

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

ALLEN/PAIR
FEBRUARY 10, 2016

CLERK OF THE HOUSE

PROPERTY TAX SUBCOMMITTEE PROPOSES THE FOLLOWING
AMENDMENT No. TO H. 4712
(COUNCIL\DKA\4712C001.DKA.SA16):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, PAGE 2, BY
STRIKING SECTION 2 IN ITS ENTIRETY AND
INSERTING:**

**/ SECTION 2. THIS ACT TAKES EFFECT UPON
APPROVAL BY THE GOVERNOR AND FIRST APPLIES
TO PROPERTY TAX YEARS AFTER 2014. UPON THE
SITE OWNER PROVIDING WRITTEN OR
ELECTRONIC NOTICE TO THE COUNTY ASSESSOR
THAT HIS AFFECTED PROPERTY WAS ASSESSED
OTHER THAN AS PROVIDED BY THIS ACT, COUNTY**

TAX OFFICIALS SHALL ADJUST VALUES AND ASSESSMENT RATIOS TO REFLECT THE PROVISIONS OF THIS ACT, BUT NO REFUND IS ALLOWED ON ACCOUNT OF THE PROVISIONS OF THIS ACT. /

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(G.R. Smith, Clyburn, Merrill, Bales & Clemmons- Staff Contact: Kenzie Riddle)

HOUSE BILL 4712

H. 4712 -- Reps. White, Bannister, Rutherford, G.R. Smith, Lowe, Pitts, Hiott, Erickson, Clemmons, Loftis, G.M. Smith, Hayes, Sandifer, Whitmire, Cole, Simrill, Allison, Cobb-Hunter, Long, Huggins, Delleney and Pope: A BILL TO AMEND SECTION 12-43-230, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TREATMENT OF AGRICULTURAL REAL PROPERTY, MOBILE HOME, AND LESSEE IMPROVEMENTS TO REAL PROPERTY, SO AS TO CLASSIFY OFF-PREMISES OUTDOOR ADVERTISING SIGNS AS PERSONAL PROPERTY AND TO PROVIDE THAT UNDER CERTAIN CIRCUMSTANCES AN OFF-PREMISES SIGN SITE MUST BE TAXED AT ITS VALUE WHICH EXISTED BEFORE THE ERECTION OF THE SIGN.

Summary of Bill:

This bill classifies a billboard as tangible personal property. Where the sign is located on land owned by either third parties, or the owner of the sign, the billboard owner is required to file a business personal property with the Department of Revenue. The bill allows for land leased to an eligible billboard site or owned by the sign owner must be assessed without regard to the structure. For the billboard site to be eligible is have to be .25 acres or less.

Introduced: 01/10/2014

Received by Ways and Means: 05/26/2015

Estimated Fiscal Impact:

This bill is expected to reduce local property tax revenue for the four impacted counties by a total of \$115,000 annually in FY 2016-17. The counties are Berkeley, Clarendon, Cherokee, and Jasper.

Subcommittee Recommendation:

Favorable with Amendment

Full Committee Recommendation:

Pending

Other Notes/Comments:

The amendment adds that there be a written notice to the County Assessor by a site owner. This notice also includes a notification sent electronically.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
 (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: H. 4712
Author: White
Subject: Agricultural real property, mobile home and lessee improvements
Requestor: House Ways and Means
RFA Analyst(s): Jolliff
Impact Date: February 9, 2016

Estimate of Fiscal Impact

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

Fiscal Impact Summary

This bill 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

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.



Frank A. Rainwater, Executive Director

South Carolina General Assembly
121st Session, 2015-2016

H. 4712

STATUS INFORMATION

General Bill

Sponsors: Reps. White, Bannister, Rutherford, G.R. Smith, Lowe, Pitts, Hiott, Erickson, Clemmons, Loftis, G.M. Smith, Hayes, Sandifer, Whitmire, Cole, Simrill, Allison, Cobb-Hunter, Long, Huggins, Delleney and Pope

Document Path: I:\council\bill\bbm\9420dg16.docx

Companion/Similar bill(s): 995

Introduced in the House on January 20, 2016

Currently residing in the House Committee on **Ways and Means**

Summary: Agricultural real property, mobile home, and lessee improvements

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/20/2016	House	Introduced and read first time (<u>House Journal-page 6</u>)
1/20/2016	House	Referred to Committee on Ways and Means (<u>House Journal-page 6</u>)

View the latest [legislative information](#) at the website

VERSIONS OF THIS BILL

1/20/2016

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A BILL

11 TO AMEND SECTION 12-43-230, CODE OF LAWS OF SOUTH
12 CAROLINA, 1976, RELATING TO THE TREATMENT OF
13 AGRICULTURAL REAL PROPERTY, MOBILE HOME, AND
14 LESSEE IMPROVEMENTS TO REAL PROPERTY, SO AS TO
15 CLASSIFY OFF-PREMISES OUTDOOR ADVERTISING SIGNS
16 AS PERSONAL PROPERTY AND TO PROVIDE THAT UNDER
17 CERTAIN CIRCUMSTANCES AN OFF-PREMISES SIGN SITE
18 MUST BE TAXED AT ITS VALUE WHICH EXISTED BEFORE
19 THE ERECTION OF THE SIGN.

20
21 Be it enacted by the General Assembly of the State of South
22 Carolina:

23
24 SECTION 1. Section 12-43-230 of the 1976 Code is amended by
25 adding a new subsection to read:

26
27 “(e)(1) For ad valorem property tax purposes, an off-premises
28 outdoor advertising sign must be classified as tangible personal
29 property. The sign owner must file a business personal property tax
30 return annually with the South Carolina Department of Revenue
31 based upon the original cost of the sign structure less allowable
32 depreciation. Any sign permit required by local, state, or federal
33 law must be considered as intangible personal property for ad
34 valorem property tax purposes.

35 (2) If an off-premises outdoor advertising sign site is
36 one-quarter of an acre or less, or is otherwise limited to an area large
37 enough only to accommodate the building structure, foundation, and
38 provide for service or maintenance, is leased from an unrelated third
39 party, or the sign is owned by the owner of the site, and the sign
40 owner has filed a business personal property tax return with the
41 Department of Revenue, then the off-premises outdoor advertising
42 sign site real property must be assessed to the site owner at its value

1 before the lease or construction of the sign without regard to the
2 structure, the lease, or lease income, and no separate assessment
3 may be issued for the sign company's lease or ownership interest.
4 The lease or construction of such property does not constitute an
5 assessable transfer of interest pursuant to Article 25, Chapter 37,
6 Title 12, and the real property constituting the sign site shall
7 maintain its same property tax classification as commercial,
8 manufacturing, agricultural, or utility property as it had before the
9 lease.

10 (3) For purposes of this subsection:

11 (a) 'Intangible personal property' has the same meaning as
12 contained in Section 3(j), Article X, of the Constitution of this State.

13 (b) 'Off-premises outdoor advertising sign' means a
14 lawfully erected, permanent sign which relates in its subject matter
15 to products, accommodations, services, or activities sold or offered
16 elsewhere other than upon the premises on which the sign is located.

17 (c) 'Sign owner' means the owner of an off-premises
18 outdoor advertising sign."

19

20 SECTION 2. This act takes effect upon approval by the Governor
21 and first applies to property tax years after 2014. County tax
22 officials shall adjust values and assessment ratios to reflect the
23 provisions of this act, but no refund is allowed on account of the
24 provisions of this act.

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