



County of Lexington
Assessment & Equalization
212 S. Lake Drive, Suite 201
Lexington, SC 29072
Telephone (803) 785-8190

June 17, 2008

Owner 1
Address 1
Address 2
City, State, Zip

Tax Map Number:
Property Address:

Dear Property Owner:

The South Carolina Real Property Valuation Reform Act of 2006 (SC Code of Laws 12-37-3110, amended 2007) has imposed new requirements on Assessor's Offices in South Carolina. Beginning this year, Assessors' must *annually* mail an ownership certificate to property owners who are "not natural persons". In short, the certificates are being mailed primarily to people who own real estate through a legal entity. A "legal entity" means a corporation, partnership, limited liability company, unincorporated association, trust, etc. In addition, the law permits mailing to others as needed. Some of these certificates are being mailed to people who may have transferred properties within their family (with or without a will).

The purpose of this certificate is to determine whether an Assessable Transfer of Interest (ATI) has occurred that subjects the real property to reappraisal. Assessable Transfers of Interest include the sale of a property and wide variety of transactions that are not sales. As examples, transfers to a Trust are Assessable Transfers, as are property conveyances by wills or probate. Additional information regarding what may be an Assessable Transfer is on the back of this form.

An ATI subjects the property to reappraisal at current market value the year following the transfer. Therefore, many properties that transferred in 2007 are subject to reappraisal in 2008. Prior to the new law, properties were generally reappraised every five years in countywide reassessments. The last countywide reassessment in Lexington County occurred in 2005.

Annual Ownership Certificate

Failure to return this Certificate may result in your property being revalued for property tax purposes.

RETURN BY: July 21, 2008

- 1) Ownership as of December 31, 2007: _____
- 2) Has there been a transfer of ownership OR transfer of interest in ownership between January 1, 2007 and December 31, 2007? Yes _____ No _____
If yes, please provide name and address of new owner and relationship of grantor to grantee:

- 3) Nature of ownership transferred _____
- 3) If partial interest transfer, list other partial owners and relationship of grantor to grantee: _____

- 4) Your contact information: Daytime Telephone: _____
- 5) Mailing address: _____

- 6) E-mail address: _____
- 7) Signature: _____ Date: _____
- 8) Owner _____ Owner's Agent _____ Other: _____ Indicate Title: _____

Please attach any information that will not fit on the form.

This form must not be faxed, nor can electronic transmissions be accepted.

This Certificate is required by S.C. Code Ann. Section 12-37-3160(B).

PENALTY: If owner or owner's agent knowingly falsifies the details on the Certificate, the owner or the owner's agent is subject to a civil penalty. Penalty must not be less than two times the taxes lawfully due or more than three times the taxes lawfully due.

If you have questions about the form, please call our office at 803-785-8190 from 8:00 to 5:00 Monday through Friday. The state statute and additional information will also be available on the county website during the same time period at www.lex-co.com.

The Ownership Certificate is required by Article 25 – South Carolina Real Property Valuation Reform Act of 2006 with 2007 amendments, which can be found in South Carolina Code of Laws 12-37-3110 through 12-37-3150(A). The list is not all-inclusive:

- Conveyances by deed or land contract
- Conveyances to and distributions from trusts, and changes in the sole beneficiary of trusts
- Distribution under a will or by intestate succession
- Conveyances by some leases
- Partial interest sale of more than 50% ownership interest in a corporation, partnership, sole proprietorship, LLC, LLP or other legal entity
- Change in use of Agricultural real property which subjects the property to roll back tax
- Change in use of real property resulting from a zoning change

The following trading transactions are not normal public trading and MAY result in an ATI

- Merger of two or more companies
- Acquisition of a company by another company or the secondary public offering of a company
- Transfer from one entity to another entity
- Trading of stock of a privately held company
- Public offer to purchase stock from present stockholders to gain control of a company

Consult SC Code of Laws 12-37-3150(A) and (B) for more details on what is and is not an ATI. An assessable transfer of interest occurs at the time of the execution of the instruments directly resulting in the transfer of interest. Failure to record instruments resulting in a transfer gives rise to no inference as to whether or not an assessable transfer of interest has occurred.

Mailing of the Certificate in accordance with Code of Laws:

***Section 12-37-3160.** Promulgation of regulations; circumstances constituting change in beneficial ownership; certification of details of property ownership; penalties for falsification.

(A) The Department of Revenue may promulgate regulations to implement this article, including, without limitation, providing for those circumstances that constitute a change in the beneficial ownership of real property or an assessable transfer of interest not evidenced by transfer of fee simple title. The department shall examine the substance, rather than merely the form of the transfer, and related and surrounding transactions, and may use the step transaction, economic reality, quid pro quo, personal benefit, and other judicially developed doctrines in determining whether the requisite assessable transfer of interest has occurred.

(B)(1) Except as provided pursuant to item (2) of this subsection, the county assessor annually shall send to each real property owner of record, or the owner's agent or record, to the address of record, a certificate prescribed by the Department of Revenue which must be signed and returned by the property owner or the owner's agent certifying details of the ownership of the property. If the owner or the owner's agent knowingly falsifies any detail on the certificate, the owner or the owner's agent is subject to a civil penalty imposed by the Department of Revenue, the county assessor, or an assessor appointed to handle multiple county assessments pursuant to an intergovernmental agreement, as applicable. The amount must not be less than twice the taxes lawfully due on the property or more than three times the taxes lawfully due on the property. This civil penalty is enforceable and collectable in the same manner as property tax.

(2) The annual certificate requirement provided pursuant to item (1) of this subsection does not apply to a real property owner who is a natural person. However, the assessor periodically may send certificates to natural persons subject to the same requirements provided pursuant to item (1) of this subsection.

(C) For purposes of this section, a "natural person" is an individual or group of individual who directly owns real property outside of any legal entity. A natural person does not include a trustee, agent, officer, or member of a legal entity which has an ownership interest in real property. A legal entity included, but is not limited to, a corporation, partnership, limited liability company, unincorporated association, or trust.