**A** **BILL**

TO AMEND SECTION 12‑37‑251, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CALCULATION OF ROLLBACK MILLAGE FOR PURPOSES OF THE PROPERTY TAX, SO AS TO PROVIDE A FORMULA FOR THE CALCULATION OF ROLLBACK MILLAGE AND TO PROVIDE DEFINITIONS APPLICABLE FOR THE FORMULA.

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

SECTION 1. Section 12‑37‑251(E) of the 1976 Code is amended to read:

“(E)(1) Rollback millage is calculated ~~by dividing the prior year property tax revenues by the adjusted total assessed value applicable in the year the values derived from a countywide equalization and reassessment program are implemented. This amount of assessed value must be adjusted by deducting assessments added for property or improvements not previously taxed, for new construction, and for renovation of existing structures.~~using the following formula: prior year property tax collections divided by the adjusted total assessed value applicable in the year the values derived from a countywide equalization and reassessment program are implemented divided by the average property tax collection rate from the prior three years.

(2) As used in item (1) of this subsection:

(a) ‘Prior year property tax collections’ means total property taxes billed and collected from the fiscal year before the reassessment implementation year and include:

(i) property taxes derived from a millage rate and collected during the year stated above;

(ii) current fiscal year delinquent property taxes collected in the period March seventeenth through June thirtieth of the year stated above;

(iii) property tax reimbursements paid to the county by the state except those listed; and

(iv) the amount of credit allowed pursuant to the local option sales tax imposed pursuant to Article 1, Chapter 10, Title 4, if applicable.

Prior year property tax collections do not include fees, fees in lieu of tax, penalties, interest, costs, motor carrier tax paid to counties by the state, and reimbursement to counties for loss of inventory tax. For computation of school operating rollback millage, state reimbursement of school operating millage must not be included in prior year property tax collections.

(b) ‘Adjusted total assessed value’ means the total assessed value for all properties on which a millage is applied in the year a countywide equalization and reassessment program is implemented after making the following adjustments:

(i) subtract assessments added for property or improvements not previously taxed;

(ii) subtract assessments for new construction;

(iii) subtract assessments for renovation of existing structures;

(iv) adjust assessed values for properties under appeal to reflect historical information of adjustments resulting from appeals from the last reassessment;

(v) adjust for assessments that have not been received from the South Carolina Department of Revenue when millage rates are calculated;

(vi) adjust the assessed value of all property within a tax incremental financing district to reflect the initial equalized assessed value established by the auditor pursuant to Section 6‑33‑100.

Adjusted total assessed value does not include motor carrier property values or properties exempt pursuant to Section 12‑37‑220. For computation of school operating rollback millage, owner-occupied residential property tax assessments are not included in adjusted total assessed value.

(c) ‘Average property tax collection rate’ means a rate computed as follows:

(i) divide the total property taxes and fees collected, exclusive of penalties and interest, by the total property taxes and fees billed for the period July first through June thirtieth for each of the three most recent years. Prior year delinquent taxes or fees must be not included in this calculation;

(ii) add the three percentages derived as provided in subitem (a) of this item together and divide by three to obtain the average collection rate.”

SECTION 2. This act takes effect upon approval by the Governor and applies for rollback millages calculated for property tax years beginning after 2008.

‑‑‑‑XX‑‑‑‑