



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. 0733 Introduced on January 13, 2026
Subject: Children
Requestor: Senate Judiciary
RFA Analyst(s): Bryant
Impact Date: January 30, 2026

Fiscal Impact Summary

This bill prohibits state agencies, political subdivisions, including school districts, or any entity that is supported in whole or in part by public funds from using public funds to host or provide a drag story hour or drag show attended by minors under the age of eighteen. If any institution violates this provision, the appropriate official in charge of disbursing public funds must cease disbursing funds to the offending institution. The bill also prohibits state agencies, political subdivisions, including school districts, or any entity that is supported in whole or in part by public funds from hosting, providing, or allowing the use of its premises by a private entity to host or provide a drag story hour or drag show attended by minors under the age of eighteen. The bill specifies that the Attorney General must impose a civil fine against the offending institution of \$500 for every person in attendance at a drag story hour or drag show, which must be credited to the General Fund. Further, the bill creates a private cause of action for a parent or legal guardian of a minor under the age of eighteen for an actual or threatened violation of the provisions of the bill.

This bill will have no expenditure impact on S.C. Educational Television (SCETV). SCETV indicates that it does not create or distribute any programming described in the language of the bill.

This bill will have no expenditure impact on the S.C. Department of Education (SCDE). SCDE reports that while the legislation may necessitate guidance by SCDE to school districts, the department anticipates that the time and effort involved will be minimal and will not require the acquisition of materials or different staffing levels to facilitate any necessary guidance the school districts may need.

This bill will have no expenditure impact on the State Agency Schools. The Governor's School for Agriculture at John de la Howe, the Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the School for the Deaf and the Blind, and the Wil Lou Gray Opportunity School indicate that they do not host or provide drag story hours or other drag shows for minors under the age of eighteen or provide funding to any other entity for those activities.

This bill will have no expenditure impact on First Steps to School Readiness (First Steps) or the State Library. The agencies indicate that they do not host or provide drag story hours or other

drag shows for minors under the age of eighteen or provide funding to any other entity for those activities.

This bill may result in an increase in the number of civil cases heard in circuit court. However, the number of civil cases that will be filed as a result of the bill is unknown. Judicial anticipates that it will manage any increased expenditures related to the bill with its existing appropriations, but if the bill results in a significant increase in expenditures, Judicial will request an increase in General Fund appropriations.

The expenditure impact of this bill on the Office of the Attorney General is pending, contingent upon a response.

This bill requires the Attorney General to impose a civil fine against the offending institution of \$500 for every person in attendance at a drag story hour or drag show attended by minors under the age of eighteen, which must be credited to the General Fund. Any increase in General Fund revenue will depend upon the number of violations that occur, as well as the number of people attending the drag story hour or drag show and is therefore undetermined. Further, the bill specifies that if any institution that is supported in whole or in part by public funds violates the provisions of the bill, the appropriate official in charge of disbursing public funds must cease disbursing funds to the offending institution. Any decrease in revenue will depend upon whether a state agency violates this provision of the bill and is therefore undetermined.

The Revenue and Fiscal Affairs Office (RFA) contacted all counties and the Municipal Association of South Carolina (MASC) regarding this legislation and received responses from Beaufort County, Charleston County, Chester County, Clarendon County, Dorchester County, Edgefield County, Florence County, Horry County, Lancaster County, and MASC. The nine responding counties indicate that this bill will have no expenditure impact. However, Charleston County notes that there is the potential for indirect administrative or legal costs associated with policy review, staff guidance, or defense of private litigation but reports that the potential costs are currently undetermined. MASC indicates that this bill may result in increased administrative and legal costs for municipalities due to compliance monitoring, policy revisions, and potential litigation. MASC reports that cities and towns will be required to modify facility use policies, implement screening procedures for public events, and increase oversight of third-party programming. MASC notes that municipalities that violate the provisions may lose public funding and experience significant civil penalties based on event attendance, creating substantial fiscal risk. Additionally, the bill could impact revenue-generating facility rentals if certain events are prohibited. Finally, MASC anticipates that if adopted, municipalities may experience additional lawsuits from private individuals, potentially increasing insurance costs and legal expenditures.

This bill will have no expenditure impact on the local school districts. SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from ten districts. All ten of the responding districts indicate that the bill will have no expenditure impact. The responding districts will manage the provisions of the bill with existing appropriations.

This bill specifies that if any institution that is supported in whole or in part by public funds violates the provisions of the, the appropriate official in charge of disbursing public funds must cease disbursing funds to the offending institution. Any decrease in revenue will depend upon whether a political subdivision or school district violates this provision of the bill and is therefore undetermined.

Explanation of Fiscal Impact

Introduced on January 13, 2026

State Expenditure

This bill prohibits state agencies, political subdivisions, including school districts, or any entity that is supported in whole or in part by public funds from using public funds to host or provide a drag story hour or drag show attended by minors under the age of eighteen. If any institution violates this provision, the appropriate official in charge of disbursing public funds must cease disbursing funds to the offending institution. The bill also prohibits state agencies, political subdivisions, including school districts, or any entity that is supported in whole or in part by public funds from hosting, providing, or allowing the use of its premises by a private entity to host or provide a drag story hour or drag show attended by minors under the age of eighteen. The bill specifies that the Attorney General must impose a civil fine against the offending institution of \$500 for every person in attendance at the drag story hour or drag show, which must be credited to the General Fund. Further, the bill creates a private cause of action for a parent or legal guardian of a minor under the age of eighteen for an actual or threatened violation of the provisions of the bill.

S.C. Educational Television. This bill will have no expenditure impact on SCETV. SCETV indicates that it does not create or distribute any programming described in the language of the bill.

S.C. Department of Education. This bill will have no expenditure impact on SCDE. SCDE reports that while the legislation may necessitate guidance by SCDE to school districts, the department anticipates that the time and effort involved will be minimal and will not require the acquisition of materials or different staffing levels to facilitate any necessary guidance the school districts may need.

State Agency Schools. This bill will have no expenditure impact on the State Agency Schools. The Governor's School for Agriculture at John de la Howe, the Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the School for the Deaf and the Blind, and the Wil Lou Gray Opportunity School indicate that they do not host or provide drag story hours or other drag shows for minors under the age of eighteen or provide funding to any other entity for those activities.

First Steps to School Readiness. This bill will have no expenditure impact on First Steps. First Steps indicates that it does not host or provide drag story hours or other drag shows for minors under the age of eighteen or provide funding to any other entity for those activities.

State Library. This bill will have no expenditure impact on the State Library. The State Library indicates that it does not host or provide drag story hours or other drag shows for minors under the age of eighteen or provide funding to any other entity for those activities.

Judicial. This bill may result in an increase in the number of civil cases heard in circuit court. However, the number of civil cases that will be filed as a result of the bill is unknown. Judicial anticipates that it will manage any increased expenditures related to the bill with its existing appropriations, but if the bill results in a significant increase in expenditures, Judicial will request an increase in General Fund appropriations.

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Local Expenditure

This bill prohibits state agencies, political subdivisions, including school districts, or any entity that is supported in whole or in part by public funds from using public funds to host or provide a drag story hour or drag show attended by minors under the age of eighteen. If any institution violates this provision, the appropriate official in charge of disbursing public funds must cease disbursing funds to the offending institution. The bill also prohibits state agencies, political subdivisions, including school districts, or any entity that is supported in whole or in part by public funds from hosting, providing, or allowing the use of its premises by a private entity to host or provide a drag story hour or drag show attended by minors under the age of eighteen. The bill specifies that the Attorney General must impose a civil fine against the offending institution of \$500 for every person in attendance at the drag story hour or drag show, which must be credited to the General Fund. Further, the bill creates a private cause of action for a parent or legal guardian of a minor under the age of eighteen for an actual or threatened violation of the provisions of the bill.

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with policy review, staff guidance, or defense of private litigation but reports that the potential costs are currently undetermined. MASC indicates that this bill may result in increased administrative and legal costs for municipalities due to compliance monitoring, policy revisions, and potential litigation. MASC reports that cities and towns will be required to modify facility use policies, implement screening procedures for public events, and increase oversight of third-party programming. MASC notes that municipalities that violate the provisions may lose public funding and experience significant civil penalties based on event attendance, creating substantial fiscal risk. Additionally, the bill could impact revenue-generating facility rentals if certain events are prohibited. Finally, MASC anticipates that if adopted, municipalities may experience additional lawsuits from private individuals, potentially increasing insurance costs and legal expenditures.

This bill will have no expenditure impact on the local school districts. SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from ten districts. All ten of the responding districts indicate that the bill will have no expenditure impact. The responding districts will manage the provisions of the bill with existing appropriations.

Local Revenue

This bill specifies that if any institution that is supported in whole or in part by public funds violates the provision of the bill prohibiting the use of public funds to host or provide a drag story hour or drag show attended by minors under the age of eighteen, the appropriate official in charge of disbursing public funds must cease disbursing funds to the offending institution. Any decrease in revenue will depend upon whether a political subdivision or school district violates this provision of the bill and is therefore undetermined.



Frank A. Rainwater, Executive Director