4  
02/14/06 Senate Referred to Committee on Finance SJ-4  
03/30/06 Senate Committee report: Favorable with amendment Finance SJ-6  
03/30/06 Senate Special order, set for March 30, 2006 SJ-19  
04/06/06 Senate Committee Amendment Substituted SJ-49  
04/06/06 Senate Debate interrupted SJ-49  
04/07/06 Scrivener's error corrected  
04/11/06 Senate Debate interrupted SJ-28  
04/12/06 Senate Debate interrupted SJ-19  
04/13/06 Senate Debate interrupted SJ-16  
04/18/06 Senate Debate interrupted SJ-25  
04/19/06 Senate Debate interrupted SJ-9  
04/20/06 Senate Debate interrupted SJ-37  
05/02/06 Senate Debate interrupted SJ-10  
05/03/06 Senate Debate interrupted SJ-11  
05/04/06 Senate Amended SJ-36  
05/04/06 Senate Read second time SJ-36  
05/05/06 Scrivener's error corrected  
05/08/06 Senate Amended SJ-29  
05/09/06 Scrivener's error corrected  
05/09/06 Senate Amended SJ-21  
05/09/06 Senate Read third time and returned to House with amendments SJ-21  
05/17/06 House Senate amendment amended HJ-43

05/17/06	House	Returned to Senate with amendments HJ-74
05/17/06	Senate	Non-concurrence in House amendment SJ-48
05/17/06	House	House insists upon amendment and conference committee appointed Reps. Cotty, Merrill, and Anthony HJ-121
05/18/06	Senate	Conference committee appointed Leatherman, Short and Ritchie SJ-43
05/30/06	House	Free conference powers rejected HJ-99
05/30/06	House	Free conference powers granted HJ-110
05/30/06	House	Free conference committee appointed Reps. Cotty, Merrill, and Anthony HJ-114
05/30/06	Senate	Free conference powers granted SJ-90
05/30/06	Senate	Free conference committee appointed Leatherman, Short, and Ritchie SJ-90
05/31/06	House	Free conference report received and adopted HJ-158
05/31/06		Scrivener's error corrected
05/31/06	Senate	Free conference report adopted SJ-54
05/31/06	Senate	Ordered enrolled for ratification SJ-58
06/07/06		Ratified R 417
06/10/06		Signed By Governor
06/22/06		Copies available
06/22/06		Effective date See Act for Effective Date
06/23/06		Act No. 388