1977 S.C. Op. Atty. Gen. 12 (S.C.A.G.), 1976 S.C. Op. Atty. Gen. No. 77-3, 1977 WL 24346

Office of the Attorney General

State of South Carolina
Opinion No. 77-3
January 3, 1977

***1** The property of the Clarendon County Country Club is not exempt from ad valorem taxation by Section 65–1522(6.1).

TO: Honorable John C. Land, III
Senator
1DDistrict 12

QUESTION

Does Section 65–1522(6, 1) exempt from ad valorem taxation the property, real, personal or leasehold, of the Clarendon County Country Club?

STATUTES INVOLVED

Section 65–1522(6.1) and Article 10, Section 1 of the South Carolina Constitution.

DISCUSSION

The Club was chartered November 13, 1962, to hold property for religious, educational, social, fraternal, charitable or other eleemosynary purposes; however, being chartered as such does not confer any tax exemption. Textile Hall Corporation v. Hill, 215 S. C. 262, 54 S. E. 2d 809; Columbia Country Club v. Livingston, 252 S. C. 490, 167 S. E. 2d 300.

The statute that provides the exemption is that:
'The following property shall be exempt from taxation, to wit:
(6.1) Property, real, personal or leasehold, of any social, fraternal, charitable, religious, educational or eleemosynary society, association, trust or corporation in Clarendon County not operated for profit, if the property and the proceeds therefrom be devoted to the social, fraternal, charitable, religious, educational or eleemosynary objects and purposes of such society, association, trust or corporation, shall be exempt from all county, municipal, school and special taxes.' Section 65–1522.

It is a settled rule that a statute granting a tax exemption is to be strictly construed against the exemption. Chronicle Publishers, Inc. v. South Carolina Tax Commission, 244 S. C. 192, 136 S. E. 2d 261. Likewise, exemptions are a matter of legislative grace and a person seeking the benefit of the exemption must place himself squarely within the terms of the statute granting the same. Fennell v. South Carolina Tax Commission, 233 S. C. 43, 103 S. E. 2d 424. For the exemption to apply, the property's use must therefore be for 'social, fraternal, charitable, religious, educational or eleemosynary objects or purposes'.

Additionally, Article 10, Section 1 of the Constitution limits the General Assembly's power to exempt property from taxation to 'municipal, educational, literary, scientific, religious or charitable purposes'. The meaning of the terms 'social' and 'fraternal' must therefore be construed to relate to charitable, it being presumed that no contention is made that the property is being used for municipal, educational, literary, scientific or religious purposes. A charitable purpose was defined as:

'In its usual and ordinary sense, the word [charitable] has been held to mean pertaining to alms giving or the relief of the poor, springing from, or intended for, charity; pertaining to or characterized by charity, benevolence, and kindness; also eleemosynary.' Ellerbe v. David, 193 S. C. 332, 8 S. E. 2d 518.

The property's use is for the benefit of the corporation's members and guests and is not charitable as the term is herein defined. (See paragraph four of the charter.)

CONCLUSION

***2** The property of the Clarendon County Country Club is not exempt from ad valorem taxation by Section 65–1522(6.1).

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