



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0401  
**Author:** Peeler  
**Subject:** Property tax  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Jolliff  
**Impact Date:** March 14, 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>	Up to (\$2,140,000)	\$0

**Fiscal Impact Summary**

The impact on local revenue will depend upon the percentage of property platted as open space and the value determination for the open space percentage of the property. If all of properties subject to roll-back taxes elected to include the minimum ten percent green space for conservation, local roll-back tax revenue may be reduced up to \$1,070,000 annually statewide beginning with tax year 2015. Additionally, refunds may be due for any taxes paid that would not have been required under this provision. The total for FY 2016-17 would potentially be up to \$2,140,000 for tax years 2015 and 2016.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

This bill amends Section 12-43-222 on the calculation of roll-back tax due on a parcel of real property changed from agricultural to commercial or residential use to specify that if at least ten percent of a parcel is platted for green space for conservation or open space, the open space portion of the property must be valued as such for calculation of the roll-back tax. Currently,

property converted from agricultural use to commercial or residential property is assessed roll-back taxes based upon the property taxes that would have been collected for the past five years if the property had been taxed under the new property assessment classification and value. Based upon information from county assessors, we estimate that roll-back taxes statewide total approximately \$10,700,000 per year. If all of these properties elected to include the minimum ten percent green space for conservation, local roll-back tax revenue may be reduced up to \$1,070,000 annually statewide beginning with tax year 2015. Additionally, refunds may be due for any taxes paid that would not have been required under this provision. The total for FY 2016-17 would potentially be up to \$2,140,000 for tax years 2015 and 2016. The reduction in local revenue will depend upon the percentage of property platted as open space and the value determination for the open space percentage of the property.



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Frank A. Rainwater, Executive Director