



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. 0724 Introduced on January 13, 2026
Subject: Commercial Data Center Water Usage Report
Requestor: Senate Judiciary
RFA Analyst(s): Griffith
Impact Date: March 5, 2026

Fiscal Impact Summary

This bill requires a commercial data center that consumes 3,000,000 or more gallons of water per month to report their water usage to the Department of Environmental Services (DES) annually, by January 31. The report must include the volume of surface water, groundwater, or any other source of water that the commercial data center utilized during the prior calendar year, as well as volume of water the commercial data center anticipates using in the year the report is filed. The bill also allows DES to assess a civil penalty against a commercial data center for filing a report after January 31, in which the civil fine shall be up to \$10,000 per day for each day that the report is delinquent. Additionally, DES may assess a \$10,000 civil penalty for any inaccurate, misleading, or false information contained in the report.

The bill will have no expenditure impact on DES because the provisions of the bill will be managed within the course of normal agency business.

While the bill does not specify where the revenue generated from the new civil penalties must be allocated, DES anticipates that 50 percent will be remitted to the General Fund, and 50 percent will be distributed to the county where the commercial data center is located. Therefore, DES anticipates that General Fund and local revenues may increase by an undetermined amount.

Explanation of Fiscal Impact

Introduced on January 13, 2026

State Expenditure

This bill requires a commercial data center that consumes 3,000,000 or more gallons of water per month to report their water usage to DES annually by January 31. The report must include the volume of surface water, groundwater, or any other source of water that the commercial data center utilized during the prior calendar year, as well as volume of water the commercial data center anticipates using in the year the report is filed.

DES anticipates that the provisions of the bill will be managed within the course of normal agency business. Therefore, the bill will have no expenditure impact on DES.

State Revenue

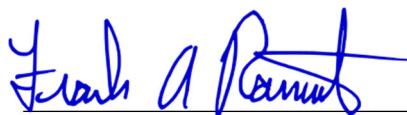
This bill allows DES to assess a civil penalty against a commercial data center for delinquent reports. The civil fine shall be up to \$10,000 per day for each day that the report has not been filed. Additionally, DES may assess a \$10,000 civil penalty for any inaccurate, misleading, or false information contained in the report. Since the bill does not specify where the revenue from the civil penalties must be allocated, DES anticipates that 50 percent will be remitted to the General Fund, and 50 percent will be distributed to the county where the commercial data center is located. As these are new penalties, it is unknown how many commercial data centers will not comply with the provisions of the bill and the number of civil penalties that may be issued. Therefore, the increase in General Fund revenue is undetermined.

Local Expenditure

N/A

Local Revenue

This bill specifies that DES may assess civil penalties for late filings and for inaccurate, misleading, or false information related to the annual reporting of water usage by commercial data centers. Since the bill does not specify where the revenue from the civil penalties must be allocated, DES anticipates that 50 percent of the revenue will be remitted to the General Fund, and 50 percent will be distributed to the county where the commercial data center is located. Since these are new penalties, it is unknown how many commercial data centers will not comply with the provisions of the bill and the number of civil penalties that may be issued. Therefore, the increase in local revenue is undetermined.



Frank A. Rainwater, Executive Director