~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 31, 2022

**H. 4243**

Introduced by Reps. Crawford, McGinnis, Hardee, J.E. Johnson, Brittain and Weeks

S. Printed 3/31/22--H.

Read the first time April 21, 2021.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 4243) to amend Section 12‑39‑250, Code of Laws of South Carolina, 1976, relating to adjustments in valuation and assessment for purposes of ad valorem taxation, so, 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 12‑39‑250(B) of the 1976 Code is amended to read:

“(B) Notwithstanding any other provision of law, the county tax assessor or the County Board of Assessment Appeals, upon application of the taxpayer, must order the County Auditor to make appropriate adjustments in the valuation and assessment of any real property and improvements which have sustained damage as a result of fire, flooding, hurricane, or wind event provided that the application for correction of the assessment is made prior to payment of the tax.”

SECTION 2. This act takes effect upon approval by the Governor and first applies to property tax years beginning after 2021. /

Renumber sections to conform.

Amend title to conform.

G. MURRELL SMITH, JR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Local Expenditure**

This bill requires the county assessor or the County Board of Assessment Appeals, upon application of the taxpayer, to order the County Auditor to adjust the valuation and assessment of any real property damaged by flooding or a hurricane. This bill takes effect beginning in TY 2021.

Revenue and Fiscal Affairs (RFA) anticipates that any additional responsibilities to locals will be managed with existing staff and resources. Therefore, this bill is anticipated to have no local expenditure impact.

**Local Revenue**

This bill requires the county assessor or the County Board of Assessment Appeals, upon application of the taxpayer, to order the County Auditor to adjust the valuation and assessment of any real property damaged by flooding or a hurricane. Currently, this adjusted valuation only occurs when there is fire damage. This bill will allow for a flood or hurricane damaged home to receive the same treatment for tax assessment purposes as a fire damaged home. This bill takes effect beginning in TY 2021.

RFA anticipates this bill will have more of an impact for those counties along the coast. Therefore, RFA contacted Charleston, Horry, Georgetown, and Beaufort, the four counties most likely to experience flood and hurricane damage. Georgetown responded that, currently, for a home that is flooded or storm damaged, the appraisal for that home is adjusted for the following tax roll if the damage is extensive, and the repairs are not complete prior to December 31st. Homes that have fire damage, however, are omitted from the tax roll in the current year. If the home is repaired, once the work is complete and the county receives a certificate of occupancy, the house is added back to the tax roll in the following year. Based on Georgetown’s response, this bill will result in a loss of property tax revenue for flooded or hurricane damaged properties being removed from the tax roll until renovations are complete, rather than simply lowering the value. However, the number of homes that may flood or be subject to hurricane damage and how quickly they may be repaired is unknown. Therefore, this bill will result in an undetermined local property tax revenue reduction beginning in TY 2021.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 12‑39‑250, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO ADJUSTMENTS IN VALUATION AND ASSESSMENT FOR PURPOSES OF AD VALOREM TAXATION, SO AS TO REQUIRE AN ADJUSTMENT FOR DAMAGES CAUSED BY FLOODING OR A HURRICANE.

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

SECTION 1. Section 12‑39‑250(B) of the 1976 Code is amended to read:

“(B) Notwithstanding any other provision of law, the county tax assessor or the County Board of Assessment Appeals, upon application of the taxpayer, must order the County Auditor to make appropriate adjustments in the valuation and assessment of any real property and improvements which have sustained damage as a result of fire, flooding, or a hurricane provided that the application for correction of the assessment is made prior to payment of the tax.”

SECTION 2. This act takes effect upon approval by the Governor and first applies to property tax years beginning after 2020.

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