



## State of South Carolina Office of the Governor

MARK SANFORD  
GOVERNOR

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June 11, 2010

The Honorable André Bauer  
President of the Senate  
State House, 1<sup>st</sup> Floor, East Wing  
Columbia, South Carolina 29202

Dear Mr. President and Members of the Senate:

I am hereby vetoing and returning without my approval S. 405, R. 299, which allows live-in boats to be considered real property for the purposes of calculating property taxes if the owner already has a "primary residence" and "secondary residence" in the state.

We applaud the spirit of this legislation and the efforts of Senator Cleary to lower the overall tax burden for those affected by the contents of this bill. Lowering taxes has consistently been one of the driving principles of this administration. Specifically, we've supported bills in the past that lower personal property taxes such as those on motorcycles and heavy-duty trucks.

Unfortunately, S. 405 falls in line with similar legislation we vetoed last year allowing live-in boats to be considered a "primary residence" or a "secondary residence" for property tax purposes. These bills took the extraordinary step of redefining the term "real property." This bill goes even further by allowing one to own two homes in the state and still treat a live-in boat as real property.

As stated last year, South Carolina Code Section 12-37-10 (1) states in pertinent part: "*real property* shall mean not only land, city, town and village lots but also all structures and other things therein contained or annexed or attached thereto which pass to the vendee by the conveyance of the land or lot." In simpler terms, real property means land and any permanent fixture on that land – things that tend to *appreciate* in value. Items such as boats and campers, however, are not affixed to the ground and generally *lose* value with the passage of time.

We also believe property taxes have historically been the purview of local governments. In the property tax bill of a couple years ago, there was obvious exception to this given the state's constitutional requirement to handle education. But the larger notion of federalism on which this nation is founded prescribes that, where possible, we disperse power to individuals and local governments rather than keeping it centralized. The kinds of changes contemplated in this bill

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can and should be made at the local level as counties compete with each other to offer the most favorable property tax environment.

For these reasons, I am vetoing and returning without my approval S. 405, R. 299.

Sincerely,

A handwritten signature in black ink, appearing to be 'Mark Sanford', written in a cursive style.

Mark Sanford