~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

May 3, 2017

**H. 3234**

Introduced by Reps. McEachern and Sandifer

S. Printed 5/3/17--S.

Read the first time March 9, 2017.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (H. 3234) to amend Section 27‑40‑120, Code of Laws of South Carolina, 1976, relating to exemptions to the provisions of the Residential Landlord and Tenant Act, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, page 1 by striking lines 40 through 42, in Section 27‑40‑120(5), as contained in SECTION 1, and inserting therein the following:

/ (5) occupancy by an employee of a landlord whose right to occupancy is conditional upon employment in and about the premises; /

Renumber sections to conform.

Amend title to conform.

BRAD HUTTO for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Amended by the House of Representatives on March 8, 2017**

**State Expenditure**

This bill makes the South Carolina Residential Landlord and Tenant Act (act) applicable to occupancy of premises the occupant uses primarily for agricultural purposes. In addition, the bill excludes from coverage of the act occupancy by a landlord’s independent contractors, when the contractors’ right of occupancy is conditional upon employment in and about the premises.

**Judicial Department.** This bill deletes occupancy under a rental agreement covering premises used by an occupant primarily for agricultural purposes from exemption under the Residential Landlord and Tenant Act. This proposed change would have the effect of allowing such occupancy to be governed by the act. Any hearings or trials related to civil actions would be held in general sessions court or magistrates court. As the circuit court already has jurisdiction to hear these actions, the department anticipates there will be no expenditure impact on the general fund or other funds.

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted twenty-three counties regarding the expenditure impact of this bill. Lancaster County indicated they should be able to handle any changes in hearings with existing resources, and Florence County indicated there will be no impact. Although there is no data currently available to estimate the effect this bill would have on the number of hearings that may be held in magistrate court, the change is not expected to be significant. Therefore, the Revenue and Fiscal Affairs Office expects the magistrate courts to manage any change within current resources and without an expenditure impact. If the number of additional hearings does increase significantly, the result could be a backlog of cases in magistrate court.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 27‑40‑120, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS TO THE PROVISIONS OF THE RESIDENTIAL LANDLORD AND TENANT ACT, SO AS TO DELETE OCCUPANCY UNDER A RENTAL AGREEMENT COVERING THE PREMISES USED BY THE OCCUPANT PRIMARILY FOR AGRICULTURAL PURPOSES AS AN EXEMPTION UNDER THE ACT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 27‑40‑120 of the 1976 Code is amended to read:

“Section 27‑40‑120. The following arrangements are not governed by this chapter:

(1) residence at an institution, public or private, if incidental to detention or the provision of medical, geriatric, educational, counseling, religious, or similar service;

(2) occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or a person who succeeds to his interest;

(3) occupancy by a member or a fraternal or social organization in the portion of a structure operated for the benefit of the organization;

(4) transient occupancy in a hotel, motel, or other accommodations subject to the sales tax on accommodations as provided by Section 12‑36‑920;

(5) occupancy by an employee including independent contractors of a landlord whose right to occupancy is conditional upon employment in and about the premises;

(6) occupancy by an owner of a condominium unit or a holder of a proprietary lease in a cooperative;

~~(7)~~ ~~occupancy under a rental agreement covering the premises used by the occupant primarily for agricultural purposes;~~

~~(8)~~(7) occupancy under a rental agreement in a premises regulated by the provisions of Chapter 32, ~~of~~ Title 27, of the 1976 Code (Vacation Time Sharing Plan Act)~~.~~;

~~(9)~~(8) residence, whether temporary or not, at a charitable or emergency protective shelter, public or private.”

SECTION 2. This act takes effect upon approval by the Governor.

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