Lexington County Assessor's Office

Your Guide to the
Lexington County Reassessment Program

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A Word from Your Lexington County Assessor

Re: The Lexington Reassessment Program

This pamphlet contains information that is important to all residents and real property owners of Lexington County. It explains Legislative Act 208, a state law which requires all counties to appraise all real property for tax purposes.

Lexington County has most recently completed a Reassessment Program to be implemented for the 2020 tax year and is scheduled to implement again in 2025. The 2020 Reassessment Program has been completed in order to comply with the Code of Laws of South Carolina, Section 12-43-217.

The Notice of Classification, Appraisal and Assessment of Real Estate that will soon be mailed to property owners as a result of the 2020 reassessment, reflects the value the Assessor's Office has assigned to your real property. Please note that, in accordance with the state law mentioned above, this is market value (or use value, in the case of agricultural property).

As your Assessor, my staff and I are bound both legally and morally to see that Lexington County complies with the requirements of Act 208 and the Property Tax Reform Act of 2006. Your understanding of the law and your cooperation with us will make the implementation of our Assessment Program go much more smoothly and quickly.

Thank you,

Richard W. Dolan
Director of Assessment & Equalization

Reassessment

The Reassessment Program Act 208:

Act 208, as passed by the General Assembly in 1975, provides that all real property will be valued at its current market value (the price your property would sell for in the open real estate market). Act 208 also provides for the classification of all real property for assessment purposes and provides that all real property be assessed at one time.

The new 2020 reassessment is part of a continuing reassessment program designed to equalize property values, redistributing the tax on real property on a more equitable basis.

The 2020 Reassessment Program in Lexington County:

In 1999, the legislature passed Code of Laws of S.C. 12-43-217(a), "Notwithstanding any other provisions of law, once every fifth year each county of the State shall appraise and equalize those properties under its jurisdiction. Property valuation must be complete at the end of December of the fourth year and 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 CURRENT 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. This is the most important function of a continuing assessment equalization system.

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. Because there have been five years since the last reassessment – of which most of those values were based on sales from 2016 through 2019 – property values are likely to increase. Unless a property is badly in need of repair, it is unusual for a property value to go down. Because of the increase in values during reassessment, state law requires that local government reduce the millage rate (i.e. tax rate or levy) to what is called a "rollback millage."

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 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 2020 values will remain as is (no changes) until the next general reappraisal unless:

1. Assessable Transfer of Interest (ATI)
2. Construction activity has taken place on the property.
3. Property was carried as part of an acreage parcel the prior year and is now a lot.
4. Multiple Lot Ownership Discount: Owners of ten (10) or more lots may apply to the Assessor by May 1.
5. Owners may have requested a review of the prior year's value to be effective for the current year.
6. 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 S.C. Code of Laws (http://www.scstatehouse.gov/code/t12c037.htm).

The South Carolina Real Property Valuation Reform Act of 2006

A. 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 interests. [S.C. Code of Laws Section 12-37-3150(A)]. See below for additional information on ATI's.

B. When to Revalue Property Based on ATI

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

1. The base year as defined in 12-37-3140. For purposes of determining a "base year" market value pursuant to this section, the market value of real property is its appraised value applicable for property tax year 2019.
2. December 31st 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 S.C. Code of Laws limits reassessment increases in value to 15% within a five (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 other acts of God, is not an addition or improvement to the extent that the structure as repaired or reconstructed, 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, additions and improvements for the reassessment period. Exception: If new construction is combined with an ATI in the same year, the assessor will use market value as of December 31 of that year.

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 Lexington County Assessor has been classified into four categories depending on whether an 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 four 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.

A. Definition of Legal Residence:

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, recreational purposes or rental property.

B. Qualification Requirement for Legal Residence:

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

The owner-applicant must make Application attesting, "Under penalty of perjury I certify that: the residence which is subject of this application is my legal residence and where I am domiciled at the time of this application and that I **do not claim to be a legal resident of a jurisdiction other than South Carolina for any purpose** and that neither I nor any other member of my household is residing in or occupying any other residence which I or any member of my immediate family has qualified for the special assessment ratio allowed by this section."

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 make Application for the 4% assessment ratio before the first penalty date for the payment of taxes for the tax year for which the owner first claims eligibility.

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 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.

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

1. If the tract is used to grow 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 a qualifying tract. For purposes of this item (2) only, contiguous tracts include tracts with identical owners of record separated by a dedicated highway, street/ road or 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 ($1.000.00) 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 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 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 2020, file between January 1, 2020 and January 15, 2021.

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 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 6% assessment ratio. The rollback 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 by the South Carolina Department of Revenue and are assessed as follows:

- Transportation, railroads, airlines, and pipelines real and personal property are assessed at 9.5%
- Utilities real and personal property are assessed at 10.5%.
- Manufacturing real and personal property are assessed at 10.5%.

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 appraisal notice described in this brochure is for property appraised by Lexington County only and does not include property appraised by the South Carolina Department of Revenue.

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

4. HOMESTEAD EXEMPTION

The homestead exemption is not to be confused with legal residence. The elderly (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. Application must be made to the Lexington County Auditor's Office, 212 South Lake Drive, Suite 103, Lexington, South Carolina 29072, or call (803) 785-8181 or (803) 785-8448 for exact qualification requirements.

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

All 151,000 plus appraisals/assessments and related ownership data of real property in Lexington County are computerized. We have a public records area with public computers in the Assessor's Office. Also, property records are available online and can be viewed by visiting the "Property Tax - Data Search" page under "Tax Quick Links" of online services at http://www.lex-co.com or directly at http://www.lex-co.com/PCSearch/tb001-pg.asp.

Under the provision of state law, the property owner may reasonably challenge his appraisal/assessment using the following procedure (South Carolina Department of Revenue 12-60-2520 as amended).

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 set an appointment by Phone, Email, or Office Visit for an informal review. The owner will be mailed the results of the informal review.
3. If the owner is still aggrieved with the results of the informal review, the owner or his agent must file a written objection within thirty (30) days of the date of the letter. The assessor, in turn, will set an appointment for a formal review and request that the owner provide additional information to support his/her estimate of value.

4. After the formal review has been completed, the Assessor will notify the property owner or his agent in writing of his finding. If still in disagreement with the assessment, the owner has thirty (30) days to file a written notice of his/her request to appeal the assessment to the Lexington County Board of Assessment Appeals, a member panel of Lexington County citizens who shall serve as the final local authority in such appeals.

In years when there is NO notice of property tax assessment:

- Taxpayer may appeal the taxable value or market value, special use value, the assessment ratio and the property tax assessment of a parcel at any time.
- The appeal must be submitted in writing to the assessor.
- 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 succeeding property tax year.

A Final Word on Taxes and Fair Assessment

Not every property will experience the same rate of increase or decrease in property value. The location, type of property, market activity, and the appraised value prior to reassessment, whether above or below the prescribed assessment ratio, all impact the change in value and amount of taxes. In addition, the millage rates set in the future between reassessments to provide revenue needed for local government services will affect the taxes paid by all property owners. The Assessor provides only the information needed by those branches of government which set the tax rate.

Tax bills are prepared in September/October by the County Auditor and mailed by the County Treasurer in October/November.

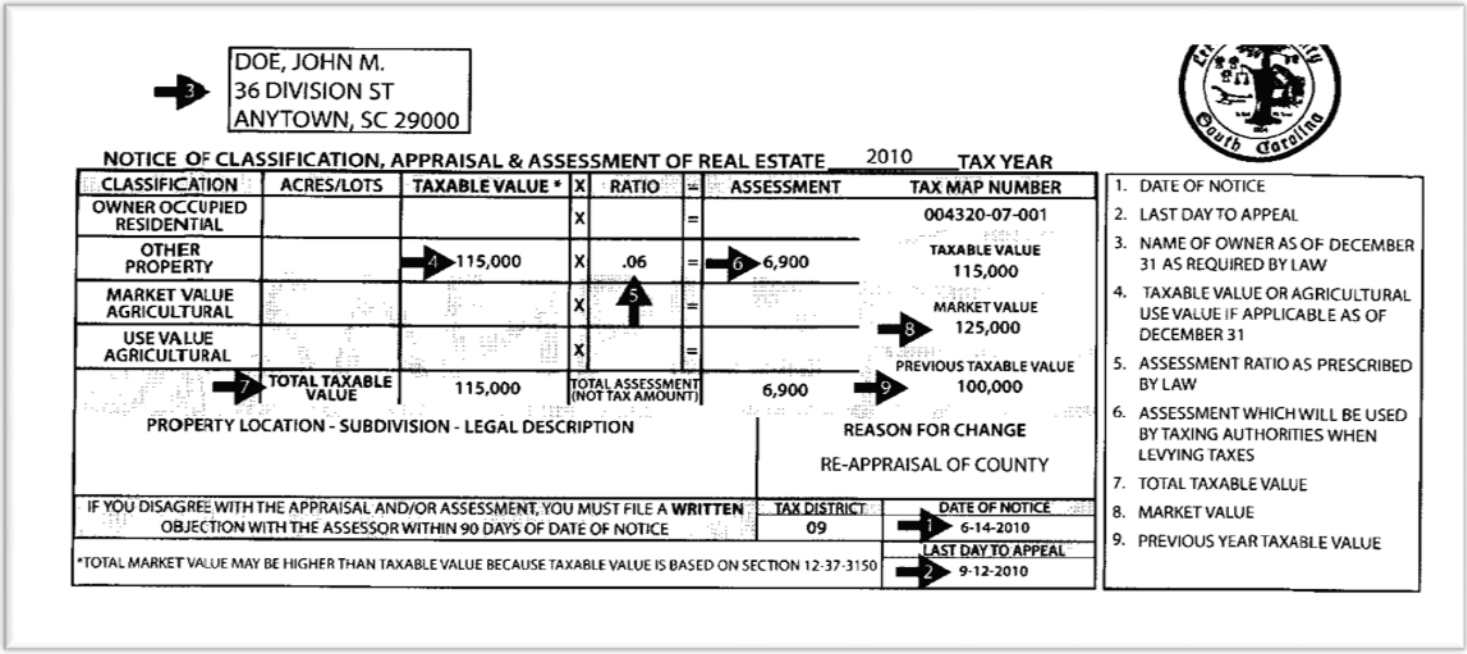
Tax payment dates for real property are:

Thru January 15	-	No penalty
Thru February 1	-	3% penalty
Thru March 16	-	10% additional penalty added
Thru April 30	-	15% additional penalty and costs added

In any event, through the continual Reassessment Program, each property owner will pay no more or less than his fair share of the property tax burden.

Explanation of the Reassessment Notice

An explanation of the first nine (9) items also appears on back side of appraisal/assessment notice.



3 DOE, JOHN M.
36 DIVISION ST
ANYTOWN, SC 29000

NOTICE OF CLASSIFICATION, APPRAISAL & ASSESSMENT OF REAL ESTATE 2010 TAX YEAR

CLASSIFICATION	ACRES/LOTS	TAXABLE VALUE *	X	RATIO	=	ASSESSMENT	TAX MAP NUMBER
OWNER OCCUPIED RESIDENTIAL			X		=		004320-07-001
OTHER PROPERTY		4 115,000	X	.06	=	6 6,900	TAXABLE VALUE 115,000
MARKET VALUE AGRICULTURAL			X	5	=		MARKET VALUE 8 125,000
USE VALUE AGRICULTURAL			X		=		PREVIOUS TAXABLE VALUE
7 TOTAL TAXABLE VALUE		115,000	TOTAL ASSESSMENT (NOT TAX AMOUNT)			6,900	9 100,000

PROPERTY LOCATION - SUBDIVISION - LEGAL DESCRIPTION

REASON FOR CHANGE
RE-APPRAISAL OF COUNTY

IF YOU DISAGREE WITH THE APPRAISAL AND/OR ASSESSMENT, YOU MUST FILE A **WRITTEN** OBJECTION WITH THE ASSESSOR WITHIN 90 DAYS OF DATE OF NOTICE

TAX DISTRICT 09

DATE OF NOTICE 1 6-14-2010

LAST DAY TO APPEAL 2 9-12-2010

*TOTAL MARKET VALUE MAY BE HIGHER THAN TAXABLE VALUE BECAUSE TAXABLE VALUE IS BASED ON SECTION 12-37-3150

1. DATE OF NOTICE
2. LAST DAY TO APPEAL
3. NAME OF OWNER AS OF DECEMBER 31 AS REQUIRED BY LAW
4. TAXABLE VALUE OR AGRICULTURAL USE VALUE IF APPLICABLE AS OF DECEMBER 31
5. ASSESSMENT RATIO AS PRESCRIBED BY LAW
6. ASSESSMENT WHICH WILL BE USED BY TAXING AUTHORITIES WHEN LEVYING TAXES
7. TOTAL TAXABLE VALUE
8. MARKET VALUE
9. PREVIOUS YEAR TAXABLE VALUE

1. Date notice is printed for mailing.
2. The last day to appeal the property value.
3. The owner's name as of December 31as required by law. The mailing address is taken from the owner's deed or from the latest information provided by the owner.
4. The actual Assessor's taxable value (market value or Agricultural Use Value if applicable) as of December 31st, for each of the four classes of property described on the notice. This value includes the land and any structure including pools, sheds, tennis courts, etc. An explanation of the four classes is provided in the box below (Item 9).
5. The assessment ratio as prescribed by law for each of the four classes of property.
6. The assessment is the value obtained by multiplying the appraised value (Item 4) by the appropriate assessment ratio (Item 5). This assessment will be used by taxing authorities when levying taxes. The "total assessment" is the "taxable assessment" and is a combination of classification lines 1, 2 & 4. The "total assessment" is then multiplied by the "millage rate" to produce the "tax amount." Example of computing assessment and taxes:
   - There are currently twenty-eight (28) tax districts in Lexington County. The tax district is shown in the above example is tax district 2DP in tax year 2007 and is the net millage for an owner-occupied property (4% ratio). 2007 was the first year that owner-occupied properties (4% ratio) were exempted from the school operations portion of the total millage. The County Auditor's Office

can provide the current millage rate for the district. IMPORTANT: The millage rate usually changes from year to year; if the rate for this year has not been set, any taxes that are computed should be considered only an estimate.

7. Total taxable value.
8. Total market value.
9. Previous taxable value.

Class	Assessment Ratio	Meaning
Owner-Occupied Residential	.04	That portion of real estate used as the owner's legal residence to include up to 5 acres of land. An initial application to receive this rate must be made by the property owner.
Other Property	.06	All other real property appraised by the Lexington County Assessor's Office not classified at either the “owner-occupied residential” class or the “use value-agricultural” class. This includes idle or vacant land, residential property either non-owner occupied or rental, and all commercial property appraised by the Lexington County Assessor's Office.
Market Value Agricultural	.06	The market value of land being used for agricultural purposes. Taxes on this value are not paid until the use of the property changes from an agricultural use. The assessed value from this class, less the assessed value from the “use value-agricultural” class below, generates the rollback assessment. This rollback assessment will have millage applied against it to produce the rollback taxes for the year the use changes and up to 5 previous years the property received the use value. See the section on rollback taxes for a further explanation of rollback taxes.
Use Value-Agricultural	.04 or .06	The agricultural value of land being used for agricultural purposes. The land in this class is the same property as in the "market value-agricultural" class above. An initial application to receive this use value classification must be made by the property owner. As long as the property continues to be used for agricultural purposes, taxes will be based on this value. The 4% ratio applies to privately owned property and the 6% ratio applies to corporate owned property not qualifying for the 4% ratio.

How to Calculate a Tax Estimate

Please utilize our “Real Property – Tax Estimator” online at http://www.lex-co.com/scripts/cgiip.exe/WService=wsTaxBill/TaxEst/rTaxEst.html.