COMMITTEE REPORT

March 18, 2015

**S. 460**

Introduced by Senator Campsen

S. Printed 3/18/15--S.

Read the first time February 17, 2015.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 460) to amend the Code of Laws of South Carolina, 1976, by adding Section 12‑43‑370 so as to provide that a county in this State may allow a taxpayer, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-43-370(B) and inserting:

/ (B) Each county electing to utilize the provisions of this section shall create an application process to allow a taxpayer to submit his email address to the county. A county electing to utilize the provisions of this section shall advertise the application process for two weeks in a newspaper printed and circulated in the county and may publish the application process on the county’s website or on the property tax bill. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

The responding county governments indicate this bill would require additional expenditures, but could not place a dollar amount of the expenses to be incurred. Additionally, the provisions of this bill apply only to the counties wishing to provide certain electronic tax bills and receipts to taxpayers. Therefore, out office cannot provide an estimate of the expenditure impact on county governments.

**Explanation of Fiscal Impact**

**Local Expenditure**

**Explanation of Amendment (March 10, 2015)-By the Finance Property Taxation Subcommittee**

This amendment would strike Section 12-43-370(B) and inserts changes which provide that the provisions of this section are only for counties wishing to provide certain electronic tax bills and receipts to taxpayers.

The Revenue and Fiscal Affairs Office contacted all forty-six county governments regarding the expenditure impact of this bill and received responses from eight counties.

**Charleston County.**

Charleston County reports this would likely require additional staffing.

**Cherokee County**

Cherokee County reports this bill could likely save on printing and postage costs, but would require the expenditure of additional funds for software and administration.

**Clarendon County**

Clarendon County reports this bill would require the expenditure of additional funds for software and labor.

**Florence County**.

Florence County reports this bill would save on postage.

**Greenwood County**.

Greenwood County indicates this bill would potentially require the expenditure of additional funds for administration.

**Saluda County**.

Saluda County reports this bill would require the expenditure of additional funds on software and possibly additionally employees.

**Williamsburg County**.

Williamsburg County reports this bill would require the expenditure of additional funds on software and labor.

**York County**.

York County reports this bill would require the expenditure of additional funds on software and internal overhead.

Seven of the eight responding county governments indicate this bill would require additional expenditures, but could not place a dollar amount on the amount of expenses to be incurred. Additionally, the provisions of this bill apply only to the counties wishing to provide certain electronic tax bills and receipts to taxpayers. Therefore, out office cannot provide an estimate of the expenditure impact on county governments.

**Explanation of Update (March 10, 2015)**

The Revenue and Fiscal Affairs Office received additional responses from county governments regarding expenditure impact of this bill. Additional responses were received from Charleston, Cherokee, and Clarendon Counties.

**Charleston County.**

Charleston County reports this would likely require additional staffing.

**Cherokee County**

Cherokee County reports this bill could likely save on printing and postage costs, but would require the expenditure of additional funds for software and administration.

**Clarendon County**

Clarendon County reports this bill would require the expenditure of additional funds for software and labor.

**Florence County**.

Florence County reports this bill would save on postage.

**Greenwood County**.

Greenwood County indicates this bill would potentially require the expenditure of additional funds for administration.

**Saluda County**.

Saluda County reports this bill would require the expenditure of additional funds on software and possibly additionally employees.

**Williamsburg County**.

Williamsburg County reports this bill would require the expenditure of additional funds on software and labor.

**York County**.

York County reports this bill would require the expenditure of additional funds on software and internal overhead.

Seven of the eight responding county governments indicate this bill would require additional expenditures, but could not place a dollar amount on the amount of expenses to be incurred. Therefore, our office cannot provide an estimate of the expenditure impact on county governments.

**Explanation of Bill as filed February 17, 2015**

This bill adds Section 12-43-370, which allows a taxpayer the option to receive certain property tax bills and receipts in electronic form. Each county may determine to which classes of property this provision applies. Also, participating counties must create an application process to allow taxpayers to submit email addresses and must publish the application process on the county’s website.

The Revenue and Fiscal Affairs Office contacted all forty-six county governments regarding the expenditure impact of this bill and received responses from five counties.

**Florence County**.

Florence County reports this bill would save on postage.

**Greenwood County**.

Greenwood County indicates this bill would potentially require the expenditure of additional funds for administration.

**Saluda County**.

Saluda County reports this bill would require the expenditure of additional funds on software and possibly additionally employees.

**Williamsburg County**.

Williamsburg County reports this bill would require the expenditure of additional funds on software and labor.

**York County**.

York County reports this bill would require the expenditure of additional funds on software and internal overhead.

Four of the five responding county governments indicate this bill would require additional expenditures, but could not place a dollar amount on the amount of expenses to be incurred. Therefore, our office cannot provide an estimate of the expenditure impact on county governments.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑43‑370 SO AS TO PROVIDE THAT A COUNTY IN THIS STATE MAY ALLOW A TAXPAYER THE OPTION TO RECEIVE CERTAIN PROPERTY TAX BILLS AND RECEIPTS IN ELECTRONIC FORM, TO REQUIRE A PARTICIPATING COUNTY TO MAINTAIN PROOF THAT AN EMAIL WAS SENT TO A TAX PAYER, AND TO REQUIRE A PARTICIPATING COUNTY TO CREATE AN APPLICATION PROCESS AND TO PUBLISH THE APPLICATION PROCESS.

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

SECTION 1. Article 3, Chapter 43, Title 12 of the 1976 Code is amended by adding:

“Section 12‑43‑370. (A) A county may allow a taxpayer to elect to receive his property tax bill and receipt in electronic form, and if the taxpayer makes the election, the county shall email the property tax bill and receipt each year unless the taxpayer elects to no longer obtain his bill and receipt electronically. The date the property tax bill or receipt is sent electronically is considered the date the bill or receipt is mailed. Each county may determine to which classes of property this section applies. The county shall maintain a record of the taxpayer’s election to participate and retain the date of the electronic transmission of the property tax bill or receipt as proof they were sent. This section does not apply to delinquent notices.

(B) Each county shall create an application process to allow a taxpayer to submit his email address to the county. A county shall advertise the application process for two weeks in a newspaper printed and circulated in the county and may publish the application process on the county’s website or on the property tax bill.”

SECTION 2. This act takes effect upon approval by the Governor.

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