



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. 0750	Prefiled on December 10, 2025
Subject:	South Carolina Beverage Container Recycling Act	
Requestor:	Senate Agriculture and Natural Resources	
RFA Analyst(s):	Bryant and Griffith	
Impact Date:	January 8, 2026	

Fiscal Impact Summary

This bill enacts the South Carolina Beverage Container Recycling Act, which establishes a deposit beverage container recycling program. The program requires beverage distributors operating in South Carolina to register with the Department of Revenue (DOR) and pay deposits on deposit beverage containers collected from dealers and consumers. The bill establishes an initial refund value of five cents for deposit beverage containers.

The bill requires DOR to establish the deposit beverage container fund within the State Treasurer's Office (STO). The fund will include revenues generated from the deposit beverage container deposit, accrued interest from this fund, and fines and penalties assessed for violations. The fund must be used to reimburse refund values for deposit beverage containers redeemed by certified redemption centers and employ personnel to oversee the implementation of the deposit beverage container program. Additionally, the bill requires the Comptroller General to conduct a management and financial audit of the deposit beverage container program.

The bill provides for the operation of redemption centers regulated by the Department of Environmental Services (DES) for the collection and processing of deposit beverage containers and establishes requirements for the operation of certified redemption centers. DES and DOR are authorized to promulgate regulations to affect the purposes of the bill. DES and DOR must also compile a report on the deposit beverage container program each fiscal year. Further, the bill requires DES to establish an advisory committee to assist in developing regulations. Lastly, the bill establishes a new civil penalty and creates a new misdemeanor offense.

DOR indicates that this bill will require the department to create new forms and make system upgrades and changes, which will be managed with existing processes. Additionally, DOR indicates the potential need to hire up to 2.0 FTEs (tax examiner positions) at a cost of \$160,000 for salary and fringe benefits to implement and maintain the provisions of the bill.

DES reports that the bill will require its Bureau of Land and Waste Management to create a new regulatory program, promulgate new regulations, implement a permitting and certification program, and develop a new inspection and enforcement program. To implement the provisions of the bill, DES anticipates that Other Funds expenses will increase by approximately \$286,900 beginning in FY 2026-27. Of this amount, approximately \$240,300 is for 3.0 FTEs (Environmental Health Manager I positions), and the remaining \$46,600 is for indirect costs,

standard office costs, laptops, and other supplies. These expenses are directed to be offset by the deposit beverage container fund. DES will request an Other Funds authorization increase.

STO anticipates that this bill will have a minimal impact that can be absorbed with existing resources, as the deposit beverage container fund will be created upon certification by the Comptroller General and will follow the standard course of business thereafter.

The Comptroller General's Office indicates that the cost of performing a management and financial audit is currently undetermined, as the State Auditor's Office was unable to provide an estimate since the size and scope of the deposit beverage container program is currently unknown. However, the bill specifies that the costs incurred by the Comptroller General's Office for the audit must be reimbursed by the deposit beverage container fund. Additionally, the Comptroller General's Office reports that conducting audits currently falls outside the scope of its statutory responsibilities.

The Administrative Law Court (ALC) reports that while several sections of the bill refer to a hearing under the Administrative Procedures Act, which would appear before the court, the bill also indicates that these hearings may be provided by DOR. Further, due to a lack of historical data, the court cannot adequately estimate the increase in the number of hearings related to the deposit beverage container recycling program that may arise. Therefore, the expenditure impact on the court is undetermined at this time.

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.

This bill will increase revenue of the deposit beverage container fund, which is Other Funds revenue of DES, by an undetermined amount. The bill requires DOR to establish the deposit beverage container fund within STO. The fund will include revenues generated from the five cents deposit beverage container deposit. Revenue from fines and penalties assessed for violations will also be included in the deposit beverage container fund. However, if the fine is detected and reported by a certified redemption center or certified processor, 50 percent of the fine must remain in the fund, and 50 percent must be awarded to the redemption center or processor reporting the violation. The amount of revenue allocated to the deposit beverage container fund will depend upon the number of beverage container deposits, as well as the number of violations, and is, therefore, undetermined. Further, the fund must be used to reimburse refund values for deposit beverage containers redeemed by certified redemption centers and employ personnel to oversee the implementation of the deposit beverage container program.

This bill may increase Other Funds revenue of ALC due to an increase in filing fees collected in court. However, the amount of the increase will depend on the number of requests for a contested case hearing filed with the court as well as the amount of the filing fee. Due to a lack of

historical data, the overall Other Funds revenue impact from filing fees for a contested case hearing is, therefore, 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, the Revenue and Fiscal Affairs Office (RFA) anticipates this bill may result in a change to General Fund, Other Funds, and local revenue due to the change in fines and fees collections in court.

Explanation of Fiscal Impact

Prefiled on December 10, 2025

State Expenditure

This bill enacts the South Carolina Beverage Container Recycling Act. The bill establishes a deposit beverage container recycling program, which requires all deposit beverage distributors operating within South Carolina to register with DOR by September 1, 2026. Beginning March 1, 2027, deposit beverage distributors must pay DOR a deposit of five cents on each deposit beverage container manufactured or imported into the State. The deposit beverage distributor may recollect the deposit after the deposit beverage container is canceled or returned to the distributor for reuse. Beginning April 1, 2027, deposit beverage distributors must also charge the dealer or consumer a deposit equal to the refund value of five cents for each deposit beverage container sold in South Carolina. Additionally, a dealer must charge the consumer a deposit of five cents at the point of sale for each beverage container sold, except for beverages intended for on-premises consumption. The deposit beverage distributor is responsible for refunding the deposit to a redemption center or individual who returns a deposit beverage container for reuse.

This bill also requires DOR to establish the deposit beverage container fund within the STO. The fund will include revenues generated from the deposit beverage container deposit, accrued interest from this fund, and fines and penalties assessed for violations. The fund must be used to reimburse refund values for deposit beverage containers redeemed by certified redemption centers and employ personnel to oversee the implementation of the deposit beverage container program. Full implementation of the program must commence by April 1, 2027. Further, the bill requires the Comptroller General to conduct a management and financial audit of the program beginning in FY 2027-28, and for each fiscal year thereafter ending in an even-numbered year. The costs incurred by the Comptroller General must be reimbursed by the fund.

DES and DOR are authorized to promulgate regulations to affect the purposes of the bill. DES must also promulgate a regulatory definition of an underserved area with regard to certified redemption centers. If an area is underserved, DES must use its best efforts to establish a certified redemption center or microsite certified redemption center in that area. If other funding is not available, the fund may be used to establish and support the center. Prior to participating in the program, a redemption center must be certified by the Bureau of Land and Waste Management according to regulations promulgated by DES. DES must establish criteria to determine the number of certified redemption centers needed to adequately serve each county and may, at any time, review the certification of a certified redemption center. A certified

redemption center may request a hearing in accordance with the South Carolina Administrative Procedures Act prior to the withdrawal of its certificate.

Additionally, this bill establishes requirements for the operation of a certified redemption center and requires deposit beverage distributors, certified redemption centers, and certified processors, to make their records available for inspection by DOR and DES, duly authorized agents of these departments, the Comptroller General, or the auditor of the Comptroller General. The bill also requires DES and DOR to compile a report on the deposit beverage container program each fiscal year, except that the first report must be for the period from October 1, 2026, through June 30, 2028. This report must be delivered to the General Assembly and the Governor by January 2 following the end of the preceding reporting period. The bill further requires DES to establish an advisory committee to assist in developing regulations.

A person who violates a provision of this bill or a regulation promulgated pursuant to this bill will be assessed a civil penalty of no more than \$10,000 for each separate offense. Each day of each violation constitutes a separate offense. The bill also creates a new misdemeanor offense for a person who tenders or tries to tender to a certified redemption center more than twenty four empty beverage containers that the person knows or has reason to know were not originally sold in this State as filled deposit beverage containers. A person who commits this offense is subject to a fine of up to the greater of \$100 for each container or \$25,000 for each tender of more than twenty-four containers.

Department of Revenue. DOR indicates that this bill will require the department to create new forms and make system upgrades and changes, which will be managed with existing processes. Additionally, DOR indicates the potential need to hire up to 2.0 FTEs (tax examiners) at a cost of \$160,000 for salary and fringe benefits to implement and maintain the provisions of the bill.

Department of Environmental Services. DES reports that the bill will require its Bureau of Land and Waste Management to create a new regulatory program, promulgate new regulations, implement a permitting and certification program, and develop a new inspection and enforcement program. To implement the provisions of the bill, DES anticipates that Other Funds expenses will increase by approximately \$286,900 beginning in FY 2026-27. Of this amount, approximately \$240,300 is for 3.0 FTEs (Environmental Health Manager I positions), and the remaining \$46,600 is for indirect costs, standard office costs, laptops, and other supplies. These expenses are directed to be offset by the deposit beverage container fund. DES will request an Other Funds authorization increase.

State Treasurer's Office. STO anticipates that this bill will have a minimal impact that can be absorbed with existing resources, as the deposit beverage container fund will be created upon certification by the Comptroller General's Office and will follow the standard course of business thereafter.

Comptroller General's Office. The Comptroller General's Office indicates that the cost of performing a management and financial audit is currently undetermined, as the State Auditor's Office was unable to provide an estimate since the size and scope of the deposit beverage

container program is currently unknown. However, the bill specifies that the costs incurred by the Comptroller General's Office for the audit must be reimbursed by the deposit beverage container fund. Additionally, the Comptroller General's Office reports that conducting audits currently falls outside the scope of its statutory responsibilities.

Administrative Law Court. ALC reports that while several sections of the bill refer to a hearing under the Administrative Procedures Act, which would appear before the court, the bill also indicates that these hearings may be provided by DOR. Further, due to a lack of historical data, the court cannot adequately estimate the increase in the number of hearings related to the deposit beverage container recycling program that may arise. Therefore, the expenditure impact on the court is currently undetermined.

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.

State Revenue

This bill may increase Other Funds revenue of DES. The bill requires DOR to establish the deposit beverage container fund within STO. The fund will include revenues generated from the five cents deposit beverage container deposit. This bill also establishes a new \$10,000 civil penalty for a person who violates a provision of this bill or a regulation promulgated pursuant to this bill. Additionally, the bill creates a new misdemeanor offense for a person who tenders or tries to tender to a certified redemption center more than twenty-four empty beverage containers that the person knows or has reason to know were not originally sold in this State as filled deposit beverage containers. A person who commits this offense is subject to a fine of up to the greater of \$100 for each container or \$25,000 for each tender of more than twenty-four containers. Revenue from fines and penalties assessed for violations will also be included in the deposit beverage container fund. However, if the fine is detected and reported by a certified redemption center or certified processor, 50 percent of the fine must remain in the fund, and 50 percent must be awarded to the redemption center or processor reporting the violation. The amount of revenue allocated to the deposit beverage container fund will depend upon the number of beverage container deposits, as well as the number of violations, and is, therefore, undetermined. Further, the fund must be used to reimburse refund values for deposit beverage containers redeemed by certified redemption centers and employ personnel to oversee the implementation of the deposit beverage container program.

Additionally, this bill may increase Other Funds revenue of ALC due to an increase in filing fees collected in court. However, the amount of the increase will depend on the number of requests for a contested hearing filed with the court as well as the amount of the filing fee. Due to a lack of historical data, the overall Other Funds revenue impact from filing fees for a contested case hearing is, therefore, undetermined.

Further, 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 General Fund and Other Funds revenue due to the change in fines and fees collections in court.

Local Expenditure

N/A

Local Revenue

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