



# State of South Carolina

## Office of the Governor

MARK SANFORD  
GOVERNOR

POST OFFICE BOX 12267  
COLUMBIA 29211

June 6, 2007

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. 139, R-86.

This legislation would impose a statewide mandate that camping trailers and live-in boats be considered real property for the purposes of calculating property taxes. In other words, these items would be allowed to qualify for a "primary residence" assessment ratio of four percent or a "secondary residence" ratio of six percent.

I applaud the notion of lowering the tax on anything as this has consistently been one of the driving principles of this administration. We have worked to lower income, property and grocery taxes, to name but a few.

In the realm of property, whether real or personal, I very much agree with the idea of limiting taxes so that one can actually own that asset rather than renting it from the government. This bill falls short, though, in the way it attempts to reach this worthwhile objective.

One, this bill takes the extraordinary step of redefining the term "real property." If we want to change something, let's just do it, but let's not use tortured logic that attempts to turn upside down common law definitions and practice that have served this country well for about 300 years.

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 even simpler terms, real property means land and any permanent fixture on that land. To this end, there has historically been a clear nexus between real property and what are generally considered appreciating assets. Items such as boats and campers are not affixed to the ground and generally lose value with the passage of time, in contrast to many "real assets."

The Honorable André Bauer  
June 6, 2007  
Page 2

Two, we also believe property taxes have historically been the purview of local governments. In the property tax bill of last year, there was obvious exception to this given the state's constitutional requirement to handle education. Absent that consideration, we believe in the larger principle of federalism that is predicated on sending power and authority to the individual and most local government possible rather than harboring it in Columbia, and the principle of competition - that these kinds of changes can be made as counties hear from their residents and compete with one another in offering the most favorable property tax climates.

For these reasons, I am vetoing S. 139, R-86, and returning it without my approval.

Sincerely,

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

Mark Sanford