**A** **BILL**

TO AMEND SECTION 12‑37‑3140, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DETERMINING THE FAIR MARKET VALUE OF REAL PROPERTY FOR PROPERTY TAX PURPOSES, SO AS TO FURTHER PROVIDE FOR THE MANNER IN WHICH THE FAIR MARKET VALUE OF REAL PROPERTY IS DETERMINED FOR THESE PURPOSES.

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

SECTION 1. Section 12‑37‑3140 of the 1976 Code, as last amended by Act 57 of 2007, is further amended to read:

“Section 12‑37‑3140. (A)(1) For property tax years beginning after 2006, the fair market value of real property is its fair market value applicable for the later of:

(a) the base year, as defined in subsection (C) of this section;

(b) December thirty‑first of the year in which an assessable transfer of interest has occurred;

(c) as determined on appeal; or

(d) as it may be adjusted as determined in a countywide reassessment program conducted pursuant to Section 12‑43‑217, but limited to increases in such value as provided in subsection (B) of this section.

(2) To the fair market value of real property as determined at the time provided in item (1) of this subsection, there must be added the fair market value of subsequent improvements and additions to the property.

(B) Any increase in the fair market value of real property attributable to the periodic countywide appraisal and equalization program implemented pursuant to Section 12‑43‑217 is limited to fifteen percent within a five‑year period to the otherwise applicable fair market value. However, this limit does not apply to the fair market value of additions or improvements to real property in the year those additions or improvements are first subject to property tax, nor do they apply to the fair market value of real property when an assessable transfer of interest occurred in the year that the transfer value is first subject to tax.

(C) For purposes of determining a ‘base year’ fair market value pursuant to this section and title, the fair market value of real property is seventy percent of its appraised value applicable for property tax year 2007. For all other purposes, the fair market value of real property is seventy percent of its most recent purchase price or the value determined by the most recent countywide reassessment program conducted pursuant to Section 12‑43‑217, but limited to increases in the value as provided in subsection (B) of this section, whichever is less.

(D) Real property valued by the unit valuation concept is excluded from the limits provided pursuant to subsection (B) of this section.

(E) Value attributable to additions and improvements, and changes in value resulting from assessable transfers of interest occurring in a property tax year are first subject to property tax in the following tax year except as provided pursuant to Section 12‑37‑670(B).”

SECTION 2. This act takes effect upon approval by the Governor.

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