

THE STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
COLUMBIA

OPINION NO. \_\_\_\_\_

December 21, 1990

SUBJECT: Taxation & Revenue - Ad Valorem Taxation Of  
Property Acquired By The Veteran's  
Administration Because Of Loan Default.

SYLLABUS: Property acquired by the Veteran's  
Administration because of the default in a  
loan is subject to ad valorem property  
taxation.

TO: Honorable T. P. Looper  
Pickens County Delinquent Tax Collector

FROM: Joe L. Allen, Jr. *JLA*  
Chief Deputy Attorney General

QUESTION: Is property acquired by the Veteran's  
Administration because of the default in a Veteran's loan  
subject to property taxation?

APPLICABLE LAW: 38 U.S.C. 1820(a)(6).

DISCUSSION:

It is assumed for purposes of this opinion that the property  
was acquired because of a default in a loan guaranteed by  
the Veteran's Administration pursuant to Chapter 37 of Title  
38 of the United States Code. Section 1820(a)(6) of the  
Chapter provides in part that:

(a) Notwithstanding the provisions of  
any other law, with respect to matters  
arising by reason of this chapter, the  
Secretary may--

(6) complete, administer, operate,  
obtain and pay for insurance on, and  
maintain, renovate, repair, modernize,  
lease, or otherwise deal with any  
property acquired or held pursuant to  
this chapter. The acquisition of any  
such property shall not deprive any  
State or political subdivision thereof  
of its civil or criminal jurisdiction  
of, on, or over such property

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(including power to tax) or impair the  
rights under the State or local law of  
any persons on such property. . .

Under this language, the immunity of the federal government  
from state and local taxation is waived. The property  
acquired by the Veteran's Administration under such  
circumstances is subject to ad valorem taxation.

CONCLUSION:

Property acquired by the Veteran's Administration because  
of the default in a loan is subject to ad valorem property  
taxation.

JLAJr:wcg