



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. 3180	Introduced on January 10, 2023
Author:	Rutherford	
Subject:	Property Exempt from Attachment, Levy or Sale	
Requestor:	House Labor, Commerce, and Industry	
RFA Analyst(s):	Vesely	
Impact Date:	March 26, 2024	

Fiscal Impact Summary

This bill prohibits a homeowners' association (HOA) from foreclosing on a property of its members for failure to pay dues, fines, or other fees but specifies that an HOA is able to place a lien on property for failure to pay.

This bill will have no expenditure impact on Judicial as any change in the court proceedings can be managed with existing staff and within existing appropriations.

The Revenue and Fiscal Affairs Office (RFA) contacted all 46 counties, the South Carolina Association of Counties (SCAC), and the Municipal Association of South Carolina (MASC). We received a response from Florence County, Dorchester County, and MASC. Florence stated this bill will have no fiscal or operational impact to the county. Dorchester reported that there may be minimal impact to the workload and expenditures for the register of deeds office. MASC responded that this bill will not impact municipal government expenses as these governments are not involved in the forfeiture or lien processes. Based on these responses, we anticipate this bill will have no local expenditure impact.

According to Court Rule 71 actions to foreclose liens will be tried by the court and will ordinarily be referred to a master. There are currently 23 counties in the state with a Master-In Equity. Dorchester County noted that this bill may result in a minimal decrease of fines and fees collected by the Master-In Equity as HOAs will no longer file for foreclosure. While the number of foreclosure actions currently brought before a master is unknown, Dorchester stated there are not many. Additionally, HOAs will still have to file for judgment on the lien. Based on this response, we anticipate this bill may result in a minimal impact to local revenue collected in court beginning in FY 2024-25.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill precludes HOAs from foreclosing on properties of members but allows them to place liens for unpaid dues, fines, or other fees. Currently, HOAs may place a lien on property as well as initiate a foreclosure proceeding for failure to pay dues, fines, or other fees.

Judicial anticipates this bill may result in a shift in court cases from foreclosure proceedings to filing for judgment of a lien and that any change in court proceedings can be managed with existing staff and within existing appropriations. Therefore, this bill will have no expenditure impact on Judicial.

State Revenue

N/A

Local Expenditure

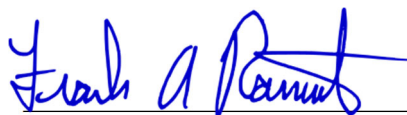
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Local Revenue

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Frank A. Rainwater, Executive Director