~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

March 20, 2018

**H. 3867**

Introduced by Reps. Herbkersman, Pitts, Hayes, Anthony, Cobb‑Hunter, Whipper and Brown

S. Printed 3/20/18--S

Read the first time April 4, 2017.

**A** **BILL**

TO AMEND SECTION 12‑37‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM PROPERTY TAX, SO AS TO EXEMPT ALL PROPERTY DEVOTED TO HOUSING LOW INCOME RESIDENTS IF THE PROPERTY IS OWNED BY AN INSTRUMENTALITY OF A NONPROFIT HOUSING CORPORATION.

Amend Title To Conform

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

SECTION 1. Section 12‑37‑220(B)(11)(e) of the 1976 Code is amended to read:

“(e) all property of nonprofit housing corporations or ~~solely‑owned~~ instrumentalities of these corporations ~~which~~ when the property is devoted to providing housing to low or very low income residents. A nonprofit housing corporation or instrumentality must satisfy the safe harbor provisions of Revenue Procedure 96‑32 issued by the Internal Revenue Service ~~to qualify~~ for this exemption to apply. For purposes of this subitem, partnerships, limited liability companies, or other corporations are instrumentalities if the nonprofit housing corporation is the controlling partner, controlling member, or controlling shareholder of the instrumentality. For purposes of this subitem, ‘controlling’ means the nonprofit house corporation is the partner, member, or shareholder of the instrumentality permitted to exercise substantial and continuous control over the provision of the low or very income housing. If a partnership, limited liability company, or other corporation is not a partner, member, or shareholder with a nonprofit housing corporation, then this exemption does not apply;”

SECTION 2. Section 12-37-220(B) of the 1976 Code, as last amended by Act 23 of 2015, is further amended by adding appropriately numbered items at the end to read:

“( ) notwithstanding the provisions of Section 12-37-950, a leasehold interest conveyed by the South Carolina Public Service Authority for residential use. The exemption allowed by this item only applies to the land and does not apply to any structures or other improvements situated on the land. The exemption allowed by this item extends to that leasehold interest, if subsequently assigned, if the leasehold agreement allows assignment.”

( ) eighty percent of the fair market value of a distributed energy resource required to be returned, pursuant to Section 12‑37‑970, or to be appraised and assessed, pursuant to Section 12‑4‑540;

(a) this exemption applies for property that became operational after property tax year 2017 and only applies for the twenty consecutive property tax years after the distributed energy resource becomes operational. This exemption only applies if the taxpayer elects not to take any additional exemptions as defined in Section 4-12-30. Renewable energy properties that have an executed fee in lieu agreement are not eligible for this exemption;

(b) for purposes of this item, ‘distributed energy resource’ means property that is defined in Section 58‑39‑120(C). This definition includes, but is not limited to, all equipment required to meet all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities;

( )(a) effective for property tax years beginning after 2017, a renewable energy resource property having a nameplate capacity of and generating no greater than twenty kilowatts, as measured in alternating current;

(b) for purposes of this item, ‘renewable energy resource’ means property that is defined pursuant to Section 58-40-10(F). This definition includes, but is not limited to, all components that enhance the operational characteristics of the generating equipment, such as an advanced inverter or battery storage device, and equipment required to meet all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electric Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities.”

SECTION 3. Section 12-37-220(A)(3) of the 1976 Code is amended to read:

“(3) all property of all public libraries, churches, including leased church vehicles, parsonages, and burying grounds, but this exemption for real property does not extend beyond the buildings and premises actually occupied by the owners of the real property, with the exception of leased church vehicles;”

SECTION 4. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2017.

‑‑‑‑XX‑‑‑‑