



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.

Bill Number:	H. 4071	Introduced on February 20, 2025
Subject:	Heirs' Property	
Requestor:	House Judiciary	
RFA Analyst(s):	Miller	
Impact Date:	April 7, 2025	

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 2025. 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.

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 Beaufort, Charleston, Florence, and Horry. Beaufort County anticipates this bill will have no impact for the county. All other responding counties anticipate this bill may have a minimal impact on local property tax revenue. However, Horry notes that the impact could be more significant, depending upon the definition of heirs' property. 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

Introduced on February 20, 2025

State Expenditure

N/A

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

assessable transfer of interest for property tax purposes. When a property undergoes an ATI, the property's appraised value is updated to 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.

RFA contacted all counties to determine the potential local fiscal impact of this bill and received responses from the counties of Beaufort, Charleston, Florence, and Horry. Beaufort County anticipates this bill will have no impact for the county. Charleston County anticipates this bill will have a minimal impact on local property taxes as most transfers of heirs' property are currently not considered an ATI pursuant to §12-37-3150(B)(15). This section currently excludes a transfer of a fractional interest between family members for zero monetary consideration, or a de minimis monetary consideration, whereby both the grantor and the grantee owned an interest in the property prior to the transfer from those transactions considered an ATI. Florence County anticipates this bill may have a minimal impact to property tax revenue. Horry County anticipates this bill may have a minimal impact on property tax revenue, but notes that the impact could be more significant, depending upon the definition of heirs' property.

Based on the responses received, RFA anticipates this bill may have a minimal impact on property tax revenue statewide based upon the limited number of property transfers that will no longer be considered an ATI for property tax purposes.



Frank A. Rainwater, Executive Director