COMMITTEE REPORT

February 4, 2009

**S. 278**

Introduced by Senator Alexander

S. Printed 2/4/09--S.

Read the first time January 15, 2009.

**THE COMMITTEE ON FINANCE**

To whom was referred a Joint Resolution (S. 278) to allow the governing body of a county by resolution adopted by majority vote to allow county officials charged with collecting taxes on real property for property tax years 2008 and 2009, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the joint resolution as and if amended, by striking SECTION 1 and inserting:

/ SECTION 1. Notwithstanding the provisions of Section 12‑45‑180 of the 1976 Code, imposing penalties for late payment of property taxes on real property, the governing body of a county by resolution adopted by majority vote may allow county officials charged with the collection of property taxes to waive or reduce the late payment penalties otherwise applicable for taxes due on real property for property tax years 2008 and 2009 as long as the full property tax payment is made by April fifteenth of the applicable tax year. The resolution must specify those terms and conditions under which the penalties may be waived or reduced.

Prior to proposing the resolution, each local taxing entity within the county whose taxes are collected by the county, must notify the county of its consent to the resolution. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This joint resolution is not expected to impact state revenues. Local revenues are not expected to be negatively impacted due to the permissive language of this joint resolution.

**Explanation**

This joint resolution would allow the governing body of a county by resolution to allow county officials charged with the collection of property taxes to waive or reduce the late payment penalties on real property for property tax years 2008 and 2009. The resolution must specify the terms and conditions under which the penalties may be waived or reduced. The language of this bill is permissive and does not require any late penalties to be waived or reduced. Since this bill allows, but does not require the late penalties to be waived or reduced, counties are expected to maintain their revenues. Therefore, this joint resolution is not expected to negatively impact local revenues.

*Approved By:*

William C. Gillespie

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or 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.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

There is no impact on the General Fund of the State as a result of this legislation.

**LOCAL GOVERNMENT IMPACT:**

There is no direct impact to local governments with the adoption of this bill since it is permissive in nature. However, if a governing body elects to approve a waiver or reduction in late payments, a reduction in revenue will occur. A survey of county governments indicates that this loss of revenue would affect the county, as well as, municipalities, school districts, and special purpose districts within that particular county. Listed below are counties that reported loss of revenue from late fees.

Richland County $2,476,000

Greenville County $3,911,370

*Approved By:*

Harry Bell

Office of State Budget

**A** **JOINT RESOLUTION**

TO ALLOW THE GOVERNING BODY OF A COUNTY BY RESOLUTION ADOPTED BY MAJORITY VOTE TO ALLOW COUNTY OFFICIALS CHARGED WITH COLLECTING TAXES ON REAL PROPERTY FOR PROPERTY TAX YEARS 2008 AND 2009 TO WAIVE OR REDUCE THE PENALTIES FOR LATE PAYMENTS, AND TO PROVIDE THAT THE RESOLUTION MUST PROVIDE THE TERMS AND CONDITIONS UNDER WHICH THE WAIVER OR REDUCTION APPLIES.

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

SECTION 1. Notwithstanding the provisions of Section 12‑45‑180 of the 1976 Code, imposing penalties for late payment of property taxes on real property, the governing body of a county by resolution adopted by majority vote may allow county officials charged with the collection of property taxes to waive or reduce the late payment penalties otherwise applicable for taxes due on real property for property tax years 2008 and 2009. The resolution must specify those terms and conditions under which the penalties may be waived or reduced.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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