



Finance, Administration, and Economic Development Committee

Beaufort County, SC

This meeting will be held both in person at the County Council Chambers, 100 Ribaut Road, Beaufort, and virtually through Zoom.

Monday, October 16, 2023

3:00 PM

AGENDA

COMMITTEE MEMBERS:

**MARK LAWSON, CHAIRMAN
DAVID P. BARTHOLOMEW
YORK GLOVER**

**ANNA MARIA TABERNIK, VICE-CHAIR
GERALD DAWSON
JOSEPH F. PASSIMENT, EX-OFFICIO**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. PUBLIC NOTIFICATION OF THIS MEETING HAS BEEN PUBLISHED, POSTED, AND DISTRIBUTED IN COMPLIANCE WITH THE SOUTH CAROLINA FREEDOM OF INFORMATION ACT
4. APPROVAL OF AGENDA
- [5.](#) APPROVAL OF MINUTES- August 21, 2023 and August 28, 2023
- 6. CITIZEN COMMENT PERIOD- 15 MINUTES TOTAL**

Anyone who wishes to speak during the Citizen Comment portion of the meeting will limit their comments and speak no longer than three (3) minutes. Speakers will address Council in a respectful manner appropriate to the decorum of the meeting, refraining from the use of profane, abusive, or obscene language. In accordance with Beaufort County's Rules and Procedures, giving of a speaker's time to another is not allowed.

7. UPDATE FROM ASSISTANT COUNTY ADMINISTRATOR DALE BUTTS
- [8.](#) DISCUSSION AND PRESENTATION OF YEAR TO DATE FINANCIAL STATEMENTS FOR THE ENTERPRISE FUNDS FOR FY 2023 - *Denise Christmas, Interim Deputy County Administrator*

AGENDA ITEMS

- [9.](#) DISCUSSION OF STATE AND LOCAL ACCOMMODATIONS TAX FUNDS - *Tom Keaveny, County Attorney*
- [10.](#) RECOMMEND APPROVAL OF AN ORDINANCE TO AMEND BEAUFORT COUNTY'S FISCAL YEAR 2024 BUDGET ORDINANCE (ORDINANCE NO. 2023/22) TO PROVIDE ROLLOVER APPROPRIATIONS IN THE

AMOUNT OF \$3,432,768 FROM THE CAPITAL IMPROVEMENT FUND (ACCOUNT NO. 1040) FOR CAPITAL IMPROVEMENT PROJECTS APPROVED BUT NOT COMPLETED IN FISCAL YEAR 2023 (**FISCAL IMPACT: This will increase the Capital Improvement Fund's budget from \$21,232,455 to \$24,665,223. There will be a balance of \$703,423 remaining in Fund Balance should 100% of all budgeted line items be expended FY'24**) - Denise Christmas, Interim Deputy County Administrator

11. RECOMMEND APPROVAL OF AN ORDINANCE ADOPTING AMENDMENTS TO THE BUSINESS AND PROFESSIONAL LICENSES ORDINANCE CHAPTER 18, ARTICLE III, SECTION 18-67 (A) (B), APPENDIX A&B (**FISCAL IMPACT: Updated Rate Schedule will have a minor fiscal revenue impact.**) - Chuck Atkinson, ACA Development & Recreation Division

12. RECOMMEND APPROVAL OF AN ORDINANCE RATIFYING THE SALARIES FOR VARIOUS ELECTED OFFICIALS AND TO AMEND SECTION 2-347 OF THE BEAUFORT COUNTY CODE OF LAWS ESTABLISHING THE SALARIES FOR VARIOUS ELECTED AND APPOINTED OFFICIALS (**FISCAL IMPACT: Potential salary amounts owed totals \$45,417.78 to be paid from the payroll contingency account**) - Katherine Mead, Human Resources Director

Vote at First Reading on September 25, 2023 - (send back to Finance, Administration, and Economic Development Committee) 6:4

13. RECOMMEND APPROVAL OF A RESOLUTION TO APPROVE RECOMMENDATIONS TO AWARRD FY24 COMMUNITY SERVICES GRANT PROGRAM FUNDS IN THE AMOUNT OF \$398,000 TO COMMUNITY SERVICES ORGANIZATIONS (**FISCAL IMPACT: Awarding \$398,000 of funds which Council appropriated in FY24 to community services organizations- account 10001598-556600 Together for Beaufort County/Public Welfare Subsidies**) - Audra Antonacci-Ogden, ACA Community Services

14. AGENCIES, BOARDS, AND COMMISSIONS APPOINTMENTS & REAPPOINTMENTS - (Board of Assessment Appeals, Planning Commission, & Disabilities and Special Needs)

15. ADJOURNMENT

TO WATCH COMMITTEE OR COUNTY COUNCIL MEETINGS OR FOR A COMPLETE LIST OF AGENDAS AND BACKUP PACKAGES, PLEASE VISIT:

<https://beaufortcountysc.gov/council/council-committee-meetings/index.html>



Finance, Administration, and Economic Development Committee

Beaufort County, SC

This meeting was held both in person at the County Council Chambers, 100 Ribaut Road, Beaufort, and virtually through Zoom.

Monday, August 21, 2023

3:00 PM

MINUTES

Watch the video stream available on the County's website to hear the Council's discussion of a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/269659>

1. CALL TO ORDER

Committee Chairman Lawson called the meeting to order at 3:00 PM.

PRESENT

Chairman Mark Lawson
 Vice-Chairman Anna Maria Tabernik
 Council Member David P. Bartholomew
 Council Member Gerald Dawson
 Ex-Officio Joseph F. Passiment
 Council Member Logan Cunningham
 Council Member Paula Brown
 Council Member Alice Howard
 Council Member Lawrence McElynn
 Council Member Thomas Reitz (arrived late)

ABSENT

Council Member York Glover

2. PLEDGE OF ALLEGIANCE

Committee Chairman Lawson led the Pledge of Allegiance.

3. FOIA

Committee Chairman Lawson noted that public notification of this meeting had been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

4. APPROVAL OF AGENDA

Motion: It was moved by Council Member Passiment, seconded by Council Member Dawson, to approve the agenda.

The Vote - The motion was approved without objection.

5. APPROVAL OF MINUTES

Motion: It was moved by Committee Vice-Chair Tabernik, seconded by Council Member McElynn, to approve the minutes of May 8, 2023, May 15, 2023, and June 19, 2023.

The Vote - The motion was approved without objection.

6. CITIZEN COMMENT PERIOD

No citizen comments.

7. DIVISION UPDATE FROM ASSISTANT COUNTY ADMINISTRATOR, DALE BUTTS

Please view the video stream on the County's website for the full discussion.

<https://beaufortcountysc.new.swagit.com/videos/269659?ts=103>

Assistant County Administrator Dale Butts provided an update on the county-wide mail-out of assessment notices and appeals assistance to be offered by the Assessor's Office at public libraries starting on October 3rd. ACA Butts also highlighted that beginning in September, monthly financial reports with department expenditures will be presented during Committee meetings. ACA Butts noted that the County's financial reports and a spending portal are publicly available on the County's website.

Committee Vice-Chair Tabernik commented that the website allows users to select the fiscal year and that the current fiscal year is 2024.

Council Members Howard and McElynn expressed their appreciation for the assistance provided to constituents.

8. RECOMMEND OF APPROVAL OF AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO

Please view the video stream on the County's website for the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/269659?ts=269>

Sara Weathers, Associate with Pope Flynn, briefed the Committee on the proposed issuance of general obligation bonds, the use of funds for emergency preparedness and strengthening resiliency, and the approval process through the County Council and the Hilton Head Public Service District (PSD).

Pete Nardi, General Manager of the Hilton Head PSD, provided an overview of the PSD's functions, governance, and planned projects. During the presentation, Mr. Nardi highlighted the \$17 million estimated cost to complete projects, with \$10 million coming from the SC Infrastructure Investment Program and \$7 million as a local match.

Council Member McElynn asked when the millage increase would be implemented. Mr. Nardi replied that an increase would be expected in 2025.

Committee Chairman Lawson requested additional information on the financing for the planned projects, given the bond request for \$23 million. Mr. Nardi clarified that the bond would cover the estimated local match, as designing, permitting, and bidding of the projects would need to be done to understand the actual costs. Ms. Weathers added that the bond can only be spent on the projects listed in the ordinance and would cover 3 to 5 years.

Council Member Passiment asked about Hilton Head PSD's previous request for \$1 million in ARPA funds. Mr. Nardi explained that the funding request was originally for a generator and a new water booster station, but the funding only covered the booster station.

Council Member McElynn asked if the local match had to be for the entire grant amount. Mr. Nardi clarified that 15% was the minimum local match required and explained Hilton Head PSD's decision to have a 42% local match to create a more competitive application.

Motion: It was moved by Council Member McElynn, seconded by Council Member Brown, to recommend approval of an ordinance authorizing the Hilton Head No. 1 Public Service District, South Carolina to issue not exceeding \$23,000,000 of general obligation bonds; and provide for other matters related thereto.

The Vote - The motion was approved without objection.

9. RECOMMEND APPROVAL OF A RESOLUTION ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO

Motion: It was moved by Council Member McElynn, seconded by Council Member Cunningham, to recommend approval of a resolution ordering a public hearing to be held on the issuance of not exceeding \$23,000,000 aggregate principal amount of general obligation bonds of the Hilton Head No. 1 Public Service District, South Carolina; providing for the publication of the notice of such public hearing; and other matters related thereto.

The Vote - The motion was approved without objection.

10. AGENCIES, BOARDS, AND COMMISSIONS APPOINTMENTS & REAPPOINTMENTS

Please view the video stream on the County's website for the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/269659?ts=1375>

Design Review Board: Recommend approval of the appointment of Kris Feldmann to the Design Review Board for a partial term with the expiration date of February 2024; Recommend approval of the appointment of Eric Walsnovich to the Design Review Board for a four-year term with the expiration date of August 2027.

Airports Board: Recommend approval of the appointment of James Starnes to the Airports Board for a two-year term with the expiration date of August 2025; Recommend approval of the appointment of Rich Sells to the Airports Board for a two-year term with the expiration date of August 2025.

Planning Commission: recommend approval of the appointment of Eugene Meyers to the Planning Commission for a partial term with the expiration date of February 2025.

Item 10 was voted on as a package.

Motion: It was moved by Council Member Howard, seconded by Council Member McElynn, to recommend approval of the appointments to the Design Review Board, Airports Board, and Planning Commission.

Discussion: Council Member Bartholomew asked who conducted the interviews for these appointments. The Committee discussed which Council Members helped conduct the interviews.

The Vote - The motion was approved without objection.

Frank Turano, Hilton Head PSD Chairman, thanked the Committee for their forward thinking and emphasized the importance of proactively addressing future water availability issues.

11. EXECUTIVE SESSION

PURSUANT TO S.C. CODE SECTION 30-4-70(A)(2): DISCUSSION OF NEGOTIATIONS INCIDENT TO PROPOSED CONTRACTUAL ARRANGEMENTS (DAUFUSKIE ISLAND FERRY)

PURSUANT TO S. C. CODE SECTIONS 30-4-70(A)(2) AND (A)(1) TO RECEIVE LEGAL ADVICE COVERED BY THE ATTORNEY-CLIENT PRIVILEGE RELATING TO THE APPOINTMENT OF PERSONS TO A PUBLIC BODY AND DISCUSSION OF THE APPOINTMENTS OF SUCH PERSONS (2024 SUPER-PENNY ADVISORY BOARD)

PURSUANT TO S.C. CODE SEC. 30-4-70(A)(2) TO RECEIVE LEGAL ADVICE REGARDING PROPOSED CONTRACTUAL ARRANGEMENTS AND PROPOSED PURCHASE OF REAL PROPERTY (COTTON HALL)

Motion: It was moved by Committee Vice-Chair Tabernik, seconded by Council Member Tabernik, to enter into executive session.

The Vote - The motion was approved without objection.

The executive session started at 3:29 PM and ended at 4:34 PM.

12. MATTERS ARISING OUT OF EXECUTIVE SESSION

Please view the video stream on the County's website for the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/269659?ts=1698>

Committee Chairman Lawson provided an overview of the Cotton Hall purchase. He explained that the Council had approved \$4.5 million for the purchase but had expected to receive a \$1.5 million grant from the South Carolina Conservation Bank. He noted that the County actually received \$1 million from the Conservation Bank but was planning to move forward with the purchase because it was still within the approved \$4.5 million amount.

13. ADJOURNMENT

Adjourned: at or around 4:36 PM

Ratified:



Special Called Finance, Administration, and Economic Development Committee Meeting Beaufort County, SC

This meeting was held both in person at the County Council Chambers, 100 Ribaut Road,
Beaufort, and virtually through Zoom.

**Monday, August 28, 2023
1:30 PM**

MINUTES

Watch the video stream available on the County's website to hear the Council's discussion of a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/270320>

1. CALL TO ORDER

Committee Chairman Lawson called the meeting to order at 1:30 PM.

PRESENT

Chairman Mark Lawson
 Vice-Chairman Anna Maria Tabernik
 Council Member David P. Bartholomew
 Council Member Gerald Dawson
 Council Member York Glover
 Ex-Officio Joseph F. Passiment
 Council Member Logan Cunningham (arrived late)
 Council Member Paula Brown
 Council Member Alice Howard
 Council Member Thomas Reitz

ABSENT

Council Member Lawrence McElynn

2. PLEDGE OF ALLEGIANCE

Committee Chairman Lawson led the Pledge of Allegiance.

3. FOIA

Committee Chairman Lawson noted that public notification of this meeting had been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

4. APPROVAL OF AGENDA

Motion to Amend: It was moved by Committee Vice-Chair Tabernik, seconded by Council Member Bartholomew, to remove the executive session to talk about the items in open session and to add two motions, one to select a law firm and one to appropriate money.

The Vote - The motion to amend was approved without objection.

Main Motion: It was moved by Committee Vice-Chair Tabernik, seconded by Council Member Bartholomew, to approve the agenda, as amended.

The Vote - The motion was approved without objection.

5. CITIZEN COMMENT PERIOD

Please watch the video stream available on the County's website to view the full comment.

<https://beaufortcountysc.new.swagit.com/videos/270320?ts=138>

1. Skip Hoagland

6. PURSUANT TO S.C. CODE SECTION 30-4-70(A)(2) TO ENGAGE IN DISCUSSIONS OF PROPOSED CONTRACTUAL ARRANGEMENTS (POSSIBLE SELECTION OF OUTSIDE LAW FIRM TO CONDUCT REVIEWS AND AUDITS AS PREVIOUSLY AUTHORIZED BY COUNCIL)

Please watch the video stream available on the County's website to view the full discussion.

<https://beaufortcountysc.new.swagit.com/videos/270320?ts=415>

Motion: It was moved by Council Member Bartholomew, seconded by Council Member Brown, to recommend hiring Law Firm B to perform the reviews, audit, and other work that County Council authorized the Finance Committee to oversee during its meeting of July 24, 2023, as well as any other additional work the Finance Committee authorizes the firm to perform and that we forward this decision to the County Council for ratification during tonight's special called meeting.

Discussion: Committee Vice-Chair Tabernik and Council Member Brown commented that both firms would hire outside CPAs to conduct forensic audits.

Council Member Howard noted that both firms pledged to provide timely updates on their findings.

Council Members Dawson and Reitz voiced their support for Firm B.

Council Member Bartholomew commented that Firm B is the best option given their ability to conduct a lot of the work in-house and voiced his support for an outside forensic audit of the County's accounts.

Council Member Passiment added that Firm B has no ties to the County.

Committee Chairman Lawson echoed the support for Firm B and highlighted the benefits associated with their fee structure and planned milestones. Committee Chairman Lawson also commented that the name of the chosen firm would be released once the item is voted on during the August 28, 2023, Special Called County Council meeting at 3:30 PM.

The Vote - The motion was approved without objection.

Motion: It was moved by Committee Vice-Chair Tabernik, seconded by Council Member Howard, to recommend approval of the adoption, by title only, an ordinance to amend the FY24 Budget Ordinance (Ordinance 2023/22) to appropriate \$350,000 to County Council's budget to cover any anticipated costs of performing the reviews and audit we authorized on July 24, 2023, and any additional work the Finance Committee authorizes the law firm to perform.

Discussion: The Committee discussed the decision to appropriate \$350,000 and that the funds would come from the general fund. Committee Chairman Lawson added that there would be a monthly billing for the chosen firm based on actual work performed.

The Vote - The motion was approved without objection.

7. MATTERS ARISING OUT OF EXECUTIVE SESSION

The Committee did not enter an executive session.

8. ADJOURNMENT

Adjourned: 1:45 PM

Ratified:



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

Item 8.

ITEM TITLE:
<i>Discussion and presentation of year to date financial statements for the Enterprise Funds for FY 2023.</i>
MEETING NAME AND DATE:
Finance Committee 10/16/2023
PRESENTER INFORMATION:
Denise Christmas, Interim Deputy County Administrator/Interim CFO 15 Minutes
ITEM BACKGROUND:
<i>Discussion and presentation of the year to date financial reports for the Enterprise Funds for FY 2023.</i>
PROJECT / ITEM NARRATIVE:
<i>Discussion and presentation of the year to date financial reports for the Enterprise Funds for FY 2023.</i>
FISCAL IMPACT:
None
STAFF RECOMMENDATIONS TO COUNCIL:
Discussion and related questions.
OPTIONS FOR COUNCIL MOTION:
N/A

Beaufort
County
End of Year
2023
Financial
Report
Enterprise
Funds



Beaufort County, South Carolina
Solid Waste & Recycling Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year from July 1, 2022 through June 30, 2023

	Yearly Revised budget	Year to date Spent/ encumbered	Available Budget	% Received	% Year Completed
Operating revenues					
Ad Valorem Taxes	\$ 10,343,302	\$ 10,343,302	\$ -	100.00%	91.67%
Waste Disposal Fees	8,450	10,800	2,350	127.81%	91.67%
Sale of Recyclables	326,000	247,785	(78,215)	76.01%	91.67%
Total operating revenues	<u>10,677,752</u>	<u>10,601,887</u>	<u>(75,865)</u>	<u>99.29%</u>	<u>91.67%</u>
Operating expenses					
Personnel services	3,011,633	2,147,070	864,563	71.29%	91.67%
Purchased services	7,217,700	6,934,009	283,691	96.07%	91.67%
Supplies	177,800	137,302	40,498	77.22%	91.67%
Capital	2,235,640	37,430	2,198,210	1.67%	91.67%
Depreciation	34,979	-	34,979	0.00%	91.67%
Total operating expenses	<u>12,677,752</u>	<u>9,255,811</u>	<u>3,421,941</u>	<u>73.01%</u>	<u>91.67%</u>
Operating income (loss)	<u>(2,000,000)</u>	<u>1,346,076</u>	<u>3,346,076</u>	<u>-67.30%</u>	<u>91.67%</u>
Non-Operating Revenues (Expenses)					
Interest income	-	48,341	48,341	0.00%	91.67%
ARPA funding	2,000,000	250,000	(1,750,000)	12.50%	91.67%
Total capital contributions	<u>2,000,000</u>	<u>298,341</u>	<u>(1,701,659)</u>	<u>14.92%</u>	<u>91.67%</u>
Change in net position	<u>-</u>	<u>1,644,417</u>	<u>1,644,417</u>		
Net position, beginning of year		<u>2,739,890</u>			
Net position, ending		<u>\$ 4,384,307</u>			

SOLID WASTE REVENUE DETAIL

DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL REVENUE
TAXES	-\$10,343,302.00	-\$10,343,302.00	-\$10,343,302.00
WASTE DISP	-\$8,450.00	-\$8,450.00	-\$10,800.00
INTEREST	\$0.00	\$0.00	-\$48,341.00
SALE OF RE	-\$326,000.00	-\$326,000.00	-\$247,784.66
Transfers	<u>\$0.00</u>	<u>-\$2,000,000.00</u>	<u>-\$250,000.00</u>
REVENUE	-\$10,677,752.00	-\$12,677,752.00	-\$10,900,227.66

SOLID WASTE EXPENSE DETAIL

<u>ACCOUNT DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>YTD EXPENDED</u>	<u>BALANCE</u>
50 PERSONNEL SERVICES	3,011,633	3,011,633	2,147,070.00	864,563
51 PURCHASED SERVICES	7,229,500	7,217,700	6,934,009.00	283,691
52 SUPPLIES	166,000	177,800	137,302.00	40,498
54 CAPITAL OUTLAY	0	2,235,640	37,430.00	2,198,210
58 PURCHASES(ENTERPR'S)	<u>34,979</u>	<u>34,979</u>	<u>0.00</u>	<u>34,979</u>
Expense Total	10,442,112	12,677,752	9,255,811.00	3,421,941

SOLID WASTE SUMMARY

	<u>ORG BUDGET</u>	<u>ADJUSTMENTS</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	
REVENUE	-\$10,677,752.00	-\$2,000,000.00	-\$12,677,752.00	-\$10,900,227.66	86%
EXPENSES	\$10,442,112.00	\$2,235,640.00	\$12,677,752.00	<u>\$9,255,810.48</u>	73%
NET INCOME				-\$1,644,417.18	

Beaufort County, South Carolina
Stormwater Utility

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year from July 1, 2022 through October 31, 2022

	Yearly Revised budget	Year to date Received/ Spent	Available Budget	% Received	% Year Completed
Operating revenues					
Stormwater Utility Fees	\$ 5,916,418	\$ 5,877,758	\$ (38,660)	99.35%	33.33%
Stormwater Utility project billings	797,558	820,585	23,027	102.89%	33.33%
Project income	2,000	8,392	6,392		33.33%
Sale of County Property	-	125,597			
Other charges	16,960	18,175	1,215	107.16%	33.33%
Total operating revenues	6,732,936	6,850,507	(8,026)	101.75%	33.33%
Operating expenses					
Personnel services	3,218,142	2,353,772	864,370	73.14%	33.33%
Purchased services	2,998,098	1,536,059	1,462,039	51.23%	33.33%
Supplies	533,239	421,739	111,500	79.09%	33.33%
Capital	564,979	(811,073)	1,376,052	-143.56%	33.33%
Depreciation	421,361	448,659	(27,298)	106.48%	33.33%
Total operating expenses	7,735,819	3,949,156	3,786,663	51.05%	33.33%
Operating income (loss)	(1,002,883)	2,901,351	3,904,234	-289.30%	33.33%
Non-Operating Revenues (Expenses)					
Gain on sale of capital assets	-	-	-	0.00%	33.33%
Interest income	15,000	252,846	237,846	1685.64%	33.33%
Rentals	1,000	-	(1,000)	0.00%	33.33%
Contributed from Fund Balance	1,614,874	-	(1,614,874)	0.00%	33.33%
Interest expense	(277,991)	(185,327)	92,664	66.67%	33.33%
Transfers out to General Fund	(350,000)	(787,532)	(437,532)	225.01%	33.33%
Total capital contributions	1,002,883	(720,013)	(1,722,896)	-71.79%	33.33%
Transfers in	559,246	559,246	-	100.00%	66.66%
	559,246	559,246	-	1	66.66%
Change in net position	559,246	2,740,584	2,181,338	-490.05%	33.33%
Net position, beginning of year		13,567,905			
Net position, ending		\$ 16,308,489			
Net position					
Net investment in capital assets		3,093,838			
Unrestricted surplus		13,214,651			
Total net position		\$ 16,308,489			

STORMWATER REVENUE DETAIL

<u>ACCOUNT DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>YTD ACTUAL</u>
44 CHARGES FOR SERVICES	-6,716,976	-6,716,976	-6,706,735.00
46 INTEREST	-15,000	-112,500	-252,846.00
47 MISCELLANEOUS	-16,960	-11,175	-143,771.00
48 CONTR FROM PY FUND BALANCE	-1,614,874	-1,614,874	
49 TRANSFERS IN	<u>0</u>	<u>0</u>	<u>-559,246.00</u>
TOTAL REVENUE	-8,363,810	-8,455,525	-7,662,598

STORMWATER EXPENSES DETAIL

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	YTD EXPENDED	BALANCE	%
50 PERSONNEL SERVICES	3,212,912	3,218,142	2,353,772.00	2,532,141	73%
51 PURCHASED SERVICES	3,479,775	2,998,098	1,536,059.00	1,582,998	51%
52 SUPPLIES	366,771	533,239	421,739.00	142,396	79%
53 DEBT SERVICE	277,991	277,991	185,327.00	185,327	67%
54 CAPITAL OUTLAY	255,000	564,979	-811,073.00	154,034	-144%
58 PURCHASES(ENTERPR'S)	421,361	421,361	448,659.00	421,361	106%
59 TRANSFERS OUT	350,000	350,000	787,532.00	262,500	225%
Expense Total	8,363,810	8,363,810	4,922,015	5,280,757	59%

STORMWATER SUMMARY

	<u>ORG</u> <u>BUDGET</u>	<u>ADJUSTMENTS</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUALS</u>	
REVENUE	-\$8,363,810.00		-\$8,363,810.00	-\$7,662,598.47	92%
EXPENSES	\$8,363,810.00		\$8,363,810.00	<u>\$4,922,015.00</u>	69%
NET INCOME				-\$2,740,583.47	

Beaufort County, South Carolina
Beaufort Executive Airport

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year from July, 1, 2022 through June 30, 2023

	Yearly Revised budget	Year to date Received/ Spent	Available Budget	% Year Completed
Operating revenues				
Fuel and oil sales	\$ 944,500	\$ 773,132	\$ (171,368)	91.67%
Operating agreement/ commission revenue	12,500	15,332	2,832	91.67%
Concession sales	10,000	7,561	(2,439)	91.67%
Landing fees	39,500	73,473	33,973	91.67%
Hangar rentals	174,840	174,608	(232)	91.67%
Other charges	2,500	12,081	9,581	91.67%
Total operating revenues	1,183,840	1,056,187	(127,653)	91.67%
Operating expenses				
Cost of sales and services	742,010	621,185	120,825	91.67%
Personnel services	296,028	184,843	111,185	91.67%
Purchased services	210,954	186,696	24,258	91.67%
Supplies	9,596	9,214	382	91.67%
Capital Outlay	-	9,226	(9,226)	33.33%
Total operating expenses	1,258,588	1,011,164	247,424	91.67%
Operating income (loss)	(74,748)	45,023	119,771	91.67%
Capital contributions				
Capital grants - federal	347,329	81,407	(265,922)	91.67%
Capital grants - state	131,252	80,422	(50,830)	91.67%
ARPA Grants	33,500	33,500	-	91.67%
Capital Outlay	(437,333)	(107,833)	(329,500)	33.33%
Total capital contributions	74,748	87,496	(646,252)	91.67%
Transfers in	-	-	-	66.66%
Change in net position	-	132,519	(526,480)	91.67%
Net position, beginning of year		3,112,069		
Net position, ending		\$ 3,244,588		

BEAUFORT EXECUTIVE AIRPORT REVENUE DETAIL

<u>ACCOUNT DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>YTD ACTUAL</u>	<u>BALANCE</u>
43 INTERGOVERNMENTAL	(45,000.00)	(464,086.00)	(161,828.64)	(302,257.36)
44 CHARGES FOR SERVICES	(994,000.00)	(994,000.00)	(854,165.53)	(139,834.47)
47 MISCELLANEOUS	(189,840.00)	(189,840.00)	(202,020.45)	12,180.45
48 CONTR FROM PY FUND BALANCE		(14,495.00)	-	(14,495.00)
49 TRANSFERS IN		<u>(33,500.00)</u>	<u>(33,500.00)</u>	<u>-</u>
TOTAL REVENUE	(1,228,840.00)	(1,695,921.00)	(1,251,514.62)	(444,406.38)

BEAUFORT EXECUTIVE AIRPORT DETAIL EXPENSES

<u>ACCOUNT DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>YTD EXPENDED</u>	<u>BALANCE</u>
50 PERSONNEL SERVICES	296,028	296,028	184,842.69	131,831
51 PURCHASED SERVICES	186,100	210,954	186,696.11	37,262
52 SUPPLIES	6,450	9,596	9,213.84	293
54 CAPITAL OUTLAY	0	0	9,225.94	-7,549
56 CONTINGENCIES	0	3,752	0.00	3,752
57 OTHER EXPENDITURES	0	433,581	107,833.37	77,045
58 PURCHASES(ENTERPR'S)	<u>736,510</u>	<u>742,010</u>	<u>621,185.24</u>	79,448
Expense Total	1,225,088	1,695,921	1,118,997.19	322,083

BEAUFORT EXECUTIVE AIRPORT SUMMARY

	<u>ORG BUDGET</u>	<u>ADJUSTMENTS</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	
REVENUE	-\$1,228,840.00	-\$467,081.00	-\$1,695,921.00	-\$1,251,514.62	74%
EXPENSES	\$1,225,088.00	\$470,833.00	\$1,695,921.00	<u>\$1,118,997.19</u>	66%
NET INCOME				-\$132,517.43	

Beaufort County, South Carolina
Hilton Head Island Airport

Statement of Revenues, Expenses and Changes in Net Position
Fiscal year to date July 1, 2022 through June 30, 2023

	Yearly Revised budget	Year to date Earned/ Spent	Available Budget
Operating revenues			
Fixed base operator revenue	\$ 628,500	\$ 844,254	\$ 215,754
Operating agreement/ commission revenue	1,328,000	994,566	(333,434)
Firefighting/ security fees	987,000	678,458	(308,542)
Landing fees	350,000	192,340	(157,660)
Parking fees	160,000	175,212	15,212
Rentals	942,300	796,270	(146,030)
Hangar rentals	205,300	241,442	36,142
Operating grant	-	532,168	532,168
Other charges	220,000	275,214	55,214
Total operating revenues	4,821,100	4,729,924	(91,176)
Operating expenses			
Personnel services	1,530,335	1,510,752	19,583
Purchased services	2,980,835	1,913,716	1,067,119
Supplies	58,985	53,782	5,203
Depreciation	545,000	-	545,000
Total operating expenses	5,115,155	3,478,251	1,636,904
Operating income (loss)	(294,055)	1,251,673	(1,728,080)
Non-Operating Revenues (Expenses)			
Operating grant	50,000	57,510	7,510
Sale of Property	-	2,046	2,046
Passenger facility charges	600,000	426,771	(173,229)
Interest income	-	-	-
Interest expense	(75,000)	(61,824)	(13,176)
Total Non-Operating Revenues (Expenses)	575,000	424,503	(176,849)
Income (loss) before capital contributions and transfers	280,945	1,676,176	(1,904,929)
Capital contributions			
Capital grants - federal	28,964,116	3,250,416	(25,713,700)
Capital grants - SCAC	500,000	-	(500,000)
Capital outlay	(29,495,061)	(2,984,776)	26,510,285
Total capital contributions	(30,945)	265,640	296,585
Transfers in	-	4,196,087	4,196,087
Change in net position	250,000	1,941,816	1,691,816
Net position, beginning of year		26,756,727	
Net position, ending		\$ 28,698,543	

HILTON HEAD ISLAND AIRPORT REVENUE DETAIL

Item 8.

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	YTD ACTUAL	BALANCE
42 FEES	0	0	-36,080.00	
43 INTERGOVERNMENTAL	-5,691,912	29,674,116	-4,000,094.00	25,674,022
44 CHARGES FOR SERVICES	-2,097,000	2,097,000	-1,472,780.00	624,220
47 MISCELLANEOUS	-3,164,100	3,164,100	-2,957,711.00	206,389
49 TRANSFERS IN	<u>0</u>	<u>0</u>	<u>-4,196,088.00</u>	-4,196,088
TOTAL REVENUE	-10,953,012	34,935,216	-12,662,753	22,272,463

HILTON HEAD ISLAND AIRPORT EXPENSE DETAIL

Item 8.

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	YTD EXPENDED	BALANCE
50 PERSONNEL SERVICES	1,530,335	1,530,335	1,510,752.19	19,583
51 PURCHASED SERVICES	2,201,582	2,980,835	1,913,715.92	1,067,119
52 SUPPLIES	66,500	58,985	53,782.48	5,203
53 DEBT SERVICE	75,000	75,000	61,824.25	13,176
54 CAPITAL OUTLAY	6,266,602	29,233,268	2,909,353.58	26,323,914
56 CONTINGENCIES	0	261,793	75,422.20	186,371
57 OTHER EXPENDITURES	0	250,000	0.00	250,000
58 PURCHASES(ENTERPR'S)	545,000	545,000	0.00	545,000
59 TRANSFERS IN	<u>0</u>	<u>0</u>	<u>4,196,086.91</u>	<u>-4,196,087</u>
Expense Total	10,685,019	34,935,216	10,720,937.53	23,200,451

HILTON HEAD ISLAND AIRPORT SUMMARY

	<u>ORG BUDGET</u>	<u>ADJUSTMENTS</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	
REVENUE	-\$10,953,012.00	-\$23,982,204.00	-\$34,935,216.00	-\$12,662,753.49	36%
EXPENSES	\$10,685,019.00	\$24,250,197.00	\$34,935,216.00	<u>\$10,720,937.53</u>	31%
NET INCOME				-\$1,941,815.96	



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
Discussion of State and Local Accommodations Tax Funds
MEETING NAME AND DATE:
Finance, Administration, and Economic Development Committee
PRESENTER INFORMATION:
Thomas J. Keaveny, II, Denise Christmas 20 Minutes
ITEM DESCRIPTION
In May 2023 the Governor signed into law Act 57. This Act allows local governments to use state and local accommodations tax for workforce housing. The legal department will discuss several provisions of the new Act. Staff will discuss present and future planned use of accommodations tax revenue.
PROJECT / ITEM NARRATIVE:
See above.
FISCAL IMPACT:
None at this time.
STAFF RECOMMENDATIONS TO COUNCIL:
None at this time
OPTIONS FOR COUNCIL MOTION:
None at this time.

South Carolina General Assembly
125th Session, 2023-2024

A57, R66, S284

STATUS INFORMATION

General Bill

Sponsors: Senators Davis, Turner, Jackson, Scott, Kimpson, Senn, Campsen and Sabb

Companion/Similar bill(s): 4213

Document Path: SR-0145KM23.docx

Introduced in the Senate on January 10, 2023

Introduced in the House on April 4, 2023

Last Amended on May 10, 2023

Currently residing in the Senate

Summary: Development of Workforce Housing

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
12/7/2022	Senate	Prefiled
12/7/2022	Senate	Referred to Committee on Finance
1/10/2023	Senate	Introduced and read first time (Senate Journal-page 178)
1/10/2023	Senate	Referred to Committee on Finance (Senate Journal-page 178)
3/22/2023		Scrivener's error corrected
3/22/2023	Senate	Committee report: Favorable Finance
3/24/2023		Scrivener's error corrected
3/28/2023	Senate	Read second time (Senate Journal-page 75)
3/30/2023	Senate	Amended (Senate Journal-page 13)
3/30/2023	Senate	Read third time and sent to House (Senate Journal-page 13)
3/30/2023	Senate	Roll call Ayes-34 Nays-6 (Senate Journal-page 13)
4/4/2023	House	Introduced and read first time (House Journal-page 9)
4/4/2023	House	Referred to Committee on Ways and Means (House Journal-page 9)
5/4/2023	House	Committee report: Favorable with amendment Ways and Means (House Journal-page 8)
5/9/2023	House	Debate adjourned (House Journal-page 27)
5/10/2023	House	Amended (House Journal-page 85)
5/10/2023	House	Read second time (House Journal-page 85)
5/10/2023	House	Roll call Yeas-80 Nays-29 (House Journal-page 88)
5/11/2023	House	Read third time and returned to Senate with amendments (House Journal-page 17)
5/11/2023	Senate	Concurred in House amendment and enrolled (Senate Journal-page 57)
5/11/2023	Senate	Roll call Ayes-41 Nays-2 (Senate Journal-page 57)
5/17/2023		Ratified R 66
5/19/2023		Signed By Governor
5/26/2023		Effective date 05/19/23

5/26/2023 Act No. 57

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VERSIONS OF THIS BILL

12/07/2022

03/22/2023

03/22/2023-A

03/24/2023

03/30/2023

05/05/2023

05/10/2023

5/26/2023 Act No. 57

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VERSIONS OF THIS BILL

[12/07/2022](#)

[03/22/2023](#)

[03/22/2023-A](#)

[03/24/2023](#)

[03/30/2023](#)

[05/05/2023](#)

[05/10/2023](#)

(A57, R66, S284)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 6-1-530, RELATING TO USE OF REVENUE FROM LOCAL ACCOMMODATIONS TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH LOCAL ACCOMMODATIONS TAXES MAY BE USED; BY AMENDING SECTION 6-4-10, RELATING TO THE USE OF CERTAIN REVENUE FROM THE ACCOMMODATIONS TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH THE FUNDS MAY BE USED; BY AMENDING SECTION 6-4-15, RELATING TO THE USE OF REVENUES TO FINANCE BONDS, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH BONDS MAY BE ISSUED; BY ADDING SECTION 6-4-12 SO AS TO REQUIRE A LOCAL GOVERNMENT TO PREPARE A HOUSING IMPACT ANALYSIS BEFORE USING SUCH FUNDS FOR WORKFORCE HOUSING; BY AMENDING SECTIONS 6-4-5 AND 6-1-510, RELATING TO DEFINITIONS, SO AS TO ADD CERTAIN DEFINITIONS; BY AMENDING SECTION 6-29-510, RELATING TO LOCAL PLANNING, SO AS TO REQUIRE THE PLANNING COMMISSION MUST SOLICIT INPUT FOR THE ANALYSIS FROM HOMEBUILDERS AND OTHER EXPERTS WHEN DEVELOPING A HOUSING ELEMENT FOR THE LOCAL COMPREHENSIVE PLAN; TO CREATE THE LAND DEVELOPMENT STUDY COMMITTEE TO EXAMINE CURRENT AND PROSPECTIVE METHODS TO PLAN FOR AND MANAGE LAND DEVELOPMENT; AND TO REQUIRE A REPORT DETAILING THE EFFECTS OF THIS ACT ON TOURISM AND WORKFORCE HOUSING.

Be it enacted by the General Assembly of the State of South Carolina:

Local accommodations tax for workforce housing

SECTION 1. Section 6-1-530(A) of the S.C. Code is amended to read:

(A) The revenue generated by the local accommodations tax must be

used exclusively for the following purposes:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access, renourishment, or other tourism-related lands and water access;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development;
- (6) water and sewer infrastructure to serve tourism-related demand;

or

(7) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in this item. The provisions of this item are no longer effective after December 31, 2030.

State accommodations tax for workforce housing

SECTION 2. Section 6-4-10(4) of the S.C. Code is amended to read:

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional

county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

“Tourism-related expenditures” include:

(i) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;

(ii) promotion of the arts and cultural events;

(iii) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

(iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

(v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

(vi) tourist shuttle transportation;

(vii) control and repair of waterfront erosion, including beach renourishment;

(viii) operating visitor information centers;

(ix) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in

this item (4)(b)(ix). The provisions of this item (4)(b)(ix) are no longer effective after December 31, 2030.

(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. However, the time limit may be extended upon the recommendation of the local governing body of the county or municipality and approval of the oversight committee established pursuant to Section 6-4-35. An extension must include provisions that funds be committed for a specific project or program.

(ii) Notwithstanding the provisions of subsubitem (i), upon a two-thirds affirmative vote of the membership of the appropriate local governing body, a county or municipality may carry forward unexpended allocations to the special fund beyond two years provided that the county or municipality commits use of the funds exclusively to the control and repair of waterfront erosion, including beach renourishment or development of workforce housing, which must include programs to promote home ownership. The county or municipality annually shall notify the oversight committee, established pursuant to Section 6-4-35, of the basic activity of the committed funds, including beginning balance, deposits, expenditures, and ending balance.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

Bonds for workforce housing

SECTION 3. Section 6-4-15 of the S.C. Code is amended to read:

Section 6-4-15. A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities, all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

Housing impact analysis

SECTION 4. Chapter 4, Title 6 of the S.C. Code is amended by adding:

Section 6-4-12. (A) If a local government intends to use the funds for the development of workforce housing, then the local government shall prepare a housing impact analysis prior to giving second reading to the ordinance.

(B) The analysis required by subsection (A) must include:

(1) information about the effect of the ordinance on housing, including the effect of the ordinance on each of the following:

(a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning single-family or multifamily

dwellings;

(b) the purchase price of new homes or the fair market value of existing homes;

(c) the cost and availability of financing to purchase or develop housing;

(d) housing costs; and

(e) the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and

(2) an analysis of the relative impact of the ordinance on low- and moderate-income households.

(C) The following applies to information on housing costs required to be included in the analysis conducted pursuant to subsection (B)(1)(d):

(1) the analysis must include reasonable estimates of the effect of the ordinance on housing costs, expressed in dollar amounts. The local government shall include a brief summary of, or worksheet demonstrating, the computations used in determining the dollar amounts. However, if the local government determines that it is not possible to make an estimate expressed in dollar amounts, then the analysis must include a statement setting forth the reasons for the local government's determination; and

(2) the analysis must include descriptions of both the immediate effect and, to the extent ascertainable, the long-term effect of the ordinance on housing costs.

(D) Except as otherwise provided in this section, a housing impact analysis required pursuant to this section must be based on costs associated with the development, construction, financing, purchasing, sale, ownership, or availability of a median-priced single-family residence. However, the analysis may include estimates for larger developments as part of an analysis of the long-term effects of the

ordinance.

(E) A local government may request information from any state agencies, local units of government, universities or colleges, organizations, or individuals as necessary to prepare a housing impact analysis pursuant to this section.

(F) The local government shall provide the housing impact analysis for an ordinance to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before the ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the housing impact analysis to the parties required pursuant to this subsection.

Definitions

SECTION 5. Section 6-4-5 of the S.C. Code is amended to read:

Section 6-4-5. As used in this chapter:

(1) “County area” means a county and municipalities within the geographical boundaries of the county.

(2) “Cultural”, as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.

(3) “Hospitality”, as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that

primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.

(4) “Travel” and “tourism” mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.

(5) “Housing costs” for housing occupied by the owner means:

(a) the principal and interest on a mortgage loan that finances the purchase of the housing;

(b) the closing costs and other costs associated with a mortgage loan;

(c) mortgage insurance;

(d) property insurance;

(e) utility-related costs;

(f) property taxes; and

(g) if the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.

(6) “Housing costs” for rented housing means:

(a) rent; and

(b) utility-related costs, if not included in the rent.

(7) “Ordinance” means an ordinance adopted pursuant to Section 6-29-530.

(8) “Utility-related costs” means costs related to power, heat, gas, light, water, and sewage.

(9) “Workforce housing” means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size,

according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

Definition

SECTION 6. Section 6-1-510 of the S.C. Code is amended by adding:

(4) “Workforce housing” means residential housing for rent or sale that is reasonably and appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

Local comprehensive plan

SECTION 7. Section 6-29-510(D)(6) of the S.C. Code is amended to read:

(6) a housing element which considers location, types, age, and condition of housing, owner and renter occupancy, and affordability of housing. This element includes an analysis to ascertain nonessential housing regulatory requirements, as defined in this chapter, that add to the cost of developing affordable housing but are not necessary to protect the public health, safety, or welfare and an analysis of market-based incentives that may be made available to encourage development of affordable housing, which incentives may include density bonuses, design flexibility, and streamlined permitting processes. The planning commission must solicit input for this analysis from homebuilders,

developers, contractors, and housing finance experts when developing this element;

Land Development Study Committee

SECTION 8. (A) There is created the Land Development Study Committee to examine current and prospective methods to plan for and manage land development in South Carolina.

(B) The study committee must be comprised of three members of the Senate appointed by the President of the Senate and three members of the House of Representatives appointed by the Speaker of the House. Staff from the Senate and House of Representatives shall assist the study committee.

(C) The members of the study committee shall seek assistance from governmental agencies including the South Carolina Building Codes Council, the South Carolina Housing Authority, and the South Carolina Department of Agriculture, and from members of the private sector including, but not limited to, the Homebuilders Association of South Carolina, Habitat for Humanity South Carolina, the Realtors Association of South Carolina, the Municipal Association of South Carolina, the South Carolina Association of Counties, South Carolina Land Trust, Conservation Voters of South Carolina, the South Carolina Chapter of the American Planning Association, and the Manufactured Housing Institute of South Carolina.

(D) The study committee shall provide a report to the General Assembly by December 31, 2023, at which time the study committee shall dissolve.

Report

SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act.

Time effective

SECTION 10. This act takes effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 19th day of May, 2023.

CHAPTER 4
Allocation of Accommodations Tax Revenues

SECTION 6-4-5. Definitions.

As used in this chapter:

- (1) "County area" means a county and municipalities within the geographical boundaries of the county.
- (2) "Cultural", as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.
- (3) "Hospitality", as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.
- (4) "Travel" and "tourism" mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.
- (5) "Housing costs" for housing occupied by the owner means:
 - (a) the principal and interest on a mortgage loan that finances the purchase of the housing;
 - (b) the closing costs and other costs associated with a mortgage loan;
 - (c) mortgage insurance;
 - (d) property insurance;
 - (e) utility-related costs;
 - (f) property taxes; and
 - (g) if the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.
- (6) "Housing costs" for rented housing means:
 - (a) rent; and
 - (b) utility-related costs, if not included in the rent.
- (7) "Ordinance" means an ordinance adopted pursuant to Section 6-29-530.
- (8) "Utility-related costs" means costs related to power, heat, gas, light, water, and sewage.
- (9) "Workforce housing" means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

HISTORY: 1991 Act No. 147, Section 1; 2001 Act No. 74, Section 2; 2002 Act No. 312, Section 2; 2023 Act No. 57 (S.284), Section 5, eff May 19, 2023.

Editor's Note

2023 Act No. 57, Section 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

2023 Act No. 57, Section 5, added (5) to (9).

SECTION 6-4-10. Allocation to general fund; special fund for tourism; management and use of special fund.

The funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax provided in Section 12-36-2630(3) must be allocated in the following manner:

(1) The first twenty-five thousand dollars must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.

(2) Five percent of the balance must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.

(3) Thirty percent of the balance must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists, the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them. Fees allocated pursuant to this subsection must not be used to pledge as security for bonds and to retire bonds. Also, fees allocated pursuant to this subsection must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity, and not used to pledge as security for bonds and to retire bonds.

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

"Tourism-related expenditures" include:

(i) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;

(ii) promotion of the arts and cultural events;

(iii) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

(iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

(v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

(vi) tourist shuttle transportation;

(vii) control and repair of waterfront erosion, including beach renourishment;

(viii) operating visitor information centers;

(ix) development of workforce housing, which must include programs to promote home ownership.

However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in this item (4)(b)(ix). The provisions of this item (4)(b)(ix) are no longer effective after December 31, 2030.

(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. However, the time limit may be extended upon the recommendation of the local governing body of

the county or municipality and approval of the oversight committee established pursuant to Section 6-4-35. An extension must include provisions that funds be committed for a specific project or program.

(ii) Notwithstanding the provisions of subsubitem (i), upon a two-thirds affirmative vote of the membership of the appropriate local governing body, a county or municipality may carry forward unexpended allocations to the special fund beyond two years provided that the county or municipality commits use of the funds exclusively to the control and repair of waterfront erosion, including beach renourishment or development of workforce housing, which must include programs to promote home ownership. The county or municipality annually shall notify the oversight committee, established pursuant to Section 6-4-35, of the basic activity of the committed funds, including beginning balance, deposits, expenditures, and ending balance.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

HISTORY: 1990 Act No. 612, Part II, Section 74B; 1991 Act No. 147, Section 1; 2010 Act No. 284, Section 2, eff upon approval (became law without the Governor's signature on June 28, 2010); 2014 Act No. 184 (S.294), Sections 1, 2, eff June 2, 2014; 2023 Act No. 57 (S.284), Section 2, eff May 19, 2023.

Editor's Note

2023 Act No. 57, Section 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

The 2010 amendment, in item (3), inserted "only" preceding "for advertising" in the first sentence and added the last two sentences.

2014 Act No. 184, Section 1, in subsection (4)(b), changed the paragraph designators from arabic to roman numbers"; and in subsection (4)(b)(vii), inserted ", including beach renourishment".

2014 Act No. 184, Section 2, rewrote subsection (4)(c).

2023 Act No. 57, Section 2, in (4), in (b), inserted (ix) and made nonsubstantive changes, and in (c)(ii), in the first sentence, inserted "or development of workforce housing, which must include programs to promote home ownership".

SECTION 6-4-12. Housing impact analysis.

(A) If a local government intends to use the funds for the development of workforce housing, then the local government shall prepare a housing impact analysis prior to giving second reading to the ordinance.

(B) The analysis required by subsection (A) must include:

(1) information about the effect of the ordinance on housing, including the effect of the ordinance on each of the following:

(a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning single-family or multifamily dwellings;

(b) the purchase price of new homes or the fair market value of existing homes;

(c) the cost and availability of financing to purchase or develop housing;

(d) housing costs; and

(e) the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and

(2) an analysis of the relative impact of the ordinance on low- and moderate-income households.

(C) The following applies to information on housing costs required to be included in the analysis conducted pursuant to subsection (B)(1)(d):

(1) the analysis must include reasonable estimates of the effect of the ordinance on housing costs, expressed in dollar amounts. The local government shall include a brief summary of, or worksheet

demonstrating, the computations used in determining the dollar amounts. However, if the local government determines that it is not possible to make an estimate expressed in dollar amounts, then the analysis must include a statement setting forth the reasons for the local government's determination; and

(2) the analysis must include descriptions of both the immediate effect and, to the extent ascertainable, the long-term effect of the ordinance on housing costs.

(D) Except as otherwise provided in this section, a housing impact analysis required pursuant to this section must be based on costs associated with the development, construction, financing, purchasing, sale, ownership, or availability of a median-priced single-family residence. However, the analysis may include estimates for larger developments as part of an analysis of the long-term effects of the ordinance.

(E) A local government may request information from any state agencies, local units of government, universities or colleges, organizations, or individuals as necessary to prepare a housing impact analysis pursuant to this section.

(F) The local government shall provide the housing impact analysis for an ordinance to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before the ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the housing impact analysis to the parties required pursuant to this subsection.

HISTORY: 2023 Act No. 57 (S.284), Section 4, eff May 19, 2023.

Editor's Note

2023 Act No. 57, Section 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

SECTION 6-4-15. Use of revenues to finance bonds.

A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities, all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

HISTORY: 1991 Act No. 147, Section 1; 2023 Act No. 57 (S.284), Section 3, eff May 19, 2023.

Editor's Note

2023 Act No. 57, Section 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

2023 Act No. 57, Section 3, in the first sentence, substituted ", all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership" for "for civic activities, the arts, and cultural events which fulfill the purpose of this chapter".

SECTION 6-4-20. Administration account established; State Treasurer's duties; distribution of account revenues; exceptions to tourism spending mandate.

(A) An accommodations tax account is created to be administered by the State Treasurer.

(B) At the end of each fiscal year and before August first a percentage, to be determined by the State Treasurer, must be withheld from those county areas collecting four hundred thousand dollars or more from that amount which exceeds four hundred thousand dollars from the tax authorized by Section 12-36-2630(3), and that amount must be distributed to assure that each county area receives a minimum of fifty thousand dollars. The amount withheld from those county areas collecting four hundred thousand dollars or more must be apportioned among the municipalities and the county in the same proportion as those units received quarterly remittances in Section 12-36-2630(3). If the total statewide collections from the local accommodations tax exceeds the statewide collections for the preceding fiscal year then this fifty thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. The difference between the fifty thousand dollars minimum and the actual collections within a county area must be distributed to the eligible units within the county area based on population as determined by the most recent United States census.

(C) At the end of each fiscal year and before August first, the State Treasurer shall distribute to each county area collecting more than fifty thousand dollars but less than four hundred thousand dollars an additional fifteen thousand dollars. If the total statewide collections from the local accommodations tax exceed the statewide collections for the preceding fiscal year, this fifteen thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. This amount must be distributed in the same manner as the fifty thousand dollars in subsection (B). The amount paid those qualified county areas under this subsection must be paid from the account created under this section.

(D) The amount withheld in excess must be distributed to the county areas whose collections exceed four hundred thousand dollars based on the ratio of the funds available to the collections by each county area.

(E) The accommodations tax funds received by a municipality or county in county areas collecting fifty thousand dollars or less are not subject to the tourism-related provisions of this chapter.

(F) Two percent of the local accommodations tax levied pursuant to Section 12-36-2630(3) must be remitted quarterly and equally to the eleven agencies designated by law and regional organizations to administer multi-county tourism programs in the state tourism regions as identified in the promotional publications of the South Carolina Department of Parks, Recreation and Tourism. This remittance is in addition to other funds that may be allocated to the agencies by local governments.

(G) The State Treasurer may correct misallocations to counties and municipalities from accommodations tax revenues by adjusting subsequent allocations, but these adjustments may be made only in allocations made in the same fiscal year as the misallocation.

HISTORY: 1990 Act No. 612, Part II, Section 74B; 1991 Act No. 147, Section 1; 1991 Act No. 168, Section 2.

Code Commissioner's Note

1991 Act No. 168, Section 2, originally amended this section by adding item "(5)." By direction of the Code Commissioner, the added text was redesignated as subsection "(G)" to conform to the designations in the earlier amendment of this section by 1991 Act No. 147, Section 1.

SECTION 6-4-25. Advisory Committee; guidelines for expenditures; annual reports; reports to Accommodations Tax Oversight Committee.

(A) A municipality or county receiving more than fifty thousand dollars in revenue from the accommodations tax in county areas collecting more than fifty thousand dollars shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the accommodations tax. The advisory committee consists of seven members with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry

members must be from the lodging industry where applicable. One member shall represent the cultural organizations of the municipality or county receiving the revenue. For county advisory committees, members shall represent the geographic area where the majority of the revenue is derived. However, if a county which receives more in distributions of accommodations taxes than it collects in accommodations taxes, the membership of its advisory committee must be representative of all areas of the county with a majority of the membership coming from no one area.

(B) A municipality or county and its advisory committee shall adopt guidelines to fit the needs and time schedules of the area. The guidelines must include the requirements for applications for funds from the special fund used for tourism-related expenditures. A recipient's application must be reviewed by an advisory committee before it receives funds from a county or municipality.

(C) Advisory committees shall submit written recommendations to a municipality or county at least once annually. The recommendations must be considered by the municipality or county in conjunction with the requirements of this chapter.

(D) Municipalities and counties annually shall submit to the South Carolina Accommodations Tax Oversight Committee:

- (1) end-of-the-year report detailing advisory committee accommodations tax recommendations;
- (2) municipality's or county's action following the recommendations;
- (3) list of how funds from the accommodations tax are spent, except for the first twenty-five thousand dollars and five percent of the balance in Section 6-4-10(2) allocated to the general fund. The list is due before October first and must include funds received and dispersed during the previous fiscal year;
- (4) list of advisory committee members noting the chairman, business address if applicable, and representation of the hospitality industry including the lodging industry and cultural interests.

(E) The regional tourism agencies in Section 6-4-20 annually shall submit reports on their budgets and annual expenditure of accommodations tax funds pursuant to this chapter to the Accommodations Tax Oversight Committee.

HISTORY: 1991 Act No. 147, Section 1; 2002 Act No. 312, Section 3.

SECTION 6-4-30. Repealed by 2003 Act No. 69, Section 3.MM, eff June 18, 2003.

Editor's Note

Former section was entitled "Department of Revenue's duties regarding accommodations taxes" and was derived from 1991 Act No. 147, Section 1; 1997 Act No. 87, Section 1; 2001 Act No. 74, Section 3.B.

SECTION 6-4-35. Tourism Expenditure Review Committee.

(A) There is established the Tourism Expenditure Review Committee consisting of eleven members as follows:

- (1) one member appointed by the Speaker of the House;
- (2) one member appointed by the President of the Senate;
- (3) the Director of the South Carolina Department of Parks, Recreation and Tourism, or his designee, ex officio;
- (4) eight members appointed by the Governor as follows:
 - (a) one member on the recommendation of the South Carolina Association of Tourism Regions;
 - (b) one member on the recommendation of the South Carolina Association of Convention and Visitors Bureaus;
 - (c) one member on the recommendation of the South Carolina Travel and Tourism Coalition;
 - (d) one member on the recommendation of the Municipal Association of South Carolina;
 - (e) one member on the recommendation of the South Carolina Association of Counties;
 - (f) one member on the recommendation of the Hospitality Association of South Carolina;
 - (g) one member on the recommendation of the South Carolina Arts Commission; and
 - (h) one member at large.

Appointed members shall serve for terms of four years and until their successors are appointed and qualify, except that of those first appointed by the Governor, four shall serve for a term of two years and the term must be noted on the appointment. Regardless of the date of appointment, all terms expire July first of the applicable year. Members shall serve without compensation but may receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term.

(B)(1)(a) The Tourism Expenditure Review Committee shall serve as the oversight authority on all questionable tourism-related expenditures and to that end, all reports filed pursuant to Section 6-4-25(D)(3) must be forwarded to the committee for review to determine if they are in compliance with this chapter. The municipality or county must be notified if an expenditure is questioned, and the committee may consider any further supporting information the municipality or county may provide. If the committee finds an expenditure to be in noncompliance, it shall certify the noncompliance to the State Treasurer, who shall withhold the amount of the expenditure found in noncompliance from subsequent distributions in accommodations tax revenue otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(b) If the committee determines that a municipality or county has failed to file the reports required pursuant to Section 6-4-25(D)(3), it may impose a fee of five hundred dollars a month or part of a month for each month the report is not filed, but not more than five thousand dollars. The committee shall certify the penalty to the State Treasurer, who shall withhold the amount of the penalty from subsequent distributions otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(c) Allocations withheld must be reallocated proportionately to all other recipients.

(2) The committee has jurisdiction to investigate and research facts on written complaints submitted to it with regard to the appropriate tourism-related expenditures and resolve these complaints as provided in item (1) of this subsection.

(3) The committee shall forward copies of information submitted by the local governments and regional tourism agencies pursuant to Section 6-4-25 arising under the tourism provisions of this chapter to the Department of Parks, Recreation and Tourism, which shall publish an annual report on the information submitted.

HISTORY: 2001 Act No. 74, Section 3.A; 2003 Act No. 38, Section 1, eff June 2, 2003; 2019 Act No. 1 (S.2), Section 31, eff January 31, 2019.

Editor's Note

2004 Act No. 202, Section 3, provides as follows:

"Wherever the term 'Administrative Law Judge Division' appears in any provision of law, regulation, or other document, it must be construed to mean the Administrative Law Court established by this act."

Effect of Amendment

The 2003 amendment, in subsection (A) substituted "eleven" for "nine" in the introductory paragraph, substituted "eight" for "six" in paragraph (4), added paragraphs (4)(g) and (4)(h), and made nonsubstantive changes.

2019 Act No. 1, Section 31, in (A)(2), substituted "President of the Senate" for "President Pro Tempore of the Senate".

ARTICLE 5
Local Accommodations Tax

SECTION 6-1-500. Short title.

This article may be cited as the "Local Accommodations Tax Act".

HISTORY: 1997 Act No. 138, Section 8.

SECTION 6-1-510. Definitions.

As used in this article:

(1) "Local accommodations tax" means a tax on the gross proceeds derived from the rental or charges for accommodations furnished to transients as provided in Section 12-36-920(A) and which is imposed on every person engaged or continuing within the jurisdiction of the imposing local governmental body in the business of furnishing accommodations to transients for consideration.

(2) "Local governing body" means the governing body of a county or municipality.

(3) "Positive majority" means a vote for adoption by the majority of the members of the entire governing body, whether present or not. However, if there is a vacancy in the membership of the governing body, a positive majority vote of the entire governing body as constituted on the date of the final vote on the imposition is required.

(4) "Workforce housing" means residential housing for rent or sale that is reasonably and appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

HISTORY: 1997 Act No. 138, Section 8; 2023 Act No. 57 (S.284), Section 6, eff May 19, 2023.

Effect of Amendment

2023 Act No. 57, Section 6, added (4), relating to the definition of "Workforce housing".

SECTION 6-1-520. Imposition of local accommodations tax.

(A) A local governing body may impose, by ordinance, a local accommodations tax, not to exceed three percent. However, an ordinance imposing the local accommodations tax must be adopted by a positive majority vote. The governing body of a county may not impose a local accommodations tax in excess of one and one-half percent within the boundaries of a municipality without the consent, by resolution, of the appropriate municipal governing body.

(B) All proceeds from a local accommodations tax must be kept in a separate fund segregated from the imposing entity's general fund. All interest generated by the local accommodations tax fund must be credited to the local accommodations tax fund.

HISTORY: 1997 Act No. 138, Section 8.

SECTION 6-1-530. Use of revenue from local accommodations tax.

(A) The revenue generated by the local accommodations tax must be used exclusively for the following purposes:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access, renourishment, or other tourism-related lands and water access;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development;
- (6) water and sewer infrastructure to serve tourism-related demand; or
- (7) development of workforce housing, which must include programs to promote home ownership.

However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local

accommodations tax revenue for the purposes set forth in this item. The provisions of this item are no longer effective after December 31, 2030.

(B)(1) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the local accommodations tax authorized in this article may also be used for the operation and maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

(2) In a county in which less than nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, an amount not to exceed fifty percent of the revenue in the preceding fiscal year of the local accommodations tax authorized pursuant to this article may be used for the additional purposes provided in item (1) of this subsection.

HISTORY: 1997 Act No. 138, Section 8; 1999 Act No. 93, Section 13; 2002 Act No. 312, Section 1; 2006 Act No. 314, Section 1, eff June 1, 2006; 2010 Act No. 290, Section 35, eff January 1, 2011; 2023 Act No. 57 (S.284), Section 1, eff May 19, 2023.

Editor's Note

2023 Act No. 57, Section 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

The 2006 amendment, in subsection (B), designated subparagraph (1) and added subparagraph (2).

The 2010 amendment, in paragraph (B)(2), substituted "fifty" for "twenty".

2023 Act No. 57, Section 1, in (A), inserted (7) and made nonsubstantive changes.

SECTION 6-1-540. Cumulative rate of local accommodations tax.

The cumulative rate of county and municipal local accommodations taxes for any portion of the county area may not exceed three percent, unless the cumulative total of such taxes were in excess of three percent prior to December 31, 1996, in which case the cumulative rate may not exceed the rate that was imposed as of December 31, 1996.

HISTORY: 1997 Act No. 138, Section 8.

SECTION 6-1-550. Local accommodations tax revenue upon annexation.

In an area of the county where the county has imposed a local accommodations tax that is annexed by a municipality, the municipality must receive only that portion of the revenue generated in excess of the county local accommodations tax revenue for the previous twelve months in the area annexed.

HISTORY: 1997 Act No. 138, Section 8.

SECTION 6-1-560. Real estate agents required to report when rental property listing dropped.

Real estate agents, brokers, corporations, or listing services required to remit taxes under this section must notify the appropriate local governmental entity or entities if rental property, previously listed by them, is dropped from their listings.

HISTORY: 1997 Act No. 138, Section 8.

SECTION 6-1-570. Remitting tax to local governing body; frequency determined by estimated average amounts.

The tax provided for in this article must be remitted to the local governing body on a monthly basis when the estimated amount of average tax is more than fifty dollars a month, on a quarterly basis when the estimated amount of average tax is twenty-five dollars to fifty dollars a month, and on an annual basis when the estimated amount of average tax is less than twenty-five dollars a month.

HISTORY: 1998 Act No. 419, Part II, Section 63A.

ARTICLE II. ACCOMMODATIONS TAX BOARD¹

DIVISION 1. GENERALLY

Sec. 66-26. Purpose.

The purpose of the accommodations tax board shall be to advise the county council in matters concerning the expenditure of revenues received by the county by means of a two-percent state tax on tourist lodging facilities; provisions of the state act require the council to comply with specified criteria for the expenditure of revenues derived from the tax, and the council wishes to comply with the provisions of the state act.

(Code 1982, § 7-21(a))

Sec. 66-27. Membership.

Membership on the accommodations tax board shall be composed of the following:

- (1) Four members shall be selected from the hospitality industry of the county.
- (2) Two members shall be selected at the pleasure of the council.
- (3) One member shall be selected from a cultural organization.

(Code 1982, § 7-21(b)(1)—(3))

Sec. 66-28. Meetings.

The accommodations tax board shall meet no less than four times a year.

(Code 1982, § 7-21(b)(4))

Sec. 66-29. Powers and duties.

To be in compliance with S.C. Code of Law, Title 6 Chapter 4, the state (2%) accommodations tax shall be allocated in the following manner:

- (1) Be in compliance with the Ordinance No. 89-9; however, the first \$25,000.00 of revenues received from the accommodations tax will, by law, be placed in the county's general fund with no restrictions on the expenditures.
- (2) Five percent of the balance must be allocated to the general fund with no restrictions on expenditures.
- (3) Thirty percent of the remaining balance is split with half going to the Greater Beaufort-Port Royal Convention and Visitors Bureau and half going to the Hilton Head - Bluffton Chamber of Commerce as

¹Cross reference(s)—Boards and commissions, § 2-191 et seq.

the council hereby designates the Greater Beaufort-Port Royal Convention and Visitors Bureau and the Hilton Head - Bluffton Chamber of Commerce as the designated marketing organizations (DMOs).

- (a) In accordance with state law, the DMOs shall submit for approval a budget of planned expenditures. The proposed budgets from the two DMOs shall be presented at the April finance committee meeting. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the county. The final reports from the two DMOs shall be presented at the August finance committee meeting.
 - (b) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
 - (c) Adoption of this section goes into effect immediately; however, any changes to this section of the Code after initial adoption shall go into effect one year from date of adoption.
- (4) (a) The remaining balance plus earned interest received by the county must be allocated to a special fund and used for tourism-related expenditures. These expenditures shall be dispersed through a grant process of which the accommodations (2% state) tax board evaluates requests and makes recommendations to county council. Grant requests must not be used as an additional source of revenue to provide services normally provided by the county, but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county to attract and provide for tourists. Tourism-related expenditures include:
- i. Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
 - ii. Promotion of the arts and cultural events;
 - iii. Construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;
 - iv. The criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
 - v. Public facilities such as restrooms, dressing rooms, parks, and parking lots;
 - vi. Tourist shuttle transportation;
 - vii. Control and repair of waterfront erosion;
 - viii. Operating visitor information centers.
- (b) Allocation must be spent within two years of receipt.

(Code 1982, § 7-21(c); Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2018/21, 6-11-2018)

Secs. 66-30—66-40. Reserved.

DIVISION 2. ACCOMMODATIONS (3%) TAX

Sec. 66-41. Authority.

This article is enacted pursuant to the authority S.C. Code § 4-9-30 (1976, as amended) which provides that the county may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the county and for the preservation of the general health, peace and order in the county and S.C. Code § 6-1-500 et seq. (1976, as amended) which expressly provides authorization for the imposition of a local accommodations tax.

(Ord. No. 2002-11, § 1, 3-11-2002; Ord. No. 2005/10, § 1, 3-28-2005)

Sec. 66-42. Local (3%) accommodations tax—definitions.

- (a) *Tourist* and *transient* means a person traveling to and staying in places outside his or her usual environment for one night or more for leisure, business, or any other purpose for consideration within the unincorporated areas of Beaufort County, South Carolina. A person meeting this definition may be staying in places of public accommodations such as hotels, motels, inns, condominium, bed and breakfasts, tourist courts, campgrounds or the residences of family or friends for consideration.
- (b) *Local accommodations tax* means a tax on the gross proceeds derived from the rental or charges for any rooms, campground spaces, lodgings, or sleeping accommodations furnished to transients by any hotel, inn, tourist court, tourist camp, motel, campground, residence or any place in which rooms, lodgings, or sleeping accommodations are furnished to transients for consideration. This tax does not apply where the facilities consist of less than six sleeping rooms, contained on the same premises, which is used as the individual's place of abode. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person for a period of 90 continuous days are not considered proceeds from transients. The tax imposed herein does not apply to additional guest charges as defined in S.C. Code § 12-36-920(B) (1976, as amended).
- (c) A local accommodations tax equal to three percent is hereby imposed on the gross proceeds derived from the rental of any room(s) (excluding meeting rooms) as provided above.

(Ord. No. 2002-11, § 2, 3-11-2002; Ord. No. 2005/10, § 2, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009)

Sec. 66-43. Payment of local (3%) accommodations tax.

- (a) Payment of the local accommodations tax established herein shall be the liability of the consumer of the services described herein. The local accommodations tax shall be paid at the time of delivery of the services to which the local accommodations tax applies, and shall be collected by the provider of the services.
- (b) The county shall provide a local accommodations tax return, which shall be utilized by the provider of the services to calculate the amount of local accommodation taxes collected and due. Payment shall be made to Beaufort County and shall be made at the same time the return is required to be filed as provided below.

Real estate agents, brokers, corporations, or listing services required to remit taxes under this article must notify the county if rental property, previously listed by them, is dropped from their listings. The notice shall be on a form provided by the county.

- (c) The local accommodations tax collected by the provider of the services as required herein shall be remitted to the County of Beaufort, South Carolina, as follows:
 - (1) Payment shall be collected and remitted monthly starting January 1, 2010 and each month thereafter.
 - (2) Payments are due on or before the twentieth day following the end of the filing period.

- (d) An interest-bearing restricted account, kept in a separate fund segregated from the county's general fund and to be known as "The County of Beaufort, South Carolina, Local Accommodations Tax Account" is hereby established. All revenue and interest generated by the local accommodations tax shall be deposited into this account. "The County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be controlled by the county administrator for the County of Beaufort, South Carolina. The principal and any accrued interest thereon shall be spent only as provided herein.
- (e) Deposits into "The County of Beaufort, South Carolina, Local Accommodations Tax Account" may also include appropriations from the general fund by the county council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided herein.

(Ord. No. 2002-11, § 3, 3-11-2002; Ord. No. 2005/10, § 3, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2009/36, 10-12-2009)

Sec. 66-44. Permitted uses of local (3%) accommodations tax funds.

- (a) The county council is hereby authorized to utilize the funds collected from the imposition and collection of the local accommodations tax and other funds deposited into "The County of Beaufort, South Carolina, Local Accommodations Tax Account." The revenue generated by the local accommodations tax must be used exclusively for the following purposes:
- (1) Tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums;
 - (2) Cultural, recreational, or historic facilities;
 - (3) River/beach access and renourishment;
 - (4) Highways, roads, streets, bridges and boat ramps providing access to tourist destinations;
 - (5) Advertisements and promotions related to tourism development;
 - (6) Water and sewer infrastructure to serve tourism-related demand; and
 - (7) The operation and maintenance of those items provided in (a)(1) through (a)(6) above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.
 - (8) For all other proper purposes including those set forth herein.
- (b) Authorization to utilize any funds from the "County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be by ordinance duly adopted by the county council for the County of Beaufort, South Carolina, except for expenditures following an emergency as provided in Ordinance 2020/46 , which may be authorized by approval of a resolution.

(Ord. No. 2002-11, § 4, 3-11-2002; Ord. No. 2005/10, § 4, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2020/46, § 2, 10-26-2020)

Sec. 66-45. Inspections and audits.

- (a) For the purpose of enforcing the provisions of this article, the license official or other authorized agent of the County of Beaufort, South Carolina, is empowered to enter upon the premises of any person or establishment subject to this article to make inspections, examine and audit books and records of such person or establishment.

- (b) It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon 24 hours' written notice. In the event that the audit reveals that false information has been filed by the remitter, the costs of the audit shall be added to the correct amount determined to be due in addition to the penalties provided herein. The license official may make systematic inspections of all businesses within the unincorporated areas of the County of Beaufort, South Carolina, to ensure compliance with this chapter.

(Ord. No. 2002-11, § 5, 3-11-2002; Ord. No. 2005/10, § 5, 3-28-2005 ; Ord. No. 2009/36, 10-12-2009)

Sec. 66-46. Violations and penalty.

- (a) It shall be a violation of this chapter to:
- (1) Fail to collect the local accommodations tax in connection with the rental of accommodations to tourists or transients as set forth herein.
 - (2) Fail to remit to the County of Beaufort, South Carolina, any local accommodations taxes collected pursuant to this article by the twentieth day of the following month, as set forth herein.
 - (3) Knowingly provide false information on a return submitted to the County of Beaufort, South Carolina, as set forth herein.
 - (4) Fail or refuse to provide books and records to an authorized agent of the County of Beaufort, South Carolina, for the purpose of an examination or audit upon 24 hours' written notice as provided herein.
- (b) In the event that local accommodations taxes are not timely remitted to the County of Beaufort, South Carolina as provided herein, the person or establishment failing to remit shall also pay a penalty equal to one and one-half percent of the unpaid amount for each month or portion thereof that such taxes remain unpaid.
- (c) A person or establishment failing or refusing to timely file a return and make appropriate payment and/or provide books and records as provided herein may be subject to a conviction for a violation hereof. The violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-6 of the Code of the County Council of Beaufort County, South Carolina.
- (d) Upon identification of a delinquent account, the director of business license or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based on the revenue procedures as adopted with this amendment.

(Ord. No. 2002-11, § 6, 3-11-2002; Ord. No. 2005/10, § 6, 3-28-2005 ; Ord. No. 2009/36, 10-12-2009)

Sec. 66-47. Management and use of local (3%) accommodations tax.

[The management and use of local accommodations tax is as follows:]

- (a) Fund the approved annual operating expenditures of the program at an amount not to exceed eight percent of the funds collected.
- (b) Allocate \$350,000.00 annually for advertising and promotion programs related to tourism development (subsection 66-44(a)(5)). These funds shall be allocated as follows:
 - (1) One hundred fifty thousand dollars shall be allocated to the Greater Beaufort-Port Royal Convention and Visitors Bureau for advertising, promotion and events to increase tourism within the county.

- (2) One hundred fifty thousand dollars shall be allocated to the Hilton Head - Bluffton Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (3) Fifty thousand dollars shall be allocated to the Beaufort County Black Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (4) Funds shall be distributed to the designated organizations on a quarterly basis no later than 30 days after the end of the quarter.
 - (5) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
- (c) Allocate the remaining balance of collections as follows:
- (1) Twenty percent to establish a reserve fund for emergency or other unforeseen needs;
 - (2) Twenty percent for river/beach access and renourishment (subsection 66-44(a)(3));
 - (3) Sixty percent for tourism-related buildings, including, but not limited to, civic centers, coliseums and aquariums (subsection 66-44(a)(1)); cultural, recreational, or historic facilities; highways, roads, streets, bridges and boat ramps providing access to tourist destinations (subsection 66-44(a)(2)); water and sewer infrastructure to serve tourism-related demand (subsection 66-44(a)(6)); the operation and maintenance, including police, fire protection, emergency medical services and emergency preparedness operating directly attendant to those facilities as referenced above (subsection 66-44(a)(7); and for all other proper purposes (subsection 66-44(a)(8)).
- (d) In accordance with state law, the three chambers shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the county.
- (e) Any changes to this section of the code shall go into effect after July 1, 2009.

(Ord. No. 2002-11, § 7, 3-11-2002; Ord. No. 2005/10, § 7, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2018/22, 6-11-2018)

Sec. 66-48. Applicability and effective date.

- (a) This division shall become effective on October 12, 2009.
- (b) The business license department is authorized to adopt guidelines, policies and procedures to implement this division.

(Ord. No. 2009/36, 10-12-2009)

Sec. 66-49. Severability.

If any part of the ordinance is held by a court of competent jurisdiction be unconstitutional, illegal, or invalid for any reason, it shall be construed to have been the legislative intent of the County Council of Beaufort County, South Carolina, to pass this Ordinance [Ord. No. 2009/36] without such unconstitutional, illegal or invalid provision, and the remainder of this division shall be deemed and held to be constitutional, lawful and valid as if such portion had not been included. If this division or any provision thereof is held by a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

(Ord. No. 2009/36, 10-12-2009)

Sec. 66-50. Reserved.



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
RECOMMEND APPROVAL OF AN ORDINANCE TO AMEND BEAUFORT COUNTY'S FISCAL YEAR 2024 BUDGET ORDINANCE (ORDINANCE NO. 2023/22) TO PROVIDE ROLLOVER APPROPRIATIONS IN THE AMOUNT OF \$3,432,768 FROM THE CAPITAL IMPROVEMENT FUND (ACCOUNT NO. 1040) FOR CAPITAL IMPROVEMENT PROJECTS APPROVED BUT NOT COMPLETED IN FISCAL YEAR 2023
MEETING NAME AND DATE:
Finance, Administration, and Economic Development Committee
PRESENTER INFORMATION:
Denise Christmas, Interim Deputy County Administrator/Interim CFO <i>5 minutes</i>
ITEM BACKGROUND:
Has not come before committee nor council <i>This will be 1st reading on the Amended Budget Ordinance</i>
PROJECT / ITEM NARRATIVE:
Recommend approval of an ordinance amending Beaufort County Ordinance 2023/22 to appropriate \$3,432,768 of the Capital Improvement Fund's (Fund 1040) Fund Balance to cover all purchase orders which rolled from FY 2023 to FY 2024 for ongoing capital projects and capital purchases which did not get completed/purchased by June 30, 2023
FISCAL IMPACT:
<i>This will increase the Capital Improvement Fund's budget from \$21,232,455 to \$24,665,223. There will be a balance of \$703,423 remaining in Fund Balance should 100% of all budgeted line items be expended FY'24.</i>
STAFF RECOMMENDATIONS TO COUNCIL:
Staff recommends approving budget amendment to allow projects to complete with existing purchase orders.
OPTIONS FOR COUNCIL MOTION:
<ul style="list-style-type: none">• Motion to approve/deny Budget Ordinance 2023/22 Amendment for purchase order rollovers/budget carryforward in the Capital Improvement Fund• Move forward to Council for First Reading

ORDINANCE 2023/_____

AN ORDINANCE TO AMEND BEAUFORT COUNTY’S BUDGET ORDINANCE FOR FISCAL YEAR 2024 (ORDINANCE NO. 2023/22) TO PROVIDE ROLLOVER APPROPRIATIONS IN THE AMOUNT OF \$3,432,768 FROM THE CAPITAL IMPROVEMENT FUND’S (ACCOUNT 1040) FUND BALANCE TO COVER ALL PURCHASE ORDERS WHICH ROLLED OVER FROM FY23 TO FY24 FOR ONGOING CAPITAL PROJECTS AND CAPITAL PURCHASES

WHEREAS, on June 12, 2023, Beaufort County Council adopted Ordinance 2023/22 which set the County’s FY 2023-2024 budget and associated expenditures; and

WHEREAS, in the interest of good accounting practices and transparency in the budget process it is beneficial and necessary to amend the budget to reflect the additional appropriation of funds which are to be carried over (rolled over) from the Fiscal Year 2022-2023 budget to the Fiscal Year 2023-2024 budget to cover capital improvements which were properly authorized in FY23 but which were not completed in FY23 and which have rolled over into FY24.

NOW, THEREFORE, BE IT ORDAINED, by Beaufort County Council that the FY 2023-2024 Beaufort County Budget Ordinance (Ordinance 2023/22) is hereby amended as shown on the attached “Exhibit A” and incorporated herein by reference.

Done this _____ day of _____, 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

**By: _____
Joseph Passiment, Chairman**

ATTEST:

Sarah Brock, Clerk to Council

First Reading: _____, 2023

EXHIBIT A

<u>PO#</u>	<u>Vendor Name</u>	<u>PO Date</u>	<u>Amount</u>	<u>Status</u>	<u>GL Account</u>
20231061	STURRE ENGINEERING	03/31/2023	\$5,400	9 - Carry Fwd	10401000-54420
20231175	MOSELEY ARCHITECTS PC	05/03/2023	\$27,850	9 - Carry Fwd	10401143-54420
20230504	NORTHWESTERN EMERGENCY VEHICLES, INC	09/14/2022	\$557,244	9 - Carry Fwd	10401230-54000
20230505	NORTHWESTERN EMERGENCY VEHICLES, INC	09/14/2022	\$259,996	9 - Carry Fwd	10401230-54000
20230970	STANTEC CONSULTING SERVICES, INC	03/02/2023	\$54,277	9 - Carry Fwd	10401243-54500
20231131	KIMLEY-HORN AND ASSOCIATES INC.	04/21/2023	\$143,107	9 - Carry Fwd	10401243-54500
20231133	STANTEC CONSULTING SERVICES, INC	04/21/2023	\$146,225	9 - Carry Fwd	10401243-54500
20231134	MEAD & HUNT INC	04/21/2023	\$18,717	9 - Carry Fwd	10401243-54500
20230959	KIMLEY-HORN AND ASSOCIATES INC.	03/02/2023	\$32,920	9 - Carry Fwd	10401243-54500
20230960	KIMLEY-HORN AND ASSOCIATES INC.	03/02/2023	\$8,940	9 - Carry Fwd	10401243-54500
20231260	KIMLEY-HORN AND ASSOCIATES INC.	05/23/2023	\$51,405	9 - Carry Fwd	10401243-54500
20231266	MEAD & HUNT INC	05/23/2023	\$889,210	9 - Carry Fwd	10401243-54500
20231325	MOSELEY ARCHITECTS OF SOUTH CAROLINA, PC	05/26/2023	\$48,500	9 - Carry Fwd	10401250-54300
20230761	JOHN CREWS CONSTRUCTION LLC	01/05/2023	\$49,695	9 - Carry Fwd	10401301-54450
20230406	BEAUFORT DESIGN BUILD LLC	06/30/2023	\$1,781	9 - Carry Fwd	10401310-51160
20231121	CREATIVE INTERIORS	04/20/2023	\$5,620	9 - Carry Fwd	10401330-54420
20231152	FORMS & SUPPLY INC.	04/20/2023	\$18,438	9 - Carry Fwd	10401330-54420
20231296	CREATIVE INTERIORS	05/26/2023	\$3,068	9 - Carry Fwd	10401330-54420
20231306	GRAYBAR FENCE COMPANY, INC.	05/26/2023	\$7,555	9 - Carry Fwd	10401330-54420
20231159	FORMS & SUPPLY INC.	05/01/2023	\$5,465	9 - Carry Fwd	10401330-54420
20230406	BEAUFORT DESIGN BUILD LLC	08/29/2022	\$858	9 - Carry Fwd	10401330-54420
20230567	ANDREWS ENGINEERING COMPANY, INC.	10/13/2022	\$11,850	9 - Carry Fwd	10401400-54450
20230680	HORD, COPLAN, & MACHT, INC	11/18/2022	\$6,681	9 - Carry Fwd	10401400-54450
20210074	ANDREWS ENGINEERING COMPANY, INC.	07/01/2023	-\$9,656	9 - Carry Fwd	10401600-54436
20230781	RMF ENGINEERING, INC.	01/12/2023	\$33,844	9 - Carry Fwd	10401600-54436
20230784	HORD, COPLAN, & MACHT, INC	01/12/2023	\$23,851	9 - Carry Fwd	10401600-54436
20230853	THE LANDPLAN GROUP SOUTH INC	02/03/2023	\$16,995	9 - Carry Fwd	10401600-54436
20231252	MUSCO SPORTS LIGHTING, LLC	05/19/2023	\$799,325	9 - Carry Fwd	10401600-54436
20231207	RMF ENGINEERING, INC.	05/10/2023	\$20,500	9 - Carry Fwd	10401600-54436
20231208	RMF ENGINEERING, INC.	05/10/2023	\$26,500	9 - Carry Fwd	10401600-54436
20231210	HORD, COPLAN, & MACHT, INC	05/10/2023	\$5,772	9 - Carry Fwd	10401600-54436
20231211	HORD, COPLAN, & MACHT, INC	05/10/2023	\$6,547	9 - Carry Fwd	10401600-54436
20231162	JEFF LEWIS AIA ARCHITECT	05/01/2023	\$22,000	9 - Carry Fwd	10401600-54436
20230309	DEERE & COMPANY STRATEGIC ACCT BUS DIV	06/29/2023	\$44,096	9 - Carry Fwd	10401600-54200
20230367	DEERE & COMPANY STRATEGIC ACCT BUS DIV	06/30/2023	\$43,684	9 - Carry Fwd	10401600-54200
20230367	DEERE & COMPANY STRATEGIC ACCT BUS DIV	06/27/2023	\$44,508	9 - Carry Fwd	10401604-54200
			\$3,432,768		

EXHIBIT A

<u>PO#</u>	<u>Vendor Name</u>	<u>PO Date</u>	<u>Status</u>
20231061	STURRE ENGINEERING	03/31/2023	\$5,400.00 9 - Carry Fwd
20231175	MOSELEY ARCHITECTS PC	05/03/2023	\$27,850.00 9 - Carry Fwd
20230504	NORTHWESTERN EMERGENCY VEHICLES, INC	09/14/2022	\$557,244.00 9 - Carry Fwd
20230505	NORTHWESTERN EMERGENCY VEHICLES, INC	09/14/2022	\$259,996.00 9 - Carry Fwd
20230970	STANTEC CONSULTING SERVICES, INC	03/02/2023	\$54,277.23 9 - Carry Fwd
20231131	KIMLEY-HORN AND ASSOCIATES INC.	04/21/2023	\$143,106.50 9 - Carry Fwd
20231133	STANTEC CONSULTING SERVICES, INC	04/21/2023	\$146,225.34 9 - Carry Fwd
20231134	MEAD & HUNT INC	04/21/2023	\$18,717.30 9 - Carry Fwd
20230959	KIMLEY-HORN AND ASSOCIATES INC.	03/02/2023	\$32,920.00 9 - Carry Fwd
20230960	KIMLEY-HORN AND ASSOCIATES INC.	03/02/2023	\$8,940.00 9 - Carry Fwd
20231260	KIMLEY-HORN AND ASSOCIATES INC.	05/23/2023	\$51,405.00 9 - Carry Fwd
20231266	MEAD & HUNT INC	05/23/2023	\$889,210.04 9 - Carry Fwd
20231325	MOSELEY ARCHITECTS OF SOUTH CAROLINA, PC	05/26/2023	\$48,500.00 9 - Carry Fwd
20230761	JOHN CREWS CONSTRUCTION LLC	01/05/2023	\$49,695.00 9 - Carry Fwd
20230406	BEAUFORT DESIGN BUILD LLC	06/30/2023	\$1,780.58 9 - Carry Fwd
20231121	CREATIVE INTERIORS	04/20/2023	\$5,620.23 9 - Carry Fwd
20231152	FORMS & SUPPLY INC.	04/20/2023	\$18,438.16 9 - Carry Fwd
20231296	CREATIVE INTERIORS	05/26/2023	\$3,068.42 9 - Carry Fwd
20231306	GRAYBAR FENCE COMPANY, INC.	05/26/2023	\$7,555.35 9 - Carry Fwd
20231159	FORMS & SUPPLY INC.	05/01/2023	\$5,464.56 9 - Carry Fwd
20230406	BEAUFORT DESIGN BUILD LLC	08/29/2022	\$858.14 9 - Carry Fwd
20230567	ANDREWS ENGINEERING COMPANY, INC.	10/13/2022	\$11,850.00 9 - Carry Fwd
20230680	HORD, COPLAN, & MACHT, INC	11/18/2022	\$6,680.87 9 - Carry Fwd
20210074	ANDREWS ENGINEERING COMPANY, INC.	07/01/2023	-\$9,656.00 9 - Carry Fwd
20230781	RMF ENGINEERING, INC.	01/12/2023	\$33,843.82 9 - Carry Fwd
20230784	HORD, COPLAN, & MACHT, INC	01/12/2023	\$23,850.68 9 - Carry Fwd
20230853	THE LANDPLAN GROUP SOUTH INC	02/03/2023	\$16,995.00 9 - Carry Fwd
20231252	MUSCO SPORTS LIGHTING, LLC	05/19/2023	\$799,325.00 9 - Carry Fwd
20231207	RMF ENGINEERING, INC.	05/10/2023	\$20,500.00 9 - Carry Fwd
20231208	RMF ENGINEERING, INC.	05/10/2023	\$26,500.00 9 - Carry Fwd
20231210	HORD, COPLAN, & MACHT, INC	05/10/2023	\$5,772.00 9 - Carry Fwd
20231211	HORD, COPLAN, & MACHT, INC	05/10/2023	\$6,547.20 9 - Carry Fwd
20231162	JEFF LEWIS AIA ARCHITECT	05/01/2023	\$22,000.00 9 - Carry Fwd
20230309	DEERE & COMPANY STRATEGIC ACCT BUS DIV	06/29/2023	\$44,095.77 9 - Carry Fwd
20230367	DEERE & COMPANY STRATEGIC ACCT BUS DIV	06/30/2023	\$43,683.66 9 - Carry Fwd
20230367	DEERE & COMPANY STRATEGIC ACCT BUS DIV	06/27/2023	<u>\$44,507.88</u> 9 - Carry Fwd
			\$3,432,767.73

GL Account

10401000-54420
10401143-54420
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BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
An Ordinance Adopting Amendments to the Business and Professional Licenses Ordinance Chapter 18, Article III, Section 18-67 (a) (b), Appendix A&B.
MEETING NAME AND DATE:
Finance, Administration, and Economic Development Committee - October 16, 2023
PRESENTER INFORMATION:
Chuck Atkinson - Assistant County Administrator, Development and Recreation <i>(10 mins)</i>
ITEM BACKGROUND:
December 2020 - County Council adopted Chapter 18 Article III Business and Professional Licenses Ordinance
PROJECT / ITEM NARRATIVE:
The South Carolina Business License Tax Standardization Act requires that by December 31 of every odd year, the County must adopt, by ordinance, the latest Standardized Business License Class Schedule.
FISCAL IMPACT:
Updated Rate Schedule will have a minor fiscal revenue impact.
STAFF RECOMMENDATIONS TO COUNCIL:
Staff recommends approval of the amendments to the Business and Professional Licenses Ordinance Chapter 18, Article III, Section 18-67 (a) (b), Appendix A&B.
OPTIONS FOR COUNCIL MOTION:
Motion to approve/deny amendments to the Business and Professional Licenses Ordinance Chapter 18, Article III, Section 18-67 (a) (b), Appendix A&B. (Next Step – Upon approval, send to County Council for First Reading)

ORDINANCE 2023/XX

AN ORDINANCE TO AMEND THE BUSINESS AND PROFESSIONAL LICENSES ORDINANCE, CHAPTER 18, ARTICLE III, SECTION 18-67(A)(B), APPENDIX A&B.

WHEREAS, the County of Beaufort is authorized by S.C. Code Section 4-9-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income; and

WHEREAS, Beaufort County has been in the practice of regulating business licensing as evidenced by the Beaufort County Code of Ordinances Chapter 18, Article III, Sections 18-46 through 18-71; and

WHEREAS, by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act (“Standardization Act”). The South Carolina General Assembly imposed additional requirements and conditions on the administration of business license taxes; and

WHEREAS, the Standardization Act requires that by December thirty-first of every odd year, the County must adopt, by ordinance, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina (the “Association”) and adopted by the Director of the Revenue and Fiscal Affairs Office; and

WHEREAS, the County Council of Beaufort County now wishes to amend the Current Business and Professional License Ordinance to adopt the latest Standardized Business License Class Schedule, as required by the Standardization Act, and to make other minor amendments as recommended by the Association.

NOW, THEREFORE, be it ordained by Beaufort County Council, in a meeting duly assembled, that Chapter 18, Article III, Section 18-67 (a) (b), Appendix A&B of the Code of Ordinances is amended to adopt the latest Standardization Business License Class Schedule and to make other minor amendments as recommended by the Association and as set forth in Exhibit "A".

Adopted this _____ day of _____ 2023

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Joseph Passiment, Chairman

ATTEST:

Sarah W. Brock, JD, Clerk to Council

ARTICLE III. - BUSINESS AND PROFESSIONAL LICENSES

Section 1. License Required. Every person engaged or intending to engage in any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, in whole or in part within the limits of Beaufort County, South Carolina, is required to pay an annual license tax for the privilege of doing business and obtain a business license as herein provided.

Section 2. Definitions. The following words, terms, and phrases, when used in this ordinance, shall have the meaning ascribed herein. Defined terms are not capitalized when used in this ordinance unless the context otherwise requires.

"*Business*" means any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, either directly or indirectly. In addition to the above-described activities constituting doing business in the count an individual shall be deemed to be in business if that individual owns and rents two or more residential rental units (or holds a partial interest therein) within the County, excluding the municipality therein. This applies to long-term rentals (30 days or more) only.

"*Charitable Organization*" means an organization that is determined by the Internal Revenue Service to be exempt from Federal income taxes under 26 U.S.C. Section 501 (c)(3), (4), (6), (7), (8), (10) or (19).

"*Charitable Purpose*" means a benevolent, philanthropic, patriotic, or eleemosynary purpose that does not result in personal gain to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization.

"*Classification*" means that division of businesses by NAICS codes subject to the same license rate as determined by a calculated index of ability to pay based on national averages, benefits, equalization of tax burden, relationships of services, or other basis deemed appropriate by the Council.

"*Council*" means the County Council of Beaufort County.

"*Domicile*" means a principal place from which the trade or business of a licensee is conducted, directed, or managed. For purposes of this ordinance, a licensee may be deemed to have more than one domicile.

"*Gross Income*" means the gross receipts or gross revenue of a business, received or accrued, for one calendar or fiscal year collected or to be collected from business done within the County. If the licensee has a domicile within the County, business done within the County shall include all gross receipts or revenue received or accrued by such licensee. If the licensee does not have a domicile within the County, business done within the County shall include only gross receipts or revenue received or accrued within the County. In all cases, if the licensee pays a business license tax to another Municipality or County, then the licensee's gross income for the purpose of computing the tax within the County must be reduced by the amount of revenues or receipts taxed in the other Municipality or County and fully reported to the County. Gross income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds that are the property of a third party. The value of bartered goods or trade-in merchandise

shall be included in gross income. The gross receipts or gross revenues for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Department of Insurance, or other government agencies. In calculating gross income for certain businesses, the following rules shall apply:

- A. Gross income for agents shall be calculated on gross commissions received or retained, unless otherwise specified. If commissions are divided with other brokers or agents, then only the amount retained by the broker or agent is considered gross income.
- B. Except as specifically required by S.C. Code 38-7-20, gross income for insurance companies shall be calculated on gross premiums written.
- C. Gross income for manufacturers of goods or materials with a location in the County shall be calculated on the lesser of (i) gross revenues or receipts received or accrued from business done at the location, (ii) the amount of income allocated and apportioned to that location by the business for purposes of the business's state income tax return, or (iii) the amount of expenses attributable to the location as a cost center of the business. Licensees reporting gross income under this provision shall have the burden to establish the amount and method of calculation by satisfactory records and proof. Manufacturers include those taxpayers reporting a manufacturing principal business activity code on their federal income tax returns.

"*License Official*" means a person designated to administer this ordinance. Notwithstanding the designation of a primary license official, the County may designate one or more alternate license officials to administer particular types of business licenses, including without limitation for business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code.

"*Licensee*" means the business, the person applying for the license on behalf of the business, an agent or legal representative of the business, a person who receives any part of the net profit of the business, or a person who owns or exercises control of the business.

"*County*" means the Beaufort County, South Carolina.

"*NAICS*" means the North American Industry Classification System for the United States published under the auspices of the Federal Office of Management and Budget.

"*Person*" means any individual, firm, partnership, limited liability partnership, limited liability company, cooperative non-profit membership, corporation, joint venture, association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principal.

Section 3. Purpose and Duration. The business license required by this ordinance is for the purpose of providing such regulation as may be required for the business subject thereto and for the purpose of raising revenue for the general fund through a privilege tax. The license year ending on December 31, 2021 shall commence on May 1st, 2022 and shall run through April 30th 2023. Thereafter, the license periods shall be established as follows. Except as set forth below for business licenses issued to contractors with respect to specific construction projects, each yearly license

shall be issued for the twelve-month period of May 1 to April 30. A business license issued for a construction contract may, at the request of the licensee, be stated to expire at the completion of the construction project; provided, any such business license may require that the licensee file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount. The provisions of this ordinance and the rates herein shall remain in effect from year to year as amended by the Council.

Section 4. Business License Tax Refund.

- A. The required business license tax shall be paid for each business subject hereto according to the applicable rate classification on or before the due date of the 30th day of April in each year, except for those businesses in Rate Class 8 for which a different due date is specified. Late payments shall be subject to penalties as set forth in Section 12 hereof, except that admitted insurance companies may pay before June 1 without penalty.
- B. A separate license shall be required for each place of business and for each classification or business conducted at one place. If gross income cannot be separated for classifications at one location, the business license tax shall be computed on the combined gross income for the classification requiring the highest rate. The business license tax must be computed based on the licensee's gross income for the calendar year preceding the due date, for the licensee's twelve-month fiscal year preceding the due date, or on a twelve-month projected income based on the monthly average for a business in operation for less than one year. The business license tax for a new business must be computed on the estimated probable gross income for the balance of the license year. A business license related to construction contract projects may be issued on a per-project basis, at the option of the taxpayer. No refund shall be made for a business that is discontinued.
- C. A licensee that submits a payment greater than the amount owed may request a refund. To be considered, a refund request must be submitted in writing to the County before the June 1 immediately following the April 30 on which the payment was due and must be supported by adequate documentation supporting the refund request. The County shall approve or deny the refund request, and if approved shall issue the refund to the business, within thirty days after receipt of the request.

Section 5. Registration Required.

- A. The owner, agent, or legal representative of every business subject to this ordinance, whether listed in the classification index or not, shall register the business and make application for a business license on or before the due date of each year; provided, a new business shall be required to have a business license prior to operation within the County, and an annexed business shall be required to have a business license within thirty (30) days of the annexation. A license for a bar (NAICS 722410) must be issued in the name of the individual who has been issued the corresponding state alcohol, beer, or wine permit or license and will have actual control and management of the business.

- B. Application shall be on the then-current standard business license application as established and provided by the Director of the South Carolina Revenue and Fiscal Affairs Office and shall be accompanied by all information about the applicant, the licensee, and the business deemed appropriate to carry out the purpose of this ordinance by the license official.

Applicants may be required to submit copies of portions of state and federal income tax returns reflecting gross receipts and gross revenue figures.

- C. The applicant shall certify under oath that the information given in the application is true, that the gross income is accurately reported (or estimated for a new business) without any unauthorized deductions, and that all assessments, personal property taxes on business property, and other monies due and payable to the County have been paid.
- D. The County shall allow application, reporting, calculation, and payment of business license taxes through the business license tax portal hosted and managed by the South Carolina Revenue and Fiscal Affairs Office, subject to the availability and capability thereof. Any limitations in portal availability or capability do not relieve the applicant or Licensee from existing business license or business license tax obligations.

Section 6. Deductions, Exemptions, and Charitable Organizations.

- A. No deductions from gross income shall be made except income earned outside of the County on which a license tax is paid by the business to some other County or county and fully reported to the County, taxes collected for a governmental entity, or income which cannot be included for computation of the tax pursuant to state or federal law. Properly apportioned income from business in interstate commerce shall be included in the calculation of gross income and is not exempted. The applicant shall have the burden to establish the right to exempt income by satisfactory records and proof.
- B. No person shall be exempt from the requirements of the ordinance by reason of the lack of an established place of business within the County, unless exempted by state or federal law. The license official shall determine the appropriate classification for each business in accordance with the latest issue of NAICS. No person shall be exempt from this ordinance by reason of the payment of any other tax, unless exempted by state law, and no person shall be relieved of liability for payment of any other tax or fee by reason of application of this ordinance.
- C. Wholesalers are exempt from business license taxes unless they maintain warehouses or distribution establishments within the County. A wholesale transaction involves a sale to an individual who will resell the goods and includes delivery of the goods to the reseller. It does not include a sale of goods to a user or consumer.
- D. A charitable organization shall be exempt from the business license tax on its gross income unless it is deemed a business subject to a business license tax on all or part of its gross income as provided in this section. A charitable organization, or any affiliate of a charitable organization, that reports income from for-profit activities or unrelated business income for federal income tax purposes to the Internal Revenue Service shall be deemed a business subject to a business license tax on the part of its gross income from such for-profit activities or unrelated business income.

- E. A charitable organization shall be deemed a business subject to a business license tax on its total gross income if (1) any net proceeds of operation, after necessary expenses of operation, inure to the benefit of any individual or any entity that is not itself a charitable organization as defined in this ordinance, or (2) any net proceeds of operation, after necessary expenses of operation, are used for a purpose other than a charitable purpose as defined in this ordinance. Excess benefits or compensation in any form beyond fair market value to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization shall not be deemed a necessary expense of operation.

Section 7. False Application Unlawful. It shall be unlawful for any person subject to the provisions of this ordinance to make a false application for a business license or to give or file, or direct the giving or filing of, any false information with respect to the license or tax required by this ordinance.

Section 8. Display and Transfer.

- A. All persons shall display the license issued to them on the original form provided by the license official in a conspicuous place in the business establishment at the address shown on the license. A transient or non-resident shall carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the County.
- B. A change of address must be reported to the license official within ten (10) days after removal of the business to a new location and the license will be valid at the new address upon written notification by the license official and compliance with zoning and building codes. Failure to obtain the approval of the license official for a change of address shall invalidate the license and subject the licensee to prosecution for doing business without a license. A business license shall not be transferable, and a transfer of controlling interest shall be considered a termination of the old business and the establishment of a new business requiring a new business license, based on old business income.

Section 9. Administration of Ordinance. The license official shall administer the provisions of this ordinance, collect business license taxes, issue licenses, make or initiate investigations and audits to ensure compliance, initiate denial or suspension and revocation procedures, report violations to the municipal attorney, assist in prosecution of violators, produce forms, undertake reasonable procedures relating to the administration of this ordinance, and perform such other duties as may be duly assigned.

Section 10. Inspection and Audits.

- A. For the purpose of enforcing the provisions of this ordinance, the license official or other authorized agent of the County is empowered to enter upon the premises of any person subject to this ordinance to make inspections and to examine and audit books and records. It shall be unlawful for any such person to fail or refuse to make available the necessary books and records. In the event an audit or inspection reveals that the licensee has filed false information, the costs of the audit shall be added to the correct business license tax and late penalties in addition to other penalties provided herein. Each day of failure to pay the proper amount of business license tax shall constitute a separate offense.

- B. The license official shall have the authority to make inspections and conduct audits of businesses to ensure compliance with the ordinance. Financial information obtained by inspections and audits shall not be deemed public records, and the license official shall not release the amount of business license taxes paid or the reported gross income of any person by name without written permission of the licensee, except as authorized by this ordinance, state or federal law, or proper judicial order. Statistics compiled by classifications are public records.

Section 11. Assessments. Payment under Protest, Appeal.

- A. Assessments, payments under protest, and appeals of assessment shall be allowed and conducted by the County pursuant to the provisions of S.C. Code 6-1-410, as amended. In preparing an assessment, the license official may examine such records of the business, or any other available records as may be appropriate and conduct such investigations and statistical surveys as the license official may deem appropriate to assess a business license tax and penalties as provided herein.
- B. The license official shall establish a uniform local procedure consistent with S.C. Code § 4-9-30 for hearing an application for adjustment of assessment and issuing a notice of final assessment; provided that for particular types of business licenses, including without limitation for business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the County, by separate ordinance, may establish a different procedure and may delegate one or more rights, duties, and functions hereunder to the Municipal Association of South Carolina.

Section 12. Delinquent License Taxes, Partial Payment.

- A. For non-payment of all or any part of the correct business license tax, the license official shall impose and collect a late penalty of five (5%) percent of the unpaid tax for each month or portion thereof after the due date until paid. Penalties shall not be waived. If any business license tax remains unpaid for sixty (60) days after its due date, the license official shall report it to the municipal attorney for appropriate legal action.
- B. Partial payment may be accepted by the license official to toll imposition of penalties on the portion paid; provided, however, no business license shall be issued or renewed until the full amount of the tax due, with penalties, has been paid.

Section 13. Notices. The license official may, but shall not be required to, mail written notices that business license taxes are due. If notices are not mailed, there shall be published a notice of the due date in a newspaper of general circulation within the County three (3) times prior to the due date in each year. Failure to receive notice shall not constitute a defense to prosecution for failure to pay the tax due or grounds for waiver of penalties.

Section 14. Denial of License. The license official may deny a license to an applicant when the license official determines:

- A. The application is incomplete or contains a misrepresentation, false or misleading statement, or evasion or suppression of a material fact;

- B. The activity for which a license is sought is unlawful or constitutes a public nuisance *per se* or *per accidens*;
- C. The applicant, licensee, prior licensee, or the person in control of the business has been convicted within the previous ten years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a business or a subject of a business, or an unlawful sale of merchandise or prohibited goods;
- D. The applicant, licensee, prior licensee, or the person in control of the business has engaged in an unlawful activity or nuisance related to the business or to a similar business in the County or in another jurisdiction;
- E. The applicant, licensee, prior licensee, or the person in control of the business is delinquent in the payment to the County of any tax or fee;
- F. A licensee has actual knowledge or notice, or based on the circumstances reasonably should have knowledge or notice, that any person or employee of the licensee has committed a crime of moral turpitude on the business premises, or has permitted any person or employee of the licensee to engage in the unlawful sale of merchandise or prohibited goods on the business premises and has not taken remedial measures necessary to correct such activity; or
- G. The license for the business or for a similar business of the licensee in the County or another jurisdiction has been denied, suspended, or revoked in the previous license year.

A decision of the license official shall be subject to appeal as herein provided. Denial shall be written with reasons stated.

Section 15. Suspension or Revocation of License. When the license official determines:

- A. A license has been mistakenly or improperly issued or issued contrary to law;
- B. A licensee has breached any condition upon which the license was issued or has failed to comply with the provisions of this ordinance;
- C. A licensee has obtained a license through a fraud, misrepresentation, a false or misleading statement, or evasion or suppression of a material fact in the license application;
- D. A licensee has been convicted within the previous ten years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a business or a subject of a business, or an unlawful sale of merchandise or prohibited goods;
- E. A licensee has engaged in an unlawful activity or nuisance related to the business; or
- F. A licensee is delinquent in the payment to the County of any tax or fee,

the license official may give written notice to the licensee or the person in control of the business within the County by personal service or mail that the license is suspended pending a single hearing before Council or its designee for the purpose of determining whether the suspension should be upheld and the license should be revoked.

The written notice of suspension and proposed revocation shall state the time and place at which the hearing is to be held, and shall contain a brief statement of the reasons for the suspension and proposed revocation and a copy of the applicable provisions of this ordinance.

Section 16. Appeals to Council or its Designee.

- A. Except with respect to appeals of assessments under Section 11 hereof, which are governed by S.C. Code 6-1-410, any person aggrieved by a determination, denial, or suspension and proposed revocation of a business license by the license official may appeal the decision to the Council or its designee by request stating the reasons for appeal, filed with the license official within ten (10) days after service by mail or personal service of the notice of determination, denial, or suspension and proposed revocation.
- B. A hearing on an appeal from a license denial or other determination of the license official and a hearing on a suspension and proposed revocation shall be held by the Council or its designee within ten (10) business days after receipt of a request for appeal or service of a notice of suspension and proposed revocation. The hearing shall be held upon written notice at a regular or special meeting of the Council, or, if by designee of the Council, at a hearing to be scheduled by the designee. The hearing may be continued to another date by agreement of all parties. At the hearing, all parties shall have the right to be represented by counsel, to present testimony and evidence, and to cross-examine witnesses. The proceedings shall be recorded and transcribed at the expense of the party so requesting. The rules of evidence and procedure prescribed by Council or its designee shall govern the hearing. Following the hearing, the Council by majority vote of its members present, or the designee of Council if the hearing is held by the designee, shall render a written decision based on findings of fact and conclusions on application of the standards herein. The written decision shall be served, by personal service or by mail, upon all parties or their representatives and shall constitute the final decision of the County.
- C. Timely appeal of a decision of Council or its designee does not effectuate a stay of that decision. The decision of the Council or its designee shall be binding and enforceable unless overturned by an applicable appellate court after a due and timely appeal.
- D. For business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the County may establish a different procedure by ordinance.

Section 17. Consent, franchise, or license required for use of streets.

- A. It shall be unlawful for any person to construct, install, maintain, or operate in, on, above, or under any street or public place under control of the County any line, pipe, cable, pole, structure, or facility for utilities, communications, cablevision, or other purposes without a consent agreement or franchise agreement issued by the Council by ordinance that prescribes the term, fees, and conditions for use.
- B. The annual fee for use of streets or public places authorized by a consent agreement or franchise agreement shall be set by the ordinance approving the agreement and shall be consistent with limits set by state law. Existing franchise agreements shall continue in effect until expiration dates in the agreements. Franchise and consent fees shall not be in lieu of

or be credited against business license taxes unless specifically provided by the franchise or consent agreement.

Section 18. Confidentiality. Except in accordance with proper judicial order or as otherwise provided by law, no official or employee of the County may divulge or make known in any manner the amount of income or any financial particulars set forth or disclosed in any report or return required under this ordinance. Nothing in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns. Any license data may be shared with other public officials or employees in the performance of their duties, whether or not those duties relate to enforcement of this ordinance.

Section 19. Violations. Any person violating any provision of this ordinance shall be deemed guilty of an offense and shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this ordinance.

Section 20. Severability. A determination that any portion of this ordinance is invalid or unenforceable shall not affect the remaining portions. To the extent of any conflict between the provisions of this ordinance and the provisions of the South Carolina Business License Tax Standardization Act, as codified at S.C. Code 6-1-400 et seq., the standardization act shall control.

Section 21. Classification and Rates.

- A. The business license tax for each class of businesses subject to this ordinance shall be computed in accordance with the current business license rate schedule, designated as Appendix A to this ordinance, which may be amended from time to time by the Council.
- B. The current business license class schedule is attached hereto as Appendix B. Hereafter, no later than December 31 of each odd year, the County shall adopt, by ordinance, the latest standardized business license class schedule as recommended by the Municipal Association of South Carolina and adopted by the Director of the South Carolina Revenue and Fiscal Affairs Office. Upon adoption by the County, the revised business license class schedule shall then be appended to this ordinance as a replacement Appendix B.
- C. The classifications included in each rate class are listed with NAICS codes, by sector, subsector, group, or industry. The business license class schedule (Appendix B) is a tool for classification and not a limitation on businesses subject to a business license tax. The classification in the most recent version of the business license class schedule adopted by the Council that most specifically identifies the subject business shall be applied to the business. The license official shall have the authority to make the determination of the classification most specifically applicable to a subject business.
- D. A copy of the class schedule and rate schedule shall be filed in the office of the clerk.

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

RATE CLASS FRACTION THEREOF	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
	BASE RATE	RATE PER \$1 000 OR
1	\$ 35.00	\$ 0.37
2	\$ 40.00	\$ 0.47
3	\$ 45.00	\$ 0.57
4	\$ 50.00	\$ 0.67
5	\$ 55.00	\$ 0.77
6	\$ 60.00	\$ 0.87
7	\$ 65.00	\$ 0.97
8.1	\$ 40.00	\$ 0.47
8.2	Set by state statute	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.52	\$12.50 + \$180.00 per machine	
8.6	\$ 45.00 plus \$5.00 -OR- \$12.50 per table\$ 0.5	

NON-RESIDENT RATES

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the County.

CLASS 8 RATES

Each NAICS number designates a separate subclassification. The businesses in this section are treated as separate and individual subclasses due to provisions of state law, regulatory requirements, service burdens, tax equalization considerations, and other factors that are deemed sufficient to require individually determined rates. In accordance with state law, the County also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations as needed for economic stimulus or for the enhanced or disproportionate demands on municipal services or infrastructure.

Non-resident rates do not apply except where indicated.

8.1 NAICS 230000 — Contractors, Construction. All Types [Non-resident rates apply].

Resident rates, for contractors having a permanent place of business within the County: Minimum

on first \$2,000_____ \$ see rates PLUS

Each additional 1,000_____ \$ see rates

Non-resident rates apply to contractors that do not have a permanent place of business within the County. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all state and municipal qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

For licenses issued on a per-job basis, the total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle the contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licensees holding a per-job license shall file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount.

8.2 NAICS 482 - Railroad Companies (See S.C. Code 12-23-210).

8.3 NAICS 517311, 517312 517111, 517112, 517222 - Telephone Companies.

With respect to "retail telecommunications services" as defined in S. C. Code 58-9-2200, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the "Telecommunications Collections Ordinance"). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to retail telecommunications services are set forth in the Telecommunications Collections Ordinance.

8.4 NAICS 5241 — Insurance Companies:

Independent agents, brokers, their employees are subject to a business license tax based on their natural class. With respect to insurers subject to license fees and taxes under Chapter 7 of Title 38 and to brokers under Chapter 45 of Title 38, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the "Insurers and Brokers Collections Ordinance"). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to insurers and brokers are set forth in the Insurers and Brokers Collections Ordinance.

8.51 NAICS 713120 — Amusement Machines, coin operated (except gambling). Music machines, juke boxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code 12-21-2720(A)(1) and (A)(2) [Type I and Type II].

For operation of all machines (not on gross income), pursuant to S.C. Code 12-21-2746:

Per Machine _____ \$12.50 PLUS
Business license _____ \$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.51.

8.52 NAICS 713290 — Amusement Machines, coin operated, non-payout. Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(3) [Type III].

For operation of all machines (not on gross income), pursuant to S.C. Code 512-21-2720(B):

Per Machine _____ \$180.00 PLUS
Business license _____ \$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.52.

8.6 NAICS 713990 - Billiard or Pool Rooms, all types. A business that offers the use of billiard or pool tables shall be subject to business license taxation under its natural class for all gross income of the business excluding the gross income attributable to the billiard or pool tables. In addition, the billiard or pool tables shall require their own separate business licenses (A) P pursuant to SC Code 12-21-2746 and shall be subject to a license tax of \$5.00 per table measuring less than

3 ½ feet wide and 7 feet long, and \$12.50 per table longer than that.; PLUS, (B) with respect to gross income from the entire business in addition to the tax authorized by state law for each table:

~~Minimum on first \$2,000~~ _____ ~~\$ see rates~~ PLUS

~~Per \$ 1,000, or fraction, over \$2,000~~ _____ ~~\$ see rates~~

Business License Class Schedule by NAICS Code

Appendix B

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	2-0
21	Mining	4-0
23	Construction	8-1
31-33	Manufacturing	2-0
42	Wholesale trade	1-0
423930	Recyclable Material Merchant Wholesalers (Junk)	9-1
44-45	Retail trade	1-0
4411	Automobile Dealers	9-3
4412	Other Motor Vehicle Dealers	9-3
454390	Other Direct Selling Establishments (Peddlers)	9.41 & 9.4
48-49	Transportation and warehousing	2-0
482	Rail Transportation	8-2
51	Information	4-0
517311	Wired Telecommunications Carriers	8-3
517312	Wireless Telecommunications Carriers (except Satellite)	8-3
52	Finance and insurance	7-0
522298	Pawnshops	9-2
5241	Insurance Carriers	8-4
5242	Insurance Brokers for non-admitted Insurance Carriers	8-4
53	Real estate and rental and leasing	7-0
54	Professional, scientific, and technical services	5-0
55	Management of companies	7-0
56	Administrative and support and waste management and remediation services	4-0
61	Educational services	4-0
62	Health care and social assistance	4-0
71	Arts, entertainment, and recreation	3-0
711190	Other Performing Arts Companies (Carnivals and Circuses)	9-6
713120	Amusement Parks and Arcades	8-5
713290	Nonpayout Amusement Machines	8-5
713290	Bingo Halls	9-5
713990	All Other Amusement and Recreational Industries (pool tables)	
721	Accommodation	3-0
722	Food services and drinking places	1-0
722410	Drinking Places (Alcoholic Beverages)	
81	Other services	5-0

Note: Class Schedule is based on 2017 IRS data.

APPENDIX B
Classes 1 – 8: Business License Class Schedule by NAICS Codes

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	1
21	Mining	2
22	Utilities	1
31 - 33	Manufacturing	3
42	Wholesale trade	1
44 - 45	Retail trade	1
48 - 49	Transportation and warehousing	1
51	Information	4
52	Finance and insurance	7
53	Real estate and rental and leasing	7
54	Professional, scientific, and technical services	5
55	Management of companies	7
56	Administrative and support and waste management and remediation services	3
61	Educational services	3
62	Health care and social assistance	4
71	Arts, entertainment, and recreation	3
721	Accommodation	1
722	Food services and drinking places	2
81	Other services	4
Class 8	Subclasses	
23	Construction	8.1
482	Rail Transportation	8.2
517111	Wired Telecommunications Carriers	8.3
517112	Wireless Telecommunications Carriers (except Satellite)	8.3
517122	Agents for Wireless Telecommunications Services	8.3
5241	Insurance Carriers	8.4
5242	Insurance Brokers for non-admitted Insurance Carriers	8.4
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.6

2023 Class Schedule is based on a three-year average (2017 - 2019) of IRS statistical data.

This appendix will be updated every odd year based on the latest available IRS statistics. The Business License Class Schedule may be accessed at:

Item 11.

ORDINANCE 2023/XX

AN ORDINANCE TO AMEND THE BUSINESS AND PROFESSIONAL LICENSES ORDINANCE, CHAPTER 18, ARTICLE III, SECTION 18-67(A)(B), APPENDIX A&B.

WHEREAS, the County of Beaufort is authorized by S.C. Code Section 4-9-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income; and

WHEREAS, Beaufort County has been in the practice of regulating business licensing as evidenced by the Beaufort County Code of Ordinances Chapter 18, Article III, Sections 18-46 through 18-71; and

WHEREAS, by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act (“Standardization Act”). The South Carolina General Assembly imposed additional requirements and conditions on the administration of business license taxes; and

WHEREAS, the Standardization Act requires that by December thirty-first of every odd year, the County must adopt, by ordinance, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina (the “Association”) and adopted by the Director of the Revenue and Fiscal Affairs Office; and

WHEREAS, the County Council of Beaufort County now wishes to amend the Current Business and Professional License Ordinance to adopt the latest Standardized Business License Class Schedule, as required by the Standardization Act, and to make other minor amendments as recommended by the Association.

NOW, THEREFORE, be it ordained by Beaufort County Council, in a meeting duly assembled, that Chapter 18, Article III, Section 18-67 (a)(b), Appendix A&B of the Code of Ordinances is amended to adopt the latest Standardization Business License Class Schedule and to make other minor amendments as recommended by the Association and as set forth in Exhibit "A".

Adopted this _____ day of _____ 2023

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Joseph Passiment, Chairman

ATTEST:

Sarah W. Brock, JD, Clerk to Council

ARTICLE III. - BUSINESS AND PROFESSIONAL LICENSES

Section 1. License Required. Every person engaged or intending to engage in any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, in whole or in part within the limits of Beaufort County, South Carolina, is required to pay an annual license tax for the privilege of doing business and obtain a business license as herein provided.

Section 2. Definitions. The following words, terms, and phrases, when used in this ordinance, shall have the meaning ascribed herein. Defined terms are not capitalized when used in this ordinance unless the context otherwise requires.

"*Business*" means any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, either directly or indirectly. In addition to the above-described activities constituting doing business in the count an individual shall be deemed to be in business if that individual owns and rents two or more residential rental units (or holds a partial interest therein) within the County, excluding the municipality therein. This applies to long-term rentals (30 days or more) only.

"*Charitable Organization*" means an organization that is determined by the Internal Revenue Service to be exempt from Federal income taxes under 26 U.S.C. Section 501 (c)(3), (4), (6), (7), (8), (10) or (19).

"*Charitable Purpose*" means a benevolent, philanthropic, patriotic, or eleemosynary purpose that does not result in personal gain to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization.

"*Classification*" means that division of businesses by NAICS codes subject to the same license rate as determined by a calculated index of ability to pay based on national averages, benefits, equalization of tax burden, relationships of services, or other basis deemed appropriate by the Council.

"*Council*" means the County Council of Beaufort County.

"*Domicile*" means a principal place from which the trade or business of a licensee is conducted, directed, or managed. For purposes of this ordinance, a licensee may be deemed to have more than one domicile.

"*Gross Income*" means the gross receipts or gross revenue of a business, received or accrued, for one calendar or fiscal year collected or to be collected from business done within the County. If the licensee has a domicile within the County, business done within the County shall include all gross receipts or revenue received or accrued by such licensee. If the licensee does not have a domicile within the County, business done within the County shall include only gross receipts or revenue received or accrued within the County. In all cases, if the licensee pays a business license tax to another Municipality or County, then the licensee's gross income for the purpose of computing the tax within the County must be reduced by the amount of revenues or receipts taxed in the other Municipality or County and fully reported to the County. Gross income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds that are the property of a third party. The value of bartered goods or trade-in merchandise

shall be included in gross income. The gross receipts or gross revenues for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Department of Insurance, or other government agencies. In calculating gross income for certain businesses, the following rules shall apply:

- A. Gross income for agents shall be calculated on gross commissions received or retained, unless otherwise specified. If commissions are divided with other brokers or agents, then only the amount retained by the broker or agent is considered gross income.
- B. Except as specifically required by S.C. Code 38-7-20, gross income for insurance companies shall be calculated on gross premiums written.
- C. Gross income for manufacturers of goods or materials with a location in the County shall be calculated on the lesser of (i) gross revenues or receipts received or accrued from business done at the location, (ii) the amount of income allocated and apportioned to that location by the business for purposes of the business's state income tax return, or (iii) the amount of expenses attributable to the location as a cost center of the business. Licensees reporting gross income under this provision shall have the burden to establish the amount and method of calculation by satisfactory records and proof. Manufacturers include those taxpayers reporting a manufacturing principal business activity code on their federal income tax returns.

"*License Official*" means a person designated to administer this ordinance. Notwithstanding the designation of a primary license official, the County may designate one or more alternate license officials to administer particular types of business licenses, including without limitation for business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code.

"*Licensee*" means the business, the person applying for the license on behalf of the business, an agent or legal representative of the business, a person who receives any part of the net profit of the business, or a person who owns or exercises control of the business.

"*County*" means the Beaufort County, South Carolina.

"*NAICS*" means the North American Industry Classification System for the United States published under the auspices of the Federal Office of Management and Budget.

"*Person*" means any individual, firm, partnership, limited liability partnership, limited liability company, cooperative non-profit membership, corporation, joint venture, association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principal.

Section 3. Purpose and Duration. The business license required by this ordinance is for the purpose of providing such regulation as may be required for the business subject thereto and for the purpose of raising revenue for the general fund through a privilege tax. The license year ending on December 31, 2021 shall commence on May 1st, 2022 and shall run through April 30th 2023. Thereafter, the license periods shall be established as follows. Except as set forth below for business licenses issued to contractors with respect to specific construction projects, each yearly license

shall be issued for the twelve-month period of May 1 to April 30. A business license issued for a construction contract may, at the request of the licensee, be stated to expire at the completion of the construction project; provided, any such business license may require that the licensee file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount. The provisions of this ordinance and the rates herein shall remain in effect from year to year as amended by the Council.

Section 4. Business License Tax Refund.

- A. The required business license tax shall be paid for each business subject hereto according to the applicable rate classification on or before the due date of the 30th day of April in each year, except for those businesses in Rate Class 8 for which a different due date is specified. Late payments shall be subject to penalties as set forth in Section 12 hereof, except that admitted insurance companies may pay before June 1 without penalty.
- B. A separate license shall be required for each place of business and for each classification or business conducted at one place. If gross income cannot be separated for classifications at one location, the business license tax shall be computed on the combined gross income for the classification requiring the highest rate. The business license tax must be computed based on the licensee's gross income for the calendar year preceding the due date, for the licensee's twelve-month fiscal year preceding the due date, or on a twelve-month projected income based on the monthly average for a business in operation for less than one year. The business license tax for a new business must be computed on the estimated probable gross income for the balance of the license year. A business license related to construction contract projects may be issued on a per-project basis, at the option of the taxpayer. No refund shall be made for a business that is discontinued.
- C. A licensee that submits a payment greater than the amount owed may request a refund. To be considered, a refund request must be submitted in writing to the County before the June 1 immediately following the April 30 on which the payment was due and must be supported by adequate documentation supporting the refund request. The County shall approve or deny the refund request, and if approved shall issue the refund to the business, within thirty days after receipt of the request.

Section 5. Registration Required.

- A. The owner, agent, or legal representative of every business subject to this ordinance, whether listed in the classification index or not, shall register the business and make application for a business license on or before the due date of each year; provided, a new business shall be required to have a business license prior to operation within the County, and an annexed business shall be required to have a business license within thirty (30) days of the annexation. A license for a bar (NAICS 722410) must be issued in the name of the individual who has been issued the corresponding state alcohol, beer, or wine permit or license and will have actual control and management of the business.

- B. Application shall be on the then-current standard business license application as established and provided by the Director of the South Carolina Revenue and Fiscal Affairs Office and shall be accompanied by all information about the applicant, the licensee, and the business deemed appropriate to carry out the purpose of this ordinance by the license official.

Applicants may be required to submit copies of portions of state and federal income tax returns reflecting gross receipts and gross revenue figures.

- C. The applicant shall certify under oath that the information given in the application is true, that the gross income is accurately reported (or estimated for a new business) without any unauthorized deductions, and that all assessments, personal property taxes on business property, and other monies due and payable to the County have been paid.
- D. The County shall allow application, reporting, calculation, and payment of business license taxes through the business license tax portal hosted and managed by the South Carolina Revenue and Fiscal Affairs Office, subject to the availability and capability thereof. Any limitations in portal availability or capability do not relieve the applicant or Licensee from existing business license or business license tax obligations.

Section 6. Deductions, Exemptions, and Charitable Organizations.

- A. No deductions from gross income shall be made except income earned outside of the County on which a license tax is paid by the business to some other County or county and fully reported to the County, taxes collected for a governmental entity, or income which cannot be included for computation of the tax pursuant to state or federal law. Properly apportioned income from business in interstate commerce shall be included in the calculation of gross income and is not exempted. The applicant shall have the burden to establish the right to exempt income by satisfactory records and proof.
- B. No person shall be exempt from the requirements of the ordinance by reason of the lack of an established place of business within the County, unless exempted by state or federal law. The license official shall determine the appropriate classification for each business in accordance with the latest issue of NAICS. No person shall be exempt from this ordinance by reason of the payment of any other tax, unless exempted by state law, and no person shall be relieved of liability for payment of any other tax or fee by reason of application of this ordinance.
- C. Wholesalers are exempt from business license taxes unless they maintain warehouses or distribution establishments within the County. A wholesale transaction involves a sale to an individual who will resell the goods and includes delivery of the goods to the reseller. It does not include a sale of goods to a user or consumer.
- D. A charitable organization shall be exempt from the business license tax on its gross income unless it is deemed a business subject to a business license tax on all or part of its gross income as provided in this section. A charitable organization, or any affiliate of a charitable organization, that reports income from for-profit activities or unrelated business income for federal income tax purposes to the Internal Revenue Service shall be deemed a business subject to a business license tax on the part of its gross income from such for-profit activities or unrelated business income.

- E. A charitable organization shall be deemed a business subject to a business license tax on its total gross income if (1) any net proceeds of operation, after necessary expenses of operation, inure to the benefit of any individual or any entity that is not itself a charitable organization as defined in this ordinance, or (2) any net proceeds of operation, after necessary expenses of operation, are used for a purpose other than a charitable purpose as defined in this ordinance. Excess benefits or compensation in any form beyond fair market value to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization shall not be deemed a necessary expense of operation.

Section 7. False Application Unlawful. It shall be unlawful for any person subject to the provisions of this ordinance to make a false application for a business license or to give or file, or direct the giving or filing of, any false information with respect to the license or tax required by this ordinance.

Section 8. Display and Transfer.

- A. All persons shall display the license issued to them on the original form provided by the license official in a conspicuous place in the business establishment at the address shown on the license. A transient or non-resident shall carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the County.
- B. A change of address must be reported to the license official within ten (10) days after removal of the business to a new location and the license will be valid at the new address upon written notification by the license official and compliance with zoning and building codes. Failure to obtain the approval of the license official for a change of address shall invalidate the license and subject the licensee to prosecution for doing business without a license. A business license shall not be transferable, and a transfer of controlling interest shall be considered a termination of the old business and the establishment of a new business requiring a new business license, based on old business income.

Section 9. Administration of Ordinance. The license official shall administer the provisions of this ordinance, collect business license taxes, issue licenses, make or initiate investigations and audits to ensure compliance, initiate denial or suspension and revocation procedures, report violations to the municipal attorney, assist in prosecution of violators, produce forms, undertake reasonable procedures relating to the administration of this ordinance, and perform such other duties as may be duly assigned.

Section 10. Inspection and Audits.

- A. For the purpose of enforcing the provisions of this ordinance, the license official or other authorized agent of the County is empowered to enter upon the premises of any person subject to this ordinance to make inspections and to examine and audit books and records. It shall be unlawful for any such person to fail or refuse to make available the necessary books and records. In the event an audit or inspection reveals that the licensee has filed false information, the costs of the audit shall be added to the correct business license tax and late penalties in addition to other penalties provided herein. Each day of failure to pay the proper amount of business license tax shall constitute a separate offense.

- B. The license official shall have the authority to make inspections and conduct audits of businesses to ensure compliance with the ordinance. Financial information obtained by inspections and audits shall not be deemed public records, and the license official shall not release the amount of business license taxes paid or the reported gross income of any person by name without written permission of the licensee, except as authorized by this ordinance, state or federal law, or proper judicial order. Statistics compiled by classifications are public records.

Section 11. Assessments. Payment under Protest, Appeal.

- A. Assessments, payments under protest, and appeals of assessment shall be allowed and conducted by the County pursuant to the provisions of S.C. Code 6-1-410, as amended. In preparing an assessment, the license official may examine such records of the business, or any other available records as may be appropriate and conduct such investigations and statistical surveys as the license official may deem appropriate to assess a business license tax and penalties as provided herein.
- B. The license official shall establish a uniform local procedure consistent with S.C. Code § 4-9-30 for hearing an application for adjustment of assessment and issuing a notice of final assessment; provided that for particular types of business licenses, including without limitation for business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the County, by separate ordinance, may establish a different procedure and may delegate one or more rights, duties, and functions hereunder to the Municipal Association of South Carolina.

Section 12. Delinquent License Taxes, Partial Payment.

- A. For non-payment of all or any part of the correct business license tax, the license official shall impose and collect a late penalty of five (5%) percent of the unpaid tax for each month or portion thereof after the due date until paid. Penalties shall not be waived. If any business license tax remains unpaid for sixty (60) days after its due date, the license official shall report it to the municipal attorney for appropriate legal action.
- B. Partial payment may be accepted by the license official to toll imposition of penalties on the portion paid; provided, however, no business license shall be issued or renewed until the full amount of the tax due, with penalties, has been paid.

Section 13. Notices. The license official may, but shall not be required to, mail written notices that business license taxes are due. If notices are not mailed, there shall be published a notice of the due date in a newspaper of general circulation within the County three (3) times prior to the due date in each year. Failure to receive notice shall not constitute a defense to prosecution for failure to pay the tax due or grounds for waiver of penalties.

Section 14. Denial of License. The license official may deny a license to an applicant when the license official determines:

- A. The application is incomplete or contains a misrepresentation, false or misleading statement, or evasion or suppression of a material fact;

- B. The activity for which a license is sought is unlawful or constitutes a public nuisance *per se* or *per accidens*;
- C. The applicant, licensee, prior licensee, or the person in control of the business has been convicted within the previous ten years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a business or a subject of a business, or an unlawful sale of merchandise or prohibited goods;
- D. The applicant, licensee, prior licensee, or the person in control of the business has engaged in an unlawful activity or nuisance related to the business or to a similar business in the County or in another jurisdiction;
- E. The applicant, licensee, prior licensee, or the person in control of the business is delinquent in the payment to the County of any tax or fee;
- F. A licensee has actual knowledge or notice, or based on the circumstances reasonably should have knowledge or notice, that any person or employee of the licensee has committed a crime of moral turpitude on the business premises, or has permitted any person or employee of the licensee to engage in the unlawful sale of merchandise or prohibited goods on the business premises and has not taken remedial measures necessary to correct such activity; or
- G. The license for the business or for a similar business of the licensee in the County or another jurisdiction has been denied, suspended, or revoked in the previous license year.

A decision of the license official shall be subject to appeal as herein provided. Denial shall be written with reasons stated.

Section 15. Suspension or Revocation of License. When the license official determines:

- A. A license has been mistakenly or improperly issued or issued contrary to law;
- B. A licensee has breached any condition upon which the license was issued or has failed to comply with the provisions of this ordinance;
- C. A licensee has obtained a license through a fraud, misrepresentation, a false or misleading statement, or evasion or suppression of a material fact in the license application;
- D. A licensee has been convicted within the previous ten years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a business or a subject of a business, or an unlawful sale of merchandise or prohibited goods;
- E. A licensee has engaged in an unlawful activity or nuisance related to the business; or
- F. A licensee is delinquent in the payment to the County of any tax or fee,

the license official may give written notice to the licensee or the person in control of the business within the County by personal service or mail that the license is suspended pending a single hearing before Council or its designee for the purpose of determining whether the suspension should be upheld and the license should be revoked.

The written notice of suspension and proposed revocation shall state the time and place at which the hearing is to be held, and shall contain a brief statement of the reasons for the suspension and proposed revocation and a copy of the applicable provisions of this ordinance.

Section 16. Appeals to Council or its Designee.

- A. Except with respect to appeals of assessments under Section 11 hereof, which are governed by S.C. Code 6-1-410, any person aggrieved by a determination, denial, or suspension and proposed revocation of a business license by the license official may appeal the decision to the Council or its designee by request stating the reasons for appeal, filed with the license official within ten (10) days after service by mail or personal service of the notice of determination, denial, or suspension and proposed revocation.
- B. A hearing on an appeal from a license denial or other determination of the license official and a hearing on a suspension and proposed revocation shall be held by the Council or its designee within ten (10) business days after receipt of a request for appeal or service of a notice of suspension and proposed revocation. The hearing shall be held upon written notice at a regular or special meeting of the Council, or, if by designee of the Council, at a hearing to be scheduled by the designee. The hearing may be continued to another date by agreement of all parties. At the hearing, all parties shall have the right to be represented by counsel, to present testimony and evidence, and to cross-examine witnesses. The proceedings shall be recorded and transcribed at the expense of the party so requesting. The rules of evidence and procedure prescribed by Council or its designee shall govern the hearing. Following the hearing, the Council by majority vote of its members present, or the designee of Council if the hearing is held by the designee, shall render a written decision based on findings of fact and conclusions on application of the standards herein. The written decision shall be served, by personal service or by mail, upon all parties or their representatives and shall constitute the final decision of the County.
- C. Timely appeal of a decision of Council or its designee does not effectuate a stay of that decision. The decision of the Council or its designee shall be binding and enforceable unless overturned by an applicable appellate court after a due and timely appeal.
- D. For business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the County may establish a different procedure by ordinance.

Section 17. Consent, franchise, or license required for use of streets.

- A. It shall be unlawful for any person to construct, install, maintain, or operate in, on, above, or under any street or public place under control of the County any line, pipe, cable, pole, structure, or facility for utilities, communications, cablevision, or other purposes without a consent agreement or franchise agreement issued by the Council by ordinance that prescribes the term, fees, and conditions for use.
- B. The annual fee for use of streets or public places authorized by a consent agreement or franchise agreement shall be set by the ordinance approving the agreement and shall be consistent with limits set by state law. Existing franchise agreements shall continue in effect until expiration dates in the agreements. Franchise and consent fees shall not be in lieu of

or be credited against business license taxes unless specifically provided by the franchise or consent agreement.

Section 18. Confidentiality. Except in accordance with proper judicial order or as otherwise provided by law, no official or employee of the County may divulge or make known in any manner the amount of income or any financial particulars set forth or disclosed in any report or return required under this ordinance. Nothing in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns. Any license data may be shared with other public officials or employees in the performance of their duties, whether or not those duties relate to enforcement of this ordinance.

Section 19. Violations. Any person violating any provision of this ordinance shall be deemed guilty of an offense and shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this ordinance.

Section 20. Severability. A determination that any portion of this ordinance is invalid or unenforceable shall not affect the remaining portions. To the extent of any conflict between the provisions of this ordinance and the provisions of the South Carolina Business License Tax Standardization Act, as codified at S.C. Code 6-1-400 et seq., the standardization act shall control.

Section 21. Classification and Rates.

- A. The business license tax for each class of businesses subject to this ordinance shall be computed in accordance with the current business license rate schedule, designated as Appendix A to this ordinance, which may be amended from time to time by the Council.
- B. The current business license class schedule is attached hereto as Appendix B. Hereafter, no later than December 31 of each odd year, the County shall adopt, by ordinance, the latest standardized business license class schedule as recommended by the Municipal Association of South Carolina and adopted by the Director of the South Carolina Revenue and Fiscal Affairs Office. Upon adoption by the County, the revised business license class schedule shall then be appended to this ordinance as a replacement Appendix B.
- C. The classifications included in each rate class are listed with NAICS codes, by sector, subsector, group, or industry. The business license class schedule (Appendix B) is a tool for classification and not a limitation on businesses subject to a business license tax. The classification in the most recent version of the business license class schedule adopted by the Council that most specifically identifies the subject business shall be applied to the business. The license official shall have the authority to make the determination of the classification most specifically applicable to a subject business.
- D. A copy of the class schedule and rate schedule shall be filed in the office of the clerk.

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

<u>RATE CLASS</u> <u>FRACTION THEREOF</u>	<u>BASE RATE</u>	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
			<u>RATE PER \$1 000 OR</u>
1	\$ 35.00		\$ 0.37
2	\$ 40.00		\$ 0.47
3	\$ 45.00		\$ 0.57
4	\$ 50.00		\$ 0.67
5	\$ 55.00		\$ 0.77
6	\$ 60.00		\$ 0.87
7	\$ 65.00		\$ 0.97
8.1	\$ 40.00		\$ 0.47
8.2	Set by state statute		
8.3	MASC Telecommunications		
8.4	MASC Insurance		
8.51	\$12.50 + \$12.50 per machine		
8.52	\$12.50 + \$180.00 per machine		
8.6	\$ 45.00 plus \$5.00 -OR- \$12.50 per table	\$ 0.5	

NON-RESIDENT RATES

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the County.

CLASS 8 RATES

Each NAICS number designates a separate subclassification. The businesses in this section are treated as separate and individual subclasses due to provisions of state law, regulatory requirements, service burdens, tax equalization considerations, and other factors that are deemed sufficient to require individually determined rates. In accordance with state law, the County also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations as needed for economic stimulus or for the enhanced or disproportionate demands on municipal services or infrastructure.

Non-resident rates do not apply except where indicated.

8.1 NAICS 230000 — Contractors, Construction. All Types [Non-resident rates apply].

Resident rates, for contractors having a permanent place of business within the County: Minimum

on first \$2,000_____ \$ see rates PLUS

Each additional 1,000_____ \$ see rates

Non-resident rates apply to contractors that do not have a permanent place of business within the County. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all state and municipal qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

For licenses issued on a per-job basis, the total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle the contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licensees holding a per-job license shall file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount.

8.2 NAICS 482 - Railroad Companies (See S.C. Code 12-23-210).

8.3 NAICS 517111, 517112, 517222 - Telephone Companies.

With respect to "retail telecommunications services" as defined in S. C. Code 58-9-2200, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the "Telecommunications Collections Ordinance"). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to retail telecommunications services are set forth in the Telecommunications Collections Ordinance.

8.4 NAICS 5241 — Insurance Companies:

Independent agents, brokers, their employees are subject to a business license tax based on their natural class. With respect to insurers subject to license fees and taxes under Chapter 7 of Title 38 and to brokers under Chapter 45 of Title 38, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the "Insurers and Brokers Collections Ordinance"). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to insurers and brokers are set forth in the Insurers and Brokers Collections Ordinance.

8.51 NAICS 713120 — Amusement Machines, coin operated (except gambling). Music machines, juke boxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code 12-21-2720(A)(1) and (A)(2) [Type I and Type II].

For operation of all machines (not on gross income), pursuant to S.C. Code 12-21-2746:

Per Machine _____ \$12.50 PLUS
Business license _____ \$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.51.

8.52 NAICS 713290 — Amusement Machines, coin operated, non-payout. Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(3) [Type III].

For operation of all machines (not on gross income), pursuant to S.C. Code 512-21-2720(B):

Per Machine _____ \$180.00 PLUS
Business license _____ \$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.52.

8.6 NAICS 713990 - Billiard or Pool Rooms, all types. A business that offers the use of billiard or pool tables shall be subject to business license taxation under its natural class for all gross income of the business excluding the gross income attributable to the billiard or pool tables. In addition, the billiard or pool tables shall require their own separate business licenses pursuant to SC Code 12-21-2746 and shall be subject to a license tax of \$5.00 per table measuring less than 3 ½ feet wide and 7 feet long, and \$12.50 per table longer than that.

APPENDIX B
Classes 1 – 8: Business License Class Schedule by NAICS Codes

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	1
21	Mining	2
22	Utilities	1
31 - 33	Manufacturing	3
42	Wholesale trade	1
44 - 45	Retail trade	1
48 - 49	Transportation and warehousing	1
51	Information	4
52	Finance and insurance	7
53	Real estate and rental and leasing	7
54	Professional, scientific, and technical services	5
55	Management of companies	7
56	Administrative and support and waste management and remediation services	3
61	Educational services	3
62	Health care and social assistance	4
71	Arts, entertainment, and recreation	3
721	Accommodation	1
722	Food services and drinking places	2
81	Other services	4
Class 8	Subclasses	
23	Construction	8.1
482	Rail Transportation	8.2
517111	Wired Telecommunications Carriers	8.3
517112	Wireless Telecommunications Carriers (except Satellite)	8.3
517122	Agents for Wireless Telecommunications Services	8.3
5241	Insurance Carriers	8.4
5242	Insurance Brokers for non-admitted Insurance Carriers	8.4
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.6

2023 Class Schedule is based on a three-year average (2017 - 2019) of IRS statistical data.

This appendix will be updated every odd year based on the latest available IRS statistics. The Business License Class Schedule may be accessed at:

Item 11.



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
AN ORDINANCE RATIFYING THE SALARIES FOR VARIOUS ELECTED OFFICIALS AND TO AMEND SECTION 2-347 OF THE BEAUFORT COUNTY CODE OF LAWS ESTABLISHING THE SALARIES FOR VARIOUS ELECTED AND APPOINTED OFFICIALS
MEETING NAME AND DATE:
September 25, 2023; County Council
PRESENTER INFORMATION:
Brittany Ward, County Attorney; Katherine Mead, Director of Human Resources 10 Minutes
ITEM BACKGROUND:
Discussed at September 18, 2023 Finance Committee. Motion made to present ordinance at the September 25, 2023 County Council meeting.
PROJECT / ITEM NARRATIVE:
On August 12, 2019, the Beaufort County Finance Committee (“Committee”) desired to compensate the Elected Officials based on the average salaries of Tier 1 Counties in South Carolina, and approved to amend the current ordinance to reflect the recommended salaries of the Elected Officials. The funding for the desired salary increase for Elected Officials had been included in the Fiscal Year 2019 budget. The desired ordinance was not presented to County Council. The Elected Officials have been receiving the approved recommended salary rates above since July 1, 2019 and have received all other applicable increases as established in Chapter 2 of the Beaufort County Ordinance
FISCAL IMPACT:
Potential salary amounts owed totals \$45,417.78 to be paid from the payroll contingency account.
STAFF RECOMMENDATIONS TO COUNCIL:
Staff recommends Council vote in favor of the ordinance.
OPTIONS FOR COUNCIL MOTION:
Motion to move forward to second reading and a public hearing of an ordinance ratifying the salaries for various elected officials and to amend Section 2-347 of the Beaufort Bounty Code of Laws establishing the salaries for various elected and appointed officials.

ORDINANCE 2023/ _____

AN ORDINANCE RATIFYING THE SALARIES FOR VARIOUS ELECTED OFFICIALS AND TO AMEND SECTION 2-347 OF THE BEAUFORT COUNTY CODE OF LAWS ESTABLISHING THE SALARIES FOR VARIOUS ELECTED AND APPOINTED OFFICIALS

WHEREAS, the County Council of Beaufort County (“Council”) has created a salary administration program for compensating elected and appointed officials in Section 2-346 of the Beaufort County Code; and

WHEREAS, the Council has the authority to establish salaries for elected officials and in Section 2-347 of the Beaufort County Code has established the Entry Level Salary for the Auditor, Clerk of Court, Coroner, Sheriff, and Treasurer (“Elected Officials”); and

WHEREAS, on August 12, 2019, the Beaufort County Finance Committee (“Committee”) desired to compensate the Elected Officials based on the average salaries of Tier 1 Counties in South Carolina, and approved to amend the current ordinance to reflect the recommended salaries of the Elected Officials as follows:

Elected Official	Recommended Salary
Auditor	\$88,000
Clerk of Court	\$103,000
Coroner	\$92,000
Sheriff	\$149,000
Treasurer	\$93,000

WHEREAS, the funding for the desired salary increase for Elected Officials was included in the Fiscal Year 2019 budget; and

WHEREAS, the desired ordinance amendment to increase salaries for Elected Officials did not receive a public hearing nor was the ordinance amendment presented to Council. Yet, the Elected Officials who held their positions on July 1, 2019, started receiving the above recommended salary rates and have received all other applicable increases as established in Chapter 2 of the Beaufort County Ordinance; and

WHEREAS, Council has determined that it is in its best interest of all parties to ratify the payments for the Elected Official’s salaries who were sworn into their office after July 1, 2019 and to amend Ordinance Section 2-347 to reflect the desired salary increases for the Elected Officials based on the 2019 recommendations; and

WHEREAS, standards that are ~~stricken through~~ shall be deleted text and standards that are underscored shall be added text.

NOW, THEREFORE, BE IT ORDAINED by Beaufort County Council in a meeting duly assembled, by their authority to ratify the Elected Officials’ salary payments to reflect the above 2019 recommended salaries, and all other applicable increases as established in Chapter 2 of the Beaufort County Ordinance, and to hereby amend Section 2-347 Beaufort County Code of Laws to read as follows:

- (a) *Salary.* The entry level salary for each elected and appointed official is established as follows:
 - (1) *Auditor:* ~~\$59,915.00~~ \$88,000.00, which excludes any other stipend paid by the county and/or state.

- (2) *Clerk of court*: ~~\$79,837.00~~ \$103,000, which excludes any other stipend paid by the county and/or state.
- (3) *Coroner*: ~~\$70,367.00~~ \$92,000, which excludes any other stipend paid by the county and/or state.
- (4) *Probate judge*: \$100,067.00, which excludes any other stipend paid by the county and/or state.
- (5) *Sheriff*: ~~\$102,380.00~~ \$149,000, which excludes any other stipend paid by the county and/or state.
- (6) *Treasurer*: ~~\$64,327.00~~ \$93,000, which excludes any other stipend paid by the county and/or state.
- (7) *Master-in-equity*: Set pursuant to S.C. Code Ann. § 14-11-30, which excludes any other stipend paid by the county and/or state.
- (8) *Magistrate*: Set pursuant to S.C. Code Ann. § 22-8-40(b)(2), which excludes any other stipend paid by the county and/or state.

The above entry level salaries were established using the average salaries of peer counties in the tier 1 classification as determined by population in the South Carolina Association of Counties Annual Salary Survey for each position, or the current Beaufort County salary, whichever is greater.

(b) Cost of living. At each instance of a cost of living allowance (COLA) pay increase awarded by the Beaufort County Council, after the enactment date of this ordinance [September 2007 and amended August 2019], the entry level salary of each elected or appointed office listed in subsection (a) above will be increased accordingly.

Adopted this ____ day of _____, 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Joseph Passiment, Chairman

ATTEST:

Sarah W. Brock,
Clerk to Council

Salary as of 09/29/2023				
Position	Last Name	Current County Annual Salary	Annual State Supplement	Current TOTAL Salary
AUDITOR	CADD	\$78,715.78	\$22,652.00	\$101,367.78
TREASURER	WALLS	\$153,316.80	\$22,652.00	\$175,968.80
CLERK OF COURT	ROSENEAU	\$126,526.40	\$15,000.00	\$141,526.40
CORONER	OTT	\$90,168.00	\$15,000.00	\$105,168.00
SHERIFF	TANNER	\$183,019.20	\$15,000.00	\$198,019.20

Amended Salary Rate				
Position	Last Name	Amended County Annual Salary	Annual State Supplement	Amended TOTAL Salary
AUDITOR	CADD	\$102,428.86	\$22,652.00	\$125,080.86
CORONER	OTT	\$104,472.90	\$15,000.00	\$119,472.90

Difference in Salary Rate				
Position	Last Name	Current Annual TOTAL Salary	Amended Annual TOTAL Salary	Difference in TOTAL Salary
AUDITOR	CADD	\$101,367.78	\$125,080.86	\$23,713.08
CORONER	OTT	\$105,168.00	\$119,472.90	\$14,304.90

Retro Owed as of 9/29/2023		
Position	Last Name	Amount
AUDITOR	CADD	\$5,925.87
CORONER	OTT	\$41,480.20

Projected Retro as of 12/11/2023 (3rd Reading)		
Position	Last Name	Amount
AUDITOR	CADD	\$10,484.23
CORONER	OTT	\$44,231.16

Reelection increases have been backed out for Auditor and Coroner

Auditor & Coroner Entry Salary				
Official		2019 Recommended Salary	2.5% State Adjustment	5% County COLA
		FY2020	FY2022	FY2022
AUDITOR		\$ 88,000.00	\$ 90,200.00	\$ 94,710.00
CORONER		\$ 92,000.00		\$ 96,600.00

*State and County issued COLA within same FY. 3% County COLA is not calculated into the entry salary

ry Calculation				
3% State COLA	*3% County COLA	5% State COLA	State	Total
FY2023	FY2023	FY2024	Supplement	Salary
\$ 97,551.30	\$ 97,551.30	\$ 102,428.86	\$ 22,652.00	\$ 125,080.86
\$ 99,498.00	\$ 99,498.00	\$ 104,472.90	\$ 15,000.00	\$ 119,472.90

/

AUDITOR DAVID CADD - COUNTY RETRO BREAKDOWN (7/1/2023 - 9/29/2023)

Pay Effective Date	Current County Annual Salary	*Amended County Annual Salary	Hours Worked	Retro Owed
7/1/2023	\$78,715.78	\$102,428.86	520	\$5,925.87
TOTAL OWED				\$5,925.87

* New entry salary should 2019 Ordinance updates had been made effective 2019 Ordinance updates entry salary to \$88,000, plus applicable COLA/Adjustments applied going forward (FY21-FY24). **Retro owed \$5,925.87 (7/1/2023 - 9/29/2023)**

Notes
Entry Salary

Entry salary \$102,428.86 as of 7/1/2023.

CORONER DAVID OTT - COUNTY RETRO BR

Pay Effective Date	Current County Annual Salary	*Amended County Annual Salary	Hours Worked	Retro Owed
1/5/2021	\$77,078.54	\$92,000.00	2672	\$19,187.02
4/16/2022	\$80,932.80	\$96,600.00	480	\$3,615.51
7/1/2022	\$83,366.40	\$99,498.00	1440	\$11,168.06
3/18/2023	\$85,862.40	\$99,498.00	600	\$3,933.36
7/1/2023	\$90,168.00	\$104,472.90	520	\$3,576.25
			TOTAL OWED	41,480.20

* New entry salary should 2019 Ordinance updates had been made effective
2019 Ordinance updates entry salary to \$92,000, plus applicable COLA/Adjustments applied going forward (F
Retro owed \$41,480.20 (1/5/2021 - 9/29/2023))

BREAKDOWN (1/5/2021 - 9/29/2023)	
Notes	
Entry Salary	
FY22 5% County COLA (applied April 16, 2022)	
FY23 3% State COLA (applied July 1, 2022)	
FY23 3% County COLA (applied prior to March 18, 2023). <i>Not applied to starting rate</i>	
FY24 5% State COLA	

Y21-FY24). Entry salary \$92,000 as of 1/5/2021. Entry salary \$104,472.90 as of 7/1/2023.



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
A RESOLUTION TO APPROVE RECOMMENDATIONS TO AWARD FY24 COMMUNITY SERVICES GRANT PROGRAM FUNDS IN THE AMOUNT OF \$398,000 TO COMMUNITY SERVICES ORGANIZATIONS
MEETING NAME AND DATE:
Finance Administration and Economic Development Committee – October 16, 2024
PRESENTER INFORMATION:
Fred Leyda, Director, Beaufort County Human Services Department – (20 min.)
ITEM BACKGROUND:
Council appropriated \$398,000 in its FY2024 budget for the annual Community Services Grants Program (Together for Beaufort County/Public Welfare Subsidies 10001598-55600).
PROJECT / ITEM NARRATIVE:
Beaufort County Human Services Department convened independent review panel to discuss allocations and present final recommendations for allocation on September 25, 2023.
FISCAL IMPACT:
Awarding \$398,000 of funds which Council appropriated in FY24 to community services organizations.
STAFF RECOMMENDATIONS TO COUNCIL:
<i>Approve the Beaufort County Community Services Grants Program recommendations.</i>
OPTIONS FOR COUNCIL MOTION:
Motion to approve the Beaufort County Community Services Grant Program recommendations. -or- Motion to disapprove the Beaufort County Community Services Grant Program Recommendations.

RESOLUTION 2023/ _____

A RESOLUTION TO APPROVE RECOMMENDATIONS TO AWARD FY24 COMMUNITY SERVICES GRANT PROGRAM FUNDS IN THE AMOUNT OF \$398,000 TO COMMUNITY SERVICES ORGANIZATIONS

WHEREAS, Beaufort County Council is committed to ensuring a high quality of life for all its citizens and residents; and

WHEREAS, County Council appropriated \$398,000 in its FY2024 budget to the Community Services Grants Program (“Grant Program”) which is administered by the Human Services Department of Beaufort County; and

WHEREAS, the Human Services Department solicited and received grant applications for the FY24 Grant Program from several local not-for-profit human service organizations that actively participate in the community’s collective impact model, also known as *Together for Beaufort County (T4BC)*; and

WHEREAS, the Human Services Department convened an independent panel of community stakeholders (“Panel”) on Monday, September 25, 2023, to review and evaluate the grant applications that were received and to make recommendations to Council on how the funds should be allocated; and

WHEREAS, the Panel, having reviewed, evaluated, and discussed the grant applications for FY24, recommends County Council distribute FY24’s Grant Program funds as follows:

- AccessHealth Lowcountry \$20,000
- Bluffton Self-Help \$22,500
- Child Abuse Prevention Association \$12,500
- Community Services Organization \$37,500
- Family Promise of Beaufort County \$10,000
- Good Neighbor Free Medical Clinic \$32,500
- Habitat for Humanity of the Lowcountry \$15,000
- HELP of Beaufort \$10,000
- Hilton Head Island Safe Harbour \$1,000
- Hopeful Horizons \$37,500
- Low Country Legal Volunteers \$25,000
- Lowcountry Early Childhood Coalition \$15,000
- Lowcountry Food Bank \$3,500
- Meals on Wheels Bluffton Hilton Head \$7,500
- Memory Matters \$2,500
- Mt. Carmel Baptist Church Med-I-Assist Program \$20,000
- NAMI Lowcountry \$10,000
- Neighborhood Outreach Connection \$10,000
- Pregnancy Center and Clinic of the Lowcountry \$8,000

• Programs for Exceptional People	\$7,500
• Special Olympics South Carolina Area 8	\$7,500
• The Children's Center	\$8,000
• Together for Beaufort County	\$15,000
• Under One Roof	\$5,000
• United Way of the Lowcountry	\$37,500
• Volunteers in Medicine Hilton Head Island	<u>\$17,500</u>
	\$398,000

NOW, THEREFORE, BE IT RESOLVED, that County Council of Beaufort County hereby adopts the recommendations of the Panel and authorizes the County Administrator to distribute the FY24 Community Services Grant Program funds as set forth above.

Adopted this _____ day of October 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Joseph Passiment, Chairman

ATTEST:

Sarah W. Brock, Clerk to Council



Human Services Department
**Community Services
Grant Recommendations**

**Beaufort County Council
Community Services Committee**



As a County department since 1974, we support all residents by leading policy innovation, inspiring collaborative solutions, and facilitating partnerships to improve quality-of-life while maximizing resources.



Together for Beaufort County (T4BC) is an organizational framework that enhances our community's capacity to address social problems.

The Human Services Alliance coordinates collaborative activities, provides shared measurements for success, and facilitates the development of a shared vision among diverse community partners.

Purpose

Promote and sustain activities that improve quality-of-life for Beaufort County residents.

History

- **Prior to November, 2010:**
Agencies seeking funding from Beaufort County presented directly to County Council for their allocation.
- **November 29, 2010:**
County Council allocated a portion of the funding to the Beaufort County Human Services Department (then referred to as the Human Services Alliance and *Together for Beaufort County*) to distribute on Council's behalf (\$140,000 out of \$726,000) via a competitive grant process. This pilot program would lay the groundwork for the new process.
- **October 22, 2012:**
Council requested that the Alliance for Human Services (Beaufort County Human Services Department) explore the possibility of seeking grant applications to fund the agencies going forward.
- **November 18, 2013:**
The Community Services Committee was presented with the standards for the competitive grants review process. These recommendations were approved by Council the same day.

Eligibility

- Registered 501(c)3 non-profit in good standing
- Serve Beaufort County residents
- Active participant in achieving *Together for Beaufort County* goals and objectives
- Registered **Human Services Alliance** partner

Review Panel

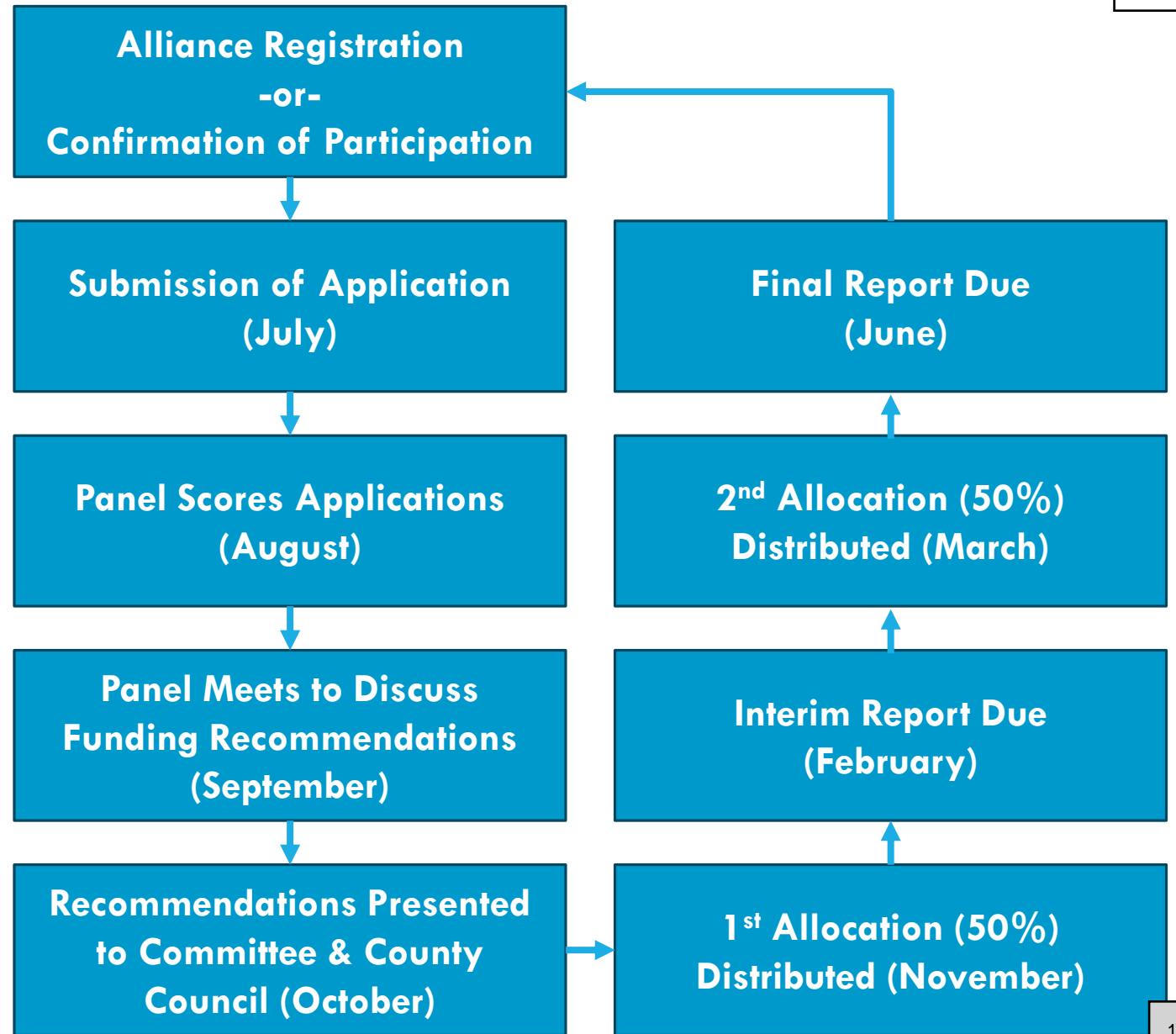
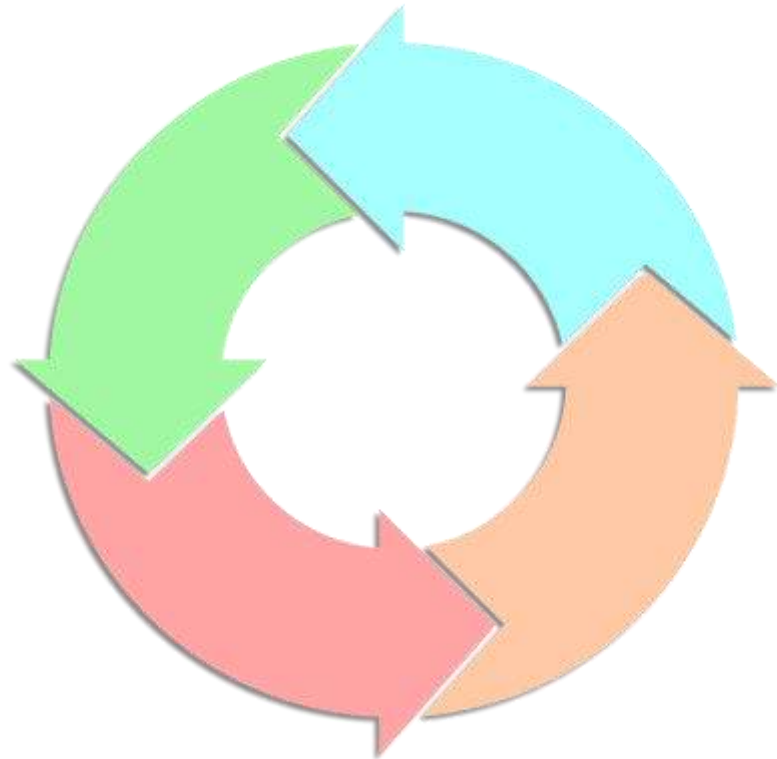
- **Evaluated by a diverse volunteer panel of community representatives and stakeholders.**
- **Panel remains anonymous throughout the process and meet for the first time when developing funding recommendations.**
- **Applications are evaluated on their own merit using a competitive process.**

Total applications received: 30

Total amount requested: \$671,000

Total amount to distribute: \$398,000

Process Overview



FY24 Recommendations

AccessHealth Lowcountry	\$20,000
Medical and dental services to uninsured, low-income residents	
Bluffton Self-Help	\$22,500
Education, training, and workforce and job readiness to low-income residents	
Child Abuse Prevention Association	\$12,500
Parent aid program to support vulnerable, at-risk children and families	
Community Services Organization	\$37,500
Coordination of services among 83 charities, churches, and agencies	
Family Promise of Beaufort County	\$10,000
Emergency housing and support services for families experiencing homelessness	
Good Neighbor Free Medical Clinic	\$32,500
Medical and specialist care for uninsured, low-income residents	

FY24 Recommendations

Habitat for Humanity of the Lowcountry Home repair program for eligible, low-income residents	\$15,000
HELP of Beaufort Food, education, and resources for low-income residents	\$10,000
Hilton Head Island Safe Harbor Socialization for homebound senior citizens	\$1,000
Hopeful Horizons Services/support for victims of child abuse, domestic violence, and sexual assault	\$37,500
Lowcountry Legal Volunteers Free legal services and legal clinics for qualifying low-income residents	\$25,000
Lowcountry Early Childhood Education Implementation of community-wide initiative to reinforce early (Pre-K) education	\$15,000

FY24 Recommendations

Lowcountry Food Bank	\$3,500
Procurement of fresh food from small-enterprise farmers for low-income residents	
Meals on Wheels Hilton Head Island	\$7,500
Food delivery for ill, elderly, disabled, and/or homebound residents	
Memory Matters	\$2,500
Day program for individuals affected by Alzheimer's or related illnesses	
Mt. Carmel Baptist Church Med-I-Assist Program	\$20,000
Financial aid for medications, prostheses, and other barriers to health	
NAMI Lowcountry	\$10,000
Wraparound support services for individuals with mental illness and caregivers	
Neighborhood Outreach Connection	\$10,000
Expansion of education services to children in underserved neighborhoods	

FY24 Recommendations

Pregnancy Center and Clinic of the Lowcountry	\$8,000
Prenatal care for first 16 weeks of pregnancy for underserved residents	
Programs for Exceptional People	\$7,500
Transportation services and day programs for individuals with disabilities	
Special Olympics South Carolina Area 8 (SOAR)	\$7,500
Recreation and after-school programs for individuals with disabilities	
The Children's Center	\$8,000
Continuing education classes for staff and parent engagement events	
Together for Beaufort County	\$15,000
Community indicator research and reporting, and community resource guides	
Under One Roof	\$5,000
Home repair and modification for senior citizens and individuals with disabilities	



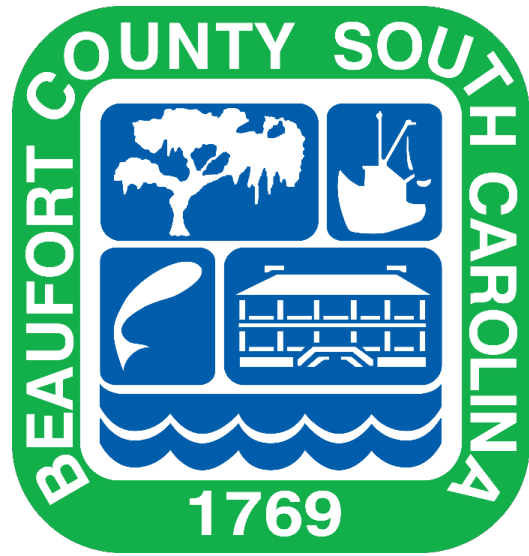
Questions?



Together
for Beaufort County
One COUNTY. One FUTURE.

Human Services Department
**Community Services Grant
Recommendations**

Beaufort County Council
Finance, Administration, and
Economic Development Committee



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Review Panel

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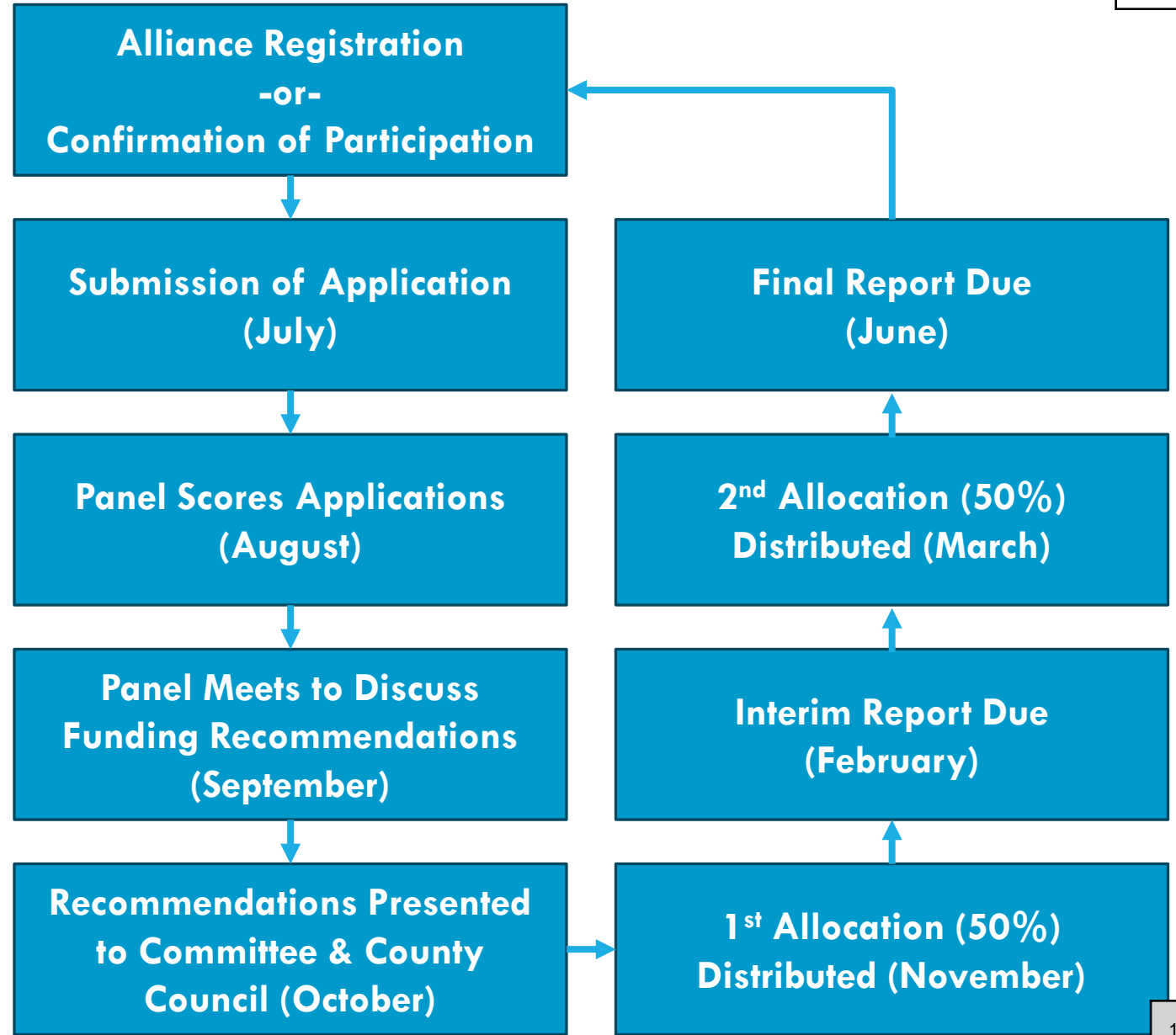
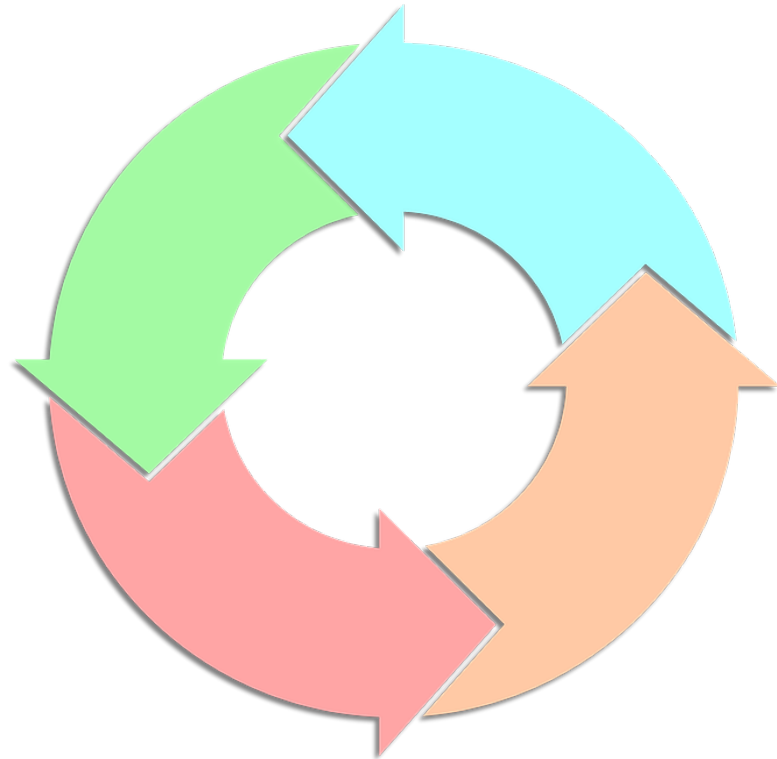
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BEAUFORT COUNTY, SC
Human
SERVICES DEPARTMENT
Process Overview



FY24 Recommendations

AccessHealth Lowcountry	\$20,000
Medical and dental services to uninsured, low-income residents	
Bluffton Self-Help	\$22,500
Education, training, and workforce and job readiness to low-income residents	
Child Abuse Prevention Association	\$12,500
Parent aid program to support vulnerable, at-risk children and families	
Community Services Organization	\$37,500
Coordination of services among 83 charities, churches, and agencies	
Family Promise of Beaufort County	\$10,000
Emergency housing and support services for families experiencing homelessness	
Good Neighbor Free Medical Clinic	\$32,500
Medical and specialist care for uninsured, low-income residents	

FY24 Recommendations

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FY24 Recommendations

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Food delivery for ill, elderly, disabled, and/or homebound residents	
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Day program for individuals affected by Alzheimer's or related illnesses	
Mt. Carmel Baptist Church Med-I-Assist Program	\$20,000
Financial aid for medications, prostheses, and other barriers to health	
NAMI Lowcountry	\$10,000
Wraparound support services for individuals with mental illness and caregivers	
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Expansion of education services to children in underserved neighborhoods	

FY24 Recommendations

Pregnancy Center and Clinic of the Lowcountry	\$8,000
Prenatal care for first 16 weeks of pregnancy for underserved residents	
Programs for Exceptional People	\$7,500
Transportation services and day programs for individuals with disabilities	
Special Olympics South Carolina Area 8 (SOAR)	\$7,500
Recreation and after-school programs for individuals with disabilities	
The Children's Center	\$8,000
Continuing education classes for staff and parent engagement events	
Together for Beaufort County	\$15,000
Community indicator research and reporting, and community resource guides	
Under One Roof	\$5,000
Home repair and modification for senior citizens and individuals with disabilities	



Questions?


Together
for Beaufort County
One COUNTY. One FUTURE.

Agencies, Boards, & Commissions: Appointments and Reappointments

1. Board of Assessment Appeals

RECOMMEND APPROVAL OF THE APPOINTMENT OF ROBERT MACKAY TO THE BOARD OF ASSESSMENT APPEALS FOR A FOUR-YEAR TERM WITH THE EXPIRATION DATE OF OCTOBER 2027.

2. Planning Commission

RECOMMEND APPROVAL OF THE APPOINTMENT OF PETE COOK (DISTRICT 6) TO FILL THE SOUTHERN BEAUFORT COUNTY OPENING ON THE PLANNING COMMISSION FOR A PARTIAL TERM APPOINTMENT WITH THE EXPIRATION DATE OF FEBRUARY 2024.

3. Disabilities and Special Needs Board

RECOMMEND APPROVAL OF THE APPOINTMENT OF FREDREKA WILLIAMSON TO THE DISABILITIES AND SPECIAL NEEDS BOARD FOR A FOUR-YEAR TERM WITH THE EXPIRATION DATE OF OCTOBER 2027.