



# Your Guide to the 2022 Reassessment

## Colleton County Assessor's Office

PO Box 1166 \* 31 Klein Street

Walterboro, SC 29488

Phone (843) 549-1213 \* Fax (843) 549-6185

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## Reassessment



### **THE 2017 REASSESSMENT PROGRAM IN COLLETON COUNTY**

In 1999, the legislature passed Code of Laws of South Carolina 12-43-217(a), “Notwithstanding any other provision of law, once every fifth year each county of the State shall appraise and equalize those properties under its jurisdiction. The county or State shall notify taxpayer of any change in value or classification if the change is \$1,000 or more.

#### **A. Why is the Current Fair Market Value so important?**

The market value of property will continue to change. Unfortunately, property values do not all change at the same rate; some increase or decrease at a faster rate due to location, desirability of the neighborhood or property, age and physical condition, etc. The key word in the reassessment program is accuracy. Taxes cannot be levied fairly unless the true value of each property is known. Correct assessments are not possible unless correct appraisals of property are made in light of present value, not what it was worth in past years.

#### **B. Will my taxes increase because of reassessment?**

Some property will notice a decrease in taxes, some will stay the same and some will pay more taxes. Reassessment is not created to raise taxes; it is intended to distribute the taxes collected more fairly among all property owners.

**C. State law provides Rollback Millage**

Code of Laws of S.C. 12-37-251(E): “In the year of reassessment the millage rate for all real and personal property must not exceed the rollback millage, except that the rollback millage may be increased by the percentage increase in the consumer price index for the year immediately preceding the year of the reassessment.”

Rollback millage is calculated by dividing the prior year property tax revenue by the adjusted total assessed value applicable in the year the values derived from a county wide equalization and reassessment program are implemented. The 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.

**D. Appraisal/Assessment System will continue to be updated.**

The countywide reassessment program is scheduled to be updated every five years. The 2012 values will remain as is (no changes) until the next general reappraisal unless:

1. Construction activity has taken place on the property.
2. The property was carried as part of an acreage parcel the prior year and is now a lot.
3. Multiple Lot Ownership Discount: Owners of ten (10) or more lots may apply to the Assessor by May 1.
4. Owners may have requested a review of the prior year’s value to be effective for the current year.
5. Changes by the Assessor as required by law. See SC Real Property Reform Act of 2006. To read this act in its entirety, you can refer to 12-37-(3110-3170) of the South Carolina Code of Law.

<http://www.scstatehouse.gov/code/t12c037.php>

## The South Carolina Real Property Valuation Reform Act of 2006

### *The South Carolina Real Property Valuation Reform Act of 2006*

- Exempts legal residence from school operating millage.
- Reimburses school districts for the tax revenue exempted
- Increases state sales tax by 1%
- Reduces state sales tax on unprepared food to 0% effective 11/1/07.
- Caps county and school millage by CPI and population growth.
- Caps increases in value of all property to 15% during the five year reassessment cycle.
- This act also creates what is called an **Assessable Transfer of Interest (ATI)**. An ATI is defined as a transfer of an existing interest in real property that subjects the real property to appraisal. For purposes of this definition, an existing interest in real property includes life estate interest. SC Code of Law Section 12-37-3150(A). See below for additional information on ATI's.

### **When to Revalue Property Based on an ATI**

For property tax years beginning after 2006, the fair market value of real property is its fair market value applicable for the later of:

1. The base year as defined in 12-37-3140. For purposes of determining a “base year” fair market value pursuant to this section, the fair market value of real property is its appraised value applicable for the property tax year 2007.
2. December thirty-first of the year in which an assessable transfer of interest has occurred.
3. As it may be adjusted as determined in a countywide reassessment program conducted pursuant to Section 12-43-217, but limited to increases in such value provided in 12-37-3140(B)

### **Limits in a Reassessment Year**

Section 12-37-3140(B) of the South Carolina code of law limits reassessment increases in value to 15% within a 5 year period.

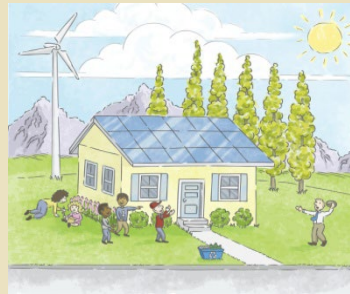
However, under section 12-37-3130(1) additions and improvements are exempt from the 15% cap and will be added at the current market value. Some common additions and improvements are:

1. New construction
2. Reconstruction
3. Major additions to the boundaries of the property of a structure on the property
4. Remodeling
5. Renovation and rehabilitation including installation

Additions or improvements do not include minor construction or ongoing maintenance and repair of existing structures.

## Classification of Real Property

The County Assessor is charged by South Carolina Law (Act 208 of 1975 as amended) with classifying real property for assessment purposes. All property appraised by the Colleton County Assessor has been classified into four categories depending on whether application has been made for either legal residence and/or agricultural use value. Below, you will find a brief explanation as to the meaning of each of the classes and the appropriate assessment ratio associated with each class.



### 1. **Legal Residence**

Legal Residence refers to the special 4% assessment ratio for owner occupied homes. This results in a tax savings of more than one-third of the tax bill compared to the 6% ratio if application for the special assessment is not made. Here is a link to an online application. <http://www.colletoncounty.org/assessorforms>

#### **A. Definition of Legal Residency:**

For property tax purposes the term “Legal Residence” shall mean the permanent home or dwelling place owned by a person and occupied by the owner thereof. It shall be the place where he intends to remain permanently for an indefinite time even though he may temporarily be living at another location. However, the same shall not include a residence maintained principally for vacation or recreation purposes.

**B. Qualification Requirement for Legal Residence:**

To qualify for the special property tax assessment ration allowed by this item, the owner-occupant must have actually owned and occupied the residence as his legal residence and been domiciled at the address for some period during the applicable tax year and remain in the status at the time of filing the application required by this item.

The owner must have title (deed or will) or bond for title recorded in the Register of Deeds Office or have an equity interest (Contract for Sale); and the property must be occupied by the owner as his legal residence. The property can include not more than five acres contiguous thereto and be owned totally or in part in fee or by life estate, but shall not include any portion which is not owned and occupied for residential purposes.

Taxpayers who qualify for legal residence also qualify for additional relief as provided in the Property Tax Reform Act of 2006. This relief is applied to 100% school operating portion of the millage.

**C. When to File for Legal Residence:**

The owner of the property or the owner's agent must apply for the four percent (4%) assessment ratio before the first penalty date for the payment of taxes for the tax year for which the owner first claims eligibility. Example: for tax year 2022, file between January 1, 2022 and January 16, 2023.

Once an initial application for legal residence has been qualified, no further application is necessary while the property continues to meet the eligibility requirements of this item. In any year that you change legal residence to another property, a new application must be filed on the new legal residence during the filing period. The owner shall notify the assessor of any change in use within six months of the change.

Remember: Failure to file and become qualified means an automatic six percent (6%) assessment.





## 2. **Agricultural Use Value**

Agricultural Use Value refers to the appraised value assigned to those acreage tracts of land that qualified based on bona fide agricultural use of the property. Here is a link to an online application. <http://www.colletoncounty.org/assessorforms>



### A. **Requirements for Agricultural Real Property, 12-43-232:**

1. If the tract is used to grown timber, the tract must be five acres or more. Tracts of timberland of less than five acres which are contiguous to or are under the same management system as a tract of timberland which meets the minimum acreage requirement are treated as part of the qualifying tract. Tracts of timberland of less than five acres are eligible to be agricultural real property when they are owned in combination with other tracts of non-timberland agricultural real property that qualify as agricultural real property. For the purposes of this item, tracts of timberland must be devoted actively to growing trees for commercial use.
  
2. For tracts not used to grow timber as provided in item (1) of this section, the tract must be ten acres or more. Non-timberland tracts of less than ten acres which are contiguous to other such tracts which, when added together, meet the minimum acreage requirements, are treated as qualifying tract. For purposes of this item (2) only, contiguous tracts include tracts with identical owners of record separated by a dedicated highway, street, or road separated by any other public way.

3. Non-timberland tracts not meeting the acreage requirement of item (2) qualify as agricultural real property if the person making the application required pursuant to Section 12-43-220(d)(3) earned at least one thousand dollars of gross farm income for at least three of the five taxable years preceding the year of the application.

The assessor may require the applicant(s) to give written authorization consistent with privacy laws allowing the assessor to verify farm income from the Department of Revenue or the Internal Revenue Service and (ii) to provide the Agriculture Stabilization and Conservation Service (ASCS) farm identification number of the tract and allow verification with the ASCS Office.

**B. Qualification Requirements for Agricultural Use Value:**

Agricultural real property which is actually used for such purposes shall be taxed on an assessment equal to:

1. Four percent of its fair market value for such agricultural purposes for owners or lessees who are individuals or partnerships and certain corporations which do not:
  - (i) have more than ten shareholders
  - (ii) have as a shareholder a person (other than an estate) who is not an individual
  - (iii) have a nonresident alien as a shareholder
  - (iv) have more than one class of stock
2. Six percent of its fair market value for such agricultural purposes for owners or lessees who are corporations, except for certain corporations specified in (A) above. (South Carolina Code 12-43-220(d)(1)).



**C. When to File for Agricultural Use Value:**

The owner of the property or the owner's agent must apply for the special valuation based on agricultural use before the first penalty date for the payment of taxes for the tax year for which the owner first claims eligibility. Example: For tax year 2022, file between January 1, 2022 and January 16, 2023.

Once an initial application for agricultural use value has been qualified, no further application is necessary while the property continues to meet the eligibility requirements of this item. In any year that the ownership changes, a new application must be filed by the new owner during the filing period. The owner shall notify the assessor of any change in use within six months of the change.

**Remember:** Failure to file and become qualified means an automatic six percent (6%) assessment.

**D. Rollback Taxes**

When real property which is in agricultural use and is being valued, assessed, and taxed under the provisions of this article, is applied to another use other than agricultural, it shall be subject to additional taxes, hereinafter referred to as roll-back taxes, in the amount equal to the difference, if any, between the taxes payable on the basis of the agricultural use valuation and assessment, and the taxes that would have been paid had the property been taxed at the market value appraisal and six percent (6%) assessment ratio. The roll-back can be applied to the property for the current tax year (the year of change in use) and each of the five tax years immediately preceding the year of change in use. (South Carolina Code 12-43-220(d)(4)).

**3. Property Appraised by the SC Department of Revenue**

Properties involving transportation, utilities, manufacturing, and personal property are appraised and assessed by the South Carolina Department of Revenue.

Notification of Appraisal/Assessment information on property appraised by the South Carolina Department of Revenue is sent to the property owner directly from the Department of Revenue. Information on the Colleton County Assessment Notice is for property appraised by the Colleton County Assessor's Office only and does not include property appraised by the South Carolina Department of Revenue.

All real and personal property appraised in Colleton County, including both property appraised by the County and the South Carolina Department of Revenue are billed through the Colleton County Auditor's Office.

### **3. HOMESTEAD EXEMPTION**

The homestead exemption is not to be confused with legal residence. Persons (over age 65), the blind, the disabled, and a surviving spouse may be eligible for a \$50,000 deduction from the Assessor's market value appraisal of their legal residence. The owner's tax bill will show the assessed value reduction amount if the owner has qualified for the homestead exemption. Information regarding homestead may be obtained from the Colleton County Auditor's Office, Post Office Box 128, 31 Klein Street, Walterboro, SC 29488, or call 843-549-2131 for exact qualification requirements. The web address is

<http://www.colletoncounty.org/auditorforms>

## How can a property owner check or challenge the appraisal and/or assessment of his property?

All 38,000 plus appraisals/assessments and related ownership data of real property in Colleton County are computerized. We have a public records room with public computers in the Assessor's Office from 8:00 a. m. to 5:00 p. m. Monday through Friday. Property records are available online and can be viewed by visiting the Colleton County website.

<http://colletoncounty.org>

Under the provision of state law, the property owner may reasonably challenge his appraisal/assessment using the following procedure. (South Carolina Code of Laws Section 12-60-2510(3)).

1. Within ninety (90) days after dated notice of reassessment, the property owner or his agent must file a written objection with the assessor.
2. The assessor will conduct a field review and notify the property owner of the results of review.
3. After the field review has been completed, the Assessor will notify you in writing of his finding. If you still disagree with the assessment, you have thirty (30) days to file written notice of your request to appeal your assessment to the Colleton County Board of Assessment Appeals, a member panel of Colleton County citizens who shall serve as the final local authority in such appeals.

### Who May Represent Taxpayers During the Administrative Tax Process?

1. Attorneys and certified public accountants.
2. Enrolled agents- An “enrolled agent” has demonstrated special competence in federal taxation by passing a written examination administered by the Internal Revenue Service or through employment with the Internal Revenue Service.
3. Partners may represent their partnership.
4. Corporate officers may represent their corporation
5. Fiduciaries and their full-time employees may represent the entity for which they are a fiduciary.
6. Full-time employees may represent their employer.
7. Individuals may represent themselves or a member of their immediate family if the individual is not compensated.
8. Real estate appraiser who is registered, or certified in this state.



**In years when there is NO notice of property tax assessment?**

- Taxpayer may appeal the fair market value, special use value, the assessment ratio and the property tax assessment of a parcel at any time during the current tax year.
- The appeal must be submitted in writing to the assessor.
- An opinion of value and supporting documentation must be supplied upon written objection.
- An appeal submitted before the first penalty date applies for the property tax year for which the penalty would apply.
- An appeal submitted on or after the first penalty date applies for the next property tax year.