



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3128 Introduced on January 10, 2023
Author: W. Newton
Subject: Uniform Voidable Transactions Act
Requestor: House Labor, Commerce, and Industry
RFA Analyst(s): Gardner and Tipton
Impact Date: April 25, 2023

Fiscal Impact Summary

This bill establishes the Uniform Voidable Transactions Act and specifies conditions under which a transaction of a debtor may be voidable upon a claim by a creditor. Under the bill, a debtor who makes a transaction with the actual intent to hinder, delay, or defraud any creditor or without receiving a reasonably equivalent value in exchange for a transfer or obligation is subject to creditor's claim to void the applicable transaction.

This bill will have no impact on Judicial or the Department of Consumer Affairs (DCA). Judicial indicates that any increase in the caseload for the court of common pleas will be managed within existing appropriations, and the bill does not introduce or modify regulatory or oversight requirements of DCA related to the voidable transactions.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill establishes the Uniform Voidable Transactions Act and specifies conditions under which a transaction of a debtor may be voidable upon a claim by a creditor. Under the bill, a debtor who makes a transaction with the actual intent to hinder, delay, or defraud any creditor or without receiving a reasonably equivalent value in exchange for a transfer or obligation is subject to creditor's claim to void the applicable transaction. The bill provides a number of details and exceptions that apply to these transactions, and further specifies the burden of proof for the debtor and creditor in the event a claim is made for a transaction to be voided.

Judicial. This bill introduces a civil cause of action for creditors in the event that a debtor makes a transaction with the actual intent to hinder, delay, or defraud any creditor or without receiving a reasonably equivalent value in exchange for a transfer or obligation. Judicial indicates that this may increase the number of claims in the court of common pleas. However, any resulting increase in caseload will be managed within existing appropriations, and therefore, this bill will have no impact on Judicial.

Department of Consumer Affairs. This bill establishes the Uniform Voidable Transactions Act and specifies conditions under which transactions of a debtor may be voidable upon a claim

by a creditor. The bill does not introduce or modify regulatory or oversight requirements of DCA related to voidable transactions. Therefore, this bill will have no impact on the agency.

State Revenue

This bill may increase the number of claims in the court of common pleas, which may result in an increase in fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an undetermined increase to General Fund revenue and Other Funds revenue due to the increase in fines and fees collections in court.

Local Expenditure

N/A

Local Revenue

This bill may increase the number of claims in the court of common pleas, which may result in an increase in fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an undetermined increase to local revenue due to the increase in fines and fees collections in court.



Frank A. Rainwater, Executive Director