
State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #95-22 (TAX)

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Meaning of "School"
(Property Tax)

DATE: November 7, 1995

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCE: S. C. Code Ann. Section 12-37-251 (1995)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1994)
SC Revenue Procedure #94-1

SCOPE: An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

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Act No. 145, Section 119, dealing with property tax relief, became effective June 29, 1995. Code Section 12-37-251 was added as part of this Act.

Code Section 12-37-251(A) provides a property tax exemption for certain property owners and reads:

Property classified pursuant to Section 12-43-220(c) is exempt from property taxes levied for other than bonded indebtedness and payments pursuant to lease-purchase agreements for capital construction. **The exemption applies against millage imposed for school operations** and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund [emphasis added.]

The question has arisen as to what the term "school" means for purposes of this exemption. More specifically, the Department has been asked whether counties should include millage for technical schools and public libraries in their school levies.

Under the rule of statutory construction of statutes in pari materia, statutes are not to be considered as isolated fragments of law, but as a whole, or as parts of a great, connected, homogeneous system. Such statutes are considered as if they constituted but one act, so that sections of one act may be considered as though they were parts of the other act, as far as this can reasonably be done. 73 Am.Jur. Statutes Section 188.

Code Section 12-37-251(F) provides insight into the legislative intent of the meaning of the term "school." This subsection sets forth contingencies that must be met before the homestead exemption from property taxes imposed for school operations will occur. It states:

The exemption allowed by this section is conditional on full funding of the Education Finance Act and on appropriation by the General Assembly each year reimbursing **school districts** an amount equal to the Department of Revenue and Taxation's estimate of total school tax revenue loss resulting from the exemption in the next fiscal year [emphasis added.]

Since total school revenues lost as a result of the exemption are to be reimbursed to the school districts, the Department believes "school" must relate to "school districts".

Whether a particular millage levy is related to a school district is determined in view of Code Section 59-1-160 where school district is defined as:

... any area or territory comprising a legal entity, whose sole purpose is that of providing free school education, whose boundary lines are a matter of public record, and the area of which constitutes a complete tax unit.

Accordingly, the Department has concluded that the term "school" as used in Code Section 12-37-251, means grades K through 12. The term does not include colleges, junior colleges, or public libraries.