



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4712 As amended by House Ways and Means on February 10, 2016  
**Author:** White  
**Subject:** Agricultural real property, mobile home and lessee improvements  
**Requestor:** House of Representatives  
**RFA Analyst(s):** Jolliff  
**Impact Date:** February 11, 2016

**Estimate of Fiscal Impact**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	(\$115,000)	\$0

**Fiscal Impact Summary**

This bill as amended is expected to reduce local property tax revenue for the four impacted counties by a total of \$115,000 annually beginning in FY 2016-17.

**Explanation of Fiscal Impact**

**Explanation of Amendment by House Ways and Means on February 10, 2016**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

The amendment requires a property owner to notify the county assessor by written or electronic communication that his property meets the requirements of the act. We anticipate that those property owners who are impacted by the law will make the appropriate application to the county for the change in property tax assessment. As such, the estimated local revenue impact of the bill as amended is unchanged from the bill as filed.

## **Explanation of Bill Filed on January 20, 2016**

### **State Expenditure**

N/A

### **State Revenue**

N/A

### **Local Expenditure**

N/A

### **Local Revenue**

This bill would clarify that owners of off-premises outdoor advertising signs must file a business personal property tax return. This provision codifies current practice and is not expected to impact property tax revenue. Further, the bill directs that when an outdoor advertising sign is constructed, the land on which the sign is situated must continue to be valued for property tax purposes as it was prior to construction and without regard to any lease or lease income. We have identified four counties that are currently assessing advertising sign property based upon the lease value under Section 12-37-950 or are otherwise assessing the property under a method that would be disallowed under this bill and expect a significant impact on property tax revenue. The estimated reduction in local property tax revenue by county is as follows: Berkeley County estimates \$35,000 per year, Clarendon County estimates \$25,000 per year, Cherokee County estimates \$10,000 per year, and Jasper County estimates \$45,000 per year. The remaining twelve counties that responded replied that the bill is not expected to significantly impact their tax base. Those counties are Abbeville, Beaufort, Berkeley, Calhoun, Charleston, Fairfield, Horry, Newberry, Orangeburg, Sumter, Union, and Williamsburg. We assume that counties that did not respond will not be significantly impacted by the bill. The bill is effective for property tax years after 2014, however, no refunds are allowed. Therefore, we estimate that the bill will reduce local property tax revenue for the impacted counties by a total of \$115,000 beginning in FY 2016-17.



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Frank A. Rainwater, Executive Director