



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. 5111	Signed by Governor on May 15, 2026
Subject:	Public Water System Connections	
Requestor:	House of Representatives	
RFA Analyst(s):	Griffith	
Impact Date:	June 24, 2026	

Fiscal Impact Summary

This bill prohibits a political subdivision from adopting, enforcing, or maintaining an ordinance, resolution, regulation, or rule that prohibits or unreasonably restricts the drilling, servicing, repair, installation, operation, or maintenance of a private water well located on and serving either agricultural or single-family residential property consisting of one-half acre or more. Additionally, the political subdivision cannot require connection to a water system if the system is unable to provide service to that property. Further, a property owner utilizing a well while connected to a water system must install necessary backflow prevention devices and must register the well with the political subdivision. Political subdivisions operating a water system must create a registry for all property owners utilizing a well where water service is available.

The Department of Environmental Services (DES) regulates water wells in South Carolina. The provisions of the bill will have no expenditure impact on DES because the bill does not operationally or fiscally affect the agency.

The Revenue and Fiscal Affairs Office (RFA) surveyed all forty-six counties and the Municipal Association of South Carolina (MASC) regarding the fiscal impact of the bill and received responses from Charleston, Edgefield, Horry, and Lancaster Counties and MASC. Charleston and Lancaster Counties indicate that the bill will have no fiscal impact on their localities because they do not operate water systems. Horry County also reported that the bill will have no fiscal impact. Edgefield County's Water and Sewer Authority estimates that the bill could increase recurring expenses by \$20,000 for several years for the creation of the registry of well owners within its system. MASC reports that there are at least 160 municipally affiliated water systems in the state and that these municipalities may incur increased administrative and operational expenses associated with establishing and maintaining a well registry system, verification of backflow prevention requirements, and updating local ordinances and procedures.

Explanation of Fiscal Impact

Signed by Governor on May 15, 2026

State Expenditure

This bill prohibits a political subdivision from adopting, enforcing, or maintaining an ordinance, resolution, regulation, or rule that prohibits or unreasonably restricts the drilling, servicing, repair, installation, operation, or maintenance of a private water well located on and serving

either agricultural or single-family residential property consisting of one-half acre or more. Additionally, the political subdivision cannot require connection to a water system if the system is unable to provide service to that property.

DES regulates water wells in South Carolina. The provisions of the bill will have no expenditure impact on DES because the bill does not operationally or fiscally affect the agency.

State Revenue

N/A

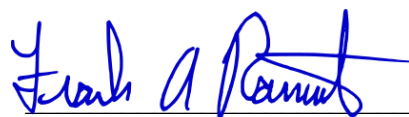
Local Expenditure

This bill prohibits a political subdivision from adopting, enforcing, or maintaining an ordinance, resolution, regulation, or rule that prohibits or unreasonably restricts the drilling, servicing, repair, installation, operation, or maintenance of a private water well located on and serving either agricultural or single-family residential property consisting of one-half acre or more. Additionally, the political subdivision cannot require connection to water system if the system is unable to provide service to that property. The bill also specifies that, where water service is available from a political subdivision at the time of well installation, a property owner is subject to any base charges, fees, or assessments imposed by the political subdivision. Further, a property owner utilizing a well while connected to a water system must install necessary backflow prevention devices and must register the well with the political subdivision. Political subdivisions operating a water system must also create a registry for all property owners utilizing a well where water service is available.

RFA surveyed all forty-six counties and MASC regarding the fiscal impact of the bill. Charleston and Lancaster Counties indicate that the bill will have no fiscal impact on their localities because they do not operate water systems. Horry County also reported that the bill will have no fiscal impact. Edgefield County's Water and Sewer Authority estimates that the bill could increase recurring expenses by \$20,000 each year for the creation of the registry of well owners within its system. MASC reports that there are at least 160 municipally affiliated water systems in the state and that these municipalities may incur increased administrative and operational expenses associated with establishing and maintaining a well registry system, verification of backflow prevention requirements, and updating local ordinances and procedures.

Local Revenue

N/A



Frank A. Rainwater, Executive Director