

## HOUSE OKS PROPERTY TAX BILLS

By: John Frank of The Post and Courier Staff  
Originally Published on: 2/09/06

### **Sales tax hike to curtail home taxes; voters to get reassessment referendum**

COLUMBIA - One sound heard in the House chamber Wednesday captured the essence of Wednesday's marathon debate about property taxes: "choo-choo." As lawmakers were getting bogged down in deliberations late in the day, Rep. Jim Harrison, the chairman of the House Judiciary Committee, blew a toy train whistle he keeps in his back-row desk. "It just sends a message that everything's moving ahead full steam," the Columbia Republican said.

And that was certainly the case with the two key property tax bills overwhelmingly approved by the House after a handful of changes during a late-night session: One changes the state's property reassessment method and the other eliminates the bulk of home taxes by raising South Carolina's sales tax to the nation's highest level. Lawmakers acknowledged that the tax package was far from perfect because it will saddle the General Assembly with \$117 million in unanticipated funding obligations. And it now goes to the Senate, where leading lawmakers have already said it faces an uncertain future.

The outcome was seemingly inevitable as opponents' concerns were handily dismissed by the Republican caucus, which held together as a voting bloc to push the reform proposals through. Still, lawmakers endured 10 hours of legislative wrangling and about 70 amendments on the two bills, most of which were rejected with parliamentary maneuvers. Speaker Bobby Harrell, R-Charleston, said the time spent on the bill indicates that it was given full consideration.

"This is the biggest tax relief the General Assembly has ever passed," he said. "Anytime you pass major legislation, there are controversies in it, but the bottom line is the public asked us to do something with home taxes and the House acted."

Early in the afternoon, a constitutional amendment changing the reassessment system passed 102-17 on second reading. It would ask voters whether they support moving to a "point-of-sale system" that revalues property only when it is significantly improved or changes owners. But the bulk of the debate centered on the tax-swap proposal that would eliminate 85 percent of residential tax bills in exchange for a 2-cent increase in the state sales tax. It would also remove the tax on food and restrict local spending. At 10:30 p.m., the House approved second reading of the measure 86-31.

The late session - a rarity for the House - wore down lawmakers. In one of the final votes, Rep. Skipper Perry, R-Aiken, accidentally voted with his hotel room key instead of his electronic voting card. Perry, incidentally, wore suspenders depicting Lady Godiva, one of the most famous tax protestors from 11th-century England. During the deliberations, Democrats - and even some Republicans, including Perry - expressed

familiar cautions about increasing the statewide sales tax to 7 cents. For the bulk of South Carolina families the bill would equate to a tax increase, argued North Charleston Democrat David Mack.

"What we did was election year politics," said Mack, the Legislative Black Caucus chairman. "The bills are not going to take care of middle-class, working people. What we are doing now is taking care of high-income homeowners in South Carolina." Rep. Dan Cooper, the chairman of the Ways and Means committee, said it means just the opposite. "For the first time ever, we took the tax off the most important thing people purchase and that's groceries," the Piedmont Republican said.

The major changes made to the bill address a variety of issues:

--The distribution of tax revenues to local school districts would include a poverty factor that would give low-income schools more money.

--State and local governments would limit spending increases to the growth of population plus the consumer price index.

--Local governments would be allowed to keep local option sales tax revenue

### **Property tax roll call**

The House voted 102-17 to put two property tax questions on the ballot in November.

Voters will be asked whether the state should cut most property taxes from owner-occupied homes; and if property should be reassessed only when sold, transferred or substantially improved.

A "yes" was a vote to put the questions on the ballot and change the state constitution; a "no" was a vote not to.

Voting "yes" were 28 Democrats and 74 Republicans. Voting "no" were 17 Democrats and one Republican. Not voting were four Democrats.

#### **Democrats Voting Yes**

Bowers, Brunson; Jefferson, Pineville; Miller, Pawleys Island.

#### **Republicans Voting Yes**

Altman, Charleston; Bailey, St. George; Chellis, Summerville; Dantzler, Goose Creek; Hagood, Mt. Pleasant; Harrell, Charleston; Hinson, Goose Creek; Limehouse, Charleston; Merrill, Daniel Island; Scarborough, Charleston; Umphlett, Moncks Corner; Young, Summerville.

#### **Democrats Voting No**

Breeland, Charleston; R. Brown, Hollywood; Mack, North Charleston.

Democrat Not Voting  
Whipper, North Charleston