~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED--NOT PRINTED IN THE HOUSE

Amt. No. 1 (5144C002.NBD.DG22)

May 11, 2022

**H. 5144**

Introduced by Reps. G.M. Smith, Wheeler, Lowe, Kirby, Weeks, R. Williams, Jefferson and Yow

S. Printed 5/11/22--H.

Read the first time April 7, 2022.

**A** **BILL**

TO AMEND SECTION 12‑37‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO FURTHER SPECIFY THE APPLICATION OF THE EXEMPTION OF PROPERTY OF TELEPHONE COMPANIES AND RURAL TELEPHONE COOPERATIVES.

Amend Title To Conform

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

SECTION 1. The General Assembly finds:

(1) the rural telephone exemption found in Section 12‑37‑220(B)(10) of the 1976 Code provides an exemption from property taxation for property “used in providing rural telephone service. . .;”

(2) the General Assembly intends to clarify existing law by passage of this act to provide that the exemption for property “used in providing telephone service” applies to all property used for such purposes, regardless of technology or whether it also may be used for other purposes;

(3) there are various other existing exemptions in the 1976 Code where the General Assembly qualifies the term “use” or “used” by including “exclusively,” “primarily,” “solely,” or “substantially,” or where the General Assembly limits the exemption for “dual purpose” property by requiring an allocation; and

(4) the exemption found in Section 12‑37‑220(B)(10) has never been and is not qualified or limited in any manner.

SECTION 2. Section 12‑37‑220(B)(10) of the 1976 Code is amended to read:

“(10)(a) notwithstanding any other provisions of law, the property of telephone companies and rural telephone cooperatives operating in this State used in providing rural telephone service, which was exempt from property taxation as of December 31, 1973, shall be exempt from such property taxation; provided, however, that the amount of property subject to ad valorem taxation of any such company or cooperative in any tax district shall not be less than the net amount to which the tax millage was applied for the year ending December 31, 1973. Any property in any tax district added after December 31, 1973, shall likewise be exempt from property taxation in the proportion that the exempt property of such company or cooperative as of December 31, 1973, in that tax district was to the total property of such company or cooperative as of December 31, 1973, in that tax district;

(b) Property qualifying for the exemption authorized by subitem (a) includes property used in providing telephone service, as defined in Section 33‑46‑20, in rural areas, including mixed‑use property, without regard to:

(i) the extent to which such property is used in providing services in addition to telephone service in rural areas; and

(ii) the technology used including, but not limited to, the provision of broadband over a high‑speed Internet connection that allows the customer to access basic voice grade local service from the voice provider of the customer’s choice;”

SECTION 3. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2021.

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