

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 13, 2009

Bill Number: S.B. 30

Author: Jackson

Committee Requesting Impact: Senate Judiciary

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Chapter 52 to Title 27 so as to enact the South Carolina Homeowners' Association Act.

REVENUE IMPACT ^{1/}

This bill is expected to raise funds allocated to the Department of Consumer Affairs (DCA) by \$6,700,000 in FY 2009-10. The bill would have no impact on state General Fund revenue.

Explanation

This bill would enact the S. C. Homeowners' Association Act to establish policies, procedures, record keeping and fees applicable to a 'Homeowners' association' or 'association' as provided for in the declaration and governing documents of that association. These associations would be under the administrative and regulatory control of the DCA. This bill adds language that requires the declarant of Homeowners' Association to pay a \$100 nonrefundable fee to the DCA. Estimating there are 7,000 Homeowners' Associations in South Carolina the one hundred dollar application fee for preliminary registration would generate an estimated \$700,000. Section 27-52-140 of this bill adds language that requires Homeowners' Association to annually register and pay a nonrefundable ten dollar fee for each lot or unit in the community governed by the association to the DCA. Estimating there are 600,000 lots or units governed by Homeowners' Associations in South Carolina, the renewable ten dollar certificate of registration required for each lot or unit would generate an estimated \$6,000,000 annually to the Department of Consumer Affairs. This bill would have no impact on state General Fund revenue in FY09-10.

/s/ William C. Gillespie
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Gibson/
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^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER)