



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-3780 • RFA.SC.GOV/IMPACTS**

*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. 4912    Introduced on January 23, 2024  
**Author:** Murphy  
**Subject:** Assessment Ratios  
**Requestor:** House Ways and Means  
**RFA Analyst(s):** Miller  
**Impact Date:** March 5, 2024

---

### **Fiscal Impact Summary**

This bill provides that a civilian homeowner within the state that is employed by the Department of Defense (DoD) and receives orders for a change of station for at least one year retains his eligibility for a 4 percent assessment and applicable exemptions while the owner remains on such orders. This also applies even if the property is rented. Currently, if a civilian employed by DoD is transferred out of state for more than a year and retains ownership of his owner-occupied property within the state, the property is reassessed as a commercial property, which is assessed at 6.0 percent and subject to all millage. This bill applies to tax years beginning after 2023 and any open period less than three years.

As the total estimated number of owner-occupied properties within the state that are owned by a civilian employed with DoD is less than 1.0 percent and this exemption applies only to those who are transferred by DoD for more than one year and choose to retain their property ownership within the state, RFA anticipates this bill may result in only a minimal decrease in property tax revenue annually beginning in FY 2024-25. Additionally, this bill allows for refunds for property taxes within three years. Therefore, this bill also will result in a one-time revenue decrease in FY 2024-25 for refunds. RFA also anticipates that local governments will increase millage, within the millage rate increase limitations, to offset any decrease in property tax revenue due to this bill.

For reference, based on an estimated average owner-occupied property value of \$219,611 and a statewide millage rate of 352.6, of which 49 percent is school operating millage, as of tax year 2024, the average increase in property taxes collected per property that is reassessed as commercial property at 6.0 percent from an owner-occupied property at 4.0 percent totals \$3,066. This includes an additional \$2,276 related to school operating millage and \$790 for all other millage.

### **Explanation of Fiscal Impact**

**Introduced on January 23, 2024**

**State Expenditure**

N/A

## State Revenue

N/A

## Local Expenditure

N/A

## Local Revenue

This bill provides that a civilian homeowner within the state that is employed by DoD and receives orders for a change of station for at least one year retains his eligibility for a 4.0 percent assessment and applicable exemptions while the owner remains on such orders. This also applies even if the property is rented. All owner-occupied property is assessed at 4.0 percent and is exempt from school operating millage. For purposes of this analysis, RFA assumes that an employee for DoD would not qualify for a homestead exemption. This bill applies to tax years beginning after 2023 and any open period less than three years.

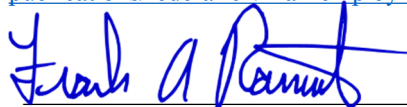
Currently, if a civilian employed by DoD is transferred out of state for more than a year and retains ownership of his owner-occupied property within the state, the property is reassessed as a commercial property, which is assessed at 6.0 percent and subject to all millage. Further, renting the property would also trigger the change in assessment.

According to the U.S. Office of Personnel Management, as of September 2017, there were 9,335 civilians within the state employed by DoD<sup>1</sup>. According to the Census Bureau, the owner-occupied rate within South Carolina was 70.9 percent from 2018 to 2022. Therefore, approximately 6,600 of the state's homeowners may be civilians employed by DoD. This represents less than 1.0 percent of the 1,497,734 legal residences within the state as of 2022, according to the Department of Revenue. As the total estimated number of owner-occupied properties within the state that are owned by a civilian employed with DoD is less than 1.0 percent and this exemption applies only to those who are transferred by DoD for more than one year and choose to retain their property ownership within the state, RFA anticipates this bill may result in only a minimal decrease in property tax revenue annually beginning in FY 2024-25. Additionally, this bill allows for refunds for property taxes within three years. Therefore, this bill also will result in a one-time revenue decrease in FY 2024-25 for refunds. RFA also anticipates that local governments will increase millage, within the millage rate increase limitations, to offset any decrease in property tax revenue due to this bill.

For reference, based on an estimated average owner-occupied property value of \$219,611 and a statewide millage rate of 352.6, of which 49 percent is school operating millage, as of tax year 2024, the average increase in property taxes collected per property that is reassessed as commercial property at 6.0 percent from an owner-occupied property at 4.0 percent totals \$3,066. This includes an additional \$2,276 related to school operating millage and \$790 for all other millage.

---

<sup>1</sup> <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/reports-publications/federal-civilian-employment/>, retrieved March 1, 2024



Frank A. Rainwater, Executive Director