



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0160 Introduced on January 8, 2019  
**Author:** Allen  
**Subject:** Tax Liens  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Mitchell  
**Impact Date:** January 11, 2019

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### **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 \$562,130 in FY 2019-20, as counties will no longer receive tax lien filing fees from the Department of Revenue.

### **Explanation of Fiscal Impact**

#### **Introduced on January 8, 2019**

#### **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 56,213 lien notices were filed in FY 2017-18. This bill allows DOR to be the repository for liens, rather than the respective counties. As such, the bill could reduce DOR expenditures by \$562,130 in FY 2019-20.

Further, the bill allows DOR to implement a new system for filing and indexing tax 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 \$562,130 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 this 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 \$562,130 in FY 2017-18. Therefore, the bill could decrease local revenue by \$562,130 in FY 2019-20.



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Frank A. Rainwater, Executive Director