

*Board of
assessment
appeals*

(R281, S209)

NO. 208

An Act To Provide For The Classification Of Property, Uniform Assessment Ratios And A Statewide Property Equalization Program For All Counties Of The State; To Amend Section 65-1648 Of The 1962 Code, As Amended, And Act 1012 Of 1966, Both Relating To The Assessment Of Merchants' And Manufacturers' Property, So As To Delete Provisions Relating To Assessment Ratios; And To Repeal Act 1266 Of 1972, Relating To Assessment Of Merchants' And Manufacturers' Property.

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

SECTION 1. Counties to initiate equalization programs.—Each county during the calendar year 1975 shall initiate an equalization

program, which shall include mapping and reappraisal of all real property in accordance with standards, rules and regulations formulated by the South Carolina Tax Commission (Commission); *Provided*, that this section shall not apply to any County which shall have completed an equalization program or in process and in accord with regulation formulated by S. C. Tax Commission.

SECTION 2. Classifications to be equal and uniform.—Except as otherwise provided, the ratio of assessment to value of property in each class shall be equal and uniform throughout the State. All property presently subject to ad valorem taxation shall be classified and assessed as follows:

(a) All real and personal property owned by or leased to manufacturers and utilities and used by the manufacturer or utility in the conduct of such business, shall be taxed on an assessment equal to ten and one-half percent of the fair market value of such property.

(b) All inventories of business establishments shall be taxed on an assessment equal to six percent of the fair market value of such property and all power driven farm machinery and equipment except motor vehicles registered with the South Carolina Highway Department owned by farmers and used on agricultural lands as defined in this act shall be taxed on an assessment equal to five percent of the fair market value of such property; *provided*, that all other farm machinery and equipment and all cattle shall be exempt from ad valorem taxes.

(c) The legal residence and not more than five acres contiguous thereto when owned totally or in part in fee, or by life estate and occupied by the owner of such interest shall be taxed on an assessment equal to not less than two and one-half percent or not more than four percent for a period of four years of the fair market value of such property as determined by the governing body of the county concerned; *provided*, that at the completion of the four-year period the property shall be taxed on an assessment of four percent of the fair market value; *provided*, further, that until the expiration of the four-year period the transition provisions of Section 2 shall not apply. In the event this property shall have located on it any rented mobile homes, or residences, which are rented or any business for profit, this four percent value shall not apply to those businesses or rental properties. This subsection (c) shall not be applicable unless the owner of such property or his agents make written application

to the county assessor on or before May first of the tax year in which the initial assessment under this Act is made and certify to the following statement: "Under the penalty of perjury I certify that I meet the qualifications for the special assessment ratio for a legal residence as of January first of the current tax year." After the initial application, the assessor shall mail an application, as approved by the South Carolina Tax Commission, to the owner at his last indicated mailing address.

The Assessor shall have printed in the local newspaper during the period January through April at least five ads calling to public attention the provisions of filing the application as a prerequisite for claiming this classification for the current tax year. Failure to file within the prescribed time will constitute abandonment of the owner's right for this classification for the current tax year.

If a person signs the certification and is not eligible or thereafter loses eligibility and fails to notify the county assessor, then a penalty of ten percent and interest at the rate of one-half of one percent per month shall be paid on the difference between the amount that was paid and the amount that should have been paid.

(d) Agricultural real property which is actually used for such purposes shall be taxed on an assessment equal to four percent of its fair market value for such purposes, not including, however, a corporation which is the owner or lessee except for certain corporations which do not:

- (1) have more than ten shareholders;
- (2) have as a shareholder a person (other than an estate) who is not an individual;
- (3) have a nonresident alien as a shareholder; and
- (4) have more than one class of stock.

Provided, that agricultural real property shall not come within the provisions of this subsection unless the owners of such real property or their agents make written application therefor on or before May first of the tax year in which the special assessment is claimed. The application for the special assessment shall be made to the assessor of the county, in which the agricultural real property is located, upon forms provided by the county and approved by the commission and a failure to so apply shall constitute a waiver of the special assessment for that year. *Provided*, further, when real property which is in agricultural use and is being valued, assessed and taxed under the provisions of this act, is applied to a use other than

agricultural, it shall be subject to additional taxes, hereinafter referred to as roll-back taxes, in an amount equal to the difference, if any, between the taxes paid or payable on the basis of the valuation and the assessment authorized hereunder and the taxes that would have been paid or payable had the real property been valued, assessed and taxed as other real property in the taxing district, in the current tax year (the year of change in use) and each of the five tax years immediately preceding in which the real property was valued, assessed and taxed as herein provided. If in the tax year in which a change in use of the real property occurs, the real property was not valued, assessed and taxed under this act, then such real property shall be subject to roll-back taxes for each of the five tax years immediately preceding, in which the real property was valued, assessed and taxed hereunder. In determining the amounts of the roll-back taxes chargeable on real property which has undergone a change in use, the assessor shall for each of the roll-back tax years involved ascertain:

(i) The fair market value of such real property under the valuation standard applicable to other real property in the same classification;

(ii) The amount of the real property assessment for the particular tax year by multiplying such fair market value by the appropriate assessment ratio provided in this act;

(iii) The amount of the additional assessment on the real property for the particular tax year by deducting the amount of the actual assessment on the real property for that year from the amount of the real property assessment determined under (ii) hereof; and

(iv) The amount of the roll-back for that tax year by multiplying the amount of the additional assessment determined under (iii) hereof by the property tax rate of the taxing district applicable for that tax year.

(e) All other real property not herein provided for shall be taxed on an assessment equal to six percent of the fair market value of such property.

(f) All other personal property shall be taxed on an assessment equal to ten and one-half percent of fair market value of such property.

Notwithstanding any other provision of this act, on the effective date thereof, if it is found that there is a variation between the ratios being used and those stated in this section, the county may provide

for a gradual transition to the ratios as herein provided for over a period not to exceed seven years; *provided*, however, that all property within a particular classification shall be assessed at the same ratio, *provided*, further, however, that all property enumerated in Section 2(a) shall be assessed at the ratio provided in such section and the property enumerated in Section 2(b), (c), (d), (e), (f) and (g) shall be increased or decreased to the ratios set forth in this Act by a change in the ratio of not less than one-half of one percent per year nor more than one percent per year. *Provided*, however, that notwithstanding the provisions of this section, a county may, at its discretion, immediately implement the assessment ratios contained in Section 2(b), (c), (d), (e), and (f). *Provided*, however, that livestock shall not be subject to ad valorem taxation unless such livestock is physically located within the State for a period in excess of nine months. *Provided*, that this section shall not apply to farm animals and farm equipment in use on a farm in those counties which do not tax such property at the effective date of this act.

(g) All real and personal property owned by or leased to companies primarily engaged in the transportation for hire of persons or property and used by such companies in the conduct of such business and required by law to be assessed by the Commission shall be taxed on an assessment equal to nine and one-half percent of the fair market value of such property.

SECTION 3. Treatment of agricultural real property and mobile home.—(a) For the purposes of this act, unless otherwise required by the context, the words "agricultural real property" shall mean any tract of real property which is used to raise, harvest or store crops, feed, breed or manage livestock, or to produce plants, trees, fowl or animals useful to man, including the preparation of the products raised thereon for man's use and disposed of by marketing or other means. It includes but is not limited to such real property used for agriculture, grazing, horticulture, forestry, dairying and mariculture. In the event at least fifty percent of a real property tract shall qualify as "agricultural real property", the entire tract shall be so classified, provided no other business for profit is being operated thereon.

The Commission shall provide by regulation for a more detailed definition of "agricultural real property" consistent with the general

definition set forth in this section, to be used by county assessors in determining entitlement to special assessment under this act. Such regulations shall be designed to exclude from the special assessment that real property which is not bona fide agricultural real property for which the tax relief is intended.

(b) For the purposes of this Act all mobile homes in this State shall be considered real property and shall be classified and assessed for ad valorem taxation in accordance with the provisions of Section 2 of this Act. "Mobile homes" is defined as a portable unit designed and built to be towed on its own chassis, comprised of a frame and wheels, connected to utilities, and designed without a permanent foundation for year-round residential use. A mobile home may contain parts that may be folded or collapsed when being towed, and expanded on site to provide additional space. The term "mobile home" shall also include units in two or more separately towable components designed to be joined into one integral unit for use, and capable of being again separated into the components for repeated towing. It may also include two units which may be joined, on site, into a single residential unit.

(c) The commission shall further provide by regulation for definitions not inconsistent with general law for real property and personal property in order that such property shall be assessed uniformly throughout the State.

SECTION 4. Assessors to be full-time—duties.—All counties shall have a full-time assessor, whose responsibility is appraising and listing all property, whether exempted or not, at fair market value, within a county for the purpose of an ad valorem tax, including property which is assessed by the commission. When the commission assesses property, the county tax assessor shall attach to the assessment statement a certificate that the assessment truly reflects the fair market value of the property. The assessor shall be responsible for the operations of his office and shall:

(a) Maintain a continuous record of recorded deed sales transactions, building permits, tax maps and other records necessary for a continuing reassessment program;

(b) Diligently search for and discover all real property not previously returned by the owners or agents thereof or not listed for taxation by the county auditor, and list such property for taxation in the name of the owner or person to whom it is taxable;

(c) Fairly and impartially assess the value of all real property and enter it upon the returns and lists furnished the county auditor;

(d) Determine assessments and reassessments of real property in such a manner that the ratio of assessed value to fair market value shall be uniform throughout the county;

(e) From time to time, reassess any or all real property so as to reflect its proper valuation in the light of changed conditions;

(f) Appear as necessary before any appellate board to give testimony and present evidence as to the justification of any appraisal;

(g) Have the right of appeal from any disapproval of or modification of any appraisal made by him;

(h) Perform such other duties relating to the office of tax assessor as may be required by the laws of the State.

(i) Be the sole person responsible for the valuation of real property and these valuations shall be altered only by the assessor or by a legally constituted appellate board, commission or the courts.

Provided, that any two or more counties, with the approval of the commission, may enter into an agreement to establish a single assessor's office which would be in charge of the assessing of property of such counties under rules and regulations prescribed by the Commission.

SECTION 5. Duties of county auditors.—In addition to other duties and responsibilities provided by law, the county auditor shall have the responsibility of ascertaining that all personal property subject to the ad valorem tax by the Constitution or general law is listed and assessed according to manuals, guidelines and rules and regulations promulgated by the commission.

SECTION 6. Building permits.—All counties shall require by law or ordinance that building permits be issued to persons engaging in new construction or renovation and such permits shall correspond to minimum requirements of the commission. The county shall furnish a copy of the building permit to the assessor within ten days after such issuance.

Every municipality in the county requiring building permits shall furnish copies of said permit to the county assessor within ten days after such issuance.

SECTION 7. Assessor to endorse deeds.—When any deed is recorded it shall be presented to the county assessor's office and have

the endorsement of such office showing that the property has been identified and located on the records of the assessor's office.

SECTION 8. Adoption of valuations.—The auditor shall adopt valuations of the assessor.

SECTION 9. Educational courses required.—All auditors, assessors and appointed appraisers from an assessor's office must attend educational courses required by the commission.

SECTION 10. Sales ratio studies—reassessment or remapping.—The commission shall make sales ratio studies in all counties of the State and when, in the judgment of the commission, a county needs to reassess or remap property, the commission shall make application to the circuit court in which the county is located for a determination of whether or not the county shall be required to commence reassessment or remapping. If the circuit court determines that the county needs reassessment or remapping, such county shall be required to commence the reassessment or remapping within thirty days of such determination.

SECTION 11. Tax allocations to counties.—Any county which wilfully fails to comply with the provisions of this act shall not be entitled to twenty percent of the allocation of the taxes as provided for in the General Appropriations Act for State Aid to Subdivisions. The commission shall make application to the circuit court for a determination as to whether or not such county meets the requirements of this act. The commission shall then, based on this determination, certify to the State Treasurer that such county meets the requirements of this act before any tax allocation is made to the county.

SECTION 12. Provisos deleted.—Section 65-1648 of the 1962 Code, as last amended by Act 1266 of 1972, is further amended by deleting from the end of the section:

"Provided, the South Carolina Tax Commission is directed to adjust formula used to assess property taxation, manufacturers' real and tangible personal property and the machinery, equipment, furniture and fixtures of all other taxpayers required to file returns to the South Carolina Tax Commission to arrive at a nine and one-half percent assessment ratio. Provided, further, the ratio of any existing manufacturer shall not be adjusted more than one percent per year while the present ratio is either above or below the nine and one-half percent ratio."

SECTION 12A. Adjustments restricted to one percent variance.—Notwithstanding any other provisions of law, no county, school district, municipality or any other political subdivision's total ad valorem taxes shall be increased or decreased by more than one percent of the total ad valorem tax assessed by such county, school district, municipality or any other political subdivision due to the adjustment of assessment ratios as set forth in this act.

SECTION 12B. Total tax not to be increased more than one percent.—Notwithstanding any other provisions of law, upon completion of an equalization and reassessment program as required by this act, the total ad valorem tax, for any county, school district, municipality or any other political subdivision, shall not exceed the total ad valorem tax of such county, school district, municipality or any other political subdivision for the year immediately prior to such completion by more than one percent, *provided*, such increase in total taxes was caused by the equalization and reassessment provided by this act. This shall not prohibit an increase in the total ad valorem tax as a result of the assessments added for property or improvements not heretofore taxed, for new construction or for renovation of existing structures taking place during the reassessment period.

SECTION 12C. Exceptions.—The limitations set forth in Sections 12A and 12B shall not prohibit any county, school district, municipality or any other political subdivision from increasing the millage on all taxable property for the purpose of obtaining additional monies for increased or new services provided for the taxpayers of the county, school district, municipality or any other political subdivision. In the event of an increase of this nature, the tax notice shall state the purpose of such increase so as to distinguish between a millage change made pursuant to Section 12A or 12B and a millage change made under this section.

SECTION 13. When notices required—appeals.—Whenever the market value estimate of assessed value of any property is fixed by the assessor at a sum greater by one hundred dollars or more than the amount returned by the owner or his agent, or whenever any property is valued and assessed for taxation which has not been previously returned or assessed, the assessor shall, on or before the third Monday in June, or as soon thereafter as may be prac-

licable, in the year in which the valuation and assessment is made give written notice thereof to the owner of such property or his agent. The notice shall include the total market value estimate, the assessment ratio, the total new assessment and other pertinent ownership and legal description data shown on the county auditor's records. The notice may be served upon the owner or his agent personally or by mailing it to the owner or his agent at his last known place of residence which may be determined from the most recent listing in the applicable telephone directory, South Carolina Highway Department Motor Vehicle Registration List, county treasurer's records or official notice from the property owner or his agent. The owner or his agent, if he objects to the valuation and assessment, shall serve written notice of such objection upon the assessor within thirty days of the date of the mailing of such notice. The assessor shall then schedule a conference with the owner or agent within twenty days of receipt of such notice. If the assessor requests it, the owner shall within thirty days after such conference complete and return to the assessor such form as may be approved by the South Carolina Tax Commission relating to the owner's property and the reasons for his objection. Within thirty days after such conference, or as soon thereafter as may be practicable, the assessor shall mail written notice of his action upon such objection to the owner. The owner or agent, if still aggrieved by the valuation and assessment, may appeal from such action to the Board of Assessment Appeals by giving written notice of such appeal and the grounds thereof to the assessor within ten days from the date of the mailing of such notice. The assessor shall promptly notify the Board of Assessment Appeals of such appeal.

SECTION 14. Section 1 deleted.—Act 1012 of 1966 is amended by striking out Section 1.

SECTION 15. Repeal.—Act 1266 of 1972 is repealed.

SECTION 16. Time effective.—Except as otherwise specifically provided for herein, this act shall take effect for the tax year 1976.

SECTION 17. Not to affect certain contracts.—In those counties which have a nondevelopment contract, those contracts which have been executed at the effective date of this act shall be valid for the period for which they were executed.

Approved the 3rd day of June, 1975.