



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4686    Introduced on January 9, 2024  
**Author:** Bustos  
**Subject:** Perfluoroalkyl and Polyfluoroalkyl Substances  
**Requestor:** House Agriculture, Natural Resources, and Environmental Affairs  
**RFA Analyst(s):** Griffith  
**Impact Date:** January 19, 2024

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### **Fiscal Impact Summary**

This bill requires the Department of Environmental Services (DES), which is the future agency that will comprise the Environmental Affairs portion of the Department of Health and Environmental Control (DHEC) as well as the Water Resources Division of the Department of Natural Resources (DNR), within 180 days of the effective date of the bill, to promulgate regulations prohibiting the discharge of any contaminant level of perfluoroalkyl and polyfluoroalkyl substances (PFAS) in any waterway or drinking water supply of the state. The bill also gives DES the authority to enforce the regulations, as well as to coordinate with the Department of Agriculture, the Department of Commerce, and the future Department of Public Health (DPH) in the enforcement of these regulations.

PFAS chemicals are widespread in consumer products and potentially used by most businesses and citizens in South Carolina. DHEC expressed that prohibiting the discharge of PFAS chemicals would require regulation of all potential sources and would require legislative changes in numerous state and local regulations. The department also notes that PFAS can be discharged into our state from sources in neighboring states and via rainfall, although the exact amount has not been determined yet.

Additionally, based on our research, PFAS are not currently regulated by the US Environmental Protection Agency (EPA), but the national agency has begun to study, collect data, and provide reports and memos to help states begin addressing PFAS contamination in water systems. As the process of creating water quality standards is lengthy and is still in its initial stages at the national level, viable and cost-effective technology to destroy these chemicals from effluents have not been fully developed to prevent chemicals from re-entering the environment. Given the expansive nature of the ban of PFAS, the cost to develop and implement regulations cannot be estimated at this time. Therefore, the expenditure impact on DES is undetermined.

The Department of Agriculture and the Department of Commerce do not anticipate an expenditure impact because coordination with other agencies can be accomplished within the normal course of agency business. We anticipate that there will also be no fiscal impact to DPH because we expect coordination with other agencies can be accomplished within the normal course of business.

## Explanation of Fiscal Impact

**Introduced on January 9, 2024**

### **State Expenditure**

This bill requires DES, within 180 days of the effective date of the bill, to promulgate regulations prohibiting the discharge of any contaminant level of PFAS, including perfluorooctanoic acid and perfluorooctane sulfonate, in any waterway or drinking water supply of the state. The bill also gives DES the authority to enforce the regulations, as well as to coordinate with the Department of Agriculture, the Department of Commerce, and the future DPH, which is the agency that will comprise the Healthcare Quality and Health Promotion & Services portions of DHEC, in the enforcement of these regulations.

**Department of Environmental Services.** DES will be created on July 1, 2024, and will be comprised of the divisions, offices, and programs of DHEC that perform functions related to regulation and protection of the environment, as well as of the former Water Resources Division of DNR. Therefore, we contacted DHEC to estimate the potential fiscal impact of the bill.

PFAS chemicals are widespread in consumer products and potentially used by most businesses and citizens in South Carolina. DHEC expressed that prohibiting the discharge of PFAS chemicals would require regulation of all potential sources and would require legislative changes in numerous state regulations (air quality, contaminated site cleanups, resource conservation and recovery, clean water and drinking water programs, among others). Further, the prohibition on these chemicals would necessitate regulatory requirements on city and county wastewater treatment plants, landfills, and businesses. PFAS chemicals are also discharged into our watershed basins and waterways from sources in neighboring states and via rainfall, although the exact amount has not been determined yet.

Additionally, based on our research, PFAS are not currently regulated by the EPA, but the national agency has begun to study, collect data, and provide reports and memos to help states begin addressing PFAS contamination in water systems. As the process of creating water quality standards is lengthy and is still in its initial stages at the national level, viable and cost-effective technology to destroy these chemicals from effluents have not been fully developed to prevent chemicals from re-entering the environment. Given the expansive nature of the ban of PFAS, the cost to develop and implement regulations cannot be estimated at this time. Therefore, the expenditure impact on DES is undetermined.

**Department of Public Health.** DPH will be created on July 1, 2024, and will be responsible for the divisions, offices, and programs of DHEC that perform functions related to regulation and protection of the public health, with the exception of the Food Safety Program. We anticipate that there will be no fiscal impact to DPH because we expect coordination with other agencies can be accomplished within the normal course of business.

**Department of Agriculture.** The department does not anticipate an expenditure impact from this bill because coordination with other agencies can be accomplished within the normal course of business.

**Department of Commerce.** The department does not anticipate an expenditure impact from this bill because coordination with other agencies can be accomplished within the normal course of business.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director