



**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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<b>Bill Number:</b>	S. 0700	Signed by Governor on May 21, 2024
<b>Author:</b>	Davis	
<b>Subject:</b>	Earned Wage Access Services Act	
<b>Requestor:</b>	Senate	
<b>RFA Analyst(s):</b>	Tipton	
<b>Impact Date:</b>	May 23, 2024	

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### **Fiscal Impact Summary**

This bill establishes the South Carolina Earned Wage Access Services Act and specifies requirements, limitations, and certain exemptions for earned wage access services providers. Under the bill, earned wage access service providers must be registered with the Department of Consumer Affairs (DCA) to do business in the state, and the bill specifies requirements of DCA in their administration and oversight of these providers. The bill requires earned wage access service providers to remit an annual registration fee of \$1,000 to the department along with other specified information regarding the overall utilization of earned wage access services among consumers in the state. DCA is required to create an annual report on this information which must be made available to the public. In the event that a provider has been found to be in violation of the bill, DCA is authorized to issue an order requiring the provider to cease and desist, require the provider to pay an administrative penalty or issue a refund to the consumer, or suspend the provider's registration. The earned wage access service provider may appeal this order before the Administrative Law Court (ALC) pursuant to the Administrative Procedures Act. This bill is effective six months after approval by the Governor.

We anticipate that this bill will have no expenditure impact on the ALC, as any appeal of a DCA order by an earned wage access service provider under the bill is expected to be managed within the normal course of business for the ALC.

DCA anticipates that the cost to the agency to provide oversight and regulation of earned wage access service providers will be covered by the registration fee revenue created by the bill and managed by existing staff.

DCA indicates that approximately 10 earned wage access service providers are expected to register on an annual basis pursuant to the bill which will increase Other Funds revenue for the department by approximately \$10,000 beginning in FY 2024-25. Additionally, the department has the authority to levy an administrative penalty on an earned wage access service provider that has been found to be in violation of the bill, which may result in additional Other Funds revenue for DCA in future years.

## Explanation of Fiscal Impact

Signed by Governor on May 21, 2024

### State Expenditure

This bill establishes the South Carolina Earned Wage Access Services Act and specifies requirements, limitations, and certain exemptions for earned wage access service providers. The bill defines earned wage services providers as those in the business of delivering a consumer's salary, wages, compensation, or other income prior to the date on which the consumer's employer or other obligor is required to pay. Under the bill, earned wage access service providers must be registered with DCA to do business in the state, and the bill specifies requirements of DCA in their administration and oversight of these providers. The bill requires earned wage access service providers to remit an annual registration fee of \$1,000 to the department and also provide other specified information regarding the overall utilization of earned wage access services by consumers in the state. In the event that a provider has been found to be in violation of the bill, DCA is authorized to issue an order requiring the provider to cease and desist, require the provider to pay an administrative penalty or issue a refund to the consumer, or suspend the provider's registration. The earned wage access service provider may appeal this order before the ALC pursuant to the Administrative Procedures Act. This bill is effective six months after approval by the Governor.

This bill allows earned wage access service providers to appeal an order from DCA before the ALC. We anticipate that any additional caseload as a result will take place under normal court business, and therefore, this bill will have no expenditure impact on the ALC.

DCA indicates that any cost to the agency to provide oversight and regulation of earned wage access service providers will be covered by the registration fee revenue created by the bill and managed by existing staff.

### State Revenue

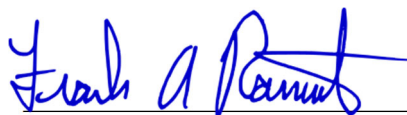
The bill requires earned wage access service providers to remit an annual registration fee of \$1,000 to DCA, and also provides the department with the authority to levy an administrative penalty on an earned wage access service provider that has been found to be in violation of the bill. DCA indicates that approximately 10 earned wage access service providers are expected to register on an annual basis pursuant to the bill which will increase Other Funds revenue for the department by approximately \$10,000 beginning in FY 2024-25. Depending on future violations and resulting administrative penalties, actual Other Funds revenue for the department may be greater in future years.

### Local Expenditure

N/A

### Local Revenue

N/A



Frank A. Rainwater, Executive Director