

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: April 30, 2008

Bill Number: S.B. 1313 as amended April 29 by Senate Finance

Authors: Knotts, Peeler, Williams, Elliott, Ford, et. al.

Committee Requesting Impact: Senate Finance

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section [12-43-223](#) so as to provide that a person who through a bond for title, lease-purchase agreement, contract for sale, or other type of contractual agreement owns an equitable interest in a parcel of real property, the legal title to which remains in the seller, which that person maintains as his legal residence qualifies for a four percent assessment ratio thereon if he meets all other requirements provided by law for such classification including a requirement in the contractual agreement that he is responsible for the real property taxes on the property.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. Local property tax revenues could be impacted based on the criteria established by each county assessor.

Explanation

Current law already allows most lease purchase property to qualify for the 4.0% assessment ratio under certain conditions when a person owns an equitable interest in the parcel of real property and maintains the property as his legal residence. However, there are no uniform Statewide standards for granting the 4.0% assessment ratio on these types of property. This bill allows the county assessor to establish reasonable criteria by July 1 of each property tax year to determine if a contractual agreement between the purchaser and the seller meet the requirements for receiving the 4.0% assessment ratio in Section 12-43-223(A). This criteria must be made available to the public when it is established. This bill also adds language stating that in order to qualify for the 4.0% assessment ratio pursuant to this Section, a person who owns an equitable interest in a parcel of real property must record the agreement conveying the equitable interest in the office of the register of mesne conveyances or the clerk of court in those counties where the office of the register of mesne conveyances has been abolished.

/s/ WILLIAM C. GILLESPIE, Ph.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.