**South Carolina General Assembly**

125th Session, 2023-2024

**S. 907**

**STATUS INFORMATION**

General Bill

Sponsors: Senators M. Johnson and Peeler

Companion/Similar bill(s): 1017, 4936

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Introduced in the Senate on January 9, 2024

Currently residing in the Senate Committee on **Finance**

Summary: Nonprofit housing corporations

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/9/2024 Senate Introduced and read first time (Senate Journal‑page 78)

 1/9/2024 Senate Referred to Committee on **Finance** (Senate Journal‑page 78)

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**VERSIONS OF THIS BILL**

[01/09/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/907_20240109.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑37‑220, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO PROVIDE THAT THE EXEMPTION FOR CERTAIN PROPERTY OF A NONPROFIT HOUSING CORPORATION ONLY APPLIES TO THE PERCENTAGE OF PROPERTY THAT EQUALS THE CORPORATION’S OWNERSHIP INTEREST IN THE PROPERTY, TO PROVIDE AN EXCEPTION, AND TO PROVIDE CERTAIN CERTIFICATION AND NOTICE REQUIREMENTS.

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

SECTION 1. Section 12‑37‑220(B)(11) of the S.C. Code is amended to read:

 (11)(a) all property of nonprofit housing corporations devoted exclusively to providing below‑cost housing for the aged or for handicapped persons or for both aged and handicapped persons as authorized by Section 202 of the Housing Act of 1959 and regulated in part by 24 CFR Part 885;

 (b) all property of nonprofit housing corporations devoted exclusively to providing below‑cost supportive housing for elderly persons or households as authorized by Section 202 of the Housing Act of 1959 as amended under Section 801 of the National Affordable Housing Act of 1990 and regulated in part by 24 CFR Part 889;

 (c) all property of nonprofit housing corporations devoted exclusively to providing below‑cost supportive housing for persons with disabilities as authorized by Section 811 of the National Affordable Housing Act of 1990 and regulated in part by 24 CFR Part 890;

 (d) all property of nonprofit housing corporations devoted exclusively to providing rental or cooperative housing and related facilities for elderly or handicapped persons or families of low or moderate income as authorized by Section 515 of Title V of the Housing Act of 1949;

 (e) all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low income residents. A nonprofit housing corporation or its instrumentality must satisfy the safe harbor provisions of Revenue Procedure 96‑32 issued by the Internal Revenue Service for this exemption to apply. For purposes of this subitem, property of nonprofit housing corporations or instrumentalities of these corporations includes all leasehold interests in property owned by an entity that provides housing accommodations to persons of low or very low income, and in which a wholly owned affiliate or wholly owned instrumentality of a nonprofit housing corporation is the general partner, managing member, or the equivalent. However, the exemption allowed by this subitem only applies if the property of nonprofit housing corporations or instrumentalities of these corporations satisfies the safe harbor provisions of Revenue Procedure 96‑32 issued by the Internal Revenue Service.

 The exemptions allowed by this item only apply to the percentage of qualifying property that equals the nonprofit housing corporation’s ownership interest in the qualifying property, except that if the nonprofit housing corporation’s ownership interest in the qualifying property exceeds fifty percent, then the exemptions allowed by this item apply to one hundred percent of the qualifying property.

 To claim the exemption allowed by this item, the nonprofit housing corporation must submit a certified statement to the Department of Revenue by the first penalty date on property taxes for the year in which the exemption is first sought on the property stating the ownership interest of the nonprofit housing corporation. In subsequent years, the nonprofit housing corporation must submit the statement by October first of the year for which the exemption is sought. The department shall prescribe the form by which the nonprofit housing corporation applies. The department shall notify the mayor and the governing body of the municipality of any qualified exemptions within the jurisdiction of the municipality;

SECTION 2. This act takes effect upon approval by the Governor and applies to tax years beginning after 2023.

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