



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4092 As amended by House Ways and Means on February 10, 2016  
**Author:** Loftis  
**Subject:** Assessment ratios  
**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>	Undetermined	\$0

**Fiscal Impact Summary**

Due to the limited information available on the number of instances in which the special assessment ratio on owner-occupied property is rescinded while a deceased owner's estate is in probate, we are unable to determine the impact on local property tax revenue.

**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**

This bill as amended would add 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 or upon recording of a deed or deed of distribution from the estate. This provision only applies for property that is not rented and applies to property tax years beginning after 2015. Based upon an estimated average owner-occupied property value of \$150,437 and a statewide millage rate of 341.5 for tax year 2017, this provision would on average reduce local property tax by approximately \$1,030 per

incidence for the reduced assessment ratio and \$1,010 for property tax exemptions for school operations on owner-occupied property, or a total of \$2,040 annually per incidence.

According to the South Carolina Court Administration, 35,773 probate cases for deceased persons were disposed of in FY 2014-15. However, they are unable to determine the number that were open for longer than one year. We do not anticipate that most 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 we cannot confirm this. Additionally, we contacted the SC Association of Counties. In their discussions with county assessors, the counties were not able to identify the prevalence of this situation occurring. 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.



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Frank A. Rainwater, Executive Director