

Wallace H. "Jay" Jordan, Jr.
Chairman

J. David Weeks
Vice-Chairman

Paula Rawl Calhoon
Neal A. Collins
Val Guest

Lauren G. Trask
Chief Legal Counsel

Maggie Chappell
Assistant Legal Counsel

House Legislative Ethics Committee



P.O. BOX 11867
519 BLATT BUILDING
COLUMBIA, SC 29211
TELEPHONE: (803) 734-3114
FAX: 803-734-8795

Beth E. Bernstein
Secretary

John Richard C. King
Robert Robbins
J. Todd Rutherford
Leonidas E. "Leon" Stavrakis

Grace Ross
Executive Assistant

ADVISORY OPINION 2026 - 2

The House Legislative Ethics Committee has received a question from a Member regarding disclosure requirements for attorneys' fees. Specifically, the Member has asked whether, as a member of the General Assembly and a member of a law firm, the Member is required to disclose on his or her Statement of Economic Interests attorneys' fees awarded to the Member's law firm pursuant to a settlement agreement and related court orders for representation of state entities in litigation. The Member specifies that the attorneys' fees in question are disbursed through a state entity but are not state or government funds. Pursuant to House Rule 4.16C(5), the Committee renders the following opinion as a response to these inquiries.

DISCUSSION

S.C. Code Ann. § 8-13-1120 states:

(A) A statement of economic interests filed pursuant to Section 8-13-1110 must be on forms prescribed by the State Ethics Commission and must contain full and complete information concerning:

(1) the name, business or government address, and workplace telephone number of the filer;

(2) the source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or a member of the filer's immediate family during the reporting period;

...

(10) a listing of the private source and type of any income received in the previous year by the filer or a member of his immediate family. This item does not include income received pursuant to...

S.C. Code Ann. § 8-13-1120.

The House Ethics Committee previously issued Advisory Opinion 2019-5 regarding a Member/Lawyer's representation of state agencies. In that opinion, the Committee stated "[t]he Member should list on his or her Statement of Economic Interests under Income and Benefits the income earned from representing an agency when the fees and costs are paid by the governmental insurance operation for representing an agency client."

Similarly, in Advisory Opinion 2017-4, the Committee addressed questions from a Member/Lawyer regarding representation of a state agency and budget abstentions and stated "[t]he Committee notes that the Member should list on his or her Statement of Economic Interests under Income and Benefits the income earned from representing an agency for which the fees and costs are paid by the JUA or the IRF for representing an agency client."¹

In the present scenario, the Member specifies that the attorneys' fees in question are not paid by a governmental entity. While the fees stem from the representation of government clients and are being collected and disbursed by a government agency, the fees are not being funded with state or government funds. Instead, the fees are being paid by a third party pursuant to a settlement agreement and related court order. Additionally, the fees were awarded to the Member's law firm.

In applying the above opinions to these facts, the Committee finds that the attorneys' fees in question do not need to be reported as Income from an SC Governmental Entity on the Member's Statement of Economic Interests under S.C. Code Ann. § 8-13-1120(A)(2) because the fees are not funded by government or state funds.

CONCLUSION

In summary, the Member is not required to report the amount of attorneys' fees received by his or her law firm and paid for by a non-governmental entity as Income from an SC Governmental Entity on the Member's Statement of Economic Interests. The Member should report the source and type of all private income and any and all business interests pursuant to S.C. Code Ann. § 8-13-1120.

Adopted June 25, 2026.

¹ JUA, as referenced in this opinion, is an abbreviation of the Joint Underwriting Association while IRF is an abbreviation for the Insurance Reserve Fund.