**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑37‑3135 SO AS TO EXEMPT AN AMOUNT OF FAIR MARKET VALUE OF A PARCEL OF REAL PROPERTY AND IMPROVEMENTS THEREON AS DETERMINED BY THE APPRAISAL RESULTING FROM AN ASSESSABLE TRANSFER OF INTEREST SUFFICIENT TO LIMIT THE INCREASE IN THE FAIR MARKET VALUE OF THE PARCEL TO FIFTEEN PERCENT OF ITS VALUE ON THE ASSESSOR’S BOOKS, TO PROVIDE THAT FAIR MARKET VALUE AS REDUCED BY THIS EXEMPTION IS THE VALUE TO WHICH THE CONSTITUTIONAL CAP ON INCREASES TO FIFTEEN PERCENT OVER FIVE YEARS APPLIES, TO PROVIDE THAT THIS EXEMPTION CONTINUES UNTIL THE PROPERTY UNDERGOES A SUBSEQUENT ASSESSABLE TRANSFER OF INTEREST AND PROVIDE THAT THIS EXEMPTION DOES NOT APPLY TO PREVIOUSLY UNTAXED ADDITIONS OR IMPROVEMENTS; TO AMEND SECTION 12‑37‑3140, AS AMENDED, RELATING TO VALUATION OF REAL PROPERTY FOR PURPOSES OF THE SOUTH CAROLINA REAL PROPERTY VALUATION REFORM ACT, SO AS TO MAKE A CONFORMING AMENDMENT, TO REQUIRE THE PROPERTY TAX ASSESSOR TO APPLY THE EXEMPTION ALLOWED BY THIS EXEMPTION TO FAIR MARKET VALUE DETERMINED AT THE TIME OF ASSESSABLE TRANSFERS OF INTEREST OCCURRING IN 2007, 2008, AND IN 2009 BEFORE THE EFFECTIVE DATE OF THIS ACT, AND TO PROVIDE THAT NO REFUND IS ALLOWED BASED ON THOSE ADJUSTED VALUES.

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

SECTION 1. Article 25, Chapter 37, Title 12 of the 1976 Code is amended by adding:

“Section 12‑37‑3135. (A) When a parcel of real property and improvements thereon currently subject to property tax undergoes an assessable transfer of interest, there is allowed an exemption of an amount of fair market value of that parcel sufficient to limit to fifteen percent the increase in fair market value as determined in the appraisal at the time of the assessable transfer of interest over the fair market value of the parcel as previously carried on the books of the property tax assessor. The fair market value to which the cap on increases in fair market value imposed pursuant to Section 12‑37‑3140(B) applies is the fair market value as it may be reduced by the exemption allowed by this section. The exemption allowed by this section applies at the time value as determined by an assessable transfer of interest applies.

(B) The exemption allowed by this section continues to apply until the parcel next undergoes an assessable transfer of interest.

(C) The exemption allowed by this section does not apply to the fair market value of additions or improvements made to the parcel not previously subject to property tax.”

SECTION 2. Section 12‑37‑3140(A)(1)(b) of the 1976 Code, as last amended by Act 57 of 2007, is further amended to read:

“(b) subject to any exemption allowed pursuant to Section 12‑37‑3135, December thirty‑first of the year in which an assessable transfer of interest has occurred;”

SECTION 3. This act takes effect upon approval by the Governor and applies for property tax years beginning after 2006. Property tax assessors shall conform the values of parcels of real property which underwent an assessable transfer of interest in 2007 and 2008, and in 2009 before the effective date of this act, to the fair market value of these parcels as that value may have been adjusted to reflect the provisions of Section 12‑37‑3135 of the 1976 Code, as added by this act. No refund is allowed on account of values adjusted as provided in this section.

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