~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

January 23, 2020

**H. 3596**

Introduced by Reps. Long, Erickson, Clemmons, Bales, Fry, Loftis, Burns, Hewitt, Bannister, Forrester, Herbkersman, Huggins, Lowe, D.C. Moss, B. Newton, W. Newton, Pope, Robinson, Sandifer, Simrill, G.M. Smith, G.R. Smith, Tallon, Toole, Trantham, Johnson, V.S. Moss, Stringer, Willis, Bailey, Elliott, B. Cox, Magnuson, Clary, Hixon, Martin, Davis, Mace, Kimmons, Bennett, Bradley, Jordan, Finlay, Gagnon, McDaniel, Daning, Allison, Collins, McCoy, Atkinson, Hayes, Kirby, Wooten, Ballentine, Caskey, McCravy, Gilliam, Hill, Chellis, Crawford, Taylor, Young, Weeks, Yow, Whitmire, Hosey, Clyburn, Brown, Govan, Moore and Henderson‑Myers

S. Printed 1/23/20--S.

Read the first time April 10, 2019.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (H. 3596) to amend Section 12‑43‑220, Code of Laws of South Carolina, 1976, relating to classification of property and assessment ratios for purposes of ad valorem taxation, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 12‑43‑220(d)(4) of the 1976 Code is amended to read:

“(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, as evidenced by an action taken by the owner of the real property which is inconsistent with agricultural use, it is subject to additional taxes, ~~hereinafter~~ referred to as ~~roll‑back~~ rollback 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~~ pursuant to this item 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~~ three tax years immediately preceding in which the real property was valued, assessed, and taxed as ~~herein~~ provided in this item. 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~~ rollback taxes for each of the ~~five~~ three tax years immediately preceding in which the real property was valued, assessed, and taxed ~~hereunder~~ pursuant to this item. In determining the amounts of the ~~roll‑back~~ rollback taxes chargeable on real property which has undergone a change in use, the assessor ~~shall~~ for ~~each of~~ the ~~roll‑back~~ rollback tax years involved shall 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~~ rollback 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.”

SECTION 2. This act takes effect January 1, 2021, and applies for agricultural real property changed to another use after 2020. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND SECTION 12‑43‑220, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CLASSIFICATION OF PROPERTY AND ASSESSMENT RATIOS FOR PURPOSES OF AD VALOREM TAXATION, SO AS TO LIMIT ROLLBACK TAXES TO ONE YEAR WHEN LAND CLASSIFIED AS AGRICULTURAL REAL PROPERTY IS APPLIED TO ANOTHER USE.

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

SECTION 1. Section 12‑43‑220(d)(4) of the 1976 Code is amended to read:

“(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~~ rollback 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~~ pursuant to this item 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~~ three tax years immediately preceding in which the real property was valued, assessed, and taxed as ~~herein~~ provided in this item. 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~~ rollback taxes for each of the ~~five~~ three tax years immediately preceding in which the real property was valued, assessed, and taxed ~~hereunder~~ pursuant to this item. In determining the amounts of the ~~roll‑back~~ rollback taxes chargeable on real property which has undergone a change in use, the assessor ~~shall~~ for ~~each of~~ the ~~roll‑back~~ rollback tax years involved shall 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~~ rollback 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.”

SECTION 2. This act takes effect January 1, 2020, and applies for agricultural real property changed to another use after 2019.

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