



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 3684 Introduced on February 8, 2017  
**Author:** G.R. Smith  
**Subject:** Tax Liens  
**Requestor:** House Ways and Means  
**RFA Analyst(s):** Mitchell  
**Impact Date:** March 15, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	(\$916,840)	\$0

**Fiscal Impact Summary**

The expenditure impact of this bill is undetermined, as the expenditures associated with the implementation of a new system for filing and indexing tax liens are unknown.

The bill will decrease local revenue by \$916,840 in FY 2018-19, as counties will no longer receive tax lien filing fees from the Department of Revenue.

**Explanation of Fiscal Impact**

**Introduced on February 8, 2017**

**State Expenditure**

This bill allows the Department of Revenue (DOR) to implement a system of filing and indexing tax liens for public access through the internet or other means as the department considers appropriate. This system would replace the practice of tax lien notices being filed with the county clerks of court. A lien, once filed, is effective statewide from the date and time it is recorded and encumbers all the taxpayer's property and rights to property regardless of the property's location.

Currently, DOR files tax lien notices with the county in which the warrant for distraint applies. Each time a lien notice is filed, DOR remits a \$10 filing fee to the county. DOR indicates that 91,684 lien notices were filed in FY 2016-17. This bill allows DOR to be the repository for all liens, rather than the respective counties. As such, the bill could reduce DOR expenditures by \$916,840 in FY 2018-19.

Further, the bill allows DOR to implement a new system for filing and indexing liens for public access. The implementation of a new system would increase General Fund expenditures. DOR indicates that additional expenditures associated with a new system can be managed within existing appropriations, and would not exceed the \$916,840 saved from not filing the liens with the county clerks of court. The amount of expenditures required to implement a new filing and indexing system is not known. As such, the expenditure impact of the bill on the General Fund, Other Funds, or Federal Funds is undetermined.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

This bill will result in a loss of revenue to counties in South Carolina. Currently, DOR remits a \$10 fee to the county clerk of court for each lien notice filed. The bill allows DOR to act as the repository for all tax liens. As such, counties would no longer receive revenue from filing fees. DOR paid counties a total of \$916,840 in FY 2016-17. Therefore, the bill could decrease local revenue by \$916,840 in FY 2018-19.



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Frank A. Rainwater, Executive Director