

June 20, 2002 - 16 responses (35%)

EXTENSION OF MANUFACTURER'S EXEMPTION TO UNRELATED PURCHASER

Question: Does your county allow a business to claim a manufacturer's exemption for an additional five years if they meet the requirements of 12-37-220(C)?

§ 12-37-220(C) states:

Upon approval by the governing body of the county, the five-year partial exemption allowed pursuant to subsections (A)(7), (B)(32), and (B)(34) is extended to an unrelated purchaser who acquires the facilities in an arms-length transaction and who preserves the existing facilities and existing number of jobs. The partial exemption applies for the purchaser for five years if the purchaser otherwise meets the exemption requirements.

Responses: Sixteen counties responded. Four stated that they do not allow the extension; six stated that they do allow it. One county deals with these situations on a case-by-case basis, while five counties have not had to deal with such a situation thus far.

County	Extension	Comments	Respondent
Aiken	No	Aiken County has not allowed this. We even had one company that DOR put on exemption and I protested to DOR and had them taken off.	Terry Bodiford, Finance Director
Anderson	Yes		Gina Smith, Director Financial Planning
Berkeley	No		Jim Rozier, County Supervisor
Charleston	No		Keith Bustraan, Chief Financial Officer
Colleton	N/A	To our knowledge, this has not been done in Colleton County.	Richard Starks, County Administrator
Darlington	N/A	We have not had this situation present itself thus far, so we do not know what the council would decide to do.	Belinda Copeland, County Treasurer
Dorchester	N/A	We have not had this situation come up so far; we would present it to the council for their decision.	Johnette Connelley, County Auditor

County	Extension	Comments	Respondent
Florence	Yes	<p>We did this within the past few months for Media General. They are the new owners of the Morning News, our local paper, as well as WBTW-TV13, our local CBS affiliate. Media General purchased the Morning News from Thompson Publishing.</p> <p>To my knowledge, this is the only time that Florence County has ever extended the five-year exemption.</p> <p>One point for clarification - based on my reading of the code section you cited, I get the impression that Media General would receive a five-year exemption. Thompson Publishing had already received an exemption for two years. If this is indeed the case, we need to work to change this provision in the next legislative session. Personally, I don't have a problem granting an exemption for a total of five years, but the way this code section is structured, a county could be giving an exemption for several years beyond the original five-year period.</p>	Kevin Yokim, Finance Director
Georgetown	Yes		Donna Baker, Finance
Hampton	Yes	Hampton County has allowed an extension, as long as the company meets the requirements.	Rose Dobson, County Administrator
Kershaw	N/A	As of this date, I am not aware of Lexington County granting an extension due to 12-37-220(C). However, if a company meets the requirements, our economic development director and county council would review to make a determination whether to extend the exemption.	Jeff Palen, Deputy Auditor
Laurens	Yes	The county allows extensions on a case-by-case basis.	Ernie Segars, County Administrator
Newberry	N/A	I don't know that this has happened in Newberry County. With everyone going to the FILOT, I doubt that it will happen. Should it happen, it will be presented to the council for their decision.	Gary Smoak, County Administrator
Orangeburg	Both	Orangeburg County's answer is "yes" and "no". Each instance is handled on a case-by-case basis.	Donnie Hilliard, County Administrator

County	Extension	Comments	Respondent
Spartanburg	Yes	For example, Sarah Broyles, Inc. meets the qualifications and is exempt for the five years. After three years, I sell to Patty Epps, Inc. and Patty Epps does not add anything to the existing facility or equipment, so she continues with the exemption for two more years. However, during the sixth year, Patty Epps, Inc. adds on more to the facility and more equipment and more jobs, so therefore the exemption is given for the additional amount for five years and so on if there is any other addition.	Sarah Broyles, County Auditor
York	No	<p>York County has to date refused to grant an extension to the exemption due to a Department of Revenue ruling that we cannot grant a continuation of the initial five-year period. In other words, we can only deny the extension or grant a completely new five-year period.</p> <p>If the governing board has the authority to grant the exemption to the new owner only to the conclusion of the initial term that the original owner would have been eligible for, then under those circumstances York County might consider granting the extension.</p> <hr/> <p>We have only had one industry request this exemption in York County and our governing body denied the request. On a side note, even after the county denied the request, DOR granted an exemption to the company anyway!</p> <p>We do not have a blanket approval and intend to consider each request as it is made. It seems to me if the original company got four years of an exemption, the new company should only get the remaining year, if any...not another five years. It is my understanding that they would get five years, even with no new investment in the county. In my opinion (not that it counts!), the investment shouldn't qualify unless it is new investment moving into the county, not equipment that was already here and has already received the exemption once. Sometimes these laws don't make much sense.</p>	<p>Al Greene, County Manager</p> <hr/> <p>Anne Bunton, County Treasurer</p>
Total: 16 Counties	No: 4 (25%) Yes: 6 (38%) Both: 1 (6%) N/A: 5 (31%)		