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AGENCY CODE:	E080	SECTION:	096

AGENCY’S DISCUSSION AND ANALYSIS

Statutory Duties

The Office of the Secretary of State is mandated by the South Carolina Code of Laws to serve as the state filing office for business corporations, nonprofit corporations, limited partnerships, limited liability partnerships, and limited liability companies, as well as for all Uniform Commercial Code Article 9 secured transaction filings. The Secretary of State also serves as the agent for service of process for corporations that do not have authority to transact business in South Carolina, and serves as registered agent as otherwise provided by statute. In addition, the Secretary of State’s Office examines and files state trademarks; registers structured settlement purchase companies, business opportunities, and employment agencies; and issues commissions for notaries public, elected officials, and those appointed by the Governor. The Secretary of State’s Office is responsible for issuing all statewide cable franchises and serves as the repository for several types of municipal filings. The office handles the incorporation of municipalities and special purpose districts, the annexations of land, and the escheatment of real property in South Carolina. Finally, the Secretary of State’s Office protects charitable donors by regulating charitable organizations, professional fundraisers, and nonprofit raffles.

Mission Statement

The mission of the Secretary of State’s Office is to provide innovative technology to enhance the transaction of business in the state, to serve the business community and members of the public with prompt and efficient customer service, to protect the charitable donors of South Carolina, and to fulfill all other statutory duties of the office.

The South Carolina Code requires the Secretary of State to serve as the filing agent for several types of documents, as noted in the table below:

Agency Division	Work Processes	Processed in FY 2024-25
Business Filings	UCC Filings	122,251
	Corporate Filings	146,834
	Document Requests	239,423
Public Charities	Charity Registrations	18,494
	Charity Annual Financial Reports	23,959
	Charity Financial Report Extensions	10,576
	Professional Fundraiser Registrations	1,226
	Fundraiser Contracts & Financial Reports	2,147
	Raffle Registrations & Financial Reports	1,915
Notaries, Boards and Commissions	Notary Public Filings	21,524
	Apostilles & Authentications	14,436
	State Board & Commission Appointments	1,714

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	Oaths & Commissions for Constables, SLED Agents, Department of Natural Resources & Other Law Enforcement Officers	473
	Ratified Acts & Executive Orders	163
Trademarks	Trademark, Service Mark & Livestock Brand Registrations	645
Service of Process	Service of Process Requests	1,164
Municipalities	Annexation Filings	452
	Cable Franchise Filings	22
	Special Purpose Districts	173

As the state’s repository for these official filings, the Secretary of State’s Office continues to make technology enhancements a top priority. The goal of these enhancements is threefold: maintaining the highest levels of customer service and accessibility; improving the efficiency and productivity of our staff; and protecting the data and infrastructure of the agency.

Technology Enhancements and Cybersecurity

The Information Technology (IT) Division is integral in providing online and internal applications for customers and staff, as well as ensuring that the agency has the infrastructure and security to operate. This fiscal year, the IT Division continued its mission to expand and improve online filing technology for our charities, business filings, and notary customers, as well as create and enhance internal applications to increase staff productivity. The Deputy Secretary and Division Directors work closely with IT staff on new application development. For example, in FY 2024-25, the IT Division worked with the Legal Division and an external vendor to develop an online filing application for trademarks, service marks, and livestock brands. This new application will launch in FY 2025-26.

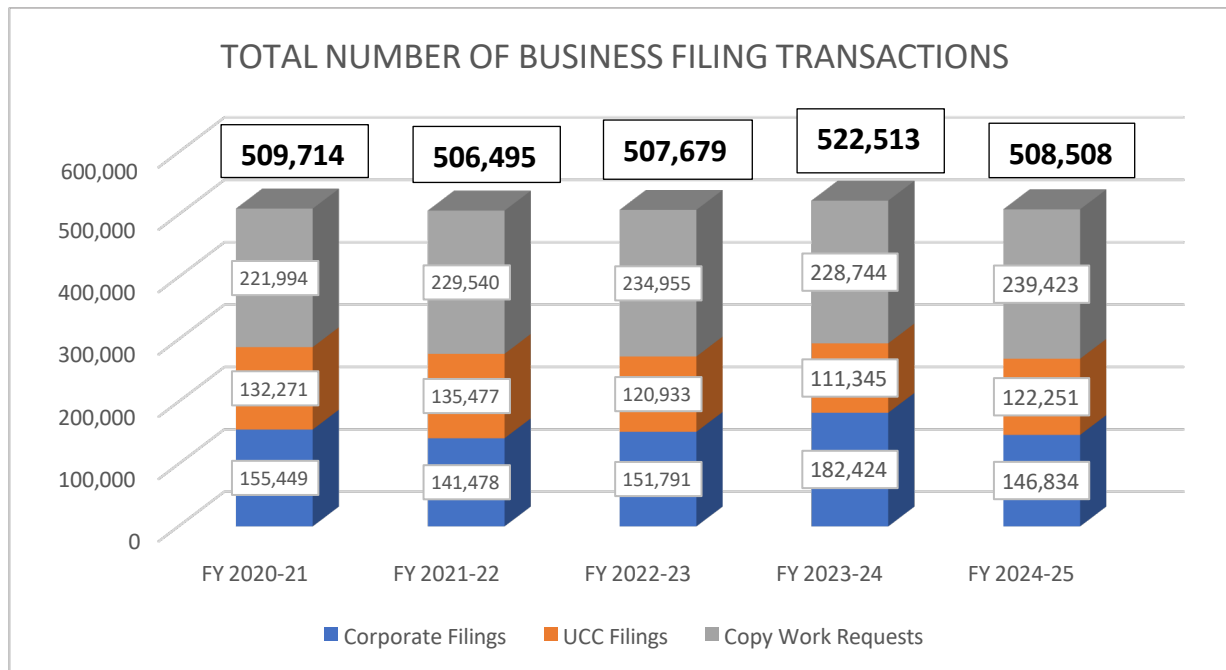
In FY 2024-25, the IT Division implemented an in-house credit card payment application and a point of sale (POS) system for walk-in apostille and authentication customers. Additionally, the IT Division developed and launched a system to allow notary public applicants to pay application fees by credit card. These new functionalities will benefit customers improve efficiency as more people move away from traditional payment methods.

Cybersecurity continues to remain a challenge, and in FY 2024-25, the IT Division met this threat head on by providing continuous security updates to firewalls, servers, and PCs. The IT Division remains vigilant in its support of both in-house and customer-facing technology for the benefit of staff and members of the public. As the office continues to expand online services offered, maintaining IT infrastructure remains more critical than ever for protecting data and serving customers.

Business Filings Division

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In FY 2024-25, the Secretary of State’s Business Filings Division continued to experience a high level of volume. While the number of Uniform Commercial Code filings increased by 9.3%, from 111,342 filed in FY 2023-24, to 122,251 filed in FY 2024-25, the number of corporate filings decreased by 19.5%, from 182,424 filings in FY 2023-24, to 146,834 filed in FY 2024-25. The total number of document requests for FY 2024-25 was 234,955, up by 4.7% from the 228,744 requests received in FY 2023-24.



Secretary Hammond remains committed to providing online filing capabilities which are critical for our customers. With continuous enhancements to the Business Entities Online Filing, Search, and Retrieval System, online filings remained steady at nearly 90% in FY 2024-25. The Business Entities Online system allows businesses to file corporate documents online and receive filed copies electronically from any location, at any time. With the Uniform Commercial Code (UCC) Filing, Search and Document Retrieval System, nearly 92% of documents were filed online. In addition to providing online services, the Secretary of State’s Office continues to assist phone and walk-in customers. In FY 2024-25, the Business Filings Division served 61,833 phone customers and 3,692 walk-in customers.

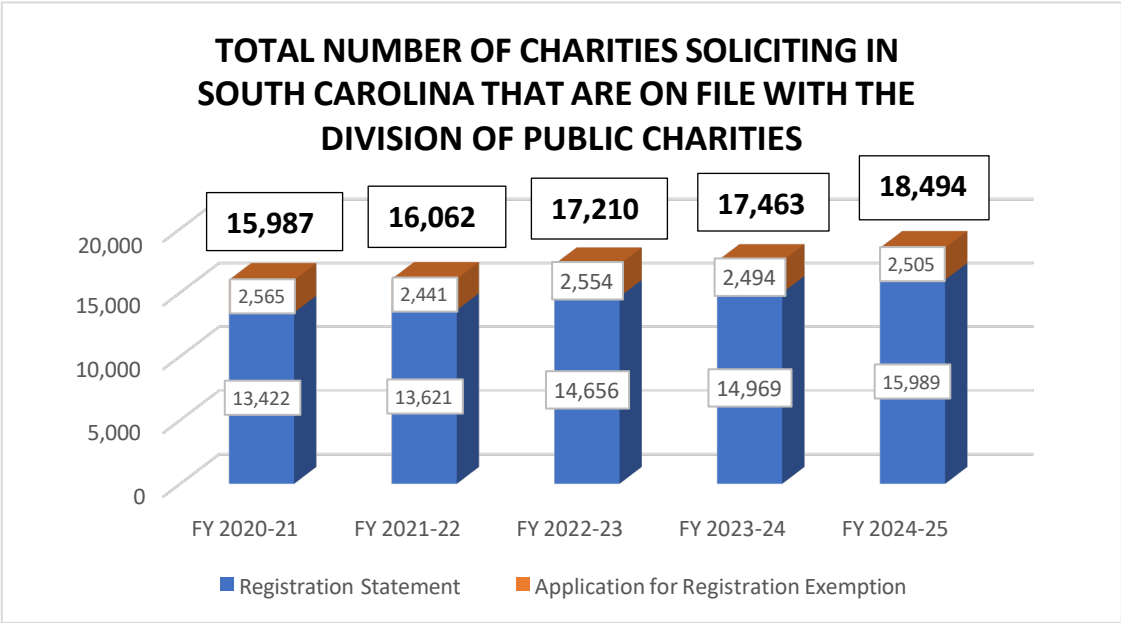
Division of Public Charities—Filings, Enforcement, and Donor Education

As administrator of the South Carolina Solicitation of Charitable Funds Act, Secretary Hammond remains committed to promoting transparency in charitable giving and protecting South Carolina’s donors. Under the Act, the mission of the Secretary of State’s Public Charities

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Division is to (1) efficiently register all charitable organizations and professional fundraisers soliciting in the state of South Carolina; (2) review all financial reports submitted by registered charities and fundraisers, and make this information available to the public; and (3) investigate and prosecute all violations of the Solicitation of Charitable Funds Act.

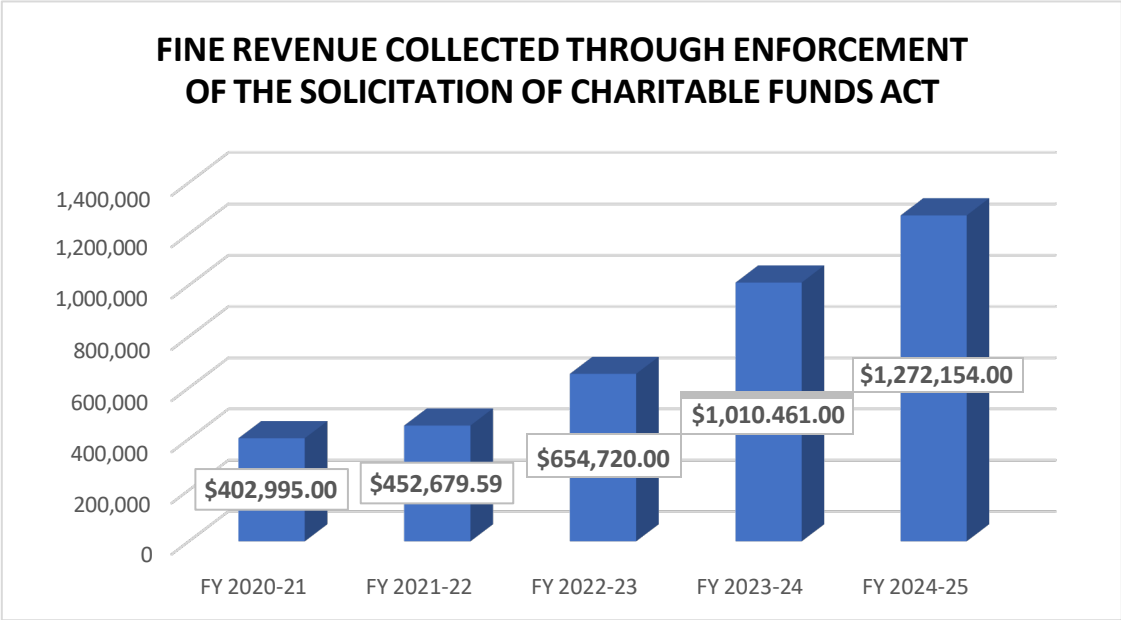
In FY 2024-25, 18,494 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State’s Division of Public Charities. These included 1,728 initial charity registrations. Of all registration filings, 86.1% were filed using the Secretary of State’s Online Charities System. Also, 73.6% of raffle registrations were filed online and 53% of professional fundraiser registrations were filed online. Additionally, the Division of Public Charities filed 23,959 annual financial reports and 10,576 financial report extensions for charities. The Charities Division filed 3,373 professional fundraiser registrations, fundraising contracts, and joint financial reports. In FY 2024-25, 768 nonprofit organizations filed raffle registrations. The Charities Division assisted 19,870 customers via telephone and 491 walk-in customers.



During FY 2024-25, Secretary Hammond continued to bring enforcement actions against charities and professional fundraisers violating the Solicitation of Charitable Funds Act and law governing nonprofit raffles. The Secretary of State’s Office collected \$1,272,154.00 in fine revenue in FY 2024-25, a 23.1% increase over the prior fiscal year. The Secretary of State’s Office was successful in seeking injunctive relief against charitable organizations, filing 31 petitions with the South Carolina Administrative Law Court. Of these petitions, 30 were filed against in-state charities. The Secretary of State’s Investigations Division opened 501 cases involving charities, professional fundraisers, and raffles. Additionally, the Investigations Division reviewed 3,802 expired and terminated charities, and issued 386 registration violations

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as a result. Through the work of the Investigations Division, 228 suspended charitable organizations were brought back into compliance this fiscal year.



The Give Smart SC mobile app continued to provide donors the option to search charities registered to solicit in South Carolina, review registered charities’ annual financial reports along with the percentage of program revenue used toward their charitable purposes, and submit complaints against suspect charities directly from their smartphone. The Online Charitable Solicitation Complaint Form continues to be an important tool in the enforcement of the Solicitation of Charitable Funds Act and law governing nonprofit raffles. This application allows consumers to submit confidential complaints regarding charitable organizations, professional fundraisers, and raffles directly through the Secretary of State’s website and the Give Smart SC app. In FY 2024-25, investigative staff received 897 charity-related complaints, an increase of 13.3% over the prior fiscal year. Of these complaints, 168 were submitted online.

Secretary Hammond believes that donor education is central to fostering a culture of wise charitable giving. In addition to information provided through the Give Smart SC app, the Secretary of State’s Office maintained search engines for charities, professional fundraisers, and raffles on its website. These search engines allow donors to look up registered organizations and review the most recent financial information filed with the Division of Public Charities. Furthermore, the agency issued its annual public service announcement during the holiday season to promote wise charitable giving and notify the public of the online services offered by the Charities Division, including the Give Smart SC app.

In conjunction with these donor education initiatives, Secretary Hammond recognized 10 “Angel” charities for their service to the State of South Carolina and efficient use of donor

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contributions in November 2024. In FY 2024-25, Secretary of State’s Office staff conducted 26 speaking presentations and trainings on the Solicitation of Charitable Funds Act and nonprofit raffles to a variety of organizations. Secretary Hammond is invested in educating the citizens of South Carolina to give wisely in order to protect their wallets and maximize the impact of their charitable contributions.

Trademarks Division and Counterfeit Goods Enforcement

The Secretary of State’s Office is the agency responsible for examining and filing all state trademarks, service marks, livestock brands and earmarks. In FY 2024-25, the office approved 645 initial, renewal, or assignment trademark applications. To assist trademarks customers, the Secretary of State’s Office maintains an online listing of trademarks and service marks registered with the Secretary of State. The list is updated daily and includes the name of the trademark or service mark, the relevant goods or services and class numbers, the applicant’s name, and the expiration date of the mark. The Secretary of State’s Office also maintains an online listing of livestock brands and earmarks that is updated daily. These listings make it easier for customers to determine the availability of a mark, and improves the efficiency of the Trademarks Division by reducing the number of calls received from customers. In early FY 2025-26, the Secretary of State’s Office will launch a new in-house and online trademark, service mark and livestock brands system application. Customers will be able to submit trademark applications and file assignments online, and receive their trademark certificates electronically.

The Secretary of State’s Office continued to assist law enforcement on the local, state, and federal level to investigate and prosecute counterfeit trafficking in South Carolina. In FY 2024-25, the Secretary of State’s Office opened 30 counterfeit investigations, and participated in investigations that led to seven arrests, 37 cease-and-desist orders, and the seizure of \$1,682,287 in counterfeit merchandise. The Secretary of State’s Investigations Division assisted the United States Department of Homeland Security by serving as experts in identification of counterfeit goods. As a result of these efforts, the Investigations Division was able to assist with the interception of \$607,942 in counterfeit goods before it was circulated in South Carolina.

In FY 2024-25, the Secretary of State’s Office conducted a statewide training in conjunction with the International Anti-Counterfeiting Coalition (IACC). This training covered intellectual property identification and investigations, and was accredited by the South Carolina Criminal Justice Academy. The training had over 80 attendees comprised of personnel from local and state law enforcement agencies.

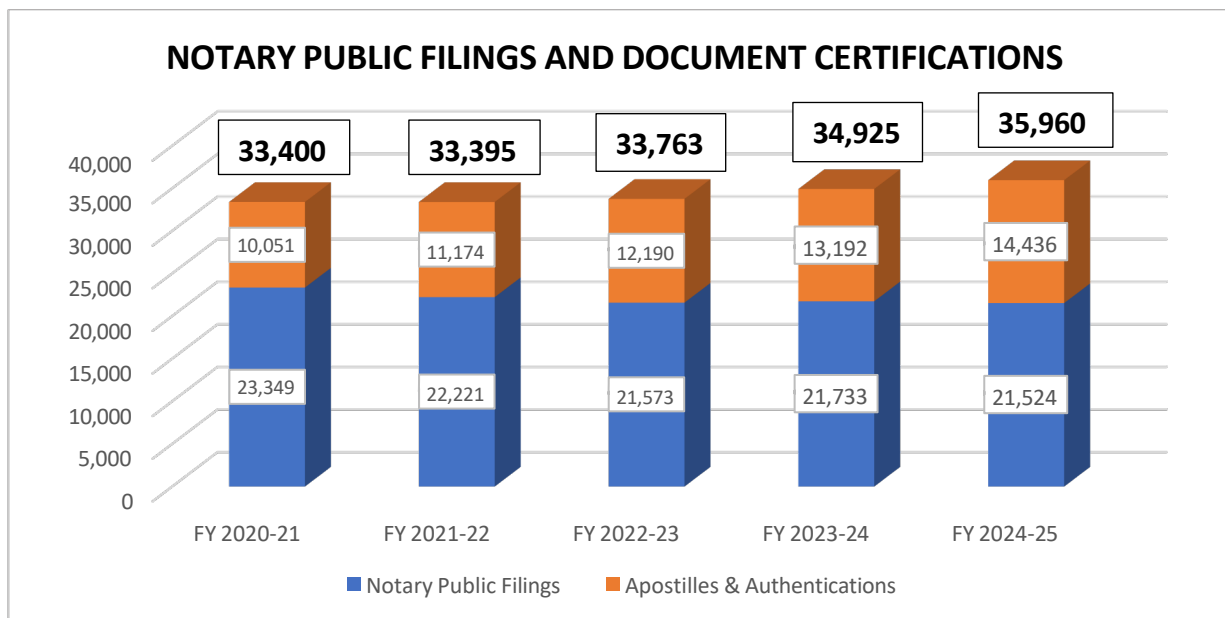
Division of Notaries Public, Boards and Commissions, and Authentications

The Secretary of State is the public official charged with commissioning notaries public in the State of South Carolina. Notaries public play an important role in the prevention of fraud. In FY

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2024-25, the Secretary of State commissioned 16,353 notaries public, 6,554 of whom renewed their commissions. As of June 30, 2025, there were a total of 159,618 commissioned notaries public in South Carolina, and 110 notaries registered as electronic notaries. This fiscal year, Secretary Hammond hosted three in-person notary public seminars around the state, in addition to providing a virtual seminar online.

The Secretary of State’s Notaries Division processes apostilles and authentications daily for our customers who seek this service for adoption records, school records and transcripts, vital records, background checks and travel documents. The Notaries Division issued 14,074 apostilles and authentications in FY 2024-25, a 6.7% increase from FY 2023-24. Furthermore, the Notaries Division received 10,731 phone calls and had 3,599 walk-in customers. With the implementation of new online notary status change options, 1,822 of the 2,296 notary name and/or address changes were submitted online. Of the 632 requests for a duplicate notary commission, 585 requests were submitted online, and of the 136 notary resignation filings, 84 were filed online. Additionally, 110 notaries public were registered as electronic notaries as of June 30, 2025.



Notaries Division staff continues to update the state boards and commissions online database that launched in 2014. The online system has benefited members of the public interested in serving on state boards and commissions, and the appointing authorities as well, by providing up-to-date information on current board members, expired terms, and vacancies. The Notaries Division also is responsible for maintaining all Executive Orders of the Governor and Ratified Acts of the General Assembly.

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Risk Assessment and Mitigation Strategies

The Secretary of State’s Office is integral in the transaction of business in the state. The duties of the office are mandated by statute. Failing to accomplish our goals and objectives would have a detrimental impact on business and the economy in South Carolina, since articles forming, amending, and dissolving businesses are filed in the Secretary of State’s Office. The customers we serve include individual members of the public, business entities, nonprofits, lending institutions, the legal community, accountants, state agencies, and members of the legislative and executive branches of government.

In addition to affecting the business community, failing to meet our goals and objectives would impact charitable donors in the State of South Carolina. The Secretary of State is tasked with promoting transparency and accountability through the Solicitation of Charitable Funds Act, and taking enforcement actions against violators of the Act. The Secretary of State’s Office also works alongside the General Assembly and Governor’s Office by filing Ratified Acts and Executive Orders, as well as commissioning public officials.

In order to ensure that the Secretary of State’s Office meets its goals and objectives, the General Assembly could provide the following to ensure that the office does not face a crisis in delivering services:

1. Permit the Secretary of State’s Office to maintain additional revenue collected from other funds to assist with the operations of the office with increased spending authorization.
2. Provide needed resources by increasing the agency’s General Fund appropriations. In FY 2024-2025, the Secretary of State returned \$13,430,891 to the State General Fund, while receiving state appropriations of only \$1,568,202. Increasing General Fund appropriations would allow the office to have adequate funds for projects critical in meeting the mission of the agency and to retain staff.

Restructuring Recommendations

The Secretary of State’s Office has no restructuring recommendations at this time.

Conclusion

Throughout his tenure as South Carolina’s Secretary of State, Secretary Hammond has remained committed to providing exemplary customer service to the public while fulfilling the many statutory duties of the office. He continues to strive toward this goal through cross-training of staff and enhancing the technological services of the office. Secretary Hammond remains committed to educating the public about the services offered by the agency, maintaining South Carolina’s business friendly environment, and promoting transparency and accountability in charitable giving.