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| **Bill Number:** | S. 0951 | Introduced on February 24, 2026 |
| Subject: | Safe Homes Act | |
| Requestor: | Senate Banking and Insurance | |
| RFA Analyst(s): | Vesely | |
| Impact Date: | April 7, 2026 | |

## Fiscal Impact Summary

This bill amends the South Carolina Hurricane Damage Mitigation program, known as the SC Safe Home Program. This bill stipulates that grants awarded by the SC Safe Home Program must be used for approved mitigation projects to retrofit an insurable property to resist losses from hurricane, tornado, or other catastrophic windstorm. The director of the Department of Insurance (DOI) must establish criteria for determining financial need and to prioritize grant awards to ensure that program funds are directed toward homeowners who would otherwise be unable to afford the cost of retrofitting their properties without grant assistance, prioritizing applicants with the greatest financial need for assistance in completing hurricane mitigation retrofits. It also increases the insurance premiums tax amount distributed to the SC Safe Homes Program from 1 percent to 5 percent.

DOI anticipates the additional responsibilities required by this bill can be managed with existing staff and within existing resources. However, DOI notes that if the needs-based requirement of this bill conflicts with the Federal Emergency Management Agency (FEMA) nondiscrimination requirement, this bill may result in an increase in Other Funds expenses to pay for disaster mitigation and recovery that is currently paid for by FEMA grant money.

The bill increases the amount of insurance premiums tax collections distributed to the SC Safe Home Program from 1 percent to 5 percent. This change will transfer an additional $10,316,000 in insurance premium tax revenue from the General Fund to the SC Safe Home Program beginning in FY 2026-27.

## Explanation of Fiscal Impact

**Introduced on January 13, 2026**
**State Expenditure**
This bill amends the South Carolina Hurricane Damage Mitigation program, known as the SC Safe Home Program. This bill stipulates that grants awarded by the SC Safe Home Program must be used for approved mitigation projects to retrofit an insurable property to resist losses from hurricane, tornado, or other catastrophic windstorm events.

DOI anticipates the additional responsibilities required by this bill can be managed with existing staff and within existing resources. However, this bill may result in an increase in Other Funds expenses. Currently, a portion of the cost for disaster mitigation and recovery is covered by Federal Funds, specifically FEMA grant money. This bill requires the director of DOI to establish criteria for determining financial need and to prioritize grant awards to ensure that program funds are directed toward homeowners who would otherwise be unable to afford the cost of retrofitting their properties without grant assistance, prioritizing applicants with the greatest financial need for assistance in completing hurricane mitigation retrofits. DOI notes that FEMA grants may not be used to help support any program that discriminates based on race, color, religion, nationality, sex, age, disability, English proficiency, or economic status. DOI has expressed concern that prioritizing the grant awards based on financial need may conflict with the nondiscrimination requirement for the use of FEMA grants. The agency indicates that over $1.5 million are available in FEMA mitigation funds after a Presidentially declared disaster. If the needs-based requirement of this bill conflicts with FEMA's nondiscrimination requirement, the FEMA funds may no longer be used for this program and DOI may need to use state grant funds instead.

**State Revenue**
This bill increases the insurance premiums tax amount distributed to the SC Safe Home Program from 1 percent to 5 percent. Currently, the SC Safe Home program receives premium taxes specifically from the South Carolina Wind and Hail Underwriting Association and 1 percent of insurance premium taxes. DOI reported that in FY 2024-25 the total distribution was $2,985,064, of which $706,334 was from premium taxes specifically from the South Carolina Wind and Hail Underwriting Association and $2,350,117 was from 1 percent of total insurance premiums tax collections.

Based on current insurance premiums tax growth estimates by the SC Board of Economic Advisors, we estimate that increasing the amount of insurance premium taxes that must be credited to the SC Safe Home program from 1 percent to 5 percent will transfer an additional $10,316,000 in insurance premium tax revenue from the General Fund to the SC Safe Home Program beginning in FY 2026-27.

**Local Expenditure**
N/A

**Local Revenue**
N/A

Frank A. Rainwater, Executive Director