**South Carolina General Assembly**

126th Session, 2025-2026

**H. 3469**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Jones

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Prefiled in the House on December 5, 2024

Currently residing in the House Committee on **Ways and Means**

Summary: Accessory Dwelling Unit Affordable Housing Incentive Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/5/2024 House Prefiled

12/5/2024 House Referred to Committee on **Ways and Means**

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=3469&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[12/05/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/3469_20241205.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE “ACCESSORY DWELLING UNIT AFFORDABLE HOUSING INCENTIVE ACT” BY AMENDING SECTION 12‑37‑220, RELATING TO PROPERTY TAX EXEMPTIONS SO AS TO PROVIDE A PROPERTY TAX EXEMPTION FOR CERTAIN ACCESSORY DWELLING UNITS.

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

SECTION 1. This act may be cited as the “Accessory Dwelling Unit Affordable Housing Incentive Act.”

SECTION 2. Section 12‑37‑220(B) of the S.C. Code is amended by adding:

(54)(a) the value of an accessory dwelling unit.

(b) For purposes of this item:

(i) Accessory Dwelling Unit (ADU) means a secondary housing unit on the same lot as a primary residence.

(ii) Area Median Income (AMI) means the median household income for the county where the property is located.

(c) To qualify for the property tax exemption allowed by this item, a homeowner shall:

(i) earn less than two hundred fifty percent of his respective county’s AMI;

(ii) rent the ADU to an individual earning eighty percent or less of his respective county’s AMI;

(iii) comply with all local zoning ordinances and regulations;

(iv) maintain the ADU as affordable housing for a minimum of ten years; and

(v) accept Section 8 payment as part of rent.

(d) A homeowner shall provide annual proof of compliance including, but not limited to, a copy of the lease agreement, proof of rent amount, and documentation of the tenant’s income.

(e) If a homeowner sells the property within ten years of renting an ADU, the property tax exemption is transferred to the new owner if the new owner honors the lease agreement in place at the time of the purchase. If the new owner does not wish to continue the lease agreement, the value of the ADU must be added to the value of the primary residence at closing, and the property taxes due in the year of the sale, including the value of the ADU, must be paid at closing.

(f) If the homeowner is found to be out of compliance within the ten‑year period, the property’s value must be reassessed to include the ADU as part of the overall value of the property and taxes based on the total value of the property must be calculated retroactively for as many years as the local government decides and is immediately due.

(g) Failure to comply with the terms of this item will result in loss of incentives and repayment of any tax exemptions received.

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

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