



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. 0287 Signed by Governor on February 27, 2026
Subject: Electronic Nicotine Delivery System Regulation
Requestor: Senate
RFA Analyst(s): Vesely and Bryant
Impact Date: April 13, 2026

Fiscal Impact Summary

This bill creates provisions regulating the sale of electronic nicotine delivery systems, known as ENDS products. The bill requires ENDS products manufacturers to provide an annual written certification that they meet the bill's requirements to the Attorney General (AG), whose office shall develop and maintain an ENDS directory. The bill makes it unlawful for retailers, wholesalers, or distributors of ENDS products to sell, offer for sale, or distribute unauthorized ENDS products; prohibits retailers from purchasing resale ENDS products from unlicensed entities; prohibits ENDS product manufacturers from offering for sale any ENDS product not on the directory; and makes it unlawful for an ENDS manufacturer to misrepresent or present false information related to an ENDS product. The AG, the State Law Enforcement Division (SLED), the Department of Revenue (DOR), and local authorities are authorized to seize and destroy non-compliant ENDS products possessed by a distributor or retailer at the expense of the manufacturer. The bill also establishes associated penalties and certification fee schedules.

This bill may result in an increase in the caseload in circuit court and the potential number of incarcerations, which may impact the caseload for Judicial, and the workload of the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections (Corrections), and the Department of Probation, Parole, and Pardon Services (PPP). However, PPP previously indicated on similar legislation that it does not anticipate that there will be a significant increase in the number of participants in the IID program. Judicial anticipates being able to manage any addition to the caseload within existing appropriations. Additionally, the potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. These agencies indicate that if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested. For information, according to Corrections in FY 2024-25, the annual total cost per inmate was \$37,503, of which \$35,696 was state funded.

The Office of the AG reports that it will need to hire 3.0 FTEs, 2.0 Attorney IIIs and 1.0 Program Coordinator 1, for a total cost of \$428,211 recurring. These FTEs will manage any increase in enforcement and litigation responsibilities as a result of this bill. Therefore, the total fiscal impact for the AG is \$428,211 annually. The AG's Office requested a General Fund appropriation for this fiscal impact.

SLED reports that it will need to hire 2 new agents per region (for a total of 8 statewide), as well as 1 supervisor to manage the investigative work for enforcement of ENDS products. Personnel costs for these 9.0 FTEs will be \$984,412, of which \$665,146 is salary and \$319,266 is fringe. Additionally, equipment and operating expenses are expected to be \$245,300 annually, and non-recurring equipment expenses are expected to total \$657,504. Therefore, SLED anticipates an increase in expenses of \$1,887,216 in FY 2025-26 and \$1,229,712 each year thereafter due to this bill. SLED anticipates requesting General Fund appropriations to cover these expenses.

DOR anticipates that while the agency anticipates hiring 1.0 FTE at a total cost of \$90,000 for salary and fringe to help manage the additional responsibilities due to this bill, however, the expense can be managed within existing appropriations.

The bill will increase General Fund revenue from the new certification fees for ENDS products. Louisiana's definition of a vapor product is substantially similar to the definition of ENDS products provided in this bill, and the Louisiana Vape Directory provides a list of all certified vape products approved for sale in Louisiana, including those that have a market order, are currently under review by the FDA, or are marketed under a stay order.¹ According to the directory as of March 2026, there are 877 vapor products on the market in Louisiana. Assuming South Carolina's ENDS product market is similar to Louisiana's, this bill will increase General Fund revenue by up to \$87,700 for the initial \$100 application fee and \$43,850 each year thereafter for the \$50 annual renewal fee. Also, this bill may increase Other Funds and local funds revenue for fines and penalties resulting from violations of the provisions of the ENDS products sections of this bill that may be retained by the state or local agency bringing the action.

The Revenue and Fiscal Affairs Office (RFA) anticipates this bill may impact the caseload in magistrate or municipal court. However, we anticipate any impact to the caseload that can be managed within existing funds for the local court. Additionally, RFA anticipates that this bill may impact local expenditures due to a potential impact in the local jail population resulting from the newly created felony offense and modified sentencing for existing offenses. However, as the number of such offenses that might occur in a given year is unknown, the potential impact to the local jail population and local expenditure are undetermined.

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

Explanation of Fiscal Impact

Signed by Governor on February 27, 2026

State Expenditure

This bill creates provisions regulating the sale of ENDS products by requiring manufacturers selling such products in South Carolina, either directly or through a third party, to annually

¹Louisiana Office of Alcohol and Tobacco Control, *VAPE Directory & Information*, March 2, 2026, <https://atc.louisiana.gov/media/51qow4ja/vape-directory-february-2026.pdf>

execute and deliver to the AG, under penalty of perjury, a written certification containing specific information and documentation. The first certification must be submitted by January 1, 2027. Manufacturers must also notify the AG within 30 days of any material change to the certification.

The bill also requires the Office of the AG to operate a directory listing all ENDS manufacturers providing certifications and denoting their respective ENDS products by February 1, 2027, or on the date that it is first made available, whichever is later. This directory must be made publicly available on the agency’s website and updated monthly. The bill also establishes the means by which corrections to the directory may be made by a manufacturer, as well as the means by which the AG may remove a manufacturer or its ENDS product(s) from the directory. A determination by the AG to include or to remove from the directory a manufacturer or its ENDS product(s) is subject to review by the Administrative Law Court.

Manufacturers who offer for sale any ENDS product not listed in the directory are subject to a fine of \$1,000 per day the product is offered for sale until the unauthorized ENDS product is either removed from the market or properly listed in the directory. Upon notification that there is a material change to the status of an ENDS product requiring it to be removed from the directory, distributors and retailers must remove the product from their respective inventories and return it to the manufacturer for disposal within a prescribed timeframe. The AG, SLED, and DOR are authorized to seize and destroy any non-compliant ENDS products in possession of a distributor or retailer at the expense of the manufacturer. SLED’s responsibilities also include performing inspections and conducting hazardous waste disposal among other enforcement activities.

The bill prohibits retailers, wholesalers, or distributors of ENDS products to sell, offer for sale, or distribute ENDS products not listed on the directory. A violation of the latter constitutes an unfair and deceptive trade practice and is punishable as follows:

Sale, Offer of Sale, or Distribution of Unauthorized ENDS Products by Retailer, Wholesaler, or Distributor	
1st Violation	Civil Penalty of \leq \$500
2nd Violation Within 36-Month Period	Civil Penalty of \geq \$750 but \leq \$1,000
3rd Violation Within 36-Month Period	Civil Penalty of \geq \$1,000 but \leq \$1,500
4th or Subsequent Violation Within 36-Month Period	Civil Penalty of \geq \$1,500 but \leq \$3,000

Other violations involving ENDS products are punishable as follows:

Other Violations Involving ENDS Products	
Purchase of resale ENDS products by retailer from unlicensed entities	Fine of \$500 per offense
False representation/misinformation provided by ENDS manufacturer	Misdemeanor for each false representation; fine of \$500 per offense

This bill may result in an increase in the caseload in circuit court and the potential number of incarcerations, which may impact the caseload for Judicial, and the workload of the Commission of Indigent Defense, the Commission on Prosecution Coordination, Corrections, and PPP. However, PPP previously indicated on similar legislation that it does not anticipate that there will be a significant increase in the number of participants in the IID program. Judicial anticipates being able to manage any addition to the caseload within existing appropriations. Additionally, the potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. Judicial and these agencies indicate that if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested. For information, according to Corrections in FY 2024-25, the annual total cost per inmate was \$37,503, of which \$35,696 was state funded.

Attorney General. The AG's Office reports that it will need to hire 3.0 FTEs, 2.0 Attorney IIIs and 1.0 Program Coordinator I, for a total cost of \$428,211 recurring. These FTEs will manage any increase in enforcement and litigation responsibilities as a result of this bill. Therefore, the total fiscal impact for the AG is \$428,211 annually. The agency requested a General Fund appropriation for this fiscal impact.

State Law Enforcement Division. SLED indicated that it will need to hire 2 new agents per region (for a total of 8 statewide), as well as 1 supervisor to manage the investigative work for enforcement of ENDS products. Personnel costs for these 9.0 FTEs will be \$984,412, of which \$665,146 is salary and \$319,266 is fringe. Additionally, equipment and operating expenses are expected to be \$245,300 annually, and non-recurring equipment expenses are expected to total \$657,504. Therefore, SLED anticipates an increase in expenses of \$1,887,216 in FY 2025-26 and \$1,229,712 each year thereafter due to this bill. SLED anticipates requesting General Fund appropriations to cover these expenses.

Department of Revenue. DOR anticipates that while the agency anticipates hiring 1.0 FTE at a total cost of \$90,000 for salary and fringe to help manage the additional responsibilities due to this bill, however, the expense can be managed within existing appropriations.

State Revenue

This bill establishes an initial certification fee of \$100 for each ENDS product for which a manufacturer submits a certification form and a \$50 annual renewal fee. This revenue will be deposited in the General Fund. Louisiana's definition of a vapor product is substantially similar to the definition of ENDS products provided in this bill, and the Louisiana Vape Directory provides a list of all certified vape products approved for sale in Louisiana, including those that have a market order, currently under review by the FDA, or are marketed under a stay order. According to the directory as of January 2026, there are 838 vapor products on the market in Louisiana. Assuming South Carolina's ENDS product market is similar to Louisiana's, this bill will increase General Fund revenue by up to \$87,700 for the initial \$100 application fee and \$42,850 each year thereafter for the \$50 annual renewal fee.

Further, this bill specifies that fines and penalties resulting from a violation of the provisions of the ENDS Products Act will be retained by the state or local agency bringing the action. This bill

may increase Other Funds revenue, depending upon the fines and penalties paid due to an action brought by a state agency.

This bill may result in an increase in the fines and fees collected 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 an increase to General Fund and Other Funds revenue due to the increase in fines and fees collections in court.

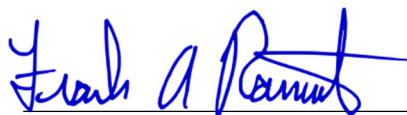
Local Expenditure

This bill specifies that local law enforcement agencies have the authority to enforce the provisions of this bill. We anticipate this bill may have a local expenditure impact, depending upon local law enforcement's workload for enforcement of this bill.

Further, RFA anticipates this bill may impact the caseload in magistrate or municipal court. We anticipate any impact to the caseload can be managed within existing funds for the local court. Additionally, RFA anticipates that this bill may impact local expenditures due to a potential impact in the local jail population resulting from the newly created felony offense and modified sentencing for existing offenses. The increase in the local jail population and local expenditures will depend upon the number of such offenses that might occur in a given year.

Local Revenue

This bill specifies that fines and penalties resulting from a violation of these provisions of the ENDS products Act will be retained by the state or local agency bringing the action. This bill may increase local revenue, depending upon the fines and penalties paid due to an action brought by a local agency. Additionally, this bill may result in a change in the fines and fees collected 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