



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3744 Introduced on February 14, 2017
Author: G.M. Smith
Subject: Salaries for Magistrates
Requestor: House Ways and Means
RFA Analyst(s): Gardner and Wren
Impact Date: March 9, 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	\$55,000	\$0
Local Expenditure	\$1,706,000	\$0
Local Revenue	\$3,115,000	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds. This bill will increase local government expenses by \$1,706,000. This bill will increase local government revenue by \$3,115,000.

Explanation of Fiscal Impact

Introduced on February 14, 2017

Judicial Department. The department reports that the bill, which requires South Carolina Court Administration to monitor counties compliance with statutory provisions governing magistrates' compensation and report annually to the Governor any noncompliance of the required magistrate base salary, will have no expenditure impact on the General Fund. The department currently monitors compliance with existing compensation requirements, and any costs associated with the generation of an annual report on noncompliance can be managed within existing resources.

State Revenue

The bill adds a \$15 assessment to all civil filings in magistrate court. In FY 2015-16, there were 211,308 civil cases filed in South Carolina magistrate courts. Should future fiscal years have a similar number of cases filed, the department expects approximately \$3,170,000 in revenue to be generated. Pursuant to the bill, \$15,000 of this revenue will be allocated to Court Administration to use for the operation of the mandatory magistrate school and for other educational requirements for summary court judges. In addition, the State Treasurer is authorized to retain \$40,000 each fiscal year for actual costs of collecting and processing the assessment. The

remaining \$3,115,000 will be distributed to the counties as explained in the Local Revenue Section of this statement.

Local Expenditure

This bill makes changes to the salary structure for magistrates. Under the existing structure, a magistrate's base salary is dependent upon the magistrate's years in office and the population of the county the magistrates serves. The bill deletes the portion of the formula that bases the salary on county population and replaces it with a uniform, statewide amount. The uniform amount is 55 percent of a circuit court judge's salary for the state's previous fiscal year. Years in office continues to be a factor in determining a magistrate's salary. Further, the bill increases the yearly supplement of a full-time chief magistrate from \$3,000 to \$10,000 and \$1,500 to \$5,000 for a part-time chief magistrate. The bill also requires a yearly supplement of \$5,000 for a full-time associate chief magistrate and \$2,500 for a part-time associate chief magistrate.

Based upon data provided by Court Administration, changing the salary structure for magistrates will increase expenses of county governments by approximately \$1,332,000. Additionally, adjusting the yearly supplement for full-time and part-time chief magistrates and adding a yearly supplement for full-time and part-time associate chief magistrates will increase expenses of county governments by \$374,000. In total, this bill will increase expenses of county governments by \$1,706,000. Although Section 22-8-10 defines a full-time magistrate as working 40 hours per week, for this analysis, we included magistrates working 38 or more hours per week as full-time. There are approximately 303 magistrates.

Local Revenue

This bill imposes an assessment of \$15 on all civil filings in magistrates court. The fees must be collected by the magistrates court and forwarded to the county treasurer and remitted by the county treasurer to the State Treasurer for allocation to the various counties. The State Treasurer may retain the costs associated with the collection and processing of this assessment not to exceed \$40,000. The remainder of the assessment must be allocated to each qualifying county based on the difference between the actual salary of each magistrate within the county as of the end of the FY 2016-17 and 55 percent of a circuit court judge's salary as of the end of FY 2016-17. However, no county may receive more than the difference between the base salary required for that county and 55 percent of a circuit court judge's salary as of the end of FY 2016-17. If the revenue collected pursuant to this new assessment is insufficient to cover the increased costs, each qualifying county must receive a prorated share of the revenue collected. Additionally, \$15,000 must be allocated to Court Administration to cover the expenses associated with operating the mandatory magistrate school and any other educational requirements for summary court judges. Any remaining revenue generated from the new assessment must be allocated to each county equally to offset expenses associated with the operation of the magistrates court.

Based upon data provided by the South Carolina Court Administration, imposing a \$15 assessment on all civil filings in magistrate court will generate approximately \$3,170,000 in revenue. Assuming the State Treasurer's Office retains \$40,000 and Court Administration receives \$15,000, the remaining revenue of \$3,115,000 will be allocated to county governments to offset expenses for adjusting the salary structure for magistrates and for expenses associated with the operation of the magistrate court.



Frank A. Rainwater, Executive Director