

## Charleston County property to get 15% cap in 2003

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**BY ARLIE PORTER**  
**Of The Post and Courier Staff**

Charleston County Council cast the final vote Tuesday to place a 15 percent reassessment cap on all property in 2003 - but providing no relief for tens of thousands of homeowners on the tax bills that will go out later this year.

The new blanket cap, which replaces a more selective cap that was ruled unconstitutional by the S.C. Supreme Court earlier this year, will be applied to tax bills beginning next year - if it survives a promised legal challenge.

Passed in a 4-3 vote, the cap, in effect, shifts a portion of the property tax burden from owners of businesses and homes that have increased the most in value during the 1990s to those that have increased the least.

The city of North Charleston, which did not see large increases in value, has vowed to fight the reassessment cap.

Supporters contend that those who have seen the largest increases already pay more than their fair share for the same level of government services, and could be forced to sell their property because of higher taxes if the system is not reformed.

"We're talking about suffering - make no mistake about it," Councilman Leon Stavrinakis said of the reaction to the higher tax bills that will go out in late September. For many taxpayers, those bills will jump substantially from the capped bills they received last fall.

The cap, among the most bitterly debated and divisive issues that has faced county government in years, continued to divide residents and council members Tuesday at a public hearing.

The faces were the same. The statements had been heard before.

But those for and against the cap were no less passionate, and their concerns no less heartfelt as they made a final plea to council members.

Residents of downtown Charleston and beachfront communities, who will be hit the hardest by the coming year's uncapped bills, complained that they are the victims of a campaign of class envy - though they already pay much higher taxes

on their properties.

A huge increase will force many elderly and residents on fixed incomes to sell their homes, changing the character of whole communities, they argued.

"We don't want to put the little old ladies out on the streets," said Sandiford Bee, mayor of the village of Rockville.

Bee said he bought his home in 1970 for \$37,500. He will go from paying taxes on the home valued at \$250,000 with the cap last year to the full value of more than \$700,000 this year without the cap, he said.

Carl Smith, a member of Sullivan's Island Town Council, said generations of families have owned homes dating to the 1800s. Higher values will force many to sell, changing the island's character, he said.

"If we let our communities dissolve, then what we are about is dissolving," Smith said.

North Charleston residents argued against a cap, saying that all owners of homes that have not increased substantially in value in recent years will pay higher taxes to ease the burden on the rich.

"Because of this scheme, they're shoving their taxes onto someone else," said former North Charleston Mayor John Bourne.

"I'm not going to freeload on my neighbor to get (tax) relief. I wasn't brought up that way," said Bob Henderson, a North Charleston resident and vocal cap opponent.

North Charleston Mayor Keith Summey cited county figures that show more homeowners would pay higher property taxes with the cap than without it. In all, nearly 80,000 homeowners will pay higher taxes with the cap, while 51,500 will pay less, Summey said.

Tax bills on 307,000 vehicles will also be higher with a cap than without it, he said.

"Tax relief is needed," Summey said, "but it has to be in a format that is fair and equitable to all, not just one segment of the community."

The cap, which grew out of homeowners' uproar after the last reassessment in 1993, and which generated more than three years of debate locally and in the state Legislature, is as complicated as it is controversial.

By law, property is supposed to be taxed at actual value. Every so often the county reappraises property, called a reassessment, to capture the value of all properties for tax purposes.

After the 1993 reassessment, homeowners complained about the higher values and thus higher tax bills. At the request of Charleston County and local homeowners, state legislators passed a new law that allowed property values to be capped for tax purposes.

With a 15 percent cap, a \$100,000 home that has increased in value to \$200,000 would be taxed at \$115,000 rather than \$200,000.

The cap approved by legislators applied to all property, including commercial and rental units.

Council, however, passed a cap that applied the tax break only to owner-occupied homes, which the Supreme Court later ruled to be illegal. The cap approved Tuesday was a compromise, as was the yearlong delay - which council members said is needed to seek further legal or legislative clarification.

"I never thought it was right to tax someone out of their home, even if it's just one person," said Councilman Charles Wallace.

Other council members, such as Cindy Floyd, opposed the cap, saying the greatest beneficiaries are out-of-state businesses and homeowners.

Stavrinakis, Wallace, and councilmen A.D. Jordan and John Conlon voted for the cap. Floyd, Council Chairman Tim Scott and Councilman Barrett Lawrimore voted against it. Council members Toi Estes and Curtis Bostic were absent.