



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. 0254 Introduced on January 21, 2025
Subject: Small Business Regulatory Freedom Act
Requestor: Senate Judiciary
RFA Analyst(s): Daigle
Impact Date: January 30, 2026

Fiscal Impact Summary

This bill creates new requirements for promulgating regulations and creates a new process for readopting existing regulations. This bill also creates new responsibilities for the Small Business Regulatory Review Committee (SBRRC), including that the committee must conduct an initial review of all regulations pending re adoption and reduce the number of regulatory requirements by 25 percent. This bill requires that for every regulation that is promulgated by an agency, the agency must propose the removal of two existing regulations. The House of Representatives and Senate shall provide staff support to the SBRRC to carry out its obligations under this bill.

Additionally, this bill requires that all new regulations submitted for promulgation and all existing regulations being reviewed for re adoption must include an assessment report including a cost-benefit analysis in accordance with a new Economic Impact Manual to be published by Revenue and Fiscal Affairs (RFA). If the cost estimate exceeds \$1,000,000 over five years, then a statement of economic impact provided by RFA must be submitted with the proposed regulation. If the cost estimate is less than \$1,000,000 over five years, the preliminary assessment report is sufficient and no additional assessment report is required. If the cost estimate is equal to or exceeds \$1,000,000 over five years, in addition to the statement of economic impact, RFA must publish a final assessment report. This bill also creates new requirements for assessment reports including a new methodological framework, new standardized analytic methods, a five-year cost-benefit analysis projection, and publishing requirements. Further, this bill removes current exemptions from assessment reports, which makes it so that regulations currently exempt from General Assembly review, emergency regulations, and regulations that control the hunting or taking of wildlife must now have assessment reports.

Further, this bill removes the five-year review requirement for regulations and replaces it with an automatic expiration date. The bill provides three exemptions from automatic expiration, but these exempt regulations must still undergo the same review process required for nonexempt regulations. The SBRRC shall set the expiration dates for existing regulations between the second and eighth calendar years after the effective date of this bill, July 1, 2026. This bill requires the SBRRC to be responsible for setting expiration dates for all existing regulations and conducting initial reviews of regulations pending re adoption. For information, the Department of Commerce (Commerce) indicates that the SBRRC would be tasked with reviewing and making

recommendations for up to 80,000 regulations over 7 years, which is approximately 1,000 per month. Furthermore, Commerce notes that the SBRRC is a voluntary committee, which has had difficulty maintaining full membership in recent history.

RFA contacted 104 agencies, departments, commissions, and committees to ascertain the fiscal impact of this bill. The impact on these agencies varies widely depending on the number of regulations that the agency has promulgated. Of these agencies, 28 agencies indicated that the bill will not have an impact as they do not promulgate regulations, 35 agencies expect that the impact can be managed within their current budgets, and of those 35 agencies, 3 agencies provided information regarding the potential future impact or other considerations. Twenty-six agencies report that this bill will impact General Funds and Other Funds expenses due to the new regulation promulgation and regulation readoption processes. While some agencies provided a detailed cost analysis, others report that the expenses will depend on the actual workload and are undermined. Therefore, this bill will increase General Funds and Other Funds expenses by an undetermined amount overall; however, agencies report that this bill will increase General Funds expenses by at least \$5,430,000 including \$5,330,000 recurring and \$100,000 non-recurring, and this bill will increase Other Funds expenses by at least \$1,361,000 including \$1,039,000 recurring and \$322,000 non-recurring. Moreover, agencies have reported that overall, at least 53.0 FTEs will be required. This bill significantly expands the requirements to promulgate a new regulation and requires that existing regulations must be continuously readopted, and since the scope of regulatory subject matter is quite expansive, we anticipate additional potential costs associated with this bill. The explanation of the impact by agency is addressed below in detail under State Expenditures.

This bill may impact General Fund and Other Fund revenues that are generated through regulations, but as the number and type of existing regulations to be removed due to the requirements of this bill is unknown, the impact to General Fund and Other Fund revenues is undetermined. This bill requires that the SBRRC reduce regulations by 25 percent and that during the promulgation and readoption process, any agency introducing a regulation to be promulgated must propose two existing regulations for removal. Since the number and type of regulations to be removed is unknown, this bill may reduce revenue generated through regulations by an undetermined amount. Clemson University, Clemson-PSA, Coastal Carolina, the Department of Employment and Workforce, the Department of Insurance, the Department of Public Health, the Department of Public Safety, the Department of Transportation, the University of South Carolina System, and Winthrop University expressed concerns about the potential reduction in revenue as detailed in the State Revenue Section.

Further, while this bill specifies that regulations required to comply with federal law or receive federal funding would not be subject to an automatic expiration, the exempt regulations would still be required to undergo the same review process as non-exempt regulations and therefore, there exists some ambiguity on the impact on exempt regulations. Both the Department of Transportation and the Department of Public Safety report that the ambiguity in this bill on the impact on existing exempt regulations may impact their respective federal funding. Additionally, to continue daily activities associated with the maintenance and construction of the state highway system, the Department of Transportation indicates that its state regulations would need to be codified or exempt from review to remain in compliance with federal laws and regulations.

Explanation of Fiscal Impact

Introduced on January 21, 2025

State Expenditure

This bill requires that the SBRRC shall conduct an initial review of regulations that are pending reauthorization. The committee must consider the impact of the regulation on small businesses, economic development, and the agency itself. Additionally, this bill establishes that it is the duty of the committee to reduce the overall regulatory burden on business by reducing the number of regulatory requirements by 25 percent. The House of Representatives and the Senate shall provide staff support to the committee to carry out its obligations under this bill.

Currently, there is no expiration date set for regulations, and therefore, regulations are not currently reauthorized or reviewed for readoption. Every five years, each state agency that promulgates regulations must conduct a formal review of all regulations it has promulgated and submit it to the Code Commissioner. The SBRRC duties currently include directing agencies to prepare an economic impact statement and a regulatory flexibility analysis on regulations that may have a significant adverse impact on small businesses. The committee also has authority to request a final assessment report from RFA in cases where the committee determines that information in addition to the agency's economic impact is critical in the committee's determination of whether a proposed permanent regulation has a significant adverse impact on small business. There is currently no set percentage by which the committee must reduce regulatory requirements in order to reduce the regulatory burden on businesses.

This bill states that an agency may not promulgate any regulation unless the power to do so has been expressly granted by a statutory delegation. This bill also establishes an expiration date of the authority for an agency to promulgate a new regulation as three years after the regulation is promulgated and takes effect. This bill requires that for every regulation that is promulgated by an agency, the agency must identify and propose the removal of two existing regulations. Furthermore, this bill provides that a court of competent jurisdiction has the power to declare a regulation invalid if it finds the agency lacked express statutory authority for it to be promulgated. Additionally, this bill establishes that a regulation cannot be submitted to the General Assembly for review three years after the effective date of the statute that specifically authorized the regulation.

This bill creates a new requirement for the promulgation process of regulations whereby all new regulations submitted for promulgation and existing regulations being reviewed for reauthorization must include an assessment report consisting of a cost-benefit analysis that, at minimum, projects the first five years after the regulation goes into effect. The assessment report must be prepared in accordance with an Economic Impact Manual that RFA will be required to publish. Additionally, the assessment report and all documentation, assumptions, methods, and data must be transparent, replicable, data-driven, and made publicly available. If the assessment report conducted by the agency has a cost estimate that exceeds \$1,000,000 over five years, then the assessment report is considered the preliminary report and a statement of economic impact provided by RFA must be submitted concurrently with the proposed regulation. If the cost estimate is less than \$1,000,000 over five years, the preliminary assessment report is sufficient

and no additional assessment report is required. If the cost estimate is equal to or exceeds \$1,000,000 over five years, then the preliminary assessment must also be submitted to RFA for review. RFA shall then prepare and publish a final assessment report within sixty days after the required public hearing. The regulatory agency is required to publish the applicable preliminary or final assessment report on its website, including its analysis, all backup documentation, and data and provide the same information to the SBRRRC and the relevant House and Senate committees. The published analysis must be replicable, and when relevant, published documentation must be in a machine-readable format. Additionally, if the cost estimate is equal to or exceeds \$1,000,000 over five years, then a joint resolution approving the regulation by the House and Senate is required.

Currently, assessment reports are only required for regulations submitted to the General Assembly for legislative review that have a substantial economic impact. An economic impact statement prepared by RFA is not currently required to be submitted with a proposed regulation. Rather, a brief fiscal impact statement prepared by the agency is required to be submitted with a proposed regulation. RFA does not currently publish an Economic Impact Manual and does not typically conduct economic impact analyses, but instead typically analyzes legislative fiscal impacts for the impact on state and local governments. For reference, a fiscal impact generally focuses on specifically expenditure and revenue changes affecting the state budget while an economic impact may include direct and indirect costs and benefits on the general public, businesses, or other entities and government agencies. Under current law, a final assessment report must be prepared by RFA only for regulations with a substantial economic impact, which is not currently quantified, and upon written request by two members of the General Assembly. The office must prepare and publish a final assessment report within sixty days after the public hearing. Further, the current final assessment report is limited in scope and analysis, and one has not been requested since 2011.

This bill also requires that standardized analytic methods and measures must be applied to all regulations and must be updated in accordance with best practices and predictive success. Updates to the standards must be approved by RFA. Analysis techniques and methods may not vary between rules, and any variation must be justified and approved by RFA. When a regulation is reviewed for renewal, a retrospective assessment report must be conducted and compared to the initial projected assessment report. A regulation being reviewed for reoption must also be accompanied by a cost-benefit analysis that projects at least five years after the regulation goes into effect. These requirements would be a significant expansion of the responsibilities for state agencies. For reference, within the scope of analyses that RFA routinely and typically conducts, it is commonplace for analytical methods and measures used by the office to vary depending on the subject matter of the analysis, data availability, and feasibility. Additionally, there is currently no retrospective assessment report required for regulations. Further, there is currently no requirement that a cost-benefit analysis be submitted for a regulation being reviewed for reoption that includes a projection covering the first five years after the regulation goes into effect.

This bill also removes the exemptions from assessment reports, which makes it so that regulations currently exempt from General Assembly review, emergency regulations, and

regulations that control the hunting or taking of wildlife must now have assessment reports. Regulations that are currently exempt from General Assembly review include those to maintain compliance with federal law including grant programs, those by the state Board of Financial Institutions in order to authorize state-chartered savings and loan associations, and state-chartered credit unions to engage in authorized activities, those by the Department of Revenue to adopt regulations, revenue rulings, revenue procedures, and technical advice of the Internal Revenue Service to maintain conformity with the Internal Revenue Service, and emergency regulations.

This bill removes the five-year formal review requirement for regulations and replaces it with an automatic expiration. Regulations will be set to automatically expire on January first of the eighth calendar year after their effective date. An agency who desires to maintain a regulation must readopt the regulation through the review process prior to expiration but not more than two years prior to expiration. Pursuant to Section 1-23-110, the review process is the same process used for promulgating a new regulation. This bill also requires that when conducting an analysis required to readopt a regulation, the agency must use actual impacts and costs as the basis for any calculation rather than estimates. Additionally, pursuant to the proposed changes to Section 1-23-110 within Section 3 of this bill, the review process would also include the requirement to identify and propose the removal of two existing regulations.

This bill provides three exemptions for automatic expiration, including regulations to comply with federal law or receive federal funding, regulations created with grants of rulemaking authority under the S.C. Constitution, and regulations created by an agency that is directly managed by an elected official. Although the exempt regulations are not subject to automatic expiration, they must still undergo the review process as required for nonexempt regulations. Regulations for which an agency is seeking an exemption from the automatic expiration period must have been adopted by Joint Resolution of the House and Senate. This bill also mandates that an extension to automatic expiration can be granted by Joint Resolution of the House and Senate to an agency totaling no more than 365 days upon a written request. This bill requires that a regulation is repealed if not readopted by its expiration date, excluding exempt regulations.

Regulations not subject to General Assembly review are not currently required to submit assessment reports or undergo review, except for temporary emergency regulations being extended or readopted. Currently, if there is no committee action on a proposed regulation, any member of the General Assembly may introduce a Joint Resolution approving or disapproving a regulation 30 days after the regulation is submitted to a standing committee and if no legislation is introduced to disapprove or enacted to approve the regulation prior to the 120-day review period, the regulation is approved on the 120th day. If there is committee action on a proposed regulation, a Joint Resolution can be introduced to approve the regulation, approving an identifiable portion of the regulation and disapproving the remainder, or disapproving the regulation.

This bill also requires that the expiration date for existing regulations shall be set by the SBRRC and shall occur between the second and eighth calendar years after the effective date, July 1, 2026. For information, the Department of Commerce indicates that this will require the SBRRC

to review and make recommendations for up to 80,000 regulations over seven years, which is around 1,000 per month.

Lastly, this bill requires that the court shall not defer to the agency's interpretation of the statute or rule during judicial review upon exhaustion of administrative remedies and shall resolve any remaining ambiguity against increased agency authority.

RFA contacted 104 agencies, departments, commissions and committees to ascertain the fiscal impact of this bill. The impact on these agencies varies widely depending on the number of regulations that the agency has promulgated. Of these agencies, 28 agencies indicated that the bill will not have an impact as they do not promulgate regulations, 35 agencies expect that the impact can be managed within their current budgets, and of those 35 agencies, 3 agencies provided information regarding the potential future impact or other considerations. Twenty-six agencies report that this bill will impact General Funds and Other Funds expenses due to the new regulation promulgation and regulation readoption processes. While some agencies provided a detailed cost estimate, other agencies indicate that the impact is undetermined and will depend on the actual increase in workload due to the changes. Therefore, this bill will increase General Funds and Other Funds expenses by an undetermined amount overall; however, agencies report that this bill will increase General Funds expenses by at least \$5,430,000 including \$5,330,000 recurring and \$100,000 non-recurring, and this bill will increase Other Funds expenses by at least \$1,361,000 including \$1,039,000 recurring and \$322,000 non-recurring. Moreover, agencies have reported that overall, at least 53.0 FTEs will be required.

The following is a detailed explanation of the range of responses.

Thirty-five agencies indicate, or have previously indicated on similar legislation, that this bill will have a minimal or no impact on their respective operations. The following agencies stated that any increase in workload can be managed with existing staff, resources and/or appropriations or spending authorizations: the Board of Financial Institutions, the College of Charleston, Coastal Carolina University, the Commission on Indigent Defense, the Commission for Community Advancement, the Department on Aging, the Department of Archives and History, the Department of Agriculture, the Department of Behavioral Health and Developmental Disabilities, the Department of Children's Advocacy, the Department of Corrections, the Department of Health and Human Services, the Department of Motor Vehicles, the Department of Parks, Recreation, and Tourism, the Department of Probation, Parole and Pardon Services, the Department of Revenue, the Department of Transportation, the Education Lottery Commission, the Governor's School for Science and Mathematics, the House of Representatives, the Human Affairs Commission, Judicial, Legislative Services, the Medical University of South Carolina, the Office of the Attorney General, the Office of Regulatory Staff, the Office of Resilience, the Office of the Secretary of State, the SC Ports Authority, the Senate, the State Ethics Commission, the State Fiscal Accountability Authority, the State Housing Finance and Development Authority, the State Law Enforcement Division, and the State Treasurer's Office.

In addition, the Office of Resilience indicates that they have the authority to promulgate regulations but have never done so. However, the Office of Resilience notes that they would be unable to meet the requirement of this bill to eliminate two regulations in order to propose a new regulation as they currently have no existing regulations to eliminate.

Twenty-eight agencies indicated that this bill would have no fiscal impact on their agency as the bill was not applicable to their respective operations. Three agencies indicated that this bill would have no fiscal impact on their agency although this bill could be applicable to their respective operations and provided the following input: Patriot's Point indicates that while they have the authority promulgate regulations, they have never done so and, therefore, do not expect to undergo the new regulation promulgation and regulation readoption processes. The Administrative Law Court indicates that this bill would not have a fiscal impact on the court as no increase in workload is anticipated; however, this bill would change how they may interpret cases. The South Carolina Commission on Prosecution Coordination (SCCPC) indicates that while the commission is authorized by statute to promulgate regulations, the commission does not currently do so, and therefore, this bill is not expected to increase expenses for SCCPC. However, if SCCPC promulgates regulations in the future, and this bill results in a significant increase in workload, the commission will request an increase in General Fund appropriations.

The following are detailed reports from the 26 agencies that anticipate an increase in expenses due to this bill.

Aeronautics Commission. This bill will have an undetermined expenditure impact on the Aeronautics Commission. The commission reports that this bill will significantly expand their existing administrative, legal, and analytical responsibilities due to the new regulation promulgation and regulation readoption processes. The commission also indicates that this bill will create additional expenses associated with legal review and that it will rely on consultants to conduct cost-benefit analyses for the new assessment review requirements of this bill. As the cost of legal and consulting fees is unknown at this time, the expenditure impact on the Aeronautics Commission is undetermined. The commission has previously stated that any increase in costs will likely need to be funded by the State Aviation Fund and will reduce funds used for airport development.

Clemson University. This bill will create additional responsibilities for Clemson University in order to comply with the new regulation promulgation and regulation readoption processes. Clemson has previously indicated that if implemented, additional funds and staff would be required to comply with the new processes; however, a full impact to the university is not currently feasible to estimate. Therefore, the expenditure impact on Clemson is undetermined. Clemson will request Other Funds authorization to fund expenses due to this bill.

Clemson – PSA. This bill will create additional responsibilities for Clemson-PSA (PSA) due to the new regulation promulgation and regulation readoption processes. The PSA has previously indicated that this bill will increase expenses by approximately \$303,000. Expenses include \$300,000 of recurring expenses beginning in FY 2026-27 for salary and fringe to hire 1.0 FTE Legal Analyst (unclassified) that will be responsible for coordinating the new regulation

promulgation and regulation readoption processes. Salary and fringe estimates are based on the salary and fringe of an existing FTE that is currently responsible for assisting with PSA regulations as the new FTE would be required to possess similar abilities, education, and experience. Additionally, non-recurring expenses will increase by approximately \$3,000 in FY 2026-27 for one laptop and necessary accessories. The PSA will request General Fund appropriations to fund expenses due to this bill.

Commission for the Blind. This bill will create new responsibilities for the Commission for the Blind due to the new regulation promulgation and regulation readoption processes. The commission anticipates contracting with external consultants to assist with the regulation process and to comply with the assessment analysis requirements; however, the costs associated with external contractors are unknown at this time. The commission anticipates that some administrative responsibilities can be handled with existing staff and resources. Therefore, the expenditure impact on the Commission for the Blind is undetermined. The commission will request General Fund appropriations to fund the expenses due to this bill.

Commission on Higher Education. This bill will create new responsibilities for the Commission on Higher Education (CHE) due to the new regulation promulgation and regulation readoption processes. CHE indicates that this bill will increase expenses by up to \$467,000 beginning in FY 2026-27. Expenses include approximately \$114,000 for salary and fringe to hire 1.0 FTE Attorney III that will provide legal analysis on current, renewed, and new CHE regulations and will work collaboratively with the project manager on the required reports. CHE will also require \$114,000 for salary and fringe to hire 1.0 FTE Project Manager II that will manage the regulation creation and renewal timeline, including overseeing creation of assessment, cost-benefit analysis, and retrospective assessment reports. In addition, \$75,000 will be required for salary and fringe to hire 1.0 FTE Senior Accountant/Fiscal Analyst to provide the cost-benefit analysis and fiscal impacts of current, renewed, and new regulations. Furthermore, CHE will require \$95,000 for salary and fringe to hire 1.0 FTE Program Manager I that will assist in research, planning, and data analysis for the reports required in this bill. Additional recurring operating expenses will include \$10,000 for laptops, monitors, and keyboards, \$1,000 for agency cell phones, \$4,000 for workstations, \$300 for VPN remote access, \$2,000 for Microsoft with Teams, and \$2,000 for STATA for the data and fiscal analysts. CHE also notes that additional financial analysis software costs may vary from \$2,500 to \$50,000 annually. CHE will request General Fund appropriations to fund expenses due to this bill.

Department of Commerce. This bill will create additional responsibilities for the Department of Commerce (Commerce) as the SBRRC is housed within the department. The department anticipates an increase in expenses of approximately \$824,000 beginning in FY 2026-27, including \$744,000 of recurring and \$80,000 of non-recurring expenses, if Commerce staff will be required to provide support in the review or regulations, required reports, and coordination with regulatory agencies to provide information to the committee. Commerce indicates that in recent history, the SBRRC has had difficulty maintaining a full membership, and therefore, this bill tasks the voluntary committee with reviewing and making recommendations for up to 80,000 regulations over seven years, which is approximately 1,000 regulations per month. Therefore, it is unclear where the burden of work to facilitate a comprehensive review will fall. Of the

recurring expenses, the department will require \$102,000 for salary and fringe to hire 1.0 FTE Program Manager I, and \$542,000 for salary and fringe to hire 7.0 FTE Program Coordinator IIs. Commerce will also require \$8,000 for laptops and laptop replacements and \$16,000 for miscellaneous supplies and operating costs each year. In addition, the department indicates that it does not currently have space for 8.0 additional FTEs, and therefore, the agency will need additional leased space at a cost of approximately \$76,000 annually for approximately 3,800 sq. ft. (\$20/sq. ft). Furthermore, the department will require \$80,000 for one-time furnishing expenses. Commerce indicates that there may be additional impacts to the department's HR, IT, and administration divisions; however, these impacts are unknown. Commerce will request General Fund appropriations to fund the expenses due to this bill.

Department of Consumer Affairs. This bill will create additional responsibilities for the Department of Consumer Affairs (DCA) due to the new regulation promulgation and regulation readoption processes. DCA indicates that this bill will increase expenses in order to comply with the new regulation promulgation and readoption requirements but as the timing of expiration or renewal of DCA's existing regulations are unknown at this time, the resulting expenses due to this bill are unknown. The department intends to contract external consultants to comply with the assessment analysis requirements of this bill, and the cost of external consultants is unknown. Therefore, this bill will have an expenditure impact on the department, but the extent of that impact is undetermined at this time. The department anticipates that some administrative responsibilities can be handled with existing staff and resources; however, since the cost of an external consultant is unknown, DCA may request General Funds appropriations and/or Other Funds authorizations to fund expenses due to this bill.

Department of Education. This bill creates additional responsibilities for the Department of Education due to the new regulation promulgation and regulation readoption processes. The department indicates that this bill may increase expenses by at least \$228,000 beginning in FY 2026-27, but the total increase of expenses due to this bill is undetermined. The department expects to hire 1.0 FTE Governmental Affairs with salary and fringe of approximately \$114,000 and 1.0 FTE Cost Analyst with salary and fringe of approximately \$114,000. The department anticipates that this bill will also require new equipment for the FTEs as well as tracking software to comply with the new regulation readoption processes; however, these expenses are unknown at this time. Additionally, the department indicates that the requirement to remove two regulations in order to implement one could lead to further increases in expenses depending on what regulations will be deleted. However, as it is currently unknown what regulations will be removed, the increases in expenses due to removal are unknown. Therefore, the total expenditure impact due to this bill is undetermined. The department will request General Fund appropriations to fund expenses due to this bill.

Department of Employment and Workforce. This bill creates additional responsibilities for the Department of Employment and Workforce (DEW) due to the new regulation promulgation and regulation readoption processes. DEW indicates that the total increase in expenses due to this bill is undetermined as there is uncertainty as to how some aspects of the bill would apply to the agency's regulations, and the cost of implementing the bill would depend on the specific aspects of each regulation, how regulations may need to be changed, and data to prepare the

required reports during the new promulgation and readoption processes. DEW specifies that expenses will increase by at least \$158,000 beginning in FY 2026-27 for salary and fringe to hire 1.0 FTE Attorney IV responsible for regulation development. While the non-recurring operating costs for this FTE will likely be absorbed by the agency, DEW indicates that it is probable that implementation of the requirements of this bill as written would be a significant endeavor that would require significant staff time and resources beyond the aforementioned FTE. However, as the specific needs would depend on each unique regulation, this additional cost is unknown at this time. Therefore, the total expenditure impact on DEW due to this bill is undetermined. DEW will request General Fund appropriations to fund expenses due to this bill.

Department of Environmental Services. The Department of Environmental Services (DES) anticipates that this bill will increase expenses by approximately \$570,000 beginning in FY 2026-27 including \$565,000 of recurring and \$5,000 of non-recurring expenses. For information, according to DES, the department has over 150 existing regulations, which are currently reviewed every five years. DES indicates that the agency would require additional FTEs to fulfill the requirements of continuously readopting all regulations before the respective expiration dates and to conduct economic impact studies. Additionally, staff would need to determine which regulations could be removed in order to promulgate new regulations. Removing regulations would also require staff to work with facilities and businesses to assist them in understanding their environmental responsibilities under state and federal law. DES indicates that recurring expenses will increase by approximately \$118,000 for salary and fringe to hire 1.0 FTE Economist responsible for completing economic impact studies, by approximately \$118,000 for salary and fringe to hire 1.0 FTE Environmental Health Manager II responsible for monitoring regulations, and by approximately \$236,000 for salary and fringe to hire 2.0 FTE Environmental Health Manager II responsible for stakeholder engagement. Additionally,, recurring expenses will increase by approximately \$77,000 for indirect costs, \$2,000 for laptop expenses, \$8,000 for general office supplies, and approximately \$6,000 for travel. DES indicates that non-recurring expenses will increase by approximately \$5,000 for laptops. DES will request General Fund appropriations to fund the expenses due to this bill.

Department of Insurance. The Department of Insurance (DOI) anticipates that this bill will have a significant impact on its operations and will increase recurring expenses by at least \$277,000 beginning in FY 2026-27, but the total increase in expenses due to this bill is undetermined. DOI anticipates that it will need to review existing statutes and regulations to ensure that the promulgating authority is sufficient and seek to correct any ambiguity by legislation, readopt more than 70 regulations, develop cost impact assessments and reports, create a process and system to monitor regulations and expirations, hire consultants as needed, and develop a website for the new reporting requirements. DOI anticipates that this bill would increase recurring expenses by at least \$98,000 beginning in FY 2026-27 for salary and fringe to hire 1.0 FTE Paralegal or Administrative Assistant to help monitor the authorization and readoption process and to assist with the review, modification, and management of the readoption process as well as \$171,000 for salary and fringe to hire 1.0 FTE Attorney. In addition, DOI anticipates an increase of approximately \$8,000 each year in expenses for additional office space, equipment, and data subscriptions. DOI also anticipates converting an existing part-time employee who currently handles the administrative regulation process to a

full-time position, but the increase in expenses for this conversion is unknown at this time. Additionally, DOI expects to hire consultants to complete required reports pursuant to the new regulation promulgation and regulation readoption processes and anticipates that consultants will increase expenses by at least \$5,000 to \$10,000 per report for at least 70 reports. Furthermore, DOI foresees that this bill may lead to an increase in legal costs as the language in this bill creates a private right of action for anyone aggrieved by a regulation to challenge the authority of an agency that promulgated it. DOI expects that some may contend that a lack of authority exists to promulgate some regulations, and DOI will have to defend those actions. Therefore, the total increase in expenses for DOI due to this bill is undetermined. DOI will request General Fund appropriations to fund expenses due to this bill.

Department of Labor, Licensing and Regulation. This bill creates additional responsibilities for the Department of Labor, Licensing and Regulation (LLR) due to the new regulation promulgation and regulation readoption processes. LLR anticipates that this bill will increase expenses by approximately \$732,000 beginning in FY 2026-27, including approximately \$432,000 of recurring expenses and \$300,000 of non-recurring expenses. LLR expects that recurring expenses will include approximately \$164,000 for salary and fringe to hire 1.0 FTE Attorney IV, approximately \$126,000 for salary and fringe to hire 1.0 FTE Program Coordinator I, and approximately \$142,000 for salary and fringe to hire 1.0 FTE Economist. Additionally, LLR estimates non-recurring expenses to increase by approximately \$300,000 for a software solution to streamline the process of reviewing, tracking, and analyzing regulations in accordance with the new requirements of this bill. LLR will request Other Funds authorization to fund expenses due to this bill.

Department of Public Health. This bill creates new responsibilities for the Department of Public Health (DPH) due to the new regulation promulgation and regulation readoption processes. DPH indicates that this bill will increase expenses by approximately \$633,000 annually beginning in FY 2026-27. DPH currently has 42 existing regulations, which would require the department to timely readopt an average of approximately 6 regulations each year. The department indicates that it will require 5.0 additional FTEs to comply with the regulation readoption process. Therefore, DPH expenses will increase by approximately \$118,000 for salary and fringe to hire 1.0 FTE Economist responsible for determining economic impacts to adhere to new assessment report requirements, approximately \$102,000 for salary and fringe to hire 1.0 FTE Senior Accountant/Fiscal Analyst responsible for preparing and managing the new assessment report responsibilities, approximately \$236,000 for salary and fringe to hire 2.0 FTE Senior Consultants responsible for facilitating rulemaking and rule maintenance activity, and approximately \$163,000 for salary and fringe to hire 1.0 FTE Attorney III responsible for advising on legal issues and representing DPH related to rulemaking and rule maintenance activities. Additionally, DPH indicates that expenses will increase by approximately \$10,000 each year for standard employee costs including supplies, travel, and contractual and license costs as well as approximately \$4,000 for laptop and computer monitors and related replacement cycles.

Department of Public Safety. This bill will create additional responsibilities for the Department of Public Safety (DPS) due to the new regulation promulgation and regulation readoption

processes. DPS indicates that this bill will increase expenses as additional personnel will be required to implement the requirements of this bill. However, the total expenses cannot be estimated at this time because DPS is uncertain of the extent of which this bill will affect its operations. Therefore, the total expenditure impact on DPS is undetermined. DPS will request General Fund appropriations to fund expenses due to this bill.

Department of Social Services. This bill creates new responsibilities for the Department of Social Services (DSS) due to the new regulation promulgation and regulation readoption processes. DSS indicates that this bill will create additional workload for general counsel staff, finance staff, accountability data and research staff, communications staff, and information technology staff in order to prepare and interpret regulations and to prepare cost-benefit analyses and assessment reports. The department will likely require additional FTE's including salary and fringe benefits and will incur expenses related to operational costs. The total increase in expenses will depend on the number of regulations being proposed each year, and the breadth of the regulations. Since the number and type of regulations to be proposed for promulgation and readoption is unknown, the expenditure impact on DSS is undetermined. DSS indicates that it would request a mix of General Fund appropriations and Other Funds authorization increase to fund expenses due to this bill.

Department of Veteran's Affairs. This bill will create additional responsibilities for the Department of Veteran's Affairs (DVA) due to the new regulation promulgation and regulation readoption processes. DVA expects that this bill will increase expenses by approximately \$77,000 beginning in FY 2026-27 including \$73,000 of recurring expenses for salary and fringe to hire 1.0 FTE Program Coordinator I responsible for all analysis and updating of regulations, and approximately \$4,000 of non-recurring expenses for a laptop, phone and associated equipment. DVA will request General Fund appropriations to fund expenses due to this bill.

Department of Natural Resources. This bill creates new responsibilities for the Department of Natural Resources (DNR) due to the new regulation promulgation and regulation readoption processes. DNR indicates that this bill will increase expenses by at least \$518,000 beginning in FY 2026-27. Based on RFA's count, DNR has approximately 102 existing regulations including 40 regulations that primarily focus on providing public outdoor recreation opportunities and protecting fish and wildlife species. DNR has indicated that this bill will result in significant increases in workload for the agency in order to comply with the new regulation promulgation and readoption processes, and the department will need to hire 4.0 FTEs to accomplish the new requirements. DNR states that this bill will increase expenses by approximately \$120,000 for salary and fringe to hire 1.0 FTE Senior Consultant, \$138,000 for salary and fringe to hire 1.0 FTE Attorney II, and \$210,000 for salary and fringe to hire 2.0 FTEs Program Coordinator IIs in order for the department to readopt existing regulations and promulgate any new regulations. DNR indicates that expenses will also increase by approximately \$50,000 for operating costs for the new FTEs. DNR also noted that additional direct fiscal impacts of this bill are difficult to estimate at this time, but the department expects to encounter complications due to this bill as many of the existing regulations focus on providing outdoor recreation opportunities and protecting fish and wildlife species. DNR has indicated that removing two existing regulations each time a new regulation is promulgated could have significant impacts on South Carolina's

natural resources. DNR will request General Fund appropriations to fund expenses due to this bill.

Forestry Commission. This bill will create additional responsibilities for the Forestry Commission and increase expenses, although the exact fiscal impact on the commission's expenses is undetermined. Smoke Management Guidelines are deemed by the General Assembly to be regulations pursuant to Act 139, Section 3 of 2012. The commission would hire an outside consultant to prepare assessment reports required by this bill because it lacks the required subject matter expertise in actuarial science. Calculating the potential impacts to small businesses would require modeling on how changes to the Smoke Management Guidelines might impact potential liability in private tort actions where one or both of the litigants are small businesses. Presumably, a consultant must be qualified in actuarial science and must compile and model data regarding injuries and loss related to smoke and flames from prescribed fire and attempt to model how changes may impact potential liability. Hiring a consultant will increase expenses; however, since consultant fees are unknown at this time, an exact fiscal impact on the commission's expenses is undetermined. The commission will request General Fund appropriations to fund expenses due to this bill.

Jobs-Economic Development Authority. This bill creates new responsibilities for the Jobs – Economic Development Authority (JEDA) due to the new regulation promulgation and regulation readoption processes. JEDA indicates that this bill will increase expenses by at least \$20,000 for legal expenses and a Financial Analyst consultant, but the total increase due to this bill is undetermined. In order to preserve existing regulations, JEDA will require legal and professional help to readopt or modify existing regulations, creating additional burden and costs to the authority. JEDA estimates that expenses for legal and financial consultations will be \$20,000 at minimum, and in the year that its existing regulations are being reviewed, JEDA estimates an additional increase in expenses of \$20,000. In the long term, JEDA also indicates that it may require additional staff, but an accurate estimate of the cost of hiring additional staff is unavailable at this time. Since the extent of legal and financial consulting services and the hourly legal and consulting fees are unknown and the potential cost of additional staff is also unknown, the total expenditure impact on JEDA is undetermined. JEDA receives no state appropriations, and therefore, these expenses will have to be absorbed by the agency. If current revenues are not sufficient to absorb additional expenses, JEDA would increase fees paid by borrowers who finance products using JEDA bonds to fund expenses due to this bill. Any increase in bond fees will affect charter schools, non-profits, small manufacturers, and solid waste facilities, and would necessitate amendments to JEDA's current regulations, including codifying the existing fee schedule.

Legislative Council. This bill will increase the workload for Legislative Council (LC). LC indicates that this bill will increase expenses by approximately at least \$350,000 starting in FY 2026-27 including \$180,000 for salary and fringe for 1.0 FTE Attorney, \$120,000 for salary and fringe for 2.0 FTE Administrative Professionals, and \$50,000 for additional printing and processing costs. LC's role in regulations includes, but is not limited to, the following responsibilities: the monthly publication of the State Register, which includes the processing, formatting, editing, and printing and binding of Executive Orders, Notices of General Public

Interest, Notices of Drafting, Proposed Regulations, Emergency Regulations, Final Regulations, and Final Regulations exempt from General Assembly review, in addition to the maintenance of the list of pending regulations submitted for General Assembly review; the processing and editing of regulations for General Assembly review, including facilitation of the delivery of regulations and required documentation to the Clerks of the House and Senate; advising and instructing agencies, legislative members, and staff on administrative procedures as outlined in the APA process; maintenance of diverse training documentation and templates including the *Standards Manual for Drafting and Filing Regulations* and the flow chart for the regulatory process; providing guidance and answering inquiries pertaining to the APA process and research regarding past and present regulations; maintenance of the computer database of regulations; ensuring the legislative website is up to date on current regulations and pending regulations; maintenance of regulations as published in the Code of Regulations; maintenance of records for the State Archives; drafting and delivery of Joint Resolutions to approve and disapprove regulations; and coordination with committees and agencies for the withdrawal and resubmission of regulations as requested, including additional editing, processing and updating of various databases to reflect changes.

Currently, LC handles an average of 73 regulations for General Assembly review each year. This figure excludes all other documents managed by LC as listed above. This bill could increase the number of regulations handled by LC by at least 300 percent. The current budget provides 1.0 FTE Editor for the development and printing of the State Register, although 1.0 FTE Assistant Editor has been allocated from the Unclassified FTEs of the agency in order to meet existing responsibilities. As noted, a modestly estimated increase of 300 percent, and assuming that Council would be involved in working considerably more closely with committee staff and with the staff of the SBRRRC to ensure publication, deadlines, and other requirements of the APA and this bill are met, would result in the need for additional FTEs, associated fringe benefits, and increased printing and processing costs. Additionally, it is important to note that Council is currently at maximum capacity for its allocated office space in the Rembert Dennis Building, and provisions would need to be made to add office space to accommodate additional staff. Council will request General Fund appropriations for the expected increase in expenses.

Public Service Commission. This bill charges the Public Service Commission with additional responsibilities to comply with the new regulation promulgation and regulation readoption processes. The Public Service Commission anticipates that this bill will increase expenses by approximately \$600,000 beginning in FY 2026-27 including \$587,000 of recurring and \$13,000 of non-recurring expenses. For reference, based on a count of regulations by RFA, the commission has approximately 499 existing regulations. To implement the proposed legislation effectively, the commission expects to hire 4.0 FTEs including a Program Manager IV with salary and fringe benefits of approximately \$176,000, a Program Manager III with salary and fringe benefits of approximately \$145,000, an Attorney V with salary and fringe benefits of approximately \$176,000, and an Administrative Coordinator II with salary and fringe benefits of approximately \$83,000. Each new employee would be provided with recurring IT subscriptions and support totaling approximately \$7,000 per year. Each new employee would also be provided with computer hardware and software for a total of approximately \$2,000 non-recurring funds. Additionally, the commission would incur training costs for these employees including travel

costs that amount to a total of approximately \$11,000 of non-recurring funds. Therefore, this bill would increase the commission's recurring expenses by approximately \$587,000 beginning in FY 2026-27 and approximately \$13,000 in non-recurring expenses. The commission will request an Other Funds authorization increase to fund expenses due to this bill.

Revenue and Fiscal Affairs. This bill significantly expands current responsibilities and creates new responsibilities for RFA due to the new regulation promulgation and regulation adoption process. RFA anticipates that this bill will substantially increase the office's workload and expenses, which cannot be absorbed with existing staff and appropriations. This bill requires RFA to publish a new Economic Impact Manual as a resource for agencies to prepare their preliminary assessment reports. If the cost estimate prepared by an agency is less than \$1,000,000 over five years, the preliminary assessment report is sufficient and no additional assessment report is required. If an agency's cost estimate for a regulation exceeds \$1,000,000 over a five-year period (or \$200,000 per year on average), this bill requires RFA to prepare a statement of economic impact and a final assessment report to be submitted concurrently with a proposed regulation within sixty days after the public hearing.

Currently, RFA is only required to prepare a final assessment report under certain situations. Further, the current report requirements are limited in scope and would be significantly expanded under this bill, and an assessment report has not been requested since 2011. Since the new threshold for RFA to complete a final assessment report is \$1,000,000 over five years, or \$200,000 a year, RFA anticipates the number of final assessment report requests will increase significantly. For reference, currently RFA has 10.0 FTEs who work on an average of 350 Fiscal Impact Statements per year.

Legislative Council estimates that on average, approximately 73 new regulations are proposed for promulgation each year, and Commerce anticipates this bill would require the review of over 80,000 regulations over seven years, or approximately 1,000 per month. While the exact number of regulations to be readopted and that will undergo the new review process is unknown, if only 20 percent of new and existing regulations require assessment reports each year, RFA would be responsible for approximately 200 per month. Additionally, the new assessment report requirements include a cost-benefit analysis along with an economic impact statement. Currently, assessment reports are not required to include a cost-benefit analysis, which would require significantly more extensive research, data, subject matter expertise, and analysis to conduct. RFA does not currently conduct economic impact analyses or cost-benefit analyses, but instead it conducts fiscal impact analyses on state and local government impacts of legislation. Depending on the subject matter and scope of an analysis, an economic impact analysis or cost-benefit analysis can be significantly more involved than a fiscal impact analysis. For reference, a fiscal impact generally focuses on the direct effects of legislation on the state budget while an economic impact or cost-benefit analysis may include direct and indirect effects on the general public, businesses, or other entities and government agencies.

Therefore, this bill will substantially increase the workload of RFA and vastly expand the scope of analysis required. RFA would likely need to hire additional staff and acquire additional software, data subscriptions, and/or consulting services. The number of additional FTEs required

is currently unknown, as it will depend on the number of assessment reports per year that have regulation cost estimates exceeding \$1,000,000 over a five-year period. Additionally, RFA researched resources to best implement the new responsibilities created in this bill and has not been able to identify a viable option at this time. Therefore, the increase in expenses due to the resources is unknown. Further, the number of staff and expenses needed will greatly depend on the number of assessments that RFA is ultimately responsible for completing.

Additionally, this bill requires RFA to approve standardized analytic methods and measures applied to all regulations in accordance with best practices and predictive success, and to approve any variations in analysis techniques and methods. It is important to note that there are limitations with this requirement. Within the scope of analyses that RFA routinely and typically conducts, it is commonplace for analytical methods and measures used in an analysis to vary depending on the subject matter of the analysis, data availability, and feasibility. Data availability is a common obstacle, and therefore, RFA usually recommends best analytical methods and measures after gathering information on available resources for each analysis. As such, creating a set of standardized analytic methods and measures that must be applied to all regulations and may not vary between rules may prove to be impractical and cumbersome for agencies. Nevertheless, to develop a set of comprehensive standardized methods that can be applied to all regulations, RFA will need to conduct research on data and resource availability for an expansive list of subject matter that regulations encompass. For an example of the expansiveness of data that may be required, regulations cover topics including barber shop requirements, parking permit fees at universities, and food packaging, among many more. Given these wide-ranging topics, developing a set of analytic methods will also increase workload and expenses. Based on these significant changes to the agency's operations, the total expenditure impact for RFA due to this bill is undetermined but is likely to be substantial.

South Carolina Election Commission. This bill will create additional responsibilities for the South Carolina Election Commission (SCEC) in order to implement the proposed new regulation promulgation and regulation readoption process. SCEC expects that this bill will increase expenses by approximately \$101,000 beginning in FY 2026-27 for salary and fringe to hire 1.0 FTE Paralegal or Attorney to assist with the implementation of the new processes. The commission will request General Fund appropriations to fund expenses due to this bill.

State Library. This bill creates additional responsibilities and work for the State Library that is outside the scope of responsibilities and knowledge of existing staff. The State Library indicates that this bill will increase expenses by approximately \$347,000, beginning in FY 2026-27 including \$339,000 recurring and \$8,000 non-recurring expenses. In order to perform the duties required by this bill that are not part of the State Library's normal course of business, the library expects to hire 1.0 FTE Attorney III with salary and fringe of approximately \$188,000 to be responsible for drafting new regulations and processing the reapproval of current regulations and 1.0 FTE Economist with salary and fringe of approximately \$141,000 to be responsible for cost-benefit analyses to comply with the new readoption process for existing regulations. Additionally, recurring expenses include approximately \$10,000 for specialized software. Software for the Economist will be required to perform cost-benefit analysis and the associated regression analyses. Software for the Attorney will be required to access specialized law

resources in order to comply with the requirement of removing two regulations when a new regulation is proposed for promulgation. The library also anticipates incurring approximately \$8,000 of non-recurring expenses for two laptops, four monitors, two desks, and two chairs. The library will request General Fund appropriations to fund expenses due to this bill.

Winthrop University. This bill could impact Winthrop University fines and fees associated with the use of motor vehicles on campus that are used for enforcement and maintenance of parking areas and associated expenses. If the regulation for these fines and fees is removed or if readoption is delayed, Winthrop would need to seek other avenues to fund these activities. For reference, the fines and fees collected pursuant to Winthrop's regulations generate approximately \$250,000 per year. The fines and fees revenue are used to fund \$57,000 salary and fringe for 1.0 FTE Parking Enforcement Officer, \$149,000 salary and fringe for 3.0 FTE Temp Parking Officers, \$10,000 for supplies and decals, and \$46,000 for lot maintenance. If the regulation authorizing these fines and fees is removed or if readoption is delayed, Winthrop would either need to identify other funding or request General Funds.

Worker's Compensation Commission. This bill creates additional responsibilities for the Worker's Compensation Commission due to the new regulation promulgation and regulation readoption processes, which will increase expenses for the commission as current staff does not possess the expertise required to complete the requirements of this bill. The commission indicates that expenses may increase by approximately \$344,000 beginning in FY 2026-27, including \$335,000 of recurring and \$9,000 of non-recurring expenses. The commission will require 4.0 FTEs, including 1.0 FTE Attorney II, 1.0 FTE Paralegal, 1.0 FTE Fiscal Technician II, and 1.0 FTE Endpoint Technician I at a total cost of \$315,000 for salary and fringe. Additionally, recurring expenses include approximately \$20,000 for operating expenses and software and \$9,000 in non-recurring expenses. The Worker's Compensation Commission anticipates requesting General Fund appropriations and an Other Funds authorization increase to fund expenses due to this bill.

State Revenue

This bill may impact General Fund, Other Fund, and Federal Fund revenues. As this bill requires that the SBRRC reduce regulations by 25 percent and that during the promulgation and readoption process, any agency introducing a regulation to be promulgated must identify and propose two existing regulations for removal, this bill may reduce revenue generated through regulations. However, as the number and type of regulations to be removed is unknown, the total decrease in state revenue is undetermined.

Clemson University. This bill could impact Clemson's Parking and Transportation Auxiliary and operations under parking regulations, among other regulated operations. Clemson has previously indicated that the university's parking and transportation auxiliary generates approximately \$10,500,000. Previously, Clemson indicated that if implemented, the removal of some existing regulations could reduce Other Funds revenue; however, a full impact to the university is not currently feasible to estimate. Therefore, the revenue impact on Clemson is undetermined.

Clemson – PSA. This bill could impact Clemson-PSA’s ability to collect statutorily authorized fees. In FY 2024, the total actual revenue collected from statutorily authorized fees was approximately \$5,371,000. The PSA has previously indicated that its Division of Regulatory Services and Livestock Poultry Health are authorized by statute to collect various fees, but the Code of Regulations typically prescribes the mechanisms by which those fees are collected. Accordingly, an automatic expiration or any delay in readopting regulations could impact the ability to collect statutorily authorized fees. Additionally, the PSA advises that further clarification on this bill is needed but based on the PSA’s current interpretation of the bill, the bill may cause the PSA to lose the ability to collect fees entirely. If the ability to collect fees is lost, PSA would require an increase in General Fund appropriations to offset the loss of revenue in order to maintain the level of services currently offered by the PSA.

Coastal Carolina. This bill could impact fines and fees revenue authorized by existing regulations for Coastal Carolina University. Coastal Carolina has previously indicated that the potential loss of parking and transportation fees and fines revenue currently authorized by existing regulations could create a sizable financial burden on the university and its public safety and transportation operations. Since the current impact of this bill on the university’s revenue due to the potential removal of existing regulations is unknown at this time, the revenue impact on Coastal Carolina is undetermined.

Department of Employment and Workforce. DEW anticipates that this bill could impact unemployment insurance tax revenues. However, it is not possible to estimate the total impact to revenue because the expected changes to or removal of existing regulations required in the new promulgation process for each regulation is unknown. Therefore, the impact on unemployment tax revenues due to this bill is undetermined.

Department of Insurance. DOI indicates that this bill may reduce General Fund revenues by approximately \$621,000. Each year, DOI deposits on average approximately \$621,000 in regulatory fines and fees into the General Fund. If the authority to promulgate the regulations is not granted or timely authorized or readopted, the regulation may be deemed repealed. These regulations include but are not limited to:

- SC Code Regs. Ann. Section 69-33 (\$250 reinstatement and appointment fees),
- SC Code Regs Ann. Section 69-47 (application and biennial certificate fee for private review agents),
- CE fees (\$50 bookkeeping fee and \$1,000 fine for CE sponsors who fail to comply with Section 38-43-106,
- S.C. Code Regs Ann. Section 69-77-\$1,000 application fee and \$500 renewal fees for PBMs, and
- SC Code Regs. Ann. Section 69-78 for PSAOs (authorizes the Director to set the license fee by bulletin).

Department of Public Health. This bill could decrease revenue for DPH due to a potential change in fees collected pursuant to regulations. Several of DPH’s programs are funded and operated using fee revenue. If a regulation is not readopted by its expiration date, the regulation

would be deemed repealed, and therefore, DPH would lose its ability to charge fees and experience a decrease in revenue. This would affect DPH's ability and/or authority to administer its various programs. If the regulations that authorize fees to support DPH programs are repealed or delayed, DPH would request General Fund appropriations to offset lost fee revenue.

Department of Public Safety. DPS indicates that this bill could impact the ability to receive federal funds. While this bill specifies that regulations required to comply with federal law or receive federal funding would not be subject to an automatic expiration, DPS expects that the exempt regulations would still be required to undergo the same review process as non-exempt regulations, and therefore, there exists some ambiguity on the impact on exempt regulations. The State Transport Police (STP) receive funds from the Federal Motor Carrier Safety Administration (FMCSA), and federal statutes give the STP exclusive authority in the state for enforcement of commercial motor carrier laws, including Federal Motor Carrier Safety Regulations, Hazardous Material Regulations, and Size and Weight laws and regulations. For information, in FY 2024-25, the FMCSA awarded STP approximately \$8,000,000. STP has ten employees in the Motor Carrier Unit paid 100 percent with federal funds for a total of approximately \$877,000. Eighty percent of the STP officer's salaries are also paid through federal funds for a total of approximately \$4,900,000. Because some ambiguity exists on the impact to exempt regulations under review, the revenue impact on DPS is undetermined.

Department of Transportation. DOT expressed concern that the removal or expiration of its regulations could impact the availability of \$1 billion in federal funding and result in penalties of up to 10 percent for each violation. While this bill specifies that regulations required to comply with federal law or receive federal funding would not be subject to automatic expiration, DOT anticipates that the exempt regulations would still be required to undergo the same review process as non-exempt regulations, and therefore, there exists some ambiguity on the impact on exempt regulations. The existing DOT regulations are essential to remain compliant with federal funding requirements. If the proposed regulation review process either repeals, expires, or delays these regulations, it could result in a significant impact to the agency due to loss of federal funding. To continue daily activities associated with the maintenance and construction of the state highway system, DOT believes its state regulations would need to be codified or exempt from review to remain in compliance with federal laws and regulations.

University of South Carolina System. This bill could impact the University of South Carolina's Parking and Transportation Services under parking regulations, among other regulated operations. The university indicates that if implemented, the modification of some existing regulations will increase Other Funds revenue; however, the requirement to reduce regulations by 25 percent could negatively impact Other Funds revenue. Therefore, the overall revenue impact on the University of South Carolina System is undetermined.

Winthrop University. This bill could impact Winthrop University fines and fees associated with the use of motor vehicles on campus that are used for enforcement and maintenance of parking areas. If the regulation for these fines and fees is removed or if readoption is delayed, Winthrop would need to seek other avenues to fund these activities. For reference, the fines and fees collected pursuant to Winthrop's regulations generate approximately \$250,000 per year. The

finest and fees revenue are used to fund \$57,000 salary and fringe for 1.0 FTE Parking Enforcement Officer, \$149,000 salary and fringe for 3.0 FTE Temp Parking Officers, \$10,000 for supplies and decals, and \$46,000 for lot maintenance. If the regulation authorizing these fines and fees is removed or if reoption is delayed, Winthrop would either need to identify other funding or request General Funds.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director