



LEGISLATIVE UPDATE 1/6/06

The Senate Judiciary Committee passed three property tax reform bills that would provide the vehicle to amend the state constitution. **S.960**, would make point-of-sale reassessment the **default** system throughout the state. Which means property would be reassessed when sold, inherited or improved. If the counties do not use the point-of-sale reassessment method then the amendment allows the counties to choose other reassessment options provided by the General Assembly.

S.969, this bill would first, provide that if a local government entity imposed a tax for the deficiency from the preceding year, for any catastrophic event outside the control of the governing body, or for compliance with a court order or decree, the amount of the tax for each item must be listed as a separate surcharge.

Second, the bill would limit an increase in local governmental entities' millage rates to no more than the average of the percentage increases in the total personal income growth in the state for each of the three previously completed calendar years for which figures are available from the U.S. Department of Commerce.

S.970, this bill would repeal the existing statutory cap on millage rates. This bill would only take effect upon the ratification of S.969.

The three bills approved by the Senate Judiciary Committee do not discuss ideas to cut property tax by raising the state sales tax. The Senate has to wait on House plans due to a requirement in the state constitution that any legislation that affects state revenue come from the House.

If you have additional questions please contact the Association Office at (800) 344-4518 or via e-mail at kellysmith@as-irmo.com or chrissmith@as-irmo.com.