



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3072 Introduced on January 10, 2023
Author: Hewitt
Subject: Assessment Ratios
Requestor: House Ways and Means
RFA Analyst(s): Miller
Impact Date: April 24, 2023

Fiscal Impact Summary

This bill adds a new subitem to Section 12-43-220(c) stating that when a property owner dies, property receiving the owner-occupied special assessment ratio shall continue to receive the assessment ratio until the deceased's estate is closed, upon recording of a deed or deed of distribution from the estate, or after December 31, of the year following the date of death, whichever occurs first. This provision only applies for property that is not rented and applies to property tax years beginning after 2022. The estimated average reduction of local property taxes per incident would total \$2,843 annually. However, the number of properties that will maintain the special assessment ratio because of this exemption is unknown. Therefore, the total reduction of local property tax revenue is undetermined.

Explanation of Fiscal Impact

Introduced on April 18, 2023

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

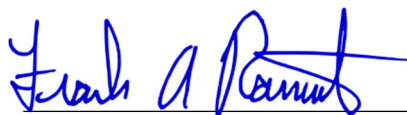
N/A

Local Revenue

This bill adds a new subitem to Section 12-43-220(c) stating that when a property owner dies, property receiving the owner-occupied special assessment ratio shall continue to receive the assessment ratio until the deceased's estate is closed, upon recording of a deed or deed of distribution from the estate, or after December 31, of the year following the date of death, whichever occurs first. This provision only applies for property that is not rented and applies to property tax years beginning after 2022. Based upon an estimated average owner-occupied property value of \$203,721 and a statewide millage rate of 352.5 for tax year 2023, this provision would on average reduce local property tax by approximately \$1,436 per incidence for the

reduced assessment ratio and \$1,407 for property tax exemptions for school operations on owner-occupied property, or a total of \$2,843 annually per incidence.

We do not anticipate that most probate cases will extend long enough to prompt a county to change the assessment ratio on a deceased person's property from four percent to six percent, but data are not available to determine the number of incidences in which this occurs. Additionally, we are also unsure as to how a county would determine that the property owner is deceased and remove the special assessment ratio until the property ownership is transferred by recording of a deed. Due to the limited information available and difficulty in determining the prevalence of this situation occurring, the impact on local property taxes statewide is undetermined.



Frank A. Rainwater, Executive Director