



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	S. 0592	Introduced on March 5, 2019
<b>Author:</b>	Turner	
<b>Subject:</b>	Arbitrators In Property Damage Liability Claims	
<b>Requestor:</b>	Senate Banking and Insurance	
<b>RFA Analyst(s):</b>	Miller and Gardner	
<b>Impact Date:</b>	March 26, 2019	

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### **Fiscal Impact Summary**

This bill will increase local expenditures by an undetermined amount because the potential increase in compensation for arbitrators to hear and decide automobile damage claims is unknown.

### **Explanation of Fiscal Impact**

#### **Introduced on March 5, 2019**

#### **State Expenditure**

N/A

#### **State Revenue**

N/A

#### **Local Expenditure**

This bill requires that a court order of reference appoint an arbitrator to hear cases for automobile damage and any compensation paid to the arbitrator must be equal to the compensation for court appointed neutrals.

Currently, an order of reference appoints a panel of three court appointed arbitrators. Each arbitrator assigned to determine the claim may be compensated up to \$35. Therefore, current compensation totals no more than \$105 per arbitration.

This bill may increase the amount paid by the clerk of court in the county where the order of reference is written. According to the Rules of the Supreme Court of South Carolina for Alternative Dispute Resolutions, a court appointed neutral is defined as an arbitrator, mediator, or an evaluator. Additionally, Rule 9 requires mediators receive compensation in the amount of \$175 an hour. Assuming, this is the rate that is applied for arbitrators to hear and determine automobile damage liability claims, this bill may increase the maximum payment allowed from a \$105 flat fee to \$175 an hour. Though compensation for arbitrators is not required, it is assumed that if the clerk of court does not provide compensation, courts will have a difficult time finding arbitrators willing to hear the claims. The Judicial Department states there were 238 automobile arbitrations filed in FY 2017-18. However there is no record kept of arbitrator hours and the potential increased cost for arbitration of automobile damage claims is unknown. Therefore, this potential increase to local expenditures to pay arbitrators to hear and decide automobile damage claims is undetermined.

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director