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. 0902 Introduced on February 10, 2026
Subject:	Data Centers
Requestor:	Senate Judiciary
RFA Analyst(s):	Griffith and Manic
Impact Date:	February 25, 2026

Fiscal Impact Summary

This bill enacts the Data Center Siting Act, which requires a certificate to be issued by the Public Service Commission (PSC) before a data center may begin operations within the state. PSC must hold a public hearing for each applicant, and parties involved in a certification proceeding include the Office of Regulatory Staff (ORS), the Department of Environmental Services (DES), the Department of Natural Resources (DNR), and the Department of Parks, Recreation and Tourism (PRT). PSC is responsible for enforcing the provisions of the bill and must file an annual report, starting two years after the effective date of the act, with the State Regulation of Public Utilities Review Committee and the General Assembly to address the implementation of the bill.

ORS is required to establish performance-based operational efficiency standards, and DES is required to establish water efficiency standards, that are applicable to all data centers. DES also must establish reasonable buffer requirements for a particular proposed data center location. Both ORS and DES must prioritize technical assistance and guidance over enforcement for two years after the effective date of the bill.

This bill requires local governments to undertake comprehensive data center planning and establish clear data center development policies. Local governments may impose certain additional, reasonable requirements addressing local concerns through the proper exercise of land use authority. The bill also specifies that local governments retain full authority over zoning, land use, building codes, and other related matters within the jurisdiction of local governments.

This bill will increase expenses of DES by approximately $221,300 in FY 2026-27. Of this amount, approximately $152,600 is recurring. Of the recurring expenses, $118,000 is for 1.0 FTE (Environmental Health Manager III) to manage the new responsibilities of the bill, and $34,600 is for office supplies, equipment, travel, and contractual costs. The remaining $68,700 in non-recurring expenses are needed for a printer, laptop, and equipment for the monitoring of noise, light, and vibration levels. DES will request a General Fund appropriation increase for these expenses.

This bill will have no expenditure impact on DNR or PRT because the duties of the bill can be managed with existing staff and resources.

This bill will increase expenses of PSC by approximately $270,300 in FY 2026-27. Of this amount, $258,200 is recurring for salary and fringe benefits for 2.0 FTEs to manage the provisions of the bill, and $3,400 is also recurring for IT licenses and support. Non-recurring expenses are expected to total $8,700 for training and miscellaneous equipment. Expenses will decrease to $261,600 beginning in FY 2027-28. PSC will request an increase in Other Funds authorization for these expenses. Further, PSC indicates it may also incur additional costs related to the engagement of a qualified independent third party to assist in the preparation of annual reports on the implementation of the bill's requirements to be submitted to the State Regulation of Public Utilities Review Committee and the General Assembly. PSC notes that although the annual cost of similar consulting services historically ranged between approximately $168,000 and $213,000, the cost of the services related to the preparation of the annual report required by the bill is unknown at this time

This bill will increase expenses of ORS by $2,139,200 in FY 2026-27. Of this amount, recurring expenses are expected to total approximately $1,989,200, of which $1,739,200 is for salary and fringe benefits for 10.0 FTEs, and $250,000 is for consultants. Non-recurring expenses are expected to total $150,000 for consultants to help with the development of performance-based operational efficiency standards for data centers. Expenses will decrease to $1,989,200 beginning in FY 2027-28. The agency further indicates that because data centers are not public utilities subject to the jurisdiction of PSC, it cannot assess Gross Receipts on public utilities regulated by PSC under the provisions of Section 58-4-60. Therefore, ORS indicates it will request an increase in General Fund appropriations to fund these expenses.

ORS further notes the agency will need to hire consultants at a non-recurring expense of $100,000 to evaluate existing cost allocation methodologies as well as rate agreements for data center operators. However, ORS indicates that the non-recurring consulting expense will be paid directly by the regulated utilities pursuant to Section 58-4-100 and will not impact the agency's Other Funds.

This bill states that PSC is responsible for enforcing the provisions in the bill and sets limits on the civil penalties imposed by the Commission on violators of the provisions of the bill. First-time violations shall not result in a civil penalty. However, civil penalties that are imposed shall not exceed $10,000 per day for data centers with a connected load between one and ten megawatts (MW), $25,000 per day for data centers with a connected load between eleven and fifty MW, and $50,000 per day for data centers with a connected load in excess of fifty MW. Therefore, the bill may result in an increase in the fees collected by PSC for violations. However, because these are new requirements and data are not available on the potential number of violations, the increase in revenue is undetermined. As the bill does not specify whether the penalty revenue is retained by PSC, it is unclear whether the increase will be made to the General Fund or to Other Funds of PSC.

The Revenue and Fiscal Affairs Office (RFA) contacted all forty-six counties and the Municipal Association of South Carolina (MASC) regarding the potential fiscal impact of the bill. Charleston, Dorchester, and Florence Counties indicate that comprehensive planning and policies for data centers will require either hiring a consultant or additional staff. Florence County further estimates that the one-time cost for a consultant is expected to total $50,000. MASC also indicates that the planning and policy requirements will result in significant costs, particularly to smaller cities and towns with limited staffing and financial resources. Further, MASC reports that some municipalities where data centers locate may generate offsetting revenues through new tax base growth and elective permit or fee collections. However, where data centers choose to locate and what policies municipalities choose to adopt are unknown. Therefore, the fiscal impact on local governments is undetermined.

Explanation of Fiscal Impact

Introduced on February 10, 2026
State Expenditure
This bill enacts the Data Center Siting Act, which requires a certificate to be issued by PSC before a data center may begin operations within the state. PSC must hold a public hearing for each applicant, and parties involved in a certification proceeding include ORS, DES, DNR, and PRT. PSC is responsible for enforcing the provisions of the bill and must file an annual report, starting two years after the effective date of the act, with the State Regulation of Public Utilities Review Committee and the General Assembly to address the implementation of the bill.

ORS is required to establish performance-based operational efficiency standards, and DES is required to establish water efficiency standards, that are applicable to all data centers. DES also must establish reasonable buffer requirements for a particular proposed data center location. Both ORS and DES must prioritize technical assistance and guidance over enforcement for two years after the effective date of the bill.

Department of Environmental Services. DES indicates that the agency will require 1.0 FTE, an Environmental Health Manager III, to provide technical assistance to data centers, to communicate with PSC and ORS to promulgate regulations, and to meet annual reporting requirements. Salary and fringe benefits will increase recurring expenses by $118,000. Additional recurring expenses of $34,600 are needed for office supplies, equipment, travel, and contractual costs. One-time expenses for a printer, laptop, and equipment are expected to total $68,700. Therefore, expenses of DES will increase by $221,300 in FY 2026-27 and will decrease to $152,600 each year thereafter. DES will request a General Fund appropriation increase for these expenses.

Department of Natural Resources. This bill will have no fiscal impact on DNR because the duties of the bill can be managed with existing staff and resources.

Department of Parks, Recreation and Tourism. This bill will have no fiscal impact on PRT since the duties required in the bill can be managed within the course of normal agency business.

Public Service Commission. PSC indicates that this bill will increase expenses of the Commission by approximately $270,300 in FY 2026-27. Of this amount, $258,200 is recurring for salary and fringe benefits for 2.0 FTEs to manage the provisions of the bill, and $3,400 is also recurring for IT licenses and support. Non-recurring expenses are expected to total $8,700 for training and miscellaneous equipment. Expenses will decrease to $261,600 beginning in FY 2027-28. PSC notes that the Commission will reclassify two vacant positions but will request an increase in Other Funds authorization to fund the FTEs and non-recurring expenses.

Further, PSC indicates it may also incur additional costs related to the engagement of a qualified independent third party to assist in the preparation of annual reports on the implementation of the bill's requirements to be submitted to the State Regulation of Public Utilities Review Committee and the General Assembly. PSC notes that although the annual cost of similar consulting services historically ranged between approximately $168,000 and $213,000, the cost of the services related to the preparation of the annual report required by the bill is unknown at this time.

Office of Regulatory Staff. ORS indicates that this bill will increase expenses of the agency by $2,139,200 in FY 2026-27. Of this amount, recurring expenses are expected to total approximately $1,989,200, of which $1,739,200 is for salary and fringe benefits for 10.0 FTEs (a Director, two Legal Specialists, six Analysts, and a Finance/Human Resources Administrator) to manage the new responsibilities in the bill, and $250,000 is for consultants. Non-recurring expenses are expected to total $150,000 for consultants to help with the development of performance-based operational efficiency standards for data centers. Expenses will decrease to $1,989,200 beginning in FY 2027-28. The agency further indicates that because data centers are not public utilities subject to the jurisdiction of PSC, it cannot assess Gross Receipts on public utilities regulated by PSC under the provisions of Section 58-4-60. Therefore, ORS indicates it will request an increase in General Fund appropriations to fund these expenses.

ORS further notes the agency will need to hire consultants at a non-recurring expense of $100,000 to evaluate existing cost allocation methodologies as well as rate agreements for data center operators. However, ORS indicates that the non-recurring consulting expense will be paid directly by the regulated utilities pursuant to Section 58-4-100 and will not impact the agency's Other Funds.

State Revenue

This bill states that PSC is responsible for enforcing the provisions in the bill and sets limits on the civil penalties imposed by the Commission on violations of the provisions of the bill. First-time violations shall not result in a civil penalty. However, civil penalties that are imposed shall not exceed $10,000 per day for data centers with a connected load between one and ten megawatts (MW), $25,000 per day for data centers with a connected load between eleven and fifty MW, and $50,000 per day for data centers with a connected load in excess of fifty MW. Therefore, the bill may result in an increase in the fees collected by PSC for violations. However, because these are new requirements and data are not available on the potential number of violations, the increase in revenue is undetermined. As the bill does not specify whether the penalty revenue is retained by PSC, it is unclear whether the increase will be made to the General Fund or to Other Funds of PSC.

Local Expenditure
This bill requires local governments to undertake comprehensive data center planning and establish clear data center development policies. Local governments may impose certain additional, reasonable requirements addressing local concerns through the proper exercise of land use authority. The bill also specifies that local governments retain full authority over zoning, land use, building codes, and other related matters within the jurisdiction of local governments.

RFA contacted all forty-six counties and MASC regarding the potential fiscal impact of the bill. Charleston, Dorchester, and Florence Counties indicate that comprehensive planning and policies for data centers will require either hiring a consultant or additional staff. Florence County further estimates that the one-time cost for a consultant is expected to total $50,000. MASC also indicates that the planning and policy requirements will result in significant costs, particularly to smaller cities and towns with limited staffing and financial resources. Overall, MASC reports that the fiscal impact to municipalities will vary and is therefore undetermined.

Local Revenue
MASC reports that some municipalities where data centers locate may generate offsetting revenues through new tax base growth and elective permit or fee collections. However, where data centers choose to locate and what policies municipalities choose to adopt are unknown. Therefore, the amount of revenue local governments will generate from the bill is undetermined.

Frank A. Rainwater, Executive Director