**A** **BILL**

TO AMEND SECTION 12‑37‑220, 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 OR OWNED BY AN ENTITY THAT PROVIDES LOW INCOME HOUSING AND IS CONTROLLED BY AN INSTRUMENTALITY OF A NONPROFIT HOUSING CORPORATION; AND TO AMEND SECTION 31‑3‑570, RELATING TO THE TAX EXEMPTION FOR THE PROPERTY OF A HOUSING AUTHORITY, SO AS TO INCLUDE PROPERTY OWNED BY AN ENTITY THAT PROVIDES LOW INCOME HOUSING AND IS CONTROLLED BY AN INSTRUMENTALITY OF A HOUSING AUTHORITY.

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 its 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, property of nonprofit housing corporations or instrumentalities of these corporations include all leasehold interests in and improvements to property owned by an entity that provides housing accommodations to persons of low or very low income, and in which an affiliate or instrumentality of a nonprofit housing corporation is a general partner, managing member, or the equivalent. However, the exemption allowed by this subitem only applies to that portion of the property of nonprofit housing corporations or instrumentalities of these corporations that is restricted to occupancy by persons of low or very low income;”

SECTION 2. Section 31‑3‑570 of the 1976 Code is amended to read:

“Section 31‑3‑570. (A) The property of an authority is declared to be public property used for essential public and governmental purposes and such property of an authority shall be exempt from all taxes and special assessments of the city, the county, the State or any political subdivision thereof. In lieu of such taxes or special assessments, an authority may agree to make payments to the city or the county or any such political subdivision for improvements, services and facilities furnished by such city, county or political subdivision for the benefit of a housing project, but in no event shall such payments exceed the estimated cost to such city, county or political subdivision of the improvements, services or facilities to be so furnished.

(B) For purposes of this section, the property of an authority includes all leasehold interests in and improvements to property owned by an entity that provides housing accommodations to persons of low income or moderate to low income, and in which an affiliate or instrumentality of the authority is a general partner, managing member, or the equivalent. However, the exemptions allowed by this section only apply to that portion of the property of an authority that is restricted to occupancy by persons of low income and moderate to low income.”

SECTION 3. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2019.

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