



# 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>	S. 0116	Introduced on January 14, 2025
<b>Subject:</b>	Multi Family Dwellings	
<b>Requestor:</b>	Senate Judiciary	
<b>RFA Analyst(s):</b>	Welsh	
<b>Impact Date:</b>	April 15, 2026 - Updated for Additional Agency Response	

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### Fiscal Impact Summary

This bill establishes the Multifamily Dwelling Safety Act. This bill requires the Department of Labor, Licensing, and Regulation (LLR) to promulgate regulations adopting a Multifamily Dwelling Balcony Code to set standards for balcony railings constructed of wood in certain dwellings within six months of the bill's effective date. This bill also establishes the process of inspecting balcony railings by enumerating the qualifications for individuals conducting inspections, requiring advance notice of inspections, and requiring notice of compliance or required corrections to deficiencies. Additionally, this bill creates a process for applying for waivers of applicability of the Multifamily Dwelling Balcony Code. Violations are punishable as a misdemeanor with each violation resulting in imprisonment not exceeding thirty days, a fine not exceeding \$500 for each day the violation exists, or both. Further, the bill directs LLR to charge a fee, set in regulation, to cover the cost of performing the inspection.

Judicial anticipates this bill may result in an increase in the number of cases in local courts, which may increase the workload of the court system and downstream expenses such as court interpreting. Judicial anticipates the increased expenses can be initially managed within existing appropriations. However, Judicial indicated that if the increase in the caseload and corresponding downstream expenses is significant, it will request additional General Fund appropriations.

The overall expenditure impact of this bill on LLR is undetermined. Neither the agency nor its boards can determine the total expenditure impact since the Multifamily Dwelling Balcony Code has not been established. LLR anticipates adoption of the Multifamily Dwelling Balcony Code may require additional board or commission meetings, thereby increasing Other Funds expenditures dependent upon which board has jurisdiction over the program and the number of additional meetings that are required. LLR also anticipates hiring a minimum of 4.0 FTEs at the Administrative Assistant and Inspector III level to initiate the program. Salary and fringe one Administrative Assistant is expected to total \$59,600 and \$357,600 for three licensed engineers or architects at the Inspector III level, for a total of \$417,200. Additional recurring expenses for leased vehicles for new inspectors is expected to total at least \$33,900, or approximately \$11,300 per vehicle per year. LLR notes the total number of regulated multifamily dwellings and required inspection frequency are unknown and the actual number of FTEs needed to implement the program may be significantly higher. Recurring costs for travel, supplies, and equipment for new FTEs are also undetermined dependent upon inspection volume and geographic distribution.

Therefore, Other Funds expenses of the agency would increase by at least \$451,100 in the first year of implementation.

The Revenue and Fiscal Affairs Office (RFA) contacted all counties in the state and the Municipal Association of South Carolina (MASC) to determine the potential expenditure impact this bill may have on local governments. We received a response from Charleston County, Clarendon County, Dorchester County, Florence County, Horry County, and MASC. Charleston, Clarendon, Dorchester, Florence, and Horry Counties indicate that the bill will have no expenditure impact. MASC anticipates this bill may have an expenditure impact on municipalities for training building code officials and for potential litigation costs due to the post-construction waiver process should a balcony collapse after a waiver is granted.

This bill may impact revenue collected by LLR for fees from inspections. However, as the number of inspections that will occur and the amount of the fee is unknown, the potential Other Funds revenue impact on LLR is undetermined.

This bill may result in an increase in the number of local court cases and potentially the number of incarcerations, which may increase the workload of the court system and local jails. The potential increase in expenses will depend upon the increase in the number of cases and number of incarcerations. Judicial anticipates that the potential increase in caseload can be managed within existing appropriations. The potential increase in expenses for local jails will depend upon the increase in the number of cases and number of incarcerations.

This bill may result in a change in the fines and fees collected in court due to the potential increase in the caseload 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 revenue, Other Funds revenue, and local revenue due to the change in fines and fees collections in court.

Additionally, pursuant to Proviso 81.3 of the FY 2025-26 Appropriations Act, certain boards that fall under the Division of Professional and Occupational Licensing are required to remit annually to the General Fund an amount equal to 10 percent of expenditures unless the board has an overall negative ending cash balance for the current and prior completed fiscal years. LLR indicates that it is not clear at this time which board will have jurisdiction over the adoption and enforcement of the Multifamily Dwelling Balcony Code. If the board that is responsible for performing the inspections falls under the Division of Professional and Occupation Licensing and the board does not have a negative ending cash balance, General Fund revenue will increase by at least \$45,110 beginning in FY 2026-27. However, since the total expenditure amount is unknown, the overall increase in General Fund revenue is undetermined.

*This fiscal impact statement has been updated to include an additional response from LLR.*

## Explanation of Fiscal Impact

**Updated for Additional Agency Response on April 15, 2026**

**Introduced on January 14, 2025**

### **State Expenditure**

This bill establishes the Multifamily Dwelling Safety Act. This bill requires LLR to promulgate regulations adopting a Multifamily Dwelling Balcony Code to set standards for balcony railings constructed of wood in certain dwellings. The bill also specifies that such balcony railings must be inspected at least once every five years, beginning no later than ten years after the balcony is constructed, and initial inspections of balcony railings in existence on the effective date of this bill must be done within five years after the effective date of the bill. Additionally, this bill establishes the process of inspecting balcony railings by enumerating the qualifications for individuals conducting inspections, requiring advance notice of inspections, and requiring notice of compliance or required corrections to deficiencies. Further, this bill creates a process for applying for waivers of applicability of the Multifamily Dwelling Balcony Code. Violations are punishable as a misdemeanor with each violation resulting in imprisonment not exceeding thirty days, a fine not exceeding \$500 for each day the violation exists, or both.

Judicial anticipates this bill may result in an increase in the number of cases in local courts, which may increase the workload of the court system and downstream expenses such as court interpreting. Judicial anticipates the increased expenses can be initially managed within existing appropriations. However, Judicial indicated that if the increase in the caseload and corresponding downstream expenses is significant, it will request additional General Fund appropriations.

The overall expenditure impact of this bill on LLR is undetermined. Neither the agency nor its boards can determine the total expenditure impact since the Multifamily Dwelling Balcony Code has not been established. LLR anticipates adoption of the Multifamily Dwelling Balcony Code may require additional board or commission meetings, thereby increasing Other Funds expenditures dependent upon which board has jurisdiction over the program and the number of additional meetings that are required. LLR also anticipates hiring a minimum of 4.0 FTEs at the Administrative Assistant and Inspector III level to initiate the program. Salary and fringe for one Administrative Assistant is expected to total \$59,600 and \$357,600 for three licensed engineers or architects at the Inspector III level, for a total of \$417,200. Additional recurring expenses for leased vehicles for new inspectors is expected total at least \$33,900, or approximately \$11,300 per vehicle per year. LLR notes the total number of regulated multifamily dwellings and required inspection frequency are unknown and the actual number of FTEs needed to implement the program may be significantly higher. Recurring costs for travel, supplies, and equipment for new FTEs are also undetermined dependent upon inspection volume and geographic distribution. Therefore, Other Funds expenses of the agency would increase by at least \$451,100 beginning in FY 2026-27.

*This section of the fiscal impact statement has been updated to include an additional response from LLR.*

## **State Revenue**

This bill allows LLR to charge a property owner a fee for inspections made to enforce the Multifamily Dwelling Balcony Code. The amount of the fee must be determined by LLR through regulation but must be sufficient to cover the cost of performing the inspection. Therefore, this bill may impact revenue collected by LLR for fees from inspections. However, as the number of inspections that will occur and the amount of the fee is unknown, the potential impact on LLR's Other Funds revenue is undetermined.

This bill may result in a change in the fines and fees collected in court due to the potential increase in the caseload 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 revenue and Other Funds revenue due to the change in fines and fees collections in court.

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## **Local Expenditure**

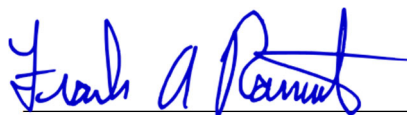
This bill establishes the Multifamily Dwelling Safety Act. This bill requires LLR to promulgate regulations adopting a Multifamily Dwelling Balcony Code to set standards for balcony railings constructed of wood in certain dwellings. Additionally, the bill creates a new misdemeanor that is punishable by imprisonment not exceeding thirty days, a fine not exceeding \$500 for each day the violation exists, or both. RFA contacted all counties in the state and MASC to determine the potential expenditure impact this bill may have for local governments. We received a response from Charleston County, Clarendon County, Dorchester County, Florence County, Horry County, and MASC. Charleston, Clarendon, Dorchester, Florence, and Horry Counties indicate that the bill will have no expenditure impact. MASC anticipates this bill may have an expenditure impact on municipalities for training building code officials and for potential litigation costs due to the post-construction waiver process should a balcony collapse after a waiver is granted.

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of incarcerations. Judicial anticipates that the potential increase in caseload can be managed within existing appropriations. The potential increase in expenses for local jails will depend upon the increase in the number of cases and number of incarcerations.

### **Local Revenue**

This bill may result in a change in the fines and fees collected in court due to the potential increase in the caseload 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.



Frank A. Rainwater, Executive Director