

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE STATEMENT OF ESTIMATED FISCAL IMPACT (803)734-3780 • RFA.SC.GOV/IMPACTS

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Bill Number: S. 0105 Introduced on January 12, 2021

Author: Campsen

Subject: Lien Enforcement Before Magistrate Court

Requestor: Senate Banking and Insurance

RFA Analyst(s): Miller and Gardner Impact Date: February 9, 2021

Fiscal Impact Summary

This bill will have no expenditure impact as any decrease in the number of actions in the Court of Common Pleas will reduce the backlog of actions to be tried rather than resulting in a cost savings.

This bill may result in an increase in local expenditures to support the increase in the number of actions brought in Magistrates' Court.

This bill may result in an increase in local revenue dependent upon any fines or fees collected from the newly increased number of actions brought in Magistrates' Court.

Explanation of Fiscal Impact

Introduced on January 12, 2021 State Expenditure

This bill expands the jurisdiction of the Magistrates' Court in relation to mechanics' liens. Currently, a mechanics lien may be enforced by petition to a Magistrate if the amount of lien does not exceed \$100. This bill states the amount of claim may not exceed the claim limitations established in §§22-3-10(1) and (4), both of which have a limit of \$7,500.

This bill would result in a decrease in the number of filings for mechanics' lien enforcements in the court of Common Pleas. The Judicial Department has insufficient data to estimate the reduction of filings that will occur due to this bill. However, the department estimates that the reduction of filings will have minimal or no savings impact for the Judicial Department. Therefore, this bill will have no expenditure impact.

State Revenue

N/A

Local Expenditure

This bill expands the jurisdiction of the Magistrates' Court in relation to mechanics' liens from \$100 to \$7,500. This bill will result in an increase in filings for mechanics' lien enforcements in

Magistrates' Court. However, the number of newly filed actions in Magistrates' Court due to this bill is unknown.

Magistrates' Courts are funded by the counties. Therefore, Revenue and Fiscal Affairs anticipates that this bill may result in an increase in local expenditures, depending upon whether the unknown increase in filings creates additional expenditures within the Magistrates' Court.

Local Revenue

This bill expands the jurisdiction of the Magistrates' Court in relation to mechanics' liens from \$100 to \$7,500. This bill will result in an increase in filings for mechanics' lien enforcements in Magistrates' Court. However, the number of newly filed actions in Magistrates' Court due to this bill is unknown.

This bill may result in an increase in the fees and fines collected in Magistrates' Court. The amount of the increase, if any, is undetermined, as the increase in the number of filings is unknown. Some fees and fines collected in Magistrates Court are retained by the County. Therefore, Revenue and Fiscal Affairs anticipates that the undetermined potential increase in the collection of filings and fees in the Magistrates' Court may result in an increase of local revenue.

Frank A. Rainwater, Executive Director