



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3093 Introduced on January 10, 2017
Author: Loftis
Subject: Property Assessment Ratios
Requestor: House Ways and Means
RFA Analyst(s): Gable
Impact Date: March 3, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
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	Undetermined	\$0

Fiscal Impact Summary

Due to the limited information on the number of instances in which the special assessment ratio on owner-occupied property is rescinded while a deceased owner's estate is in probate, the impact on local property tax revenue is undetermined. However, based on the structure of the South Carolina Probate Law, we expect the impact to be minimal.

Explanation of Fiscal Impact

Introduced on January 10, 2017

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill continues the special owner-occupied assessment ratio for property in a probate estate at the death of the homeowner until the deceased's estate is closed or upon recording of the deed or deed of distribution from the estate, so long as the property was assessed at the special owner-occupied assessment ratio at the time of the deceased's death. This provision only applies if the property is not rented and applies to property tax years beginning after 2016.

Based on the estimated average owner-occupied value of \$151,740 and a statewide millage rate of 343.5 for tax year 2017, the average reduction to local property tax would be \$1,042 per incident for the reduced assessment ratio and \$1,022 for property tax exemptions for school operations on owner-occupied property, for a total of \$2,064 per incident.

Based on prior communication with the South Carolina Court Administration, 35,773 probate cases for deceased persons were closed in FY 2014-15, but they did not know how many of those cases were open for more than a year. The South Carolina Association for Counties was also not able to determine the frequency in which this incident may occur. However, based on the structure of South Carolina Probate Code, Title 62, most probate estates open and close within one year and therefore would not be subject to a change in the assessment ratio from four percent to six percent. Furthermore, we are unsure how a county would become aware that a property should be reassessed until such time as the deed is recorded due to a transfer of ownership. Due to the limited information available and difficulty in determining the prevalence of this situation occurring, the impact to local property tax statewide is undetermined.



Frank A. Rainwater, Executive Director