

APPLICATION FOR AGRICULTURAL REAL PROPERTY TO BE VALUED BASED ON USE

Mail original application to:

Charleston County Assessor's Office
 PO Box 427, Charleston SC, 29402-0427
 Telephone: (843) 958-4100

DO NOT FAX

DO NOT E-MAIL

Tax Year 2016

Date:

OffRep:

NAME & MAILING ADDRESS OF PROPERTY OWNER	PROPERTY LOCATION
	PIN: _____ ACRES: _____
(PLEASE CORRECT MAILING ADDRESS IF NECESSARY)	

***ALL QUESTIONS MUST BE ANSWERED OR MARKED AS N/A. BACK OF APPLICATION MUST BE READ AND INITIALED BY ALL OWNERS**

- YOU MUST FILE A **SEPARATE** APPLICATION FOR EACH QUALIFYING PARCEL.
- PLATS RECORDED FOR ACREAGE CHANGES IN THE CURRENT TAX YEAR WILL NOT BE EFFECTIVE UNTIL THE FOLLOWING TAX YEAR.

An inspection of your property is necessary for qualification. Provide GATE CODE _____ and/or KEY.

1. **Has each owner read and initialed the Qualification Requirements on the back of the application?** () Yes () No
2. **How is this land USED?** List # of acres, describe each type of USE, attach Timber/Forest Management Plan if available or applicable.

Cropland _____ Acres & Type(s) of Crops _____

Is the cropland currently in rotation? _____ Year rotation began? _____ Attach rotation schedule and plans.

Timberland _____ Acres & Type of Timber _____ & Harvest(ed) When? ____/____/____

Pasture _____ Acres & Type of Livestock raised _____

Home site _____ Acres (to include **Road & Yard** area)

Dock ? () YES () NO **Wetland/Marsh/Pond:** _____ Acres **Mariculture:** () YES () NO

***DORMANT LAND, except that which is part of a crop rotation system, DOES NOT QUALIFY under South Carolina Law.**

3. Please list **ALL** buildings / structures to include barns, sheds, storage, etc., on this property: _____

Number of mobile homes on parcel? _____

NOTE: If the owner's legal residence is on this parcel, a separate application must be filed for the 4% Legal Residence special assessment.

4. If improved, are any structures used solely for agricultural purposes or to provide **FREE** housing for farm personnel and/or farm office facilities? () YES () NO If yes, please identify the structure(s) used strictly for agricultural purposes: _____

5. **TIMBER.** If less than 5 acres of timber, explain reason it may be eligible. List the parcel # of the separate qualifying tract or attach Timber/Forest Management Plan. _____ (Refer to Back).

6. **Non-TIMBER.** If less than 10 acres of non-timber agricultural land, explain reason it may be eligible and list the parcel # of the separate qualifying tract: _____ (Refer to Back)

7. Is any part of the parcel committed to any non-agricultural use? () YES () NO
 If YES, explain use: _____ **List # of Other/Non-AG Acres** _____

8. Is any part of the parcel used for profit, other than agricultural profit? () YES () NO
 If YES, please explain: _____

9. If the owner is a corporation or other legal entity, does the entity:
 - Have more than ten shareholders () YES () NO
 - Have as a shareholder a person (other than an estate) who is not an individual () YES () NO
 - Have a nonresident alien as a shareholder () YES () NO
 - Have more than one class of stock () YES () NO

Question 10 concerns ONLY those applying on the basis of FARM income for non-timber tracts.

10. Have you had gross farm income of \$1,000 or more on this parcel for three out of the last five years? () YES () NO

IF YES provide copies of your South Carolina and Federal Income Tax Returns to include all Schedules & **proof of farm income.**

IF YES provide copies of your Agricultural Stabilization and Conservation Service **Farm Identification Numbers.**

When applying for Agricultural Use Special Assessment; It is unlawful for a person to knowingly and willfully make a false statement on the application required pursuant to section 12-43-220 (d) (3) to a County Assessor for the classification of property as agricultural real property or for the special assessment ratio. A person violating the provisions of this section is guilty of a misdemeanor and upon conviction, must be fined not more than \$200. **In making this application, I certify the property, which is the subject of this application, meets the requirements to qualify as agricultural real property as of January first of the current tax year. I also authorize the Assessor to verify farm income with the Department of Revenue and Taxation, the Internal Revenue Service, or the Agricultural Stabilization and Conservation Service. Furthermore, I authorize the Assessor to make a physical inspection of the property.**

<p>REQUIRED - Owner's Signature</p> <p>_____</p> <p><i>Print name legibly</i></p> <p>_____</p> <p>SSN: _____ Date: _____</p> <p>Home _____ Office/Cell _____</p> <p>Phone _____ Phone _____</p>	<p>REQUIRED - Co-Owners' Signature (All owners must sign)</p> <p>_____</p> <p><i>Print name legibly</i></p> <p>_____</p> <p>SSN: _____ Date: _____</p> <p>Home _____ Office/Cell _____</p> <p>Phone _____ Phone _____</p>
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For office use only: (AGAPP 5/21/15)
 Qualified: ACR F Z G C+C T+C T+T BY: DATE ____/____/____ NOTICE DATE ____/____/____
PID# _____

APPLICATION FOR SPECIAL ASSESSMENT AS AGRICULTURAL REAL PROPERTY

The following are only excerpts from the S. C. Code of Laws that pertain to the agricultural assessment.

For a better understanding, we recommend that the code be reviewed in its entirety.

Definition of Agricultural Real Property: Agricultural real property shall mean any tract of real property which is used to raise, harvest or store crops or feed, breed or manage livestock, or to produce plants, trees, fowl or animals useful to man, including the preparation of the products raised thereon for man's use and disposed of by marketing or any other means. It includes, but is not limited to, such real property used for agriculture, grazing, horticulture, forestry, dairying, and mari-culture. In the event at least 50% of a real property tract shall qualify as agriculture real property the entire tract shall be so classified, provided no other business for profit is being operated thereon. The term agricultural real property shall not include any property used as the residence of the owner or others in that the taxation of such property is specifically provided for in SC Code Ann. §12-43-230 & Dept. of Revenue Regulation 117-1870.2 II.

NOTE: Restrictive subdivision covenants may prevent the granting of the agricultural assessment.

The following factors shall be considered by County Assessors in determining whether the tract in question is bona fide agricultural real property: (These factors are not, however, meant to be exclusive and all relevant facts must be considered):

1. The nature of the terrain
2. The density of the marketable product (timber, etc.) on the land
3. The past usage of the land
4. The economic merchantability of the agricultural product
5. The use or not of recognized care, cultivation, harvesting, and like practices applicable to the product involved, and any implemented plans thereof
6. The business or occupation of the landowner or lessee.

INITIAL _____ I Have Read This Portion

Qualification requirements (S.C. Code 12-43-220(d)(1)) Agricultural real property which is actually used for such agricultural purposes shall be taxed on an assessment equal to:

(A) Four percent of its fair 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.

(B) Six percent of its fair market value for such agricultural purposes for owners or lessees who are corporations, except for certain corporations specified in (A) above.

INITIAL _____ I Have Read This Portion

Timberland tracts must meet minimum acreage requirement of five (5) acres or more which are thoroughly wooded with merchantable timber and actively devoted to growing trees for commercial use. Submit a Timber/Forest Management Plan if available or applicable.

Tracts of timberland less than five acres may be eligible for the exemption if any of the following conditions are met:

1. The parcel is contiguous to, and in the same ownership as, a qualifying tract.
2. The parcel is under the same management system and ownership as a qualifying tract. SC Code Ann. § 48-23-205 - "Forest management plan" means a document or documents prepared or approved by a forester registered in this State that defines a landowner's forest management objectives and describes specific measures to be taken to achieve those objective which shall include silvicultural practices, objectives, and measures to achieve them, that relate to a stand or potential stand of trees that may be utilized for timber products." A timber management plan will contain similar information but does not have to be prepared by a forester. Call our office if you have questions. Submit the Timber/Forest Management Plan with this application.
3. Owned in combination with non-timberland tracts that qualify as agricultural real property.

Non-Timberland tracts must meet the minimum acreage requirement of ten (10) acres or more and be actively devoted to maintaining a bona fide agricultural use. Tracts of non-timberland less than ten acres may be eligible for the exemption if any of the following conditions are met:

1. Contiguous tracts with common ownership meet the minimum acreage requirement when added together.
2. Agricultural use/s produced a gross farm income of at least \$1,000 per parcel in at least three of the past five years or at least three of the first five years of this initial application. (Documentation of earned or intended income is required)
3. If the property has been owned by current owner or an immediate family member of the current owner since January 1, 1984 and the property was classified as agricultural real property for the tax year 1994.

A **dockside facility** whose primary use is the landing & **processing of seafood** is considered agricultural real property.

ROLL-BACK TAXES - When real property which is in agricultural use and is being valued, assessed and taxed as agricultural real property is applied to a use other than agricultural, it shall be subject to additional taxes referred to as roll-back taxes. Roll-back taxes take effect for the year of change and the previous 5 years. A roll-back tax is a lien against the property. **NOTE: roll-back taxes can be substantial as they "roll-back" the effect of the special assessment & subject the property to normal taxation based on market value.**

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The owner shall notify the assessor within six months of a change in use. For failure to notify the assessor of a change in use, in addition to any other penalties provided by law, a penalty of ten percent plus interest at the rate of one-half of one percent a month must be paid on the difference between the amount that was paid and the amount that should have been paid, but not less than thirty dollars nor more than the current year's taxes. (S.C. Code 12-43-220 (d)(3))

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RIGHT TO APPEAL - If the Assessor determines a property to be ineligible for classification as agricultural property, the property owner may appeal the classification as provided in the South Carolina Code of Laws, Section 12-60-2510 through 2520. You will be notified in writing if your application is denied.

RETURN THIS APPLICATION NOW - MAKE A COPY FOR YOUR FILES

Failure to file this application on or before the first penalty date for taxes due for the tax year in which the special assessment is claimed (typically January 16) will result in abandonment of the agricultural classification for that tax year. Missing documentation will delay processing. If application is signed by an agent or member of an LLC, submit letter of authorization from owner or copy of Articles of Incorporation. Incomplete applications and applications without original signatures will be returned.

You must pay your taxes as billed if they are due while your application is pending. If you do not pay your taxes when due, penalties will apply that cannot be waived.

DO NOT FAX APPLICATION **MAIL** completed application with original signatures to: **DO NOT EMAIL APPLICATION**
Charleston County Assessor's Office, P. O. Box 427, Charleston, SC 29402.

If you have any questions concerning this application, please call **the Assessor's office** at (843) 958-4100.

AGRICULTURE CODES

SECTION 12-43-220. Classifications shall be equal and uniform; particular classifications and assessment ratios; procedures for claiming certain classifications; roll-back taxes.

SECTION 12-43-230. Treatment of agricultural real property, mobile home and lessee improvements to real property; department shall prescribe regulations.

SECTION 12-43-232. Requirements for agricultural use.

SECTION 12-43-233. Agritourism uses.

SECTION 12-43-220. Classifications shall be equal and uniform; particular classifications and assessment ratios; procedures for claiming certain classifications; roll-back taxes.

Except as otherwise provided, the ratio of assessment to value of property in each class shall be equal and uniform throughout the State. All property presently subject to ad valorem taxation shall be classified and assessed as follows:

d)(1) Agricultural real property which is actually used for such agricultural purposes shall be taxed on an assessment equal to:

(A) Four percent of its fair 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.

(B) Six percent of its fair market value for such agricultural purposes for owners or lessees who are corporations, except for certain corporations specified in (A) above.

(2)(A) "Fair market value for agricultural purposes", when applicable to land used for the growth of timber, is defined as the productive earning power based on soil capability to be determined by capitalization of typical cash rents of the lands for timber growth or by capitalization of typical net income of similar soil in the region or a reasonable area of the region from the sale of timber, not including the timber growing thereon, and when applicable to land used for the growth of other agricultural products the term is defined as the productive earning power based on soil capability to be determined by capitalization of typical cash rents or by capitalization of typical net annual income of similar soil in the region or a reasonable area of the region, not including the agricultural products thereon. Soil capability when applicable to lands used for the growth of timber products means the capability of the soil to produce such timber products of the region considering any natural deterrents to the potential capability of the soil as of the current assessment date. The term, when applicable to lands used for the growth of other agricultural products, means the capability of the soil to produce typical agricultural products of the region considering any natural deterrents to the potential capability of the soil as of the current assessment date. The term "region" means that geographical part of the State as determined by the department to be reasonably similar for the production of the agricultural products. After average net annual earnings have been established for agricultural lands, they must be capitalized to determine use-value of the property based on a capitalization rate which includes:

1. an interest component;
2. a local property tax differential component;
3. a risk component;
4. an illiquidity component.

Each of these components of the capitalization rate must be based on identifiable factors related to agricultural use of the property. The interest rate component is the average coupon (interest) rate applicable on all bonds which the Federal Land Bank of Columbia, which serves South Carolina farmers, has outstanding on July first of the crop-years being used to estimate net earnings and agricultural use-value. Implementation of the provisions contained in this section is the responsibility of the department.

(B)(i) For tax year 1988 and subsequent tax years, fair market value for agricultural purposes must be determined by adjusting the applicable base year value by an amount equal to the product of multiplying the applicable base year value by a percentage factor obtained through the formula provided in this item. For tax year 1988, the applicable base year is 1981. The fair market value for agricultural purposes determined for the 1991 tax year is effective for all subsequent years.

(ii) The percentage factor provided in this item is derived from the most recent edition of the United States Department of Agriculture publication "AGRICULTURAL LAND VALUES AND MARKETS", specifically, from "Table 1--Farm Real Estate Values: Indexes of the average value per acre of land and buildings.. ." as listed for this State. The formula to determine the applicable percentage factor is the index of the year of change less the index of the base year with the resulting amount being divided by the index of the base year and rounded to the nearest whole number. For purposes of the formula, the base year is the last year in which values were adjusted under this item.

(3) Agricultural real property does not come within the provisions of this section unless the owners of the real property or their agents make a written application therefor on or before the first penalty date for taxes due for the first tax year in which the special assessment is claimed. The application for the special assessment must be made to the assessor of the county in which the agricultural real property is located, on forms provided by the county and approved by the department and a failure to apply constitutes a waiver of the special assessment for that year. The governing body may extend the time for filing upon a showing satisfactory to it that the person had reasonable cause for not filing on or before the first penalty date. No additional annual filing is required while the use of the property remains bona fide agricultural and the ownership remains the same. The owner shall notify the assessor within six months of a change in use. For failure to notify the assessor of a change in use, in addition to any other penalties provided by law, a penalty of ten percent and interest at the rate of one-half of one percent a month must be paid on the difference between the amount that was paid and the amount that should have been paid, but not less than thirty dollars nor more than the current year's taxes.

(4) When real property which is in agricultural use and is being valued, assessed, and taxed under the provisions of this article, is applied to a use other than agricultural, it is subject to additional taxes, hereinafter referred to as roll-back taxes, in an amount equal to the difference, if any, between the taxes paid or payable on the basis of the valuation and the assessment authorized hereunder and the taxes that would have been paid or payable had the real property been valued, assessed, and taxed as other real property in the taxing district, in the current tax year (the year of change in use) and each of the five tax years immediately preceding in which the real property was valued, assessed, and taxed as herein provided. If in the tax year in which a change in use of the real property occurs the real property was not valued, assessed, and taxed under this article, then the real property is subject to roll-back taxes for each of the five tax years immediately preceding in which the real property was valued, assessed, and taxed hereunder. In determining the amounts of the roll-back taxes chargeable on real property which has undergone a change in use, the assessor shall for each of the roll-back tax years involved ascertain:

(A) the fair market value without consideration of the standing timber of such real property under the valuation standard applicable to other real property in the same classification;

(B) the amount of the real property assessment for the particular tax year by multiplying such fair market value by the appropriate assessment ratio provided in this article;

(C) the amount of the additional assessment on the real property for the particular tax year by deducting the amount of the actual assessment on the real property for that year from the amount of the real property assessment determined under (B) of this section;

(D) the amount of the rollback for that tax year by multiplying the amount of the additional assessment determined under (C) of this section by the property tax rate of the taxing district applicable for that tax year.

(5) Any other provision of law to the contrary notwithstanding, a dockside facility whose primary use is the landing and processing of seafood is considered agricultural real property.

(6) Any property which becomes exempt from property taxes under Section 12-37-220(A)(1) or any economic development property which becomes exempt under Section 12-37-220(B) is not subject to rollback taxes.

(e) All other real property not herein provided for shall be taxed on an assessment equal to six percent of the fair market value of such property.

Provided, however, all agricultural or forest land within easements granted to public bodies, agencies, railroads, or utilities for rights of way of thirty feet in width or greater shall be assessed at the same cropland value per acre as soil class 7 in schedule 1 of R 117-126 of the State Department of Revenue. In order to receive such assessment the landowner must apply to the tax assessor of the county where the easement is located, with documentation of the existence, location, and amount of acreage contained in the easement.

SECTION 12-43-230. Treatment of agricultural real property, mobile home and lessee improvements to real property; department shall prescribe regulations.

(a) For the purposes of this article, unless otherwise required by the context, the words "agricultural real property" shall mean any tract of real property which is used to raise, harvest or store crops, feed, breed or manage livestock, or to produce plants, trees, fowl or animals useful to man, including the preparation of the products raised thereon for man's use and disposed of by marketing or other means. It includes but is not limited to such real property used for agriculture, grazing, horticulture, forestry, dairying and mariculture. In the event at least fifty percent of a real property tract shall qualify as "agricultural real property", the entire tract shall be so classified, provided no other business for profit is being operated thereon. The term "agricultural real property" shall include real property used to provide free housing for farm laborers provided such housing is located on the tract of land that qualifies as agricultural real property.

The department shall provide by regulation for a more detailed definition of "agricultural real property" consistent with the general definition set forth in this section, to be used by county assessors in determining entitlement to special assessment under this article. Such regulations shall be designed to exclude from the special assessment that real property which is not bona fide agricultural real property for which the tax relief is intended.

SECTION 12-43-232. Requirements for agricultural use.

In addition to all other requirements for real property to be classified as agricultural real property, the property must meet the following requirements:

(1)(a) 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 nontimberland 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.

(b) A tract which meets the acreage requirement of subitem (a) of this item devoted to growing Christmas trees is considered timberland. A Christmas tree tract not meeting the acreage requirement qualifies as agricultural property if the landowner reports gross income from Christmas trees that meets the income test provided in item (3) of this section, *mutatis mutandis*.

(2) For tracts not used to grow timber as provided in item (1) of this section, the tract must be ten acres or more. Nontimberland tracts of less than ten acres which are contiguous to other such tracts which, when added together, meet the minimum acreage requirement, 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, or road or separated by any other public way.

(3)(a) Nontimberland 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 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 (i) 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) An owner making an initial application required pursuant to Section 12-43-220(d)(3) for a nontimberland tract of less than ten acres may claim the property as agricultural real property for each year for the first five years of operation if he earned at least one thousand dollars of gross farm income in at least three of the first five years. The assessor may require the new owner (i) 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.

If the new owner fails to meet the income requirements in the five-year period, the tract is not considered agricultural real property and is subject to the rollback tax.

(c) Real property idle under a federal or state land retirement program or property idle pursuant to accepted agricultural practices is agricultural real property if the property otherwise would have qualified as agricultural real property subject to satisfactory proof to the assessor.

(d) Unimproved real property subject to a perpetual conservation easement as provided in Chapter 8 of Title 27 is agricultural real property if the property otherwise would have qualified as agricultural real property subject to satisfactory proof to the assessor.

(e) A nontimberland tract that does not meet the acreage or income requirements of this section to be classified as agricultural real property must nevertheless be classified as agricultural real property if the current owner or an immediate family member of the current owner has owned the property for at least the ten years ending January 1, 1994, and the property is classified as agricultural real property for property tax year 1994.

The property must continue to be classified as agricultural real property until the property is applied to some other use or until the property is transferred to other than an immediate family member, whichever occurs first. For purposes of this subitem, "immediate family" is a person related to the current owner within the third degree of consanguinity or affinity and a trust all of whose noncontingent beneficiaries are related to the grantor of the trust within the third degree of consanguinity or affinity.

(4) In the case of rented or leased agricultural real property, either the lessor or the lessee shall meet the requirements of this section.

(5)(a) On the application required pursuant to Section 12-43-220(d)(3), the owner or his agent shall certify substantially as follows: Subject to the penalty provided in Section 12-43-340, either:

(i) "I certify that the property which is the subject of this application meets the requirements to qualify as agricultural real property as of January first of the current tax year"; or

(ii) "I certify that the property which is the subject of this application meets the requirements to qualify as agricultural real property and for the special assessment ratio for certain agricultural real property as of January first of the current tax year".

(b) If it is determined that the property for which the certification was made did not meet the requirements to qualify for agricultural use classification at the time the certification was made, the property which is the subject of the certification is denied agricultural use value for the property tax year or years in question and in lieu of the rollback tax, the tax on the property for each tax year in question must be recalculated using fair market value, the appropriate assessment ratio, and the appropriate millage. There must be deducted from the recalculated tax liability any taxes paid for the year and the penalties provided pursuant to Section 12-45-180 must be added to the balance due. Interest at the rate of one percent a month must be added to the unpaid taxes calculated from the last penalty date. Additional property tax revenues derived from the operation of this section changing agricultural use property to some other use must be used only for the purpose of rolling back property tax millage.

SECTION 12-43-233. Agritourism uses.

(A) In addition to and incidental to the uses required for real property to be classified as agricultural real property pursuant to Sections 12-43-220(d), 12-43-230(a), and 12-43-232, and applicable regulations, uses of tracts of agricultural real property for "agritourism" purposes is deemed an agricultural use of the property to the extent agritourism is not the primary reason any tract is classified as agricultural real property but is supplemental and incidental to the primary purposes of the tract's use for agriculture, grazing, horticulture, forestry, dairying, and mariculture. These supplemental and incidental agritourism uses are not an "other business for profit" for purposes of Section 12-43-230(a). For purposes of this section, agritourism uses include, but are not limited to: wineries, educational tours, education barns, on-farm historical reenactments, farm schools, farm stores, living history farms, on-farm heirloom plants and animals, roadside stands, agricultural processing demonstrations, on-farm collections of old farm machinery, agricultural festivals, on-farm theme playgrounds for children, on-farm fee fishing and hunting, pick your own, farm vacations, on-farm pumpkin patches, farm tours, horseback riding, horseback sporting events and training for horseback sporting events, cross-country trails, on-farm food sales, agricultural regional themes, hayrides, mazes, crop art, harvest theme productions, native ecology preservations, on-farm picnic grounds, dude ranches, trail rides, Indian mounds, earthworks art, farm animal exhibits, bird-watching, stargazing, nature-based attractions, and ecological-based attractions.

(B) The Department of Revenue by regulation may further define those uses qualifying as agritourism and appropriate definitions for "supplemental and incidental" as used in this section.