



# 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.*

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**Bill Number:** S. 0735     Introduced on January 13, 2026  
**Subject:** Sanctuary Jurisdictions and Release of Illegal Aliens  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Vesely  
**Impact Date:** January 30, 2026

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### Fiscal Impact Summary

This bill specifies that no funds appropriated by the State must be obligated or expended for a local governing entity if a court of competent jurisdiction determines that the local governing entity is a sanctuary jurisdiction, as defined by this bill. Additionally, this bill requires the South Carolina Law Enforcement Division (SLED) to publish an annual Immigration Compliance Report on the compliance of political subdivisions with regards to immigration law and requires the State Treasurer's Office (STO) to withhold Local Government Fund disbursement to noncompliant political subdivisions. Further, this bill specifies that any illegal alien who is detained by a local or state law enforcement agency must not be released into the community, but must be held by that agency until that person is transferred to the custody of United States Immigration and Customs Enforcement (ICE).

This bill establishes penalties for local governing entities found to be sanctuary jurisdictions by a court of competent jurisdiction including funds appropriated by the State must not be obligated or expended for such entity; and the entity must return its state funding for a period as determined by the court with a civil penalty of not less than \$5,000 and not more than \$25,000. Additionally, the sanctuary jurisdiction is waived from immunity from civil liability in tort for the period of time as determined by the court. Further, counties and municipalities must be compliant in SLED's Immigration Compliance Report in order to receive Local Government Fund distributions. For information, as of November 18, 2025, the FY 2026-27 estimated distributions for the Local Government Fund totals \$321,191,054.

This bill will have no expenditure impact for the Department of Corrections (SCDC), STO, or SLED. SCDC anticipates being able to manage any additional responsibilities due to this bill within existing appropriations. STO indicates that the agency can accomplish potential withholding of the Local Government Fund disbursement with existing resources. SLED indicates that per Proviso 117.125 of the FY 2025-26 Appropriations Act, the agency currently prepares and publishes the Immigration Compliance Report, and any increase in workload will be managed with existing staff and appropriations.

Revenue and Fiscal Affairs (RFA) contacted all counties in the state and the Municipal Association of South Carolina (MASC) and received responses from the counties of Charleston, Dorchester, Florence, and Horry and MASC. Charleston County anticipates the need to hire 2.0 FTEs with an annual salary and fringe of \$180,000. The county also anticipates a non-recurring

cost of \$15,000 to provide a legal risk assessment and a potential increase in insurance premiums due to the possible waiver of immunity from civil liability. Additionally, Charleston County reports that the daily cost per inmate is \$85. The increase in expenses to hold undocumented persons until they can be transferred will depend upon the number of persons held and the duration of the holding period. Dorchester County notes that it may see an increase in local detention center expenditures. Horry and Lancaster Counties both indicate that they are currently participating in immigration initiatives and, therefore, anticipate no expenditure impact as a result of this bill. MASC anticipates that this bill may have an undetermined expenditure impact for municipalities. Expenses may arise for staff time and resources used to ensure a municipality is in compliance with the requirements as specified in this bill. Additionally, MASC expresses concern that over 160 municipalities only have short-term holding cells where a detainee may be held for no more than six hours and is unsure how these municipalities may be able to hold a detainee until that detainee is transferred to ICE.

## **Explanation of Fiscal Impact**

### **Introduced on January 13, 2026**

#### **State Expenditure**

This bill requires SLED to publish an annual Immigration Compliance Report on the compliance of political subdivisions with regards to immigration law and requires the STO to withhold Local Government Fund disbursement to noncompliant political subdivisions. Further, this bill specifies that any illegal alien who is detained by a local or state law enforcement agency must not be released into the community, but must be held by that agency until that person is transferred to the custody of ICE.

This bill will have no expenditure impact for SCDC, STO, or SLED. SCDC anticipates being able to manage any additional responsibilities due to this bill within existing appropriations. STO indicates that the agency can accomplish potential withholding of the Local Government Fund disbursement with existing resources. SLED indicates that per Proviso 117.125 of the FY 2025-26 Appropriations Act, the agency currently prepares and publishes the Immigration Compliance Report and any increase in workload will be managed with existing staff and appropriations.

#### **State Revenue**

N/A

#### **Local Expenditure**

This bill specifies that no funds appropriated by the State must be obligated or expended for a local governing entity if a court of competent jurisdiction determines that the local governing entity is a sanctuary jurisdiction, as defined by this bill. Additionally, this bill requires SLED to publish an annual Immigration Compliance Report on the compliance of political subdivisions with regards to immigration law and requires STO to withhold Local Government Fund disbursement to noncompliant political subdivisions. Further, this bill specifies that any illegal alien who is detained by a local or state law enforcement agency must not be released into the community, but must be held by that agency until that person is transferred to the custody of ICE.

This bill establishes penalties for local governing entities found to be sanctuary jurisdictions by a court of competent jurisdiction including, funds appropriated by the State must not be obligated or expended for such entity, the entity must return its state funding for a period as determined by the court with a civil penalty of not less than \$5,000 and not more than \$25,000. Additionally, the sanctuary jurisdiction is waived from immunity from civil liability in tort for the period of time as determined by the court determines. Further, counties and municipalities must be compliant in SLED's Immigration Compliance Report in order to receive Local Government Fund distributions. For information, as of November 18, 2025, the FY 2026-27 estimated distributions for Local Government Fund totals \$321,191,054.

RFA contacted all counties in the state and MASC and received responses from the counties of Charleston, Dorchester, Florence, and Horry and MASC.

Charleston County indicates that in order to ensure proper compliance with the requirements of this bill, the County would require 2.0 FTEs: 1.0 compliance liaison to coordinate with SLED and their documentation and 1.0 legal analyst with a total recurring personnel cost of \$180,000. Additionally, Charleston County notes their average daily cost per inmate is \$85. Therefore, an increase in holding time for illegal aliens awaiting transfer to ICE will increase the County's cost. Also, Charleston County anticipates a non-recurring expense of \$15,000 for initial legal risk assessment and a potential increase in insurance premiums due to the possible waiver of immunity from civil liability. Therefore, Charleston County anticipates a minimum increase in expenses of \$195,000 FY 2026-27, an increase of expenses of at least \$180,000 each year thereafter due to this bill, and an undetermined annual increase in expenses for housing detainees for a longer period of time and potential insurance premium increases. Dorchester County notes that it may see an increase in local detention center expenditures. Horry and Lancaster Counties both indicate that they are currently participating in immigration initiatives and, therefore, anticipate no expenditure impact as a result of this bill. MASC anticipates that this bill may have an undetermined expenditure impact for municipalities. Expenses may arise for staff time and resources used to ensure a municipality is in compliance with the requirements as specified in this bill. Additionally, MASC expresses concern that over 160 municipalities only have short-term holding cells where a detainee may be held for no more than six hours and is unsure how these municipalities may be able to hold a detainee until that detainee is transferred to ICE.

### **Local Revenue**

N/A



Frank A. Rainwater, Executive Director