



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. 3571	Signed by Governor on May 27, 2025
Subject:	Underground Facility Damage Prevention	
Requestor:	House of Representatives	
RFA Analyst(s):	Wren and Manic	
Impact Date:	June 10, 2025	

Fiscal Impact Summary

This bill makes changes to the Underground Facility Damage Prevention Act in Chapter 36, Title 58 regarding the process for notifying utilities of excavation projects and the responsibilities of utilities operators. The bill makes changes to the Operators Association and the penalties for utilities operators that do not comply with the requirements. The bill also adds additional responsibilities to the Attorney General's Office regarding complaints arising from violations of the provisions of the bill. Further, the bill increases civil penalties for violations of the bill and allocates all penalties pursuant to the bill to the General Fund, instead of splitting the penalties equally between the General Fund and the Attorney General's Office.

This bill will have no expenditure impact on the Department of Transportation (DOT) since any additional responsibilities can be managed within the normal course of business.

This bill will increase recurring expenses of the Attorney General's Office by \$120,820 for 1.0 FTE (Attorney II) beginning in FY 2025-26. Funding for the new FTE is included in the FY 2025-26 Appropriations Act.

Although the additional number of civil cases that may result due to the provisions of this bill is unknown, Judicial anticipates being able to manage the additional caseload with existing appropriations. However, if the bill results in a significant increase in workload, Judicial may request an increase in General Fund appropriations.

The Public Service Commission (PSC), the Office of Regulatory Staff (ORS), and the Public Service Authority (PSA) indicate that the bill will have no expenditure impact because it does not change the duties and responsibilities of the agencies.

The Revenue and Fiscal Affairs Office (RFA) contacted all counties and the Municipal Association of South Carolina (MASC) to determine the expenditure impact of the bill on local governments. We received responses from Beaufort, Florence, and Kershaw Counties. All three counties indicate this bill will have no expenditure impact. The expenditure impact of the bill will vary by municipality. MASC indicates that while the enhanced penalties for operators who fail to become members of the association will generally pose greater expense than the cost to comply with current membership requirements and the enhanced penalties would pose a greater impact on smaller municipalities, it could result in an undetermined cost savings over time due to

a reduction in unsafe or negligent digging incidents. MASC also indicates that the quarterly reports to the notification center could create an additional administrative burden to municipal operators. Additionally, MASC indicates that the bill permits excavators to proceed with digging despite visible indication of unmarked infrastructure if the operator fails to respond. Without further clarification, this could lead to substantial liability if damage occurs following a failure to respond timely.

This bill may result in a change in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in a change to General Fund, Other Funds, and local revenue due to the change in fines and fees collections in court.

Further, the bill changes the allocation of penalties recovered in any actions brought under Chapter 36, Title 58 from being equally divided between the General Fund and the Attorney General's Office to only the General Fund. The Attorney General's Office reports that penalties pursuant to the provisions of this bill totaled \$27,000 in FY 2023-24. Of this amount, \$13,500 was allocated to the General Fund, and the remaining \$13,500 was allocated to Other Funds revenue of the Attorney General's Office. Since the bill increases the penalties associated with violations, revenue allocated to the General Fund will increase by an undetermined amount, as the number of violations that may occur is unknown. Further, Other Funds revenue of the Attorney General's Office will decrease by at least \$13,500 in FY 2025-26.

Explanation of Fiscal Impact

Signed by Governor on May 27, 2025

State Expenditure

This bill makes changes to the Underground Facility Damage Prevention Act in Chapter 36, Title 58 regarding the process for notifying utilities of excavation projects and the responsibilities of utilities operators. The bill makes changes to the Operators Association and the penalties for utilities operators that do not comply with the requirements. The bill also adds additional responsibilities to the Attorney General's Office regarding complaints arising from violations of the provisions of the bill, mediations, and contested cases. Additionally, the bill allows the Attorney General's Office to promulgate regulations as needed to implement and administer the provisions of the bill. Further, the bill increases civil penalties for violations of the bill.

Department of Transportation. DOT indicates that any additional responsibilities associated with the bill can be managed within the normal course of business. Therefore, the bill will have no expenditure impact on DOT.

Attorney General's Office. This bill will increase recurring expenses of the Attorney General's Office by \$120,820, including salary and fringe, for 1.0 FTE (Attorney II) beginning in FY 2025-26. The FY 2025-26 Appropriations Act includes funding for the new FTE.

Judicial. Although the additional number of civil cases that may result due to the provisions of this bill is unknown, Judicial anticipates being able to manage the additional caseload with

existing appropriations. However, if the bill results in a significant increase in workload, Judicial may request an increase in General Fund appropriations.

Public Service Commission. PSC indicates that the proposed changes only require additional information to be filed by the notification center in an already existing report filed with the Commission. Therefore, this bill will have no expenditure impact on PSC.

Office of Regulatory Staff. ORS indicates that the bill will have no expenditure impact because it does not alter the duties and responsibilities of the agency.

Public Service Authority. PSA indicates that the bill will have no expenditure impact as the agency can manage the requirements of the bill with existing staff and resources.

State Revenue

This bill may result in a change in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in a change to General Fund and Other Funds revenue due to the change in fines and fees collections in court.

The bill also increases certain civil penalties from an amount not to exceed \$1,000 to an amount up to \$5,000 per violation and up to \$25,000 for other violations. Additionally, the bill changes the allocation of the penalties recovered in any actions brought under Chapter 36, Title 58 from being equally divided between the General Fund and the Attorney General's Office to only the General Fund. The Attorney General's Office reports that penalties pursuant to the provisions of this bill totaled \$27,000 in FY 2023-24. Of this amount, \$13,500 was allocated to the General Fund and the remaining \$13,500 was allocated to Other Funds revenue of the Attorney General's Office. Since the bill increases the penalties associated with violations, revenue allocated to the General Fund will increase by an undetermined amount, as the number of violations that may occur is unknown. Further, Other Funds revenue of the Attorney General's Office will decrease by at least \$13,500 in FY 2025-26.

Local Expenditure

RFA contacted all counties and MASC to determine the potential expenditure impact of the bill on local governments. We received responses from Beaufort, Florence, and Kershaw Counties and MASC. All three counties indicate this bill will have no expenditure impact.

The expenditure impact of the bill will vary by municipality. MASC indicates that while the enhanced penalties for operators who fail to become members of the association will generally pose greater expense than the cost to comply with current membership requirements and the enhanced penalties would pose a greater impact on smaller municipalities, it could result in an undetermined cost savings over time due to a reduction in unsafe or negligent digging incidents. MASC also indicates that the quarterly reports to the notification center could create an additional administrative burden to municipal operators. Additionally, MASC indicates that the bill permits excavators to proceed with digging despite visible indication of unmarked

infrastructure if the operator fails to respond. Without further clarification, this could lead to substantial liability if damage occurs following a failure to respond timely.

Local Revenue

This bill may result in a change in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in a change to local revenue due to the change in fines and fees collections in court.



Frank A. Rainwater, Executive Director