



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:	S. 0203	Introduced on January 15, 2025
Subject:	Optional Leadership Information for Nonprofit and Entities Soliciting Charitable Funds	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Vesely	
Impact Date:	March 20, 2025	

Fiscal Impact Summary

This bill allows nonprofit corporations and charitable organizations in their articles of incorporation, amendment, or registration the option to report demographic data on the executive director, chief operating officer, president, and founder of the organization to the Secretary of State's Office (SOS). This information includes the age, education, ethnicity, gender, race, salary, sex, disability status, service in a branch of the US Armed Forces, first language, and number of years in leadership.

SOS indicates that collecting this additional information for entities that choose to report would increase expenses by requiring updates to online business and charity filing systems to include this information and ensure that the information is securely stored. The estimated cost for system upgrades is \$100,000 per system for the two reporting systems, \$25,000 for server storage, and \$15,000 for data encryption, for a total cost of \$240,000. Therefore, SOS will request an additional \$240,000 in Other Funds authorization beginning in FY 2025-26 for these additional expenses.

Explanation of Fiscal Impact

Introduced on January 15, 2025

State Expenditure

This bill allows nonprofit corporations and charitable organizations in their articles of incorporation, amendment, or registration the option to report demographic data on the executive director, chief operating officer, president, and founder of the organization to SOS. This information includes the age, education, ethnicity, gender, race, salary, sex, disability status, service in a branch of the US Armed Forces, first language, and number of years in leadership.

SOS indicates that collecting this additional information would increase expenses by requiring updates to online business and charity filing systems to collect this information. System enhancements would be required for the data to be collected from online filings or recorded by SOS staff entering in paper filings. SOS expects the changes necessary for the business filings system, which includes nonprofit corporations, and the charities filing system will cost approximately \$100,000 for each system. Additionally, SOS anticipates an annual cost of \$25,000 for increased server storage to accommodate the data. SOS also indicated that receiving

and storing this detailed information will require the agency to comply with South Carolina law regarding personally identifying information and privacy protection. The estimated cost for encryption of the data is \$15,000. Therefore, SOS will request an additional \$240,000 in Other Funds authorization beginning in FY 2025-26 for these additional expenses.

State Revenue

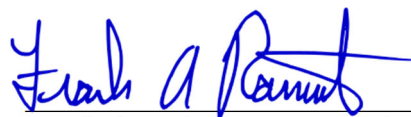
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director