

# REASSESSMENT INFORMATION

State Statute mandates reassessment programs every five years. The Assessor's Office maintains information on each property located within Abbeville County. Most property characteristics have not changed since the last reassessment. Therefore, it will not be necessary to re-measure or collect data unless an addition or remodeling took place. A licensed appraiser will verify this information to determine the fair market value.

## **The South Carolina Reform Act of 2006**

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

- Caps increases in value of all real property are limited 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 interests. SC Code of Law Section 12-37-3150(A). See below for additional information on ATI's

### **B. 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 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)

### **C. 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 or 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.

The repair or reconstruction of a structure damaged or destroyed by a disaster, to include, but not limited to, construction defects, defective materials, fire, wind, hail, flood, and acts of God, is not an addition or improvement to the extent that the structure as repaired or deconstructed, is similar in size, utility, and function of the structure damaged or destroyed, and the rebuilding or reconstruction is begun within eight years after determination of the damage or destruction.

Construction of facilities in a home that makes the home handicapped accessible is not an addition or improvement if the utility and function of the structure remains unchanged. Reassessment tables should be used to value all new houses built and additions and improvements for the reassessment period. Exception: if new construction is combined with an ATI in the same year, the assessor will use fair market value as of December 31 of that year.

## **HOW IS MY PROPERTY REASSESSED?**

The County Assessor's Office maintains information on each property located in the County, including size, square footage, location and certain amenities. The County Assessor also has copies of building permits, which provide additional information about the property.

To find the value of any piece of property, the County Assessor's Office must know the price for which properties similar to it are selling, what it would cost today to replace, how much it takes to operate and repair, what rent the property may earn, and other facts affecting its value, such as the current rate of interest charged for borrowing the money to buy or build properties.

Along with this information, the Assessor's Office will determine the property's value considering three different approaches:

1. **Sales Comparison Approach** - This method compares subject properties to same properties in the same area/neighborhood, which have sold recently. These prices are analyzed to determine if the sales were accurate.  
When using the sales comparison approach, the Assessor's Office analyzes many sales to arrive at a fair valuation of your property. Size, quality, condition, location and time of sale are important facts. The sales comparison approach usually is the most reliable way of determining value of residential property.
2. **Cost Approach** - A second way to value property is based on how much money it would take, at current material and labor costs, to replace the property with one that is similar. If the property is not new, the Assessor's Office must determine how much it has depreciated. Also, the County Assessor's Office must determine how much the land would be worth if it was vacant.
3. **Income Approach** - Another way to value property is to evaluate how much income the property would produce if it were rented as an apartment house, a store or other sort of business. The County Assessor's Office considers the rent a property may earn, vacancy rates, operating expenses, maintenance costs, and the current interest rate charged for borrowing money to determine the value by the income approach.

All county appraisers receive training in appraisal techniques and must be licensed or certified by the South Carolina Appraisers Board. It is important to remember that the County Assessor's Office does not create value; only the market place can do that. The principle of supply and demand is the largest single factor in determining a property's worth.

### **WILL I BE NOTIFIED OF THE NEW VALUE?**

YES. An Assessment Notice will be mailed to all real property owners in the months prior to tax bills and will reflect the name of the legal owner as of December 31st. The assessment notice is NOT A TAX BILL. The notice is simply to make taxpayers aware of a change in their property value or classification.

### **WHAT IF I DISAGREE WITH MY PROPERTY VALUE?**

If, after receiving your assessment notice, you disagree with the new value assigned to your property, you have the right to appeal. An appeal must be filed, in writing, within 90 days of the mailing of the assessment notice. You must file your appeal with the Abbeville County Assessor's Office. Do not wait until your tax bill arrives to appeal your new value; it may be too late.

### **WILL MY TAXES INCREASE?**

This is the number one question about Assessment Notices. However, there is not an easy answer. From the information available at the time Assessment Notices are sent, taxes cannot be estimated. The assessment is only one piece of the formula to calculate taxes. Since the value of all parcels may change, the remaining part of the formula will not be known until approximately October. It would not be accurate to use last year's formula to estimate taxes.

### **HOW IS PROPERTY TAXED?**

The South Carolina Constitution provides for the following ratios to be applied to the market or use value of property to arrive at the assessed value:

- Your home (legal residence) 4% if applied for and application approved
- Second home (or any residential property where you do not live) 6%
- Vacant Land 6%
- Agricultural real property (privately owned) 4%
- Agricultural real property (corporate owned – 10 or more Share Holders) 6%
- Commercial Real Property 6%
- Manufacturing Real and Personal Property 10.5%
- Utility, Real and Personal Property 10.5%
- Personal Property 10.5%
- Motor Carriers, railroads, airlines and pipelines real and 9.5%
- Personal Property

### **HOW DO I GET THE BEST TAX RATE FOR MY HOME?**

If you own a home, you want to be sure to obtain the 4% assessment rate if you live in the home as your legal residence. Otherwise, your tax rate will be 6%. The amount of the savings will vary depending upon

the millage rate for school operating costs in the school district where you live. To obtain the lower rate, you will need to complete an application with the County Assessor's Office. This should be done as soon as you move into your house. Once you file this application, you will not need to complete another one, unless ownership changes or the County Assessor's Office believes use of the property has changed.

### **For Agriculture Property**

A property may be taxed at a lower rate if it contains 5 acres of timberland or 10 acres of cropland and at least 50% of the property is used for a bona fide agricultural use. For parcels of less than 10 acres, the property may still qualify if the owner can show gross receipts from agricultural activity for three of the last five years. The owner or agent must apply for this discount on or before Jan. 15, when taxes are due. Once you file this application, you will not need to complete another one, unless ownership changes or the County Assessor's Office believes use of the property has changed. Applications are available in the County Assessor's Office, Clemson Extension Service, and the Soil Conservation Service.

### **For Real Estate Developers**

A developer may qualify for the multi-lot discount if each of the lots have identical ownership and the developer owns more than 10 undeveloped lots in a subdivision. Lots with mobile homes are considered improved. The owner or agent must apply for this discount on or before May 1 of each tax year. Applications are available in the County Assessor's Office.

### **WHY DO WE PAY PROPERTY TAX?**

Property taxes and fees are collected by local government to provide for the services most of us take for granted. Schools, police, public works, road maintenance, animal control, garbage collection, EMS, the judicial system and public libraries are possible because of revenue from the property tax. A review of your most recent tax bill shows how your tax dollars are divided between the public schools and local governments. Real property taxes are paid by owners of land and buildings, including homeowners, landlords, business owners and industries. We are all asked to pay our fair share of the cost of these services by paying tax in proportion to the value of our property. These taxes are based on the market value of the land and buildings as of December 31 of the preceding year. For example, the tax bill you receive this fall will be based on property values and construction that existed on December 31.

### **Terms and Definitions**

- **Real Property** - All land and the buildings, structures or improvements on that land.
- **Personal Property** - All things, other than real estate, which have value such as cars, trucks, boats, motorcycles and airplanes, and items used in a business such as furniture, fixtures and equipment.
- **Fair Market Value** - The amount for which property can reasonably be expected to sell on the open market with a willing buyer and a willing seller.
- **Assessment Ratio** - The percentage of your property value, which is subject to taxation. For example, the assessment ratio of owner occupied residential property is 4%. Multiply your home's fair market value by the assessment ratio of 4% to determine assessed value.
- **Assessed Value** - An appraisal or fair market value of real or personal property multiplied by the appropriate corresponding ratio equals the assessment or assessed value.

- **Reassessment** – Reassessment is a revaluation of real estate. A process required by State law to determine the change in market value of property over a defined period of time.
- **Millage Rate** - The amount of mills levied in order to meet the budget of a school district, county, city or other political subdivision. One mill equals 1/1000 of a dollar or 1/10 of a cent. If the tax rate is 256 mills, multiply .256 by the assessed value to determine the amount of property tax due.
- **Tax Year** - The year for which taxes are due, usually due by January 15 of the next year