



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:	H. 3514	Amended by House Ways and Means on April 30, 2025
Subject:	Flags	
Requestor:	House Ways and Means	
RFA Analyst(s):	Tipton	
Impact Date:	May 1, 2025	

Fiscal Impact Summary

This bill requires flags of the United States of America and the State of South Carolina purchased with public funds by state departments, agencies, institutions, or political subdivisions, including school districts to be 100 percent manufactured or produced in the United States. The bill as amended specifies that state entities may continue the use of previously purchased flags until a replacement flag is necessary. Currently, flag purchases by state entities are made through a statewide term contract held by the Division of Procurement Services (DPS) within the State Fiscal Accountability Authority (SFAA) with three flag vendors.¹

This bill as amended will have an undetermined expenditure impact on state departments, agencies, or institutions related to the procurement of a flag of the United States of America or the State of South Carolina. According to DPS, the existing contract for flag procurement does not require flags to be produced under the specifications of the bill. Thus, DPS indicated that the agency would resolicit the contract and require suppliers to affirm that flags are produced under the requirements of the bill. DPS does not have information on the country of origin for flags from current suppliers. The impact of this bill on state entities procuring flags will depend on the price and availability of flags under the new procurement contract as well as the number of previously purchased flags on hand at a department, agency, or institution.

This bill as amended will have no expenditure impact on DPS within SFAA, as the agency indicated that the requirements of the bill, including the solicitation of a new contract for flag suppliers, will be managed with existing staff and resources. Further, this bill will have no impact on the Department of Administration (Admin) in its duties purchasing flags for state buildings operated or maintained by the agency.

This bill as amended will also have an undetermined expenditure impact on local governments and school districts related to the procurement of a flag of the United States of America or the State of South Carolina. The impact on these entities will depend on the price and availability of flags meeting the new requirements as well as the number of previously purchased flags on hand.

¹ State Fiscal Accountability Authority, Division of Procurement Services, *Statewide Term Contracts: Flags – SC & US*, Retrieved April 7, 2025, <https://www.procurement.sc.gov/contracts/search?d=21737-9919-0-0>

Explanation of Fiscal Impact

Amended by House Ways and Means on April 30, 2025

State Expenditure

This bill requires flags of the United States of America and the State of South Carolina purchased with public funds by state departments, agencies, or institutions to be 100 percent manufactured in the United States from articles, materials, or supplies that have been grown or 100 percent produced or manufactured in the United States. The bill as amended specifies that a state department, agency, institution, or political subdivision of the State, including a school district, may continue the use of previously purchased flags until a replacement flag is necessary.

DPS within SFAA manages procurement for state departments, agencies, institutions, and political subdivisions subject to the Consolidated Procurement Code and reported that the existing term contract for flag purchases does not require flags to be produced under the specifications of the bill. Thus, DPS indicated that under the bill, this contract would be cancelled and resolicited to include the manufacturing or production location requirements. Suppliers would be required to affirm that their flags are produced according to the requirements of the bill. DPS does not have information on the country of origin for flags from current suppliers. Based on the websites of the three vendors currently under contract for flag procurement, two vendors, the Columbia Flag and Sign Company and Ruffin Flag Company, advertise their products as made in the United States, while the country of origin is unclear for flags produced by the third vendor, AGAS MFG. Therefore, this bill will have an undetermined impact on any state department, agency or institution related to the procurement of a flag of the United States of America or the State of South Carolina. The impact will depend on the price and availability of flags under the new procurement contract as well as the number of previously purchased flags on hand at a department, agency or institution.

DPS within SFAA indicated that the requirements of the bill, including the solicitation of a new term contract for flag suppliers, will be managed with existing staff and resources. Therefore, this bill will have no expenditure impact on SFAA. Further, this bill will have no impact on Admin in its duties purchasing flags for state buildings operated or maintained by the agency.

State Revenue

N/A

Local Expenditure

This bill requires flags of the United States of America and the State of South Carolina purchased with public funds by state political subdivisions, including school districts, to be 100 percent manufactured or produced in the United States. The impact on local governments and school districts is undetermined and will depend on the price and availability of flags that meet the new requirements as well as the number of previously purchased flags on hand.

Local Revenue

N/A



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