



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. 4659 Introduced on January 13, 2026
Subject: Duty of Loyalty
Requestor: House Judiciary
RFA Analyst(s): Welsh
Impact Date: March 17, 2026

Fiscal Impact Summary

This bill exempts members of a member-managed limited liability company from a duty to refrain from competing with the company when the company's operating agreement does not contain an enforceable noncompete provision and the member is also a member of another limited liability company.

This bill does not operationally or fiscally impact state agencies. Therefore, the bill will have no fiscal impact.

Explanation of Fiscal Impact

Introduced on January 13, 2026

State Expenditure

This bill exempts members of a member-managed limited liability company from a duty to refrain from competing with the company when the company's operating agreement does not contain an enforceable noncompete provision and the member is also a member of another limited liability company.

This bill does not operationally or fiscally impact state agencies. Therefore, the bill will have no fiscal impact.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Frank A. Rainwater, Executive Director