



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. 4985 Introduced on January 20, 2026
Subject: Proxy Advisory Transparency Act
Requestor: House Labor, Commerce, and Industry
RFA Analyst(s): Gardner
Impact Date: February 11, 2026

Fiscal Impact Summary

This bill creates the Proxy Advisory Transparency Act, which establishes requirements for proxy advisors under certain circumstances and provides that violations of these requirements are subject to investigation and enforcement by the Attorney General.

This bill may increase the number of cases in circuit courts. Since the bill creates a new cause of action, there are no data to estimate the number of additional filings. However, Judicial and the Attorney General intend to use existing appropriations to manage any modifications in caseloads. Judicial notes that if this bill results in a significant increase to the caseload, additional General Fund appropriations may be requested.

Explanation of Fiscal Impact

Introduced on January 20, 2026

State Expenditure

This bill creates the Proxy Advisory Transparency Act, which establishes requirements for proxy advisors if the proxy advisor makes a recommendation against company management on a company proposal or proxy proposal, or makes a default recommendation or policy involving votes against company management on company proposals or proxy proposals, and the proxy advisor does not do so based on a written financial analysis. Failure to follow these requirements constitutes a deceptive trade practice that is subject to investigation and enforcement by the Attorney General. The bill also provides that a person aggrieved by such violation may bring an action for declaratory judgment or injunctive relief.

This bill may increase the number of cases in circuit courts. Since the bill creates a new cause of action, there are no data to estimate the number of additional filings. However, Judicial and the Attorney General intend to use existing appropriations to manage any modifications in caseloads. Judicial notes that if this bill results in a significant increase to the caseload, additional General Fund appropriations may be requested.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director