



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: S. 1119 Introduced on March 3, 2022
Author: Fanning
Subject: Property Tax Exemption
Requestor: Senate Finance
RFA Analyst(s): Miller
Impact Date: March 15, 2022

Fiscal Impact Summary

This bill creates a property tax exemption for real property owned by a non-profit educational foundation of a school district that is devoted to providing housing for classroom teachers in the school district.

This bill will result in an undetermined local property tax reduction, depending upon what property is purchased by a qualifying non-profit and used for classroom teacher housing. Based on discussions with the Department of Revenue (DOR) and the South Carolina Department of Education (SDE), some school districts plan to provide housing for teachers to encourage teachers to come to their schools. However, the number of school districts that will offer this housing option and when this will be offered is unknown. The Revenue and Fiscal Affairs Office (RFA) anticipates, to the extent possible within the millage rate limitations, local governments will increase the millage rate to offset any property tax reduction.

Explanation of Fiscal Impact

Introduced on March 3, 2022

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill creates a property tax exemption for real property owned by a non-profit educational foundation of a school district that is devoted to providing housing for classroom teachers in the school district.

Based on conversations with the Department of Revenue, some school districts, through non-profit educational foundations, are working to provide housing for teachers to encourage teachers

to come to their schools. However, currently no there is no completed housing available. Additionally, RFA contacted SDE to determine which school districts anticipated providing teacher housing that would qualify for this exemption. Eleven school districts provided information through SDE. Of these, only Beaufort County school district currently plans to offer teacher housing. This school district anticipates 75 properties will qualify for this exemption, resulting in a local property tax reduction of approximately \$450,000, or \$6,000 per property.

The local property tax reduction will depend on which school districts choose to offer teacher housing through a non-profit and on the current property taxes collected on any parcel of land that subsequently becomes exempt housing for classroom teachers. Therefore, this bill will have an undetermined local property tax reduction, depending upon what property is purchased by a qualifying non-profit and used for classroom teacher housing. RFA anticipates, to the extent possible within the millage rate limitations, the local governments will increase the millage rate to offset any property tax reduction.



Frank A. Rainwater, Executive Director