



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0559 Introduced on February 22, 2023
Author: Kimbrell
Subject: Banking Practices
Requestor: Senate Banking and Insurance
RFA Analyst(s): Tipton
Impact Date: March 13, 2023

Fiscal Impact Summary

This bill states that any credit union, bank, banking association, or trust company chartered and engaged in the banking business in the state must consider only quantitative, impartial, and risk-based standards, including risk-based standards related to a particular business sector, and may not use any rating, scoring, analysis, tabulation, or action that considers a social credit score based on factors specified by the bill.

This bill will have an undetermined impact on the Board of Financial Institutions (BOFI) in its capacity as the regulatory agency of financial institutions in the state. The board indicates that additional regulation or oversight of financial institutions would be required to ensure compliance with the bill, and additional agency personnel may be needed. However, the manner in which this regulation or oversight would be implemented is currently unknown.

Explanation of Fiscal Impact

Introduced on February 22, 2023

State Expenditure

This bill states that any credit union, bank, banking association, or trust company chartered and engaged in the banking business in the state must consider only quantitative, impartial, and risk-based standards, including risk-based standards related to a particular business sector. These entities may not use any rating, scoring, analysis, tabulation, or action that considers a social credit score based on factors including, but not limited to:

- (1) political opinions, speech, or affiliations;
- (2) religious beliefs, religious exercise, or religious affiliations;
- (3) firearm ownership;
- (4) engagement in the lawful manufacture, distribution, sale, purchase, or use of firearms or ammunition;
- (5) engagement in the exploration, production, utilization, transportation, sale, or manufacture of fossil-based energy, timber, mining, or agriculture;
- (6) support of the State or federal government combatting illegal immigration, drug trafficking, or human trafficking;

- (7) engagement with, facilitation of, employment by, support of, business relationship with, representation of, or advocacy for any person who espouses or any business that is identified with any of the factors contained in items (1) through (6).

BOFI, in its capacity as the regulatory agency of financial institutions in the state, indicates that additional regulation or oversight of financial institutions would be required to ensure compliance with the provisions of the bill, and additional agency personnel may be needed. However, as the manner in which this regulation or oversight would be implemented is currently unknown, the expenditure impact on BOFI is undetermined.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director