



# 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.*

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<b>Bill Number:</b>	H. 3772	Introduced on January 16, 2025
<b>Subject:</b>	Pesticides	
<b>Requestor:</b>	House Agriculture, Natural Resources, and Environmental Affairs	
<b>RFA Analyst(s):</b>	Daigle	
<b>Impact Date:</b>	March 7, 2025	

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### Fiscal Impact Summary

This bill mandates that a person must register with and obtain a license from Clemson University prior to administering a barrier mosquitocide treatment. This bill requires that the registration and license must be free to applicants. Additionally, this bill states that a person who violates this provision is subject to a fine of \$500. This bill takes effect upon approval of the Governor.

Judicial expects to manage any increase in magistrate court caseloads using existing staff and resources. Should there be a significant increase in caseloads, Judicial will request additional General Fund appropriations.

This bill will create additional workload for Clemson's Department of Pesticide Regulation, within Clemson-Public Service and Agriculture (PSA) in order to administer the new barrier mosquitocide treatment license requirements. Clemson-PSA anticipates the need to hire 4.0 FTEs and an increase in expenditures by approximately \$493,000, including \$343,000 of recurring expenses beginning in FY 2025-26 and \$150,000 of non-recurring expenses in FY 2025-26 in order to start and maintain the operations required by this bill.

The Revenue and Fiscal Affairs Office (RFA) surveyed all of the counties and contacted the Municipal Association of South Carolina (MASC) to determine the potential impact of the bill and received responses from MASC, McCormick County, and Horry County. MASC expects the increase in caseload in magistrates court will pose a negligible fiscal impact to municipalities. Both Horry County and McCormick County indicate this bill will result in a potential increase in expenses due to the possible increase in the caseload in magistrates court.

Furthermore, this bill will require counties that spray barrier mosquitocide treatments, that do not have licensed applicators on staff, to obtain the new license from Clemson University. Horry County indicates that this should not have an impact on the county as they have several staff members already licensed through Clemson to administer pesticides. The number of counties that currently do not have licensed pesticide applicators on staff is unknown. Additionally, RFA anticipates that any increase in workload due to registering and obtaining a mosquito barrier treatment license will be minimal, and therefore, we expect that any increase in expenses for counties to comply with the licensing requirements of this bill will be minimal.

This bill will have an undetermined revenue impact on state and local revenue as it is unclear whether the newly created \$500 fine is a criminal or civil penalty and whether the criminal and civil penalties pursuant to Section 46-13-180 will apply to a person who violates the provision of this bill. If the newly created fine is civil, it will be retained by Clemson-PSA; if it is criminal it will be collected by the magistrates court and distributed between the General Fund, Other Funds and local funds. Additionally, 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.

## **Explanation of Fiscal Impact**

### **Introduced on January 16, 2025**

#### **State Expenditure**

This bill mandates that a person must register with and obtain a license from Clemson University prior to administering a barrier mosquitocide treatment. This bill requires that the registration and license must be free to applicants. Additionally, this bill states that a person who violates this provision is subject to a fine of \$500. Please note, this bill defines a person pursuant to Section 43-13-20; we believe that this may be a typo, and the bill was likely intended to reference Section 46-13-20.

Currently, pesticide licenses are required for commercial applicators, non-commercial applicators, pesticide businesses, reciprocal applicators, private applicators and pesticide dealers. However, there are no specific licenses for barrier mosquitocide treatment for individuals, partnerships, associations, fiduciaries, corporations, or any organized group of persons whether incorporated or not.

**Judicial.** Judicial expects that any increase in magistrate court caseloads due to this bill can be managed using existing staff and resources. However, Judicial indicates that if there is a significant increase in caseloads, Judicial will request additional General Fund appropriations.

**Clemson-PSA.** This bill will create additional workload for Clemson-PSA in order for Clemson's Department of Pesticide Regulation to administer the new barrier mosquitocide treatment license requirements. Clemson-PSA indicates that this bill will increase expenditures by approximately \$493,000, including \$343,000 of recurring expenses beginning in FY 2025-26 and \$150,000 of non-recurring expenses in FY 2025-26 in order to start and maintain the operations required by this bill. Recurring expenses include approximately \$237,000 for salary and fringe to hire 3.0 FTE Investigator IVs in field staff positions, approximately \$66,000 for salary and fringe to hire 1.0 FTE Program Coordinator I as administrative support, and \$40,000 for their associated annual software licenses. Non-recurring expenses include \$10,000 for equipment for support operations, \$10,000 for equipment for field operations, and \$130,000 for 3 vehicles. Clemson-PSA anticipates requesting additional General Fund appropriations for these expenses.

For information, the agency indicates that based on the definition of a person in Section 46-13-20, this bill will require every person in the state to register and obtain a license prior to the application of a barrier mosquito treatment. South Carolina pesticide laws and regulations currently have licensing requirements for pest control companies that provide this type of mosquito control service, but not for individual landowners or individuals using these products for private use. The agency states that while there is no way to know exactly, they estimate that several hundred thousand private South Carolinians currently purchase and use barrier mosquito products annually as these products are readily available in many hardware and home improvement stores across the state. Additionally, the agency notes that the U.S. EPA has classified most of the barrier mosquito products as general use products, and does not require any licensing or certification for the use of such products.

### **State Revenue**

This bill mandates that a person must register with and obtain a license from Clemson University prior to administering a barrier mosquitocide treatment. This bill requires that the registration and license must be free to applicants. Additionally, this bill states that a person who violates this provision is subject to a fine of \$500.

Currently, pursuant to Section 46-13-180, a person who violates the provisions in Chapter 13 of Title 46 are subject to misdemeanor charges. First offense violations are subject to a fine of up to \$100 or imprisonment for not more than thirty days, second offense violations are subject to a fine of up to \$500 or imprisonment for not more than sixty days, and third or subsequent offenses are subject to a fine of up to \$1,000 or imprisonment up to ninety days. Additionally, violations of a provision in Chapter 13 of Title 46 are subject to a civil penalty of up to \$1,000 for each offense. Civil penalties are not applicable to a homeowner who makes a pesticide application in his home in accordance with state and federal law.

It is unclear whether the criminal and/or civil penalties pursuant to Section 46-13-180 will apply to a person who violates the provision of this bill. Civil penalty fines may be retained by the Director of the Division of Regulatory and Public Service Programs of Clemson University and deposited in a separate fund for use in the administration of the Pesticide Control Act. Additionally, this bill may increase fees collected for criminal penalties due to violations of Chapter 13 of Title 46.

Further, this bill imposes a \$500 fine on persons who violate the provision of the bill. It is unclear whether this will be a civil or criminal fine. Clemson-PSA anticipates that if this fine is classified as a civil fine, then this bill may increase Other Fund revenues as the agency will retain the fine revenue. However, if the fine is determined to be a criminal fine, it will be distributed to the General Fund, Other Funds and local funds, as determined by magistrates court rules. Additionally, this bill may result in a change in the fines and fees collected in court due to the increase in the caseload in magistrates 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 the General Fund and Other Funds revenue due to the change in fines and fees collections in court.

### **Local Expenditure**

RFA surveyed the counties and contacted MASC as to the potential impact of the bill and received responses from MASC, McCormick County, and Horry County. MASC anticipates that the increase in magistrates court caseload will be minimal, and therefore, pose a negligible fiscal impact to municipalities. McCormick County indicates that this bill will have an undetermined impact on local courts. Horry County indicates that this bill will increase local court expenditures by an undetermined amount. Horry county reports that the costs of processing cases including hearings, scheduling, collection, accounting, remittance, etc., generally outweigh any fines and fees collected in local courts.

Furthermore, this bill will require counties that spray barrier mosquitocide treatments, that do not already have licensed applicators on staff, to obtain the new barrier mosquitocide license from Clemson University. Horry County indicates that this should not have an impact on the county as they have several staff members already licensed through Clemson to administer pesticides. Additionally, RFA anticipates that any increase in workload due to registering and obtaining a mosquito barrier treatment license will be minimal, and therefore, we expect that any increase in expenses for counties to comply with the licensing requirements of this bill will be minimal.

### **Local Revenue**

Depending on its interpretation, 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.

For reference, McCormick County indicates that this bill will have an undetermined impact on the fines and fees collections in court, but that any will likely be minimal. McCormick notes that this bill does not specify whether fines will be retained or disbursed by local courts as it does not clarify whether the offense is criminal or civil in nature.



Frank A. Rainwater, Executive Director