



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:	S. 881	Introduced on January 9, 2024
Author:	M. Johnson	
Subject:	Prohibition of Unfair Real Estate Service Agreements	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Vesely	
Impact Date:	February 1, 2024	

Fiscal Impact Summary

This bill adds Chapter 28 to Title 27, prohibiting certain real estate agreements. This bill prohibits real estate service agreements that are in effect for more than one year and expressly or implicitly bind current and future owners of residential real estate, allow the assignment of the right to provide services without notice or consent of the owner or buyer, or creates a lien, encumbrance, or other real property security interest. The bill provides exemptions to these prohibited agreements, including home warranties, insurance, and several other types of real estate contracts. The practices prohibited in this bill constitute an unfair trade practice as defined under Chapter 5 of Title 39. The Attorney General is empowered to enforce unfair trade practices and aggrieved individuals are entitled to seek relief in court.

The Office of the Attorney General (AG) expects that any increase to workload as a result of this bill will be handled by existing staff and resources. Therefore, there will be no expenditure impact. This bill will have no expenditure impact for Judicial. Judicial reports that implementation of this bill may result in an increase in cases in common pleas. However, it is anticipated that any increase can be managed within existing appropriations.

As this bill prohibits certain practices and may lead to an undetermined increase in court cases, it may result in an undetermined increase General Fund, Other Funds, and local funds revenue from the fines and fees collected in court beginning in FY 2024-25.

Explanation of Fiscal Impact

Introduced on January 9, 2024

State Expenditure

This bill adds Chapter 28 to Title 27, prohibiting certain real estate agreements. This bill prohibits real estate service agreements that are in effect for more than one year and expressly or implicitly bind current and future owners of residential real estate, allow the assignment of the right to provide services without notice or consent of the owner or buyer, or creates a lien, encumbrance, or other real property security interest. The bill provides exemptions to these prohibited agreements, including home warranties, insurance, and several other types of real estate contracts. The practices prohibited in this bill constitute an unfair trade practice as defined under Chapter 5 of Title 39.

Attorney General. AG is empowered to enforce this bill, as prohibited agreements constitute an unfair trade practice. AG expects that any increase to workload as a result of this bill will be handled by existing staff and resources, and there will be no expenditure impact.

Judiciary. Individuals aggrieved by the practices prohibited in this bill are entitled to seek relief in court. Judicial reports that implementation of this bill may result in an increase in common pleas cases. However, it is anticipated that any increase can be managed within existing appropriations. Therefore, the bill will have no expenditure impact for Judicial.

State Revenue

This bill may result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, the Revenue and Fiscal Affairs Office (RFA) anticipates this bill may result in an undetermined impact to General Fund and Other Funds revenue beginning in FY 2024-25 due to the increase in fines and fees collections in court.

Local Expenditure

N/A

Local Revenue

This bill may result in an increase in the 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 impact to local revenue beginning in FY 2024-25 due to the increase in fines and fees collections in court.



Frank A. Rainwater, Executive Director