

## Property Valuation

Real property, other than agricultural real property and property that is subject to a fee in lieu of property taxes is appraised to determine fair market value. Usually, reassessment (reappraisal) of real property takes place every 5 years. For property tax years after 2006, any increase in the fair market value of any parcel of real property as a result of a countywide reassessment program will be limited to 15% within a 5 year period.

Apart from countywide reassessment programs, appraisals are triggered by 2 other types of occurrences. The first type of occurrence is completion of most types of "improvements" or "additions," including new construction and remodeling. See SC Code §12-37-3130(1) for a comprehensive definition. The fair market value of improvements and additions will be added to the fair market value of a parcel after completion. SC Code §12-37-670. The 15% cap does not apply to the fair market value of improvements and additions in the year they are first subject to property tax. SC Code §12-37-3140. For further discussion, see §310.3 below.

The second type of triggering occurrence is an "assessable transfer of interest" or "ATI," which encompasses a broad range of changes as to ownership, or use, or the passage of time. An assessable transfer of interest will trigger an unrestricted appraisal of fair market value, and the adjusted value is known as the "transfer value." The 15% cap does not apply to the transfer value in the year the transfer value is first subject to property tax. See SC Code §§12-43-217 and 12-37-3120 through 12-37-3170. SC Code §12-37-3150(A) provides a non-exclusive list of specific transactions that constitute an assessable transfer (ATI transactions), with certain exceptions (ATI exceptions). SC Code §12-37-3150(B) provides a list of transactions that affirmatively do not constitute an assessable transfer (non-ATI transactions), some of which mirror transactions not subject to income tax under the provisions of the Internal Revenue Code.

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

To find the value of any piece of property, the appraiser 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 appraiser will determine the property's value considering three different approaches: Sales Comparison Approach, Cost Approach, Income Approach.

Greenwood County appraisers (including the Assessor and Deputy Assessor) receive training annually in appraisal techniques and are licensed or certified by the South Carolina Appraisers Board. All of the appraisers are also required to have seven hours of continuing education by the Department of Revenue. It is important to remember that the Assessor 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. The property value may be determined by one or a combination of these approaches or other approaches that become standard practice.