



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. 4758 Introduced on January 13, 2026
Subject: Hemp Beverage Ban
Requestor: House Judiciary
RFA Analyst(s): Daigle
Impact Date: January 27, 2025

Fiscal Impact Summary

This bill prohibits the possession, manufacturing, and distribution of consumable hemp products that contain tetrahydrocannabinol (THC). Any consumable hemp products in violation of the Hemp Farming Act are considered contraband and may be seized by law enforcement. This bill also prohibits the sale, possession, online sales, direct deliveries, and direct shipments of consumable hemp products within or into South Carolina and prescribes penalties for violations.

This bill may result in an increase in the number of court cases, and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections (Corrections), and the Department of Probation, Parol and Pardon (PPP). The potential increase in expenses will depend upon the increase in the number of cases and number of incarcerations. However, Judicial and the agencies anticipate that the potential impact of the workload can be managed within existing appropriations but note that if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested. For information, according to Corrections, in FY 2024-25, the annual total cost per inmate was \$37,503, of which \$35,696 was state funded.

This bill will have no expenditure impact on the Department of Agriculture or the Department of Revenue (DOR) as it does not create any new responsibilities or impose new requirements on the departments.

This bill will create additional workload for the State Law Enforcement Division (SLED) as these products are already being sold, which will require significant effort to enforce. SLED anticipates that this bill will increase expenses by approximately \$1,967,000 beginning in FY 2026-27, including \$1,137,000 of recurring and \$830,000 of non-recurring expenses, and \$1,137,000 each year thereafter. SLED will request General Fund appropriations to fund the expenses due to this bill. The table below displays the recurring and non-recurring expenses anticipated by the department

RECURRING PERSONNEL EXPENSES		
Position Title	# of FTEs	Salary, Overtime, & Fringe
Special Agent II, Enforcement Functions	8.0	\$895,000
OPERATING EXPENSES		
Description of Expenses	Recurring Expenses	Non-Recurring Expenses
Gas	\$67,000	
I-Phone with Hotspot	\$6,000	
Mobile and Portable 800 Radio Service	\$13,00	
Other Recurring Costs	\$5,00	
Uniform Replacement	\$5,000	
Training/Travel	\$12,000	
Technology Licenses	\$10,000	
1/5 Vehicle Replacement	\$124,000	
Vehicle		\$620,000
Protective Vest and Cover		\$21,00
Glock, Duty Belt, Holster		\$12,000
Patrol Rifle		\$13,000
Uniforms, Boots, Raingear, Protective Gloves, Handcuffs, PPE, Other		\$44,000
Motorola Tri-band Portable Radio		\$96,000
Computer Equipment		\$24,000

This bill classifies consumable hemp products as contraband and makes them illegal to sell or possess. Currently, any consumable hemp products currently being sold in the state are subject to state and local sales tax. Therefore, this bill may reduce state sales tax revenue collections due to the prohibition of the products in the state. There is no data available to estimate the gross sales amount of hemp beverages in South Carolina, and therefore, any reduction in General Fund, Education Improvement Act Fund (EIA), Homestead Exemption Fund (HEX), and local revenues from sales tax is undetermined. However, DOR anticipates any impact to sales tax to be minimal.

This bill may also 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 that this bill may result in a change to General Fund, Other Funds, and local revenues due to the change in fine and fee collections in court.

Explanation of Fiscal Impact

Introduced on January 13, 2026

State Expenditure

This bill prohibits the possession, manufacturing, and distribution of consumable hemp products that contain THC. This bill creates new definitions for consumable hemp product, and intoxicating hemp product as well as amends the current definitions for hemp or industrial hemp and hemp products to include a delta-9 THC concentration of not more than three-tenths of one percent on a dry weight basis. Also, any consumable hemp products in violation of the Hemp Farming Act are considered contraband and may be seized by law enforcement. The sale or possession of a consumable hemp product is prohibited by law and violations are subject to punishment in the same manner as THC pursuant Section 44-53-190, related to schedule I controlled substances, and Section 44-53-370 related to prohibited acts and penalties. This bill also prohibits online sales, direct deliveries, and direct shipments of consumable hemp products within or into South Carolina, and a person who is convicted of this offense is subject to a misdemeanor offense and may be fined up to \$3,000 or up to three years in jail, or both.

This bill may result in an increase in the number of court cases, and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, Corrections, and PPP. The potential increase in expenses will depend upon the increase in the number of cases and number of incarcerations. However, Judicial and the agencies anticipate that the potential impact of the workload can be managed within existing appropriations but note that if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested. For information, according to Corrections, in FY 2024-25, the annual total cost per inmate was \$37,503, of which \$35,696 was state funded.

Department of Agriculture. This bill will have no expenditure impact on the Department of Agriculture as it does not create any new responsibilities or impose new requirements on the department. The Department of Agriculture does not anticipate this bill to impact the current Industrial Hemp Farming Program, which the department administers, as no grower or processor permits will be affected. The Department of Agriculture also does not anticipate any required changes to the state's plan regulating regulate hemp production, which is approved by the United States Department of Agriculture (USDA).

Department of Revenue. DOR indicates that this bill will have no expenditure impact on the department as it does not create any new responsibilities or impose new requirements on the department.

State Law Enforcement Division. This bill prohibits the possession, manufacturing, and distribution of consumable hemp products, which may increase the workload for SLED. SLED indicates that it will require significant effort to enforce the ban on all hemp consumables since the items are already being sold. Therefore, every vape store, convenience store, and restaurant currently selling the items would require inspections, education, and seizures as necessary. SLED anticipates the need for 8.0 new FTEs and an increase in expenses by approximately

\$1,967,000 beginning in FY 2026-27, including \$1,137,000 of recurring and \$830,000 of non-recurring expenses, and \$1,137,000 each year thereafter. SLED will request General Fund appropriations to fund the expenses due to this bill. The table below displays the recurring and non-recurring expenses anticipated by the department.

RECURRING PERSONNEL EXPENSES		
Position Title	# of FTEs	Salary, Overtime, & Fringe
Special Agent II, Enforcement Functions	8.0	\$895,000
OPERATING EXPENSES		
Description of Expenses	Recurring Expenses	Non-Recurring Expenses
Gas	\$67,000	
I-Phone with Hotspot	\$6,400	
Mobile and Portable 800 Radio Service	\$13,00	
Other Recurring Costs	\$5,00	
Uniform Replacement	\$5,000	
Training/Travel	\$12,000	
Technology Licenses	\$10,000	
1/5 Vehicle Replacement	\$124,000	
Vehicle		\$620,000
Protective Vest and Cover		\$21,00
Glock, Duty Belt, Holster		\$12,000
Patrol Rifle		\$13,000
Uniforms, Boots, Raingear, Protective Gloves, Handcuffs, PPE, Other		\$44,000
Motorola Tri-band Portable Radio		\$96,000
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State Revenue

This bill classifies consumable hemp products as contraband and makes them illegal to sell or possess. Currently, any consumable hemp products being sold in the state are subject to state and local sales tax. Therefore, this bill may reduce state sales tax revenue collections due to the prohibition of the products in the state. There is no data available to estimate the gross sales amount of hemp beverages in South Carolina, and therefore, any reduction in General Fund, EIA, and HEX revenue from sales tax is undetermined. However, DOR anticipates any impact to sales tax to be minimal.

This bill may also 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 that 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.

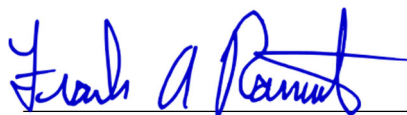
Local Expenditure

N/A

Local Revenue

This bill classifies consumable hemp products as contraband and makes them illegal to sell or possess. Currently, any consumable hemp products currently being sold in the state are subject to state and local sales tax. Therefore, this bill may reduce state sales tax revenue collections due to the prohibition of the products in the state. There is no data available to estimate the gross sales amount of hemp beverages in South Carolina, and therefore, any reduction in local revenue from sales tax is undetermined. However, DOR anticipates any impact to sales tax to be minimal.

In addition, this bill may result in a change in the fines and fees collected in court due to the new offenses. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates that 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