



**GEORGIA APPLESEED HEIR PROPERTY  
TAX DATABASE ANALYSIS PROJECT**

**MCINTOSH COUNTY**

***The Heir Property Challenge***

“Heir Property” is real property that has passed down to descendants, or heirs, without the benefit of a will or probate. Over successive generations, the ownership of such property may become increasingly divided due to the large number of heirs who are entitled to an interest in the land. Often these ownership interests in the property remain undocumented in public records.

As a result, Heir Property could be owned by dozens of people who are unknown to each other while only one may actually live on the property itself. This ownership situation is referred to as Tenancy in Common. It creates a unique problem for land retention, because each tenant in common is free to sell or gift his or her interest in the land to whomever the tenant in common may choose, without notifying other co-owners and without the consent of the other co-owners.

On the other hand, the occupier of Heir Property lacks clear title to the land and cannot, without the consent of all other co-owners, sell the land, use the land as collateral to obtain loans, use the timber or agricultural resources of the land, or obtain governmental assistance or grants that require proof of land ownership.

In addition to these serious effects on individual landowners, Heir Property also can affect communities and neighborhoods collectively by increasing the risk that land that has historic or conservation value may be converted to other uses inconsistent with the desire of the occupier of the land and the vision of the neighborhood. For example, third parties may purchase the ownership interest of an heir and later bring a partition action for sale of the property with the intent to convert, for example, farmland to residential use. On the other hand, Heir Property parcels in many neighborhoods have been abandoned and neglected due to the conflicting interests of Heir Property owners. The existence of such parcels present challenges to neighborhood revitalization efforts designed to preserve and enhance the historical character of the neighborhood, increase the property values in the neighborhood, decrease crime and attract new businesses

## ***Research Goal***

Detailed data on the prevalence of heir property in Georgia, as well as nationally, are nearly non-existent. Short of contacting individual occupiers of the land, there is no way to confirm definitively that a parcel of land is heir property. Our research goal, therefore, was to develop a screening process that will allow the identification of potential heir property with a degree of reasonable certainty so that the extent of heir property in the state can be estimated. This information will be helpful in support of land owner education efforts and other public policy initiatives designed to address the challenges faced by heir property owners.

This interim report describes the research method used to improve our ability to predict the prevalence of heir property in Georgia and presents the detailed results of analyses for one of the counties under review.

## ***Research Method***

Field research was conducted primarily in fall of 2009 and all of 2010. Two rounds of research were conducted as will be described in greater detail below. The First Round included an analysis of land parcels located in 20 counties in Georgia. The Second Round analysis is in progress and involves five counties. Round Two assessment has been completed for three of these counties: Rabun County in the Blue Ridge Region; Clarke County in the Piedmont Region, and McIntosh County in the Atlantic Coastal Plain.<sup>1</sup> Results of analysis for McIntosh County are presented below.

## ***Data Collection***

### **Round One**

Standard information contained on a tax parcel card includes owner/tax payer name, mailing address, property address, land value, land information, improvement information, acreage, and sale/conveyance information. For Round One analysis, certain of these indicators are used to determine if a property might be considered heir property. These indicators include: mailing address being different than property address; low value of land; lack of recent sale/conveyance information, and lack of or dated improvement information. Round One data collectors were requested to be inclusive in their screening efforts, i.e., to err on the side of including a parcel as being potential heir property if the indicator analysis was ambiguous.

### **Round Two**

For Round Two analysis, volunteers assessed the parcels identified in Round One by examining the pertinent land records to determine if the tax data indicators and the land records were in accord meaning a property is more likely than not heir property. This process involved an online search of the land records in Georgia using data provided on

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<sup>1</sup> [http://www.netstate.com/states/geography/ga\\_geography.htm](http://www.netstate.com/states/geography/ga_geography.htm)

the Georgia Superior Court Clerks Authority website. This website provides land records for various counties in Georgia. Data availability is varied according to county. For the searches now complete the data availability based on date of filing is as follows: Clarke: 1/1/1992; McIntosh: 1/3/1992; Rabun 1/1/1992.

After completing the analysis, volunteers entered relevant information into spreadsheets, and this information is being compiled into one master file for an overall assessment of each county. The information presented on the spreadsheet includes owner/tax payer name, property address, mailing address, tax parcel number, fair market value of the land (without considering improvements), acreage and land record findings for the Round One to Round Two determination. Maintaining this information is important to assist in identifying the specific physical location of the property and to identify the property in connection with any follow up discussions with county officials. A copy of the spread sheet used for McIntosh County is attached.

As part of the Round Two analysis, we assigned a fair market value to parcels identified as potential heir property. Ad valorem, or property tax, values are presented in the tax database records. The basis for the ad valorem tax is the fair market value<sup>2</sup> of the property. The tax is levied on the assessed value of the property which, by law, is established at 40% of the fair market value. This 40% figure is the amount shown on all completed tax records. Our spreadsheet data contain this figure as well as a calculation of the fair market value, i.e., tax valuation divided by 0.40.

Note that some land use exceptions to the fair market value rule exist. These exceptions, such as conservation use and agricultural use, allow certain property to be assessed at less than fair market value. Due to the complexity of this information, these exceptions have not been specifically addressed in this report. In other words we have assumed that all parcels are assessed at fair market value. The effect of this approach would be to understate the actual fair market value of such parcels in our analysis; however, if a property is held for conservation or agricultural use, this generally indicates that heir property is not present so the effect, if any, will be very small.

Another challenge to estimating fair market value is the fact that some of the land records do not provide accurate acreage information for the parcels of land. In the analysis, many of the parcels have no information as to acreage. According to the McIntosh County Tax Assessor's Office, the lack of acreage information is often due to the land being a defined lot instead of raw acreage. The Tax Assessor does not input acreage information if a property is a lot. Typically the lots are small and acreage is minimal and is not thought to affect the overall results greatly.

An additional step for Round Two is being undertaken in McIntosh County to determine the adequacy of the data and the address any of the above mentioned concerns. The Tax Assessor's Office is working to make an overlay map of the selected parcels so that we

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<sup>2</sup> Fair market value is defined as the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale.

can identify the parcels on the GIS map system used by the Tax Assessor's Office to compute data. The results of this work should be available in mid-May 2011.

## **RESULTS OF ANALYSIS-MCINTOSH COUNTY**

### **Geographic and Demographic Information<sup>3</sup>**

McIntosh County is located on the coastal plain of Georgia approximately 50 miles south of Savannah, Georgia. The county has a total area of 575 square miles.

The population of McIntosh County is 14,333. Of this, 14.6% are over the age of 65 and 35.9% are African American. 23.3% of the population does not have a high school diploma<sup>4</sup>.

Of the 4,202 households in McIntosh County, 24% include someone over the age of 65 and 8.8% include someone over the age of 65 living alone. There are 9,220 housing units in McIntosh County. 35.2% of these are vacant. 20.3% were built before 1970, and 13.4% have occupants who have been in the unit since before 1980.

The median income for a household in the county is \$23,300. The per capita income for the county is \$14,253. 18.70% of the population and 15.70% of families are below the poverty line.

In the county seat, Darien, Georgia, 44.2% of the population is African American. Of the total 1975 people living in Darien, 14.4% are over the age of 65. 26.6% of the population do not have a high school diploma.

In the city of Darien, 81090 housing units exist, with 292 of these being vacant. That amounts to 26.8% of homes being vacant in the city. 48% of the structures were built before 1970, and 22.1% of the occupants have been in the unit since before 1980.

The median income for a household in the city is \$28,750, and the per capita income is \$11,938.

As of the 2000 Census, 21.3% of families in Darien are below the poverty level, and 24.7% of individuals are below the poverty level.

### **Heir Property Acreage and Value**

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<sup>3</sup> <http://factfinder2.census.gov>

<sup>4</sup> The data reported herein reflect information provided by the 2010 census, if available. When the data have not yet been made available through the 2010 census, 2000 census information is provided.

The Round One analysis resulted in 1531 parcels being selected as potential heir property based on the Round One factors. The Round Two analysis identified 409 of these parcels with a total area of 2376.53 acres as reasonably likely to be heir property.

For the parcels analyzed, the tax value, which is 40% of the fair market value, is \$10,493,714.00. This translates to a fair market value of \$26,234,285.00.

### **Caveat**

Because of the methodology used and the lack of individual knowledge about the owners of each parcel of land, this study cannot demonstrate definitively that each of the 409 parcels is indeed heir property. However, the data in this study provide a reasonable estimate of the extent of heir property in McIntosh County, Georgia.

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