



LEGISLATIVE UPDATE 2/10/06

S.1028, *McConnell*, this bill will enact the “South Carolina Property Tax Assessment Reform Act”. The bill was passed by a Senate Judiciary Committee and is set for Special Order on the Senate Calendar. The Senate bill uses a growth factor for reassessment and not a tax swap. Voters will decide whether to keep their current reassessment system, or place a 15% maximum cap on how much property tax can increase every five years. The bill will be debated in the Senate next week.

H.4449, *Cotty*, this bill removes all property taxes from owner occupied homes except the portion attributable to bonded indebtedness. The sales tax is increased to 7% and the sales tax on food is completely removed. The state’s assessment system is changed so that property is only reassessed at the point of sale or upon significant improvement. A controversial amendment was adopted that would allow counties that raised their local option sales tax to apply the additional revenue to resident taxes on second homes, cars and other types of real property. The bill passed the House and was sent to the Senate. At this point, it does not seem the Senate is in favor of the amendment or the tax swap plan.

H.4450, *Cotty*, this resolution defines fair market value for a property as the value at the point of sale or significant improvement. The homestead exemption is amended to exempt 100% of the fair market value of an owner occupied home from taxation for operating purposes. The constitutional amendment passed the House and has been referred to the Senate Judiciary Committee.

S.1078, *Cleary*, This bill will allow the Murrell’s Inlet-Garden City Fire District to use a portion of impact fees to construct a storage facility for fire fighting equipment. The bill has been enrolled for ratification.

H.4385, *Chalk*, this bill would allow the Hilton Head No. 1 PSD to extend the terms of the commissioners currently serving by one year in order to have their election in even-numbered years. Hilton Head No. 1 PSD is aware of this legislation and supports it. The bill has been enrolled for ratification.

Mark Your Calendars!
2006 Leadership Program
Tuesday
April 25, 2006
The Summit Club
Columbia, SC