



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-0640 • RFA.SC.GOV/IMPACTS**

---

<b>Bill Number:</b>	S. 0506	Introduced on February 13, 2019
<b>Author:</b>	Jackson	
<b>Subject:</b>	City Housing Authorities	
<b>Requestor:</b>	Senate Labor, Commerce, and Industry	
<b>RFA Analyst(s):</b>	Mitchell	
<b>Impact Date:</b>	March 28, 2019	Updated for Additional Agency Response

---

### **Fiscal Impact Summary**

The bill amends provisions for the removal of housing authority commissioners. In the event that commissioners are suspended from office, the mayor or the mayor's designee shall exercise the powers and duties of the housing authority.

The Municipal Association of South Carolina indicates that this mandated assumption of authority by a municipality's chief executive may result in additional expenditures by local governments in order to obtain additional liability coverage. The level of liability coverage already obtained by each city that can be applied to housing authorities is unknown, and the number of municipalities that will experience increased premium payments as a result of the provisions of the bill cannot be determined. As such, the bill will have an undetermined impact on local governments.

### **Explanation of Fiscal Impact**

**Updated for Additional Agency Response on March 28, 2019**

**Introduced on February 13, 2019**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

The bill amends the provisions for the removal of housing authority commissioners. This bill allows the county legislative delegation to adopt a resolution declaring that there is a state of emergency in reference to a municipal housing authority in their jurisdiction if there is convincing evidence that a housing authority has taken action or failed to take an action which resulted in unreasonably hazardous conditions or conditions that led to the death of one or more residents. Upon the adoption of the resolution all commissioners are immediately suspended from office for ninety days while an investigation is conducted by the council of the municipality. During this period of suspension, the mayor, or the mayor's designee, shall exercise the powers and duties of the housing authority.

If the council of the municipality finds that the housing authority's acts or failure to act subjected residents to hazardous conditions or led to the death of a resident, the commissioners are

immediately removed from office. If commissioners are removed from office through these provisions, the council of the municipality shall appoint new commissioners.

The Municipal Association of South Carolina indicates that the bill may impact liability insurance premiums for cities. In the event that the mayor or mayor's designee must exercise the powers and duties of the housing authority, the city may need to increase liability insurance coverage to the housing authority. The level of liability coverage already obtained by each city that can be applied to housing authorities is unknown, and the number of municipalities that will experience increased premium payments as a result of the provisions of the bill cannot be determined. As such, the bill will have an undetermined impact on local governments.

This fiscal impact has been updated to include a response from the Municipal Association of South Carolina.

**Local Revenue**

N/A

**Introduced on February 13, 2019**

**State Expenditure**

The bill amends the provisions for the removal of housing authority commissioners. This bill allows the county legislative delegation to adopt a resolution declaring that there is a state of emergency in reference to a municipal housing authority in their jurisdiction if there is convincing evidence that a housing authority has taken action or failed to take an action which resulted in unreasonably hazardous conditions or conditions that led to the death of one or more residents. Upon the adoption of the resolution all commissioners are immediately suspended from office for ninety days while an investigation is conducted by the council of the municipality.

**State Revenue**

N/A

**Local Expenditure**

If the council of the municipality finds that the housing authority's acts or failure to act subjected residents to hazardous conditions or led to the death of a resident, the commissioners are immediately removed from office. If commissioners are removed from office through these provisions, the council of the municipality shall appoint new commissioners.

The expenditure impact of this bill is pending, contingent upon a response from local governments.

**Local Revenue**

N/A



---

Frank A. Rainwater, Executive Director