**A** **BILL**

TO AMEND SECTION 12‑43‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CLASSIFICATION AND ASSESSMENT RATIOS OF CERTAIN PROPERTIES, SO AS TO DELETE PROVISIONS RELATING TO ROLL‑BACK TAXES; AND TO REPEAL SECTION 12‑43‑222 RELATING TO ROLL‑BACK TAX FOR OPEN SPACE.

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

SECTION 1. Section 12‑43‑220(d)(3) and (4) of the 1976 Code, as last amended by Act 251 of 2016, is further amended to read:

“(3)~~(A)~~ Agricultural real property does not come within the provisions of this section unless the owners of the real property or their agents make a written application therefor on or before the first penalty date for taxes due for the first tax year in which the special assessment is claimed. The application for the special assessment must be made to the assessor of the county in which the agricultural real property is located, on forms provided by the county and approved by the department and a failure to apply constitutes a waiver of the special assessment for that year. The governing body may extend the time for filing upon a showing satisfactory to it that the person had reasonable cause for not filing on or before the first penalty date. No additional annual filing is required while the use of the property remains bona fide agricultural and the ownership remains the same. The owner shall notify the assessor within six months of a change in use. For failure to notify the assessor of a change in use, in addition to any other penalties provided by law, a penalty of ten percent and interest at the rate of one‑half of one percent a month must be paid on the difference between the amount that was paid and the amount that should have been paid, but not less than thirty dollars nor more than the current year’s taxes.

~~(B)~~ ~~Roll‑back taxes authorized pursuant to item (d)(4) must not be applied solely because the owner of the property fails to make written application for an agricultural assessment so long as the actual use of the property remains agricultural. If the property assessment is changed from agricultural or the property is assessed roll‑back taxes, the owner may appeal, and if an appeal is made, the property must continue to be assessed as agricultural and the roll‑back taxes may not be applied until the final appeal date.~~

(4) ~~Except as provided pursuant to Section 12‑43‑222, when real property which is in agricultural use and is being valued, assessed, and taxed under the provisions of this article, is applied to a use other than agricultural, it is subject to additional taxes, hereinafter referred to as roll‑back taxes, in an amount equal to the difference, if any, between the taxes paid or payable on the basis of the valuation and the assessment authorized hereunder and the taxes that would have been paid or payable had the real property been valued, assessed, and taxed as other real property in the taxing district, in the current tax year (the year of change in use) and each of the five tax years immediately preceding in which the real property was valued, assessed, and taxed as herein provided. If in the tax year in which a change in use of the real property occurs the real property was not valued, assessed, and taxed under this article, then the real property is subject to roll‑back taxes for each of the five tax years immediately preceding in which the real property was valued, assessed, and taxed hereunder. In determining the amounts of the roll‑back taxes chargeable on real property which has undergone a change in use, the assessor shall for each of the roll‑back tax years involved ascertain:~~

~~(A)~~ ~~the fair market value without consideration of the standing timber of such real property under the valuation standard applicable to other real property in the same classification;~~

~~(B)~~ ~~the amount of the real property assessment for the particular tax year by multiplying such fair market value by the appropriate assessment ratio provided in this article;~~

~~(C)~~ ~~the amount of the additional assessment on the real property for the particular tax year by deducting the amount of the actual assessment on the real property for that year from the amount of the real property assessment determined under (B) of this section;~~

~~(D)~~ ~~the amount of the roll‑back for that tax year by multiplying the amount of the additional assessment determined under (C) of this section by the property tax rate of the taxing district applicable for that tax year.~~ Reserved.”

SECTION 2. Section 12‑43‑222 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor and applies for property tax years and changes in use beginning or occurring after 2016. A taxpayer who paid roll‑back taxes for a change in use occurring in 2017 before the effective date of this act is entitled to a refund upon application to the county.

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