

# **REPORT OF THE PROPERTY TAX SUBCOMMITTEE**

(Collins, Clyburn, Moss, Hewitt & Hiott - Staff Contact: Ryan Tooley)

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## **HOUSE BILL 4477**

### **Heirs' Property Tax Relief Act**

#### **Summary of Bill:**

The bill amends Section 12-37-3150 to exclude transfers among related descendants (otherwise known as heirs') from being considered an Assessable Transfer of Interest (ATI) for property tax purposes. By not being considered an ATI, the property tax is not reassessed at the time when heirs with a legal claim transfer ownership among themselves to clear a title.

#### **Estimated Fiscal Impact:**

The Revenue and Fiscal Affairs Office conducted a fiscal impact analysis on the subcommittee amendment and determined there would be no expenditure impact for the Dept. of Revenue, and a minimal impact on local property tax revenue statewide.

#### **Subcommittee Action/Explanation:**

Passed favorably as amended.

The subcommittee amendment strikes H.4477 and inserts the language of H.5249 which is similar legislation on heirs' property. The amendment still prevents an ATI upon the clearing or consolidation of the title. Further, it adds legal definitions, refines procedural requirements, and clarifies the assessed value of partitioned parcels.

#### **Full Committee Action/Explanation:**

N/A

#### **Other Notes/Comments:**

Clearing the title refers to the legal process of proving ownership and obtaining a new deed that replaces a deceased relative's name with living heirs.

Without an ATI event, the appraised value of a property for tax purposes may not increase more than 15 percent every five years during a county reassessment.

The SC Association of Counties and Habitat for Humanity expressed support for the amendment.

**SOUTH CAROLINA**  
**HOUSE AMENDMENT**

AMENDMENT NO. \_\_\_\_\_

David Good  
March 25, 2026

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

\_\_\_\_\_  
Clerk of the House

ADOPTION NO. \_\_\_\_\_

**BILL NO: H. 4477**

(Reference is to the original version)

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The Property Tax Subcommittee proposes the following amendment (LC-4477.DG0001H):

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

SECTION 1. This act may be cited as the “Heirs’ Property Tax Relief Act”.

SECTION 2. Chapter 1, Title 4 of the S.C. Code is amended by adding:

Section 4-1-190. (A) A county may not treat a qualifying transfer of heirs’ property, as defined in this section, as a transfer requiring reassessment of property to fair market value pursuant to Section 12-37-3150.

(B) For purposes of this section:

(1) “Heirs’ property” means real property owned by two or more individuals as tenants in

common, which was inherited from a relative and for which no formal probate or recorded conveyance transferred clear title to the current owners.

(2) “Qualified family member” means a person related to a prior owner by blood, marriage, or adoption including, but not limited to, a spouse, child, grandchild, sibling, niece, nephew, aunt, uncle, cousin, or those identified as heir owners by a court of competent jurisdiction.

(3) “Qualifying transfer” means a conveyance, via judicial action, or recorded instrument undertaken solely for the purpose of clearing or consolidating title to heirs’ property among qualified family members, provided that both the grantor and grantee owned an undivided interest in the property prior to the transfer, through a:

- (a) quiet title action order;
- (b) partition in kind order; or
- (c) master-in-equity.

(C) If heirs’ property is partitioned pursuant to a qualifying transfer:

(1) each resulting partitioned parcel must retain its assessed value as a pro rata share of the existing or original parcel and be taxed at its corresponding proportional amount and property classification; and

(2) each partitioned parcel maintains its eligibility for any statutory caps or limitations on assessed value increases, including the fifteen percent reassessment limitation.

(D) The limitation provided by this section applies only if the qualified family members submit an application to the county assessor, on a form developed by the South Carolina Department of Revenue, including an affidavit certifying under penalty of perjury that:

- (1) the property qualifies as heirs’ property;
- (2) the transfer was made pursuant to a judicial order described in subsection (B)(3);
- (3) the transfer is between qualified family members; and
- (4) the transfer is for the purpose of clearing title.

(E) Once title is cleared, the property is no longer considered heirs’ property for purposes of this section and is not eligible for the limitation provided herein, as verified by tax map number or other parcel identifier at the time of the qualifying transfer.

(F) This section does not apply to:

- (1) transfers not part of a judicial action described in subsection (B)(3); or
- (2) transfers to a person who is not a qualified family member.

SECTION 3. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2025.

Renumber sections to conform.  
Amend title to conform.



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** H. 4477 Amended by House Ways and Means Property Tax  
Subcommittee on March 26, 2026

**Subject:** Heirs' Property

**Requestor:** House Ways and Means

**RFA Analyst(s):** Miller

**Impact Date:** April 6, 2026

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### Fiscal Impact Summary

This bill adds transfers made amongst related descendants who have legal claim to heirs' property to clear the title of the heirs' property, whereby both the grantor and grantee owned an interest in the property prior to the transfer, to the list of property transfers that are not an assessable transfer of interest (ATI) for property tax purposes beginning in tax year 2026. When a property undergoes an ATI, the property's appraised value is updated to reflect the current market value for property tax purposes. Without an ATI, a property's appraised value for property tax purposes may increase no more than 15 percent every five years.

This bill will have no expenditure impact for the Department of Revenue (DOR) as the agency anticipates updating forms and training materials within the normal course of agency business.

Revenue and Fiscal Affairs (RFA) contacted all counties to determine the potential local fiscal impact of this bill and received responses from the counties of Charleston and Florence. Both responding counties anticipate this bill may have a minimal impact on local property tax revenue. Based on the responses received, RFA anticipates this bill may have a minimal impact on property tax revenue statewide for the limited number of property transfers that will no longer be considered an ATI for property tax purposes.

### Explanation of Fiscal Impact

#### **Amended by House Ways and Means Property Tax Subcommittee on March 26, 2026**

##### **State Expenditure**

This bill adds transfers made amongst related descendants who have legal claim to heirs' property to clear the title of the heirs' property to the list of property transfers that are not an ATI for property tax purposes beginning in tax year 2026. This bill will have no expenditure impact for DOR as the agency anticipates updating forms and training materials within the normal course of agency business.

##### **State Revenue**

N/A

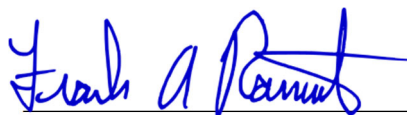
## Local Expenditure

N/A

## Local Revenue

This bill adds transfers made amongst related descendants who have legal claim to heirs' property to clear the title of the heirs' property, whereby both the grantor and grantee owned an interest in the property prior to the transfer, to the list of property transfers that are not an ATI for property tax purposes beginning in tax year 2026. When a property undergoes an ATI, the property's appraised value is updated to reflect the current market value for property tax purposes. Without an ATI, a property's appraised value for property tax purposes may increase no more than 15 percent every five years.

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Frank A. Rainwater, Executive Director

**South Carolina General Assembly**  
126th Session, 2025-2026

**H. 4477**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Landing, Cobb-Hunter, Rivers, Williams, Luck, King, Gilliard, Waters, Henderson-Myers, Collins, Schuessler, Herbkersman and M.M. Smith

Companion/Similar bill(s): 4071

Document Path: LC-0256DG25.docx

Introduced in the House on May 1, 2025

Currently residing in the House

Summary: Heirs' property

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
5/1/2025	House	Introduced and read first time (House Journal-page 139)
5/1/2025	House	Referred to Committee on <b>Ways and Means</b> (House Journal-page 139)
3/26/2026	House	Member(s) request name added as sponsor: Cobb-Hunter
3/31/2026	House	Member(s) request name added as sponsor: Rivers, Williams, Luck, King, Gilliard, Waters, Henderson-Myers
4/1/2026	House	Member(s) request name added as sponsor: Collins, Schuessler, Herbkersman, M.M. Smith

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**VERSIONS OF THIS BILL**

05/01/2025

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**A BILL**

11 TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE “HEIRS’  
12 PROPERTY TAX RELIEF ACT” BY AMENDING SECTION 12-37-3150, RELATING TO  
13 DETERMINING WHEN AN ASSESSIBLE TRANSFER OF INTEREST OCCURS, SO AS TO  
14 EXCLUDE TRANSFERS MADE AMONG FAMILY MEMBERS TO CLEAR THE TITLE OF  
15 HEIRS’ PROPERTY.  
16

17 Be it enacted by the General Assembly of the State of South Carolina:

18

19 SECTION 1. This act may be cited as the “Heirs’ Property Tax Relief Act.”

20

21 SECTION 2. Section 12-37-3150(B) of the S.C. Code is amended by adding:

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23 (16) transfers made among related descendants who have legal claim to heirs’ property to clear the  
24 title of the heirs’ property, whereby both the grantor and grantee owned an interest in the property prior  
25 to the transfer.

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27 SECTION 3. This act takes effect upon approval by the Governor and applies to property tax years  
28 beginning after 2024.

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