



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0122 Introduced on January 10, 2017
Author: Jackson
Subject: S.C. Homeowners Association Act
Requestor: Senate Judiciary
RFA Analyst(s): Gable and Gardner
Impact Date: February 1, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$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

This bill is not expected to have an expenditure impact on the General Fund, Other Funds, or Federal Funds. However, this bill may have an undetermined local expenditure impact. The expenditure impact in local government is undetermined as any increase in the number of cases that would be heard in magistrate court cannot be estimated.

Explanation of Fiscal Impact

Introduced on January 10, 2017

State Expenditure

This bill requires the South Carolina Real Estate Commission (commission) to offer an online course covering the basics of homeowners association (HOA) management, rights, and responsibilities. This course must be offered free of charge to the public and cover the laws pertaining to governance of associations, ethical and fiduciary duties, and owner responsibilities, among other things. Once a person passes the course, he shall receive a certification from the commission. A person may take the course as frequently as he wishes but may only be certified annually. The course must be reviewed and updated annually.

Additionally, this bill expands magistrate court jurisdiction so the court may hear cases between HOAs and property owners for access to association official records and specific performance of the association's recorded covenants or restrictions. Either party may remove the matter to circuit court. The magistrate court may award to the prevailing party cost associated with bringing or defending an action.

Department of Labor, Licensing, and Regulations. This bill requires the commission to offer an online instructional course covering the basics of HOA governance and responsibilities of owners. This requirement charges the commission, under the administration of the Department of Labor, Licensing and Regulation pursuant to §40-57-10, with additional responsibilities that the agency is able to accomplish by assigning duties among existing staff and using existing equipment and supplies. Therefore, this bill has no expenditure impact on the General Fund, Other Funds, or Federal Funds for the Department of Labor, Licensing, and Regulation.

Judicial Department. This bill grants the magistrate court concurrent civil jurisdiction with the circuit court over cases between HOAs and property owners for specific performance of recorded association covenants and access to official association records. This may shift some HOA actions from the circuit court to magistrate court. As there is no information available to indicate the number of HOA related actions heard in the circuit court presently, the department cannot estimate how many of those actions may be heard in magistrate court. However, a reduction in the number of HOA related cases heard by circuit courts is not expected to result in a reduction of expenditures. At most, the case reduction may decrease the time for disposition of other matters before the circuit courts.

State Revenue

N/A

Local Expenditure

This bill grants the magistrate court concurrent civil jurisdiction with the circuit court over certain actions between HOAs and property owners. There may be a cost to the counties due to additional hearings conducted by the magistrate court. However, as the number of additional hearings is unknown, the cost is undetermined.

Local Revenue

N/A



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