



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0104	Introduced on January 10, 2017
Author:	Rankin	
Subject:	Civil Jurisdiction in Magistrates Court	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Gardner, Wren, and Kokolis	
Impact Date:	February 17, 2017	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	Pending	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

The expenditure impact of the bill for the Judicial Department is undetermined as data is not available to determine the number of cases heard in circuit court that may be heard in magistrate court instead. The impact on General Fund expenditures for the Attorney General's Office is pending, contingent upon a response from the agency. The bill will have an undetermined local expenditure impact for additional cases that may be heard in magistrate court.

Explanation of Fiscal Impact

State Expenditure

This bill creates the South Carolina Homeowners Association (HOA) Act, which establishes the Attorney General or his designee as the State HOA Ombudsman and tasks the Ombudsman with receiving and investigating complaints, examining HOA records or investigating HOAs to ensure legal compliance, and facilitating meetings that will assist in the resolution of cases between HOAs and home owners. By January 1, 2018, the Ombudsman must establish an online instructional course on HOA governance and the rights and responsibilities of homeowners. The Ombudsman must also provide to the Governor and the General Assembly an annual report that outlines statistics on HOA disputes, denotes education and outreach efforts, and recommends revisions to state law to improve HOA operations. The bill authorizes the Department of Consumer Affairs and the Real Estate Commission of the Department of Labor, Licensing and Regulation to comply with any HOA related requests by the Attorney General or his designee. The bill also requires owners of property subject to HOA covenants and restrictions to provide purchasers a disclosure statement developed by the Real Estate Commission. This requirement applies to a first sale of a dwelling that has never been inhabited as well as subsequent sales.

Additionally, this bill grants magistrate court concurrent civil jurisdiction over actions between homeowners associations (HOAs) and property owners with regard to the performance of recorded covenants or restrictions of HOAs and access to the official records of the HOA. Either party may remove the matter to circuit court. The magistrate court may award to the prevailing party costs associated with bringing or defending an action.

Judicial Department. This bill grants magistrate court jurisdiction over actions between HOAs and homeowners regarding specific performance of recorded covenants or restrictions of HOAs and access to the official records of the HOA. As there is no data available to quantify how many of these cases were heard in circuit court previously, the department cannot determine how many cases may now be heard in magistrate court. Therefore, the expenditure impact of the bill on the General Fund, Federal Funds, or Other Funds is undetermined.

Department of Consumer Affairs. The department indicates that it can provide any assistance to the Attorney General's Office as required by the bill and absorb any associated costs within current resources.

Department of Labor, Licensing, and Regulation. The department indicates this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as it does not require any changes to current department operations.

Attorney General's Office. The expenditure impact on the Attorney General's Office is undetermined, pending a response from the agency.

State Revenue

N/A

Local Expenditure

The bill may increase magistrate court cases for actions between HOAs and homeowners currently heard in common pleas court. However, no data is available to quantify the number of cases that this may impact. As such, the impact on local expenditures is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director