South Carolina Office of Research and Statistics
Statement of Estimated Local Revenue Impact

Date: March 1, 2011
Bill Number: H.B. 3651
Authors: Cooper and Ott
Committee Requesting Impact: House Ways and Means

Bill Summary
A bill to amend Section 12-37-251, as amended, Code of Laws of South Carolina, 1976, relating to the calculation of rollback millage used in the year of implementation of a countywide reassessment program, so as to revise the method of calculating rollback millage and to provide for the imposition of an "equivalent millage" for municipal property tax when municipal boundaries extend into multiple counties on different reassessment schedules.

REVENUE IMPACT
This bill is not expected to impact State revenues. This bill is not expected to negatively impact local revenues.

Explanation
Section (E) This section defines how to calculate rollback millage. Under current law, the law states rollback millage is calculated by dividing the prior year property tax revenues by the adjusted total assessed value applicable in the year the values derived from a countywide equalization and reassessment program are implemented. This amount of assessed value must be adjusted by deducting assessments added for property or improvements not previously taxed, for new construction, and for renovation of existing structures. Under current law, there is no set standard for exactly what to include when calculating rollback millage. This section provides more detailed language for what to use when calculating rollback millage.

Section (F) Under current law, when a county implements a reassessment and equalization program all the properties in the county are reassessed up to the 15% cap. This section would require a municipality that is in more than one county to calculate an equivalent millage to be used when the different counties that the municipality is located in do not implement reassessment in the same year. This codifies and standardizes what is already common practice across most of the State. The purpose of this equivalent millage would be to equalize the tax burdens within the municipality. We have identified 19 municipalities that are in more than one county. Since the purpose of this language is to equalize the tax burden in municipalities that cross county lines and do not implement reassessment programs in the same year, municipalities are expected to set an equivalent millage that maintains their revenue stream. Therefore, this section is not expected to negatively impact local revenues.

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This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-75 for a local revenue impact or Section 6-1-85(8) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

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