



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0082	Introduced on January 10, 2017
Author:	Hembree	
Subject:	S.C. Homeowners Association Act of 2017	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Gable and Gardner	
Impact Date:	February 1, 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	\$0	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill is not expected to have an expenditure impact on the General Fund, Other Funds, or Federal Funds. However, this bill may have an undetermined local expenditure impact. The expenditure impact in local government is undetermined as any increase in the number of cases that would be heard in magistrate court cannot be estimated.

Explanation of Fiscal Impact

Introduced on January 10, 2017

State Expenditure

This bill requires the South Carolina Real Estate Commission (commission) to offer an online course covering the basics of homeowners association (HOA) management, rights, and responsibilities. This course must be offered free of charge to the public and cover the laws pertaining to governance of associations, ethical and fiduciary duties, and owner responsibilities, among other things. Once a person passes the course, he shall receive a certification from the commission. A person may take the course as frequently as he wishes but may only be certified annually. The course must be reviewed and updated annually.

Additionally, this bill expands magistrate court jurisdiction so the court may hear cases between HOAs and property owners for payment of dues, assessments, fines, and fees; actions for specific performance or injunctive relief arising out of the governing document; and access to governing documents, financial records, and property owner membership lists, so long as the amount in controversy is within the civil jurisdiction of the magistrate court. The magistrate court may award to the prevailing party cost associated with bringing or defending an action.

Department of Labor, Licensing, and Regulations. This bill requires the commission to create a free online course that covers the basics of HOA management, rights, and responsibilities. The commission, under the administration of the Department of Labor, Licensing and Regulation pursuant to §40-57-10, is able to manage the additional responsibilities by assigning duties among existing staff and by using existing equipment and supplies. Therefore, this bill has no expenditure impact on the General Fund, Other Funds, or Federal Funds for the Department of Labor, Licensing and Regulation.

Judicial Department. This bill grants magistrate courts concurrent civil jurisdiction with circuit courts over cases between HOAs and property owners for payment of dues, assessments, fines, and fees; actions for specific performance or injunctive relief arising out of the governing document; and access to governing documents, financial records, and property owner membership lists, so long as the amount in controversy is within the civil jurisdiction of the magistrate court. This may shift some HOA cases from the circuit court to magistrate court. As there is no information available to indicate the number of HOA actions that are filed in the circuit court presently, the department cannot estimate how many actions may be filed in magistrate court rather than the circuit court. However, a reduction in the number of HOA related cases heard by the circuit court is not expected to result in a reduction in expenditures. At most, the case reduction may decrease the time for disposition of other matters before the circuit court.

State Revenue

N/A

Local Expenditure

This bill grants the magistrate court concurrent civil jurisdiction with the circuit court over certain actions between homeowner associations and property owners. There may be a cost to the counties due to additional hearings conducted by the magistrate court. However, as the number of additional hearings is unknown, the cost is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director