



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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|                        |                                      |                                               |
|------------------------|--------------------------------------|-----------------------------------------------|
| <b>Bill Number:</b>    | S. 0075                              | Amended by Senate Finance on January 31, 2017 |
| <b>Author:</b>         | Young                                |                                               |
| <b>Subject:</b>        | County Equalization and Reassessment |                                               |
| <b>Requestor:</b>      | Senate Finance                       |                                               |
| <b>RFA Analyst(s):</b> | Gable                                |                                               |
| <b>Impact Date:</b>    | January 31, 2017                     |                                               |

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**Estimate of Fiscal Impact**

|                                  | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
|----------------------------------|-------------------|-------------------|
| <b>State Expenditure</b>         |                   |                   |
| General Fund                     | \$0               | \$0               |
| Other and Federal                | \$0               | \$0               |
| Full-Time Equivalent Position(s) | 0.00              | 0.00              |
| <b>State Revenue</b>             |                   |                   |
| General Fund                     | \$0               | \$0               |
| Other and Federal                | \$0               | \$0               |
| <b>Local Expenditure</b>         | \$0               | \$0               |
| <b>Local Revenue</b>             | \$0               | \$0               |

**Fiscal Impact Summary**

This amended bill is not expected to impact local property tax revenue.

**Explanation of Fiscal Impact**

**Amended by Senate Finance on January 31, 2017**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

The amended bill establishes that an owner, who is entitled to the special four percent assessment ratio for an owner-occupied residential property and becomes a patient in a nursing home or a community residential care facility, both defined in §44-7-130, retains the four percent assessment ratio. This is as long as the owner otherwise qualifies, has an intention to return to the property, and the property is not rented in excess of seventy-two days in a year, per §12-43-220(c)(2). The amendment adds community residential care facility to further define qualifying facilities. This addition does not change the original analysis of the bill's fiscal impact.

Based on prior conversations with assessors, the general practice among counties is to allow such a taxpayer to retain the owner-occupied residential assessment as long as the owner intends to return home and the property is not rented for longer than §12-43-220(c)(2) allows. There may be a few incidences where this has not been the case. However, as these cases are few, they are not likely to have a significant impact on local revenue.

**Amended by Senate Finance Property Tax Subcommittee on January 24, 2017**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

The amended bill establishes that an owner, who is entitled to the special four percent assessment ratio for an owner-occupied residential property and becomes a patient in a nursing home, retains the four percent assessment ratio. This is as long as the owner otherwise qualifies, has an intention to return to the property, and the property is not rented in excess of seventy-two days in a year, per §12-43-220(c)(2). The amendment makes minor wording changes and identifies a section of law more specifically. These clarifications do not change the original analysis of the bill's fiscal impact.

Based on prior conversations with assessors, the general practice among counties is to allow such a taxpayer to retain the owner-occupied residential assessment as long as the owner intends to return home and the property is not rented for longer than §12-43-220(c)(2) allows. There may be a few incidences where this has not been the case. However, as these cases are few, they are not likely to have a significant impact on local revenue.

**Introduced on January 10, 2017**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

This bill establishes that an owner, who received the special four percent assessment ratio for an owner-occupied residential property and now resides in a nursing home, retains the four percent assessment ratio so long as the owner has an intention to return to the property and has no rental income attributable to the property.

Based on prior conversations with assessors, the general practice among counties is to allow such a taxpayer to retain the owner-occupied residential assessment as long as the owner intends to return home and the property is not rented. There may be a few incidences where this has not been the case. However, as these cases are few, they are not likely to have a significant impact on local revenue.



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Frank A. Rainwater, Executive Director