CITY OF BEAUFORT
1911 BOUNDARY STREET
BEAUFORT MUNICIPAL COMPLEX
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
CITY COUNCIL WORKSESSION AGENDA
June 18, 2024

STATEMENT OF MEDIA NOTIFICATION

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

WORKSESSION - City Hall, Planning Conference Room, 1st Floor - 5:00 PM

Please note, this meeting will be broadcasted via zoom and live streamed on Facebook. You can view the meeting at the City's page: City Beaufort SC

I. CALL TO ORDER
   A. Philip Cromer, Mayor

II. DISCUSSION ITEMS
   A. Development Code Updates
      1) Recap and Status
      2) Conservation Subdivision Discussion
      3) Design Guidelines Discussion
   B. Transportation Sales Tax Referendum

III. ADJOURN
TO: CITY COUNCIL
FROM: Curt Freese, Community Development Director
AGENDA ITEM TITLE: Development Code Updates
MEETING DATE: 6/18/2024
DEPARTMENT: Community and Economic Development

BACKGROUND INFORMATION:

This is the final code edit session for the major Development Code Updates. The plan for the session is as follows:

a) Recap and Status
b) Conservation Subdivision Discussion
C) Design Guideline Discussion

PLACED ON AGENDA FOR: Discussion

REMARKS:

Powerpoint for Discussion

ATTACHMENTS:

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<tr>
<td>Presentation/Powerpoint</td>
<td>Cover Memo</td>
<td>6/13/2024</td>
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June 12, 2024

TEXT AMENDMENT UPDATE BEAUFORT DEVELOPMENT CODE
June 18 Code Edit Meeting:

Goal of Meeting

a) Recap and Status of amendments
b) Consideration of further study of Conservation Subdivisions
c) Consideration of Design Guidelines derived from vernacular Beaufort Architecture
June 18 Code Edit Meeting:

A. Recap and Status

- Final Worksession of major amendments to the Development Code.
- Staff will continually maintain a spreadsheet of development code amendments/edits collected from Staff, citizens and the development community.
- On a yearly basis, Staff will bring forward minor amendments to the PC and City Council.
Current Code Edit Progress

A. Recap of Code Edit Session Progress

- **Boards and Commissions:** Approved in September 2023; created City only PC, disbanded DRB, HRB seat.

- **Historic Preservation Changes:** Final Amendments to be voted on Jun 17

- **Zoning: Chapters 2-4:** Presented Sep-Oct Code Edit Session, PC meeting March 18.
Code Edit Progress

A. Recap of Code Edit Session Progress

April: FINALIZING DESIGN/TREES/LANDSCAPING
Chapter 5: Design and Landscaping Requirements, Appendix A

May: SUBDIVISION AND INFRASTRUCTURE
May: Chapters 7-8 and Appendix C
Current Code Status

A. Recap of Code Edit Session Progress

Planning Commission:

- Must make a recommendation on any development code amendments
- PC has held multiple worksessions on major Historic Preservation changes
- Poised to make a formal recommendation on said changes at the June 17 PC meeting
Current Code Status

A. Recap of Code Edit Session Progress

Planning Commission:

- All other Code Amendments now at PC
- Current Schedule is to move the infrastructure and subdivision amendments forward to the July PC meeting ahead of other changes
- This was discussed at May Code edit meeting
Current Code Status

A. Recap of Code Edit Session Progress

Planning Commission:

- Major changes to tree and landscaping ordinance will be brought forward in August
- Staff proposes bringing historic preservation, subdivision/infrastructure, and tree/landscaping to City Council once they are adopted
- Other sections (177 pages), will be brought forward in one package to City Council
B. Conservation Subdivision

1. Should City develop conservation subdivision standards?

A. Conservation subdivision would require majority of property
to be set aside and dedicated for open space

B. Such subdivisions would have ecologically sensitive
development patterns for any development.

C. City would work with County to see if conserved area could
utilize open space tax funds
B. Conservation Subdivisions

- Development would be clustered with minimal access points.

- Prime ecological or environmental area would be required to be protected.

- Limited to lower density uses like houses.

- Could be attractive to environmentally sensitive landowners who want to preserve land but still realize some developable lots.

- Not a current option for the County or Port Royal and may make annexation into the City for such projects desirable.
B. Conservation Subdivision

1. Would generally require 75-80% of land to be protected

<table>
<thead>
<tr>
<th>Conservation Development Type</th>
<th>Required Residual Land in Conservation (%)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Permitted Developable Land in Cluster(s) (%)</th>
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<tr>
<td>No public water/sewer</td>
<td>80</td>
<td>20</td>
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<tr>
<td>Provides public sewer</td>
<td>80</td>
<td>20&lt;sup&gt;1&lt;/sup&gt;</td>
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<tr>
<td>1</td>
<td>Conservation Subdivisions may increase underlying density found in Table 3.6 by up to 30%.</td>
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C. Design Guidelines

1. Should Design Guidelines for all development be created?

A. Current design requirements are prescriptive
B. Desire for vernacular low country/Beaufort Architecture
C. Guidelines could provide a non-prescriptive guide to Staff, developers and PC in creating Beaufort appropriate design and architecture.
D. Would provide pictures and graphics of desired architecture.
Questions?
CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL
FROM: Scott Marshall, City Manager
AGENDA ITEM TITLE: Transportation Sales Tax Referendum
MEETING DATE: 6/18/2024
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

Beaufort County Council plans to place a referendum for a 1% transportation sales tax on the November general election ballot. The referendum's details stem from initial recommendations by a sales tax advisory committee appointed by Beaufort County Council and local municipalities. You can find the resolution adopting these recommendations and the first draft of the ordinance in attachments 1 and 2.

Initially, the referendum aimed to implement a 15-year sales tax to raise $1.625 billion for transportation projects across the county, as outlined in the ordinance.

After the first reading of this ordinance, City Council expressed concerns about some amended language and comments from certain County Council members. These concerns were communicated in a letter to County Council, which is available in attachment 3.

On June 10, 2024, County Council had a third reading of the ordinance on its agenda. Due to significant changes in the referendum's details, this item was amended to reflect second reading.

The sales tax duration was reduced from 15 years to 10 years, and the amount to be collected was reduced from $1.625 billion to $950 million. As a result, the scope and number of projects listed in the advisory committee’s recommendation and previous versions of the ordinance/referendum was also reduced. Additionally, the $60 million allocations for the Town of Hilton Head Island, the Town of Bluffton, and the greater Beaufort area (including unincorporated areas, the City of Beaufort, and the Town of Port Royal) were each reduced to $30 million.

PLACED ON AGENDA FOR: Discussion

REMARKS:

Beaufort County intends to have the third and final reading of the updated ordinance, found in attachment 4, on June 24, 2024.
This information is presented for Council's consideration and discussion, as desired.

**ATTACHMENTS:**

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<tr>
<th>Description</th>
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<tr>
<td>Attachment 1 Initial County Council Resolution</td>
<td>Backup Material</td>
<td>6/13/2024</td>
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<td>Attachment 2 - County Ordinance for First Reading</td>
<td>Backup Material</td>
<td>6/13/2024</td>
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<tr>
<td>Attachment 3 - City Council Memo to Beaufort County Council</td>
<td>Backup Material</td>
<td>6/13/2024</td>
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<tr>
<td>Attachment 4 - County Council Ordinance from June 10, 2024</td>
<td>Backup Material</td>
<td>6/13/2024</td>
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**ITEM TITLE:**
Approval of an Ordinance for a 2024 Transportation Sales and Use Tax Referendum

**MEETING NAME AND DATE:**
Public Facilities Meeting, January 22, 2024

**PRESENTER INFORMATION:**
Jared Fralix, Assistant County Administrator of Engineering
30 minutes

**ITEM BACKGROUND:**
On December 11, 2023, County Council adopted Resolution 2023/66. In adopting the Resolution, Council accepted and adopted the recommendations of the Sales Tax Advisory Committee (“STAC”) which Council established on June 12, 2023 and whose purpose it was to study possible sales taxes for three different purposes: transportation, capital projects, and education capital projects. STAC recommended proceeding with a transportation sales tax only in 2024. It recommended a referendum question to be placed on the ballot in November 2024 which asks voters to approve a one percent (1%) sales and use tax in Beaufort County beginning the following year and extending for fifteen (15) years or until the County raises $1.625 billion, whichever occurs first, to fund the series of critical transportation and mobility projects set forth in Exhibit A to the Resolution. Based on Resolution 2023/66, administration brings forward the attached ordinance to levy and impose a one percent (1%) sales and use tax, subject to a referendum, pursuant to S.C. Code §4-37-30; to define the specific purposes and to designate projects for which the proceeds of the sales and use tax may be used; to provide for the maximum time for which the tax may be imposed; to provide the estimated cost of the projects to be funded; to provide for a county-wide referendum on the issuance of general obligations bonds; to prescribe the contents of the ballot questions in the referendum; and other matters as set forth therein.

**PROJECT / ITEM NARRATIVE:**
See above

**FISCAL IMPACT:**
If approved by Council and the electorate, the county will levy and impose a one percent (1%) sales and use tax throughout the entire county for fifteen (15) years or until the county raises $1.625 billion in revenue, whichever occurs first.

**STAFF RECOMMENDATIONS TO COUNCIL:**
Staff recommends approval of the ordinance

**OPTIONS FOR COUNCIL MOTION:**
Motion to approve/deny/amend the proposed ordinance for a 2024 Transportation Sales and Use Tax Referendum.
If approved, the proposed ordinance will move to Council for approval.
RESOLUTION 2023/66

A RESOLUTION TO ACCEPT AND ADOPT THE RECOMMENDATIONS OF THE SALES TAX ADVISORY COMMITTEE REGARDING THE IMPLEMENTATION OF A 2024 TRANSPORTATION SALES TAX PROGRAM

The County Council of Beaufort County (the “Council”), the governing body of Beaufort County, South Carolina (the “County”), has made the following findings of fact;

WHEREAS, on June 12th, 2023, the County Council established a Sales Tax Advisory Committee (the “STAC”) to study possible sales taxes for three different purposes: transportation, capital projects, and education capital projects; and

WHEREAS, in addition to studying the possible types of sales tax to adopt, the committee was further charged with developing and recommending to the Council a project list, the amount to be collected, and the period of time for collecting the tax or taxes proposed; and

WHEREAS, the Committee met several times and recommends that the Council prepare a referendum question to be placed upon the ballot in November 2024, which will ask the electorate to approve a one percent (1%) sales tax in Beaufort County, beginning in the following year and extending for fifteen years to raise $1.625 billion for a series of critical transportation and mobility projects and programs which are vital to the health, safety, and welfare of the residents and visitors. The project list includes $650 million for “Big Projects” and $975 million for “Project Programs”; and

WHEREAS, the Committees further recommends that a standing Transportation Oversight Committee be appointed to assist the County Council and staff in the prioritization and implementation of the projects and activities to be funded by the referendum, all as set forth in a Memorandum to Council drafted by STAC Chairman, Dean Moss, and attached hereto as Exhibit A;

NOW THEREFORE, BE IT RESOLVED THAT COUNTY COUNCIL OF BEAUFORT COUNTY does hereby accept and adopt the recommendations of the STAC as set forth in Exhibit “A” for a Transportation Sales Tax Program for November 2024.

ADOPTED, this 11th day of December 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: [Signature]

Joseph Passiment, Chairman

ATTEST:

[Signature]

Sarah W. Brock, Clerk to Council
MEMORANDUM

To: Chairman and Members, Beaufort County Council

From: Dean Moss, Chairman, Sales Tax Advisory Committee

Copy to: County Administrator and Members of 2023 Sales Tax Advisory Committee

Subject: Sales Tax Advisory Committee Report and Recommendations

Date: December 11, 2023

1. Introduction
   The purpose of this memo is to transmit to the Beaufort County Council the recommendations and observations of the Council appointed Sales Tax Advisory Committee (STAC). These recommendations represent the unanimous position of the 6 members of the Committee.

2. Summary General Recommendations
   The Committee recommends that Council prepare a referendum question to be placed upon the ballot in November 2024, which will ask the electorate to approve a one percent (1%) additional sales tax in Beaufort County, beginning in the following year and extending for fifteen years. The proceeds from this tax would be expended by the County for a series of critical transportation and mobility projects and programs vital to the health and safety of the residents and visitors. Further, the Committee recommends that a standing Citizen’s Oversight Committee be appointed to assist the County Council and staff in the prioritization and implementation of the projects and activities to be funded by the referendum.

3. Council’s Charge to the Committee
   County Council created the STAC through a resolution adopted on 12 June 2023. The charge to the Committee reads as follows:
‘The Committee will, by a date to be set by Council in the future, provide Council with information that identifies the need and, where required the specific projects for the various referenda questions.”

4. Committee Process
The Committee consisted of six (6) members, one representing the two municipalities north of the Broad River, one representing the Town of Hilton Head, one representing the Town of Bluffton, two representing the north county unincorporated area, and one representing the south county unincorporated area. Five of the six members had been members of the Transportation Tax Committee established in early 2022 and were familiar with the technologies and concepts being discussed. The Committee met eight times, on Thursday afternoons from 5:30 to between 7:00 and 7:30. At the meeting on November 30, the Committee reached a general consensus, and at the meeting on December 7, formally voted unanimously to approve the projects, amounts, and recommendations that are contained in this memo.

5. Sales Tax Alternatives Considered
The Committee was initially presented with three separate sales tax options based on three separate State statutes: one for Transportation, one for Capital Projects, and one for Education. Two meetings evaluated and discussed these and the opportunities each presented. We watched the 2023 Education Referendum carefully with the thought that, should it not pass, a sales tax might be needed to raise the funds required for the School District. It did pass, and we turned our attention to the Transportation Tax and the Capital Projects Tax. Both offer significant opportunities since a very substantial portion of the taxes collected for either one would be paid by visitors to the County and residents of adjacent counties. After analysis and considerable discussion, we settled on the Transportation Tax and our recommendations for that tax are contained herein. I would note that we recommend that Council consider the addition of a Capital Projects 1% tax in the future.

6. Role of the Staff
Staff involved in this project consisted of Assistant County Administrator of Infrastructure Jared Fralix and Executive Assistant Carol Puryear. Given the
complex nature of this process there was a lot for the Committee members to learn and staff provided many documents and plans that had been completed by the State of SC and other Counties. Staff provided the Committee with a suggested list of projects, transportation program categories and amounts. There were many questions at every meeting, and they were clearly and patiently answered. In sum, the staff support to the STAC was outstanding.

7. Concepts behind the Recommendations
The Committee is recommending that the referendum contain two types of project expenditures.
   a. Big Projects - $650,000,000
   These represent the traditional approach to referendum questions. As in the 2018 referendum, specific projects are enumerated with an allocation of money specified. An example might be “Highway 170 Improvements – $80 million.” A short description of the project is included. As described below, the Committee recommends that eight of these projects be included in the referendum. They are countywide and address problems both on Federally designated highways (278, 46, 170, 21) and on State, County, and local roads, and streets. $300 million is recommended for projects south of the Broad River, and $175 million is recommended for projects north of the Broad River. $175 million is recommended for future “big projects”. It is important to note that none of these projects have been fully designed or bid, and the amounts assigned to them do not represent project budgets.
   b. Project Programs $975,000,000
   This category encompasses a large variety of projects which, because they are small (pave a dirt road), or because they may emerge in the future, are not specifically defined. These are projects that are, and will be, undeniably required, but which cannot yet be defined and may cost only a fraction of a “Big Project.” They would address needs that will emerge all over the County; in response, for example, to coastal flooding, new developments in rural areas, or the need to resurface existing streets. Spent correctly, these funds will benefit residents and businesses all over the County. The Committee recommends putting approximately sixty percent ($975 million) of the total expected revenue into these categories of projects, as described below.
8. Recommendations

a. **Amount and Duration of Tax**
We recommend that the sales tax be applied at 1% (one penny on the dollar) for a period of fifteen years. We assumed a moderate to high growth rate. Based upon this projection, the tax should raise approximately $1.625 billion over 15 years. We believe that this amount will enable us to plan, develop, and implement appropriate solutions to meet the current needs caused by an overwhelmed and aging infrastructure system and to accomplish the improvements required to address future demands. In addition, this money can be multiplied several times over by aggressive pursuit of matching federal and state funds and the development of coordinated projects with Jasper County.

b. **Big Projects and Amounts**

i. **The Triangle - $100,000,000**
Capacity and safety improvements on the Beaufort County section of the triangle made by Hwy 170, Hwy 278, and Argent Blvd. This project will be developed jointly with Jasper County. Traffic counts on these roadways have exploded with the development of residential and commercial development along all three corridors.

ii. **Ribaut Road Improvements - $75,000,000**
Implementation of the “Reimagine Ribaut Road” Project developed by the County, the City of Beaufort, and the Town of Port Royal to improve safety, interconnectivity, capacity, and attractiveness along the Ribaut Road Corridor between Boundary Street and the Russell Bell Bridge.

iii. **Hwy 46 Improvements - $20,000,000**
Capacity and safety improvements along SC 46 from SC 170 to Jasper County. Additional safety improvements (i.e.- turn lanes at intersections) along SC 46 from SC 170 to Buckwalter Parkway. All planned improvements would be designed so as to preserve the South Carolina Scenic Byway designation.

iv. **Lady’s Island Corridor Improvements - $40,000,000**
Lady’s Island Corridor Traffic Improvements from the Woods Memorial Bridge to Chowan Creek. These funds would supplement the monies approved in the 2018 referendum.
v. **Bluffton Municipal Projects - $60,000,000**
   Implementation of any or all Bluffton projects listed as priorities by the Bluffton Town Council.

vi. **Hilton Head Island Municipal Projects - $60,000,000**
   Intersection improvements to include Sea Pines Circle and adjacent corridors for the safety of motorists, bicyclists and pedestrians.

vii. **North of the Broad Transportation System Improvements - $60,000,000**
   Intersection improvements, pathways, flood prevention on access roads such as, Warsaw Island Road, and other projects in both incorporated and unincorporated areas developed in coordination with the City of Beaufort and the Town of Port Royal.

viii. **Hwy 278 Project Enhancements - $60,000,000**
   Additional funding to support the US 278 Corridor Improvement Project.

ix. **Future Projects - $175,000,000**
   The County and its neighbors will continue to grow into the future, and work must be continued to plan for the transportation improvements going forward. As an example, and while not specifically listed here, a third bridge between Port Royal Island and Lady’s Island has been discussed for decades and given the growth on Lady’s Island, may become necessary before too long.

c. **Project Programs and Amounts**
   i. **Mass Transit – $100,000,000**
      Funding multimodal transportation planning and implementation, to include marine transport and commercial airport improvements for a more robust and equitable public transportation system.

   ii. **Safety and Traffic Flow - $250,000,000**
      Safety improvements along roadways and intersections to include pedestrian accommodations.

   iii. **Emergency Evacuation and Resiliency - $90,000,000**
Improvements to transportation infrastructure to address flooding, rising sea levels, stormwater, and drainage.

iv. **Pavement Resurfacing and Preservation – $180,000,000**  
Road resurfacing and preservation of ALL roadways (State, County, and municipal-owned) throughout the County. The goal is to improve the overall pavement condition of roads across the County. This includes paving county and municipally owned dirt roads throughout the county.

v. **Pathways - $180,000,000**  
Design, right of way acquisition, and construction of bike and pedestrian accommodations throughout the County in accordance with the Beaufort County Connects Bicycle and Pedestrian Plan 2021. We recommend that priority be given to pathways already approved by the voters in the 2018 referendum.

vi. **Transportation Technology/Access Roads - $90,000,000**  
Planning, design, right-of-way acquisition, and construction of access roads for better interconnectivity. Implementation of transportation technologies to support enhancements to capacity and safety of the transportation system.

vii. **Greenbelts (Long-term Demand Reduction) - $85,000,000**  
Acquisition of property to reduce new lots and thereby establish a balance between environmental protection and development growth. *Note: the term “Greenbelt” is used in the enabling legislation as an eligible category of expenditure.*

9. **Implementation Recommendations**  
a. **Citizen’s Oversight Committee (“Committee”)**  
i. County Council, with other stakeholders, should create a citizen’s oversight committee similar to the BCSD’s successful Citizen’s Oversight Committee to oversee and prioritize projects for the entire length of the program. It should meet bi-monthly or quarterly. Its membership of seven members should reflect the interests of all citizens of the County.
ii. The Committee should make a call each year for projects from all stakeholders (County, municipalities, LATS/COG) for general projects.

iii. The Committee should prioritize all central programs, such as:

1. **Safety**: intersection improvements, turn lanes, rural road improvements. Specifics to be developed.
2. **Dirt Road Paving**: update the existing 5-year plan to include municipal dirt roads.
3. **Resilience**: priorities should be based on susceptibility to flooding and population or critical functions the road serves.
4. **Resurfacing**: program to look at improving any and all roads (DOT, County, Municipal) specifics to be developed.
5. **Pathways**: use approved county-wide pedestrian and bike master plan as a guide. Priorities to projects already approved by voters.
6. **Transportation Technologies/Access Roads**: focus on access and connecting roads, smart signals, and other advanced transportation technologies.

b. **Issue Revenue Bonds**
   Big projects should be bonded for immediate work.

c. **Long Term Demand Reduction**
   Utilize the new Greenspace Board for priority setting of expenditures related to land or development rights acquisition.

d. **Mass Transit**
   Because no central plan currently exists for a comprehensive mass transit program, this should be the first priority. Utilize the existing transit authority as the lead agency for this effort supported by an advisory committee.
10. Conclusions
As we weaved through the process and reviewed the gravity of the assignment and the critical needs for improvement and new components for our local mobility, it became quite evident that there is much to do. It appears that we are not just behind the “8 ball”; we are under it, and it will take a coordinated public relations effort to move this referendum forward for a better “mobility” future for all of us.

On behalf of the Sales Tax Advisory Committee members, may I say that it has been an honor to be entrusted by Council with preparing these important recommendations. I am available to meet with Council at your discretion to explain and discuss these projects and recommendations.

Sales Tax Advisory Committee:

Dean Moss, Chairman

Untron Solomon

Charlie Wetmore, Vice-Chairman

Morris Campbell

Carol Ruff

Tom Lennox
AN ORDINANCE

TO LEVY AND IMPOSE A ONE PERCENT (1%) SALES AND USE TAX, SUBJECT TO A REFERENDUM, WITHIN BEAUFORT COUNTY PURSUANT TO SECTION 4-37-30 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; TO DEFINE THE SPECIFIC PURPOSES AND DESIGNATE THE PROJECTS FOR WHICH THE PROCEEDS OF THE SALES AND USE TAX MAY BE USED; TO PROVIDE THE MAXIMUM TIME FOR WHICH SUCH SALES AND USE TAX MAY BE IMPOSED; TO PROVIDE THE ESTIMATED COST OF THE PROJECTS FUNDED FROM THE PROCEEDS OF THE SALES AND USE TAX; TO PROVIDE FOR A COUNTY-WIDE REFERENDUM ON THE IMPOSITION OF THE SALES AND USE TAX AND THE ISSUANCE OF GENERAL OBLIGATION BONDS AND TO PRESCRIBE THE CONTENTS OF THE BALLOT QUESTIONS IN THE REFERENDUM; TO PROVIDE FOR THE CONDUCT OF THE REFERENDUM BY THE BOARD OF VOTER REGISTRATION AND ELECTIONS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ADMINISTRATION OF THE SALES AND USE TAX, IF APPROVED; TO PROVIDE FOR THE PAYMENT OF THE SALES AND USE TAX, IF APPROVED; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO.

BE IT ENACTED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

Section 1. Recitals and Legislative Findings. As an incident to the enactment of this ordinance (the “Ordinance”), the County Council (the “County Council”) as governing body of Beaufort County, South Carolina (“County”) makes the following findings:

1.1 The South Carolina General Assembly has enacted Section 4-37-30 of the Code of Laws of South Carolina 1976, as amended (the “Act”), pursuant to which the County governing body may impose by ordinance a sales and use tax in an amount not to exceed one percent, subject to the favorable results of a referendum, within the County area for a specific purpose or purposes and for a limited amount of time to collect a limited amount of money.

1.2 Pursuant to the terms of Section 4-37-30 of the Code of Laws of South Carolina 1976, as amended, the South Carolina General Assembly has authorized county government to finance the costs of highways, roads, streets, bridges, mass transit systems, greenbelt initiatives, and other transportation-related projects facilities including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; either alone or in conjunction with other governmental entities. As a means to furthering the powers granted to the County under the provisions of Section 4-9-30 and Sections 6-21-10, et.seq. of the Code of Laws of South Carolina 1976 as amended, the County Council is authorized to form a transportation authority or to enter into a partnership, consortium, or other contractual arrangement with one of more other governmental entities pursuant to Title 4, Chapter 37 of the Code of Laws of the South Carolina 1976, as amended. The County Council has decided to provide funding for
highways, roads, streets, bridges, mass transit systems, greenbelts, and other transportation-related projects, *inter alia*, without the complexity of a transportation authority or entering into a partnership, consortium, or other contractual arrangements with one or more other governmental entities at this time; provided that nothing herein shall preclude County Council from entering into partnerships, consortiums, or other contractual arrangements in the future. County Council may utilize such provisions in the future as necessary or convenient to promote the public purposes served by funding highways, roads, streets, bridges, mass transit systems, greenbelt initiatives, and other transportation-related projects facilities as provided in this Ordinance.

1.3 The County Council finds that a one percent (1%) sales and use tax should be levied and imposed within the County, for the following projects and purpose:

i. For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities related thereto, including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; and mass transit systems operated by Beaufort County or jointly operated by the County and other entities.

ii. For financing the costs of greenbelt initiatives.

(the above herein referred to as the “Projects”)

For a period not to exceed fifteen (15) years from the date of imposition of such tax, to fund the Projects at a maximum cost not to exceed $1,625,000,000 to be funded from the net proceeds of a sales and use tax imposed in the County pursuant to provisions of the Act, subject to approval of the qualified electors of the County in referendum to be held on November 5, 2024. The imposition of the sales and use tax and the use of sales and use tax revenue if approved in the referendum, shall be subject to the conditions precedent and conditions or restrictions on the use and expenditure of sales and use tax revenue established by the Act, the provisions of this Ordinance, and other applicable law. Subject to annual appropriations by County Council, sales and use tax revenues shall be used for the costs of the Projects established in this Ordinance, as it may be amended from time to time, including, without limitation, payment of administrative costs of the Projects, and such sums as may be required in connection with the issuance of bonds, the proceeds of which are applied to pay costs of the Projects. All spending shall be subject to an annual independent audit to be made available to the public.

1.4 County Council finds that the imposition of a sales and use tax in the County for the Projects and purposes defined in this Ordinance for a limited time not to exceed fifteen years to collect a limited amount of money will serve a public purpose, provide funding for highways, roads, streets, bridges, mass transit systems, greenbelts, and other transportation-related projects facilities including, but not limited to, drainage facilities
relating to the highways, roads, streets, bridges, and other transportation-related projects; as provided in this Ordinance to facilitate economic development, promote public safety, provide needed infrastructure, promote desirable living conditions, enhance the quality of life in the County, and promote public health and safety in the event of fire, emergency, panic, and other dangers, and prepare the County to meet present and future needs of the County and its citizens.

Section 2. Approval of Sales and Use Tax Subject to Referendum.

2.1 A sales and use tax (the “Sales and Use Tax”), as authorized by the Act, is hereby imposed in Beaufort County, South Carolina, subject to a favorable vote of a majority of the qualified electors voting in a referendum on the imposition of the tax to be held in Beaufort County, South Carolina on November 5, 2024.

2.2 The Sales and Use Tax shall be imposed for a period not to exceed fifteen (15) years from the date of imposition.

2.3 The maximum cost of the Projects to be funded from the proceeds of the Sales and Use Tax shall not exceed, in the aggregate, the sum of $1,625,000,000 and the maximum amount of net proceeds to be raised by the tax shall not exceed $1,625,000,000, which includes administrative costs and debt service on bonds issued to pay for the Projects. The estimated principal amount of initial authorization of bonds to be issued to pay costs of the Projects and to be paid by a portion of the Sales and Use Tax is $______________.

2.4 The Sales and Use Tax shall be expended for the costs of the following described Projects, including payment of any sums as may be required for the issuance of and debt service for bonds, the proceeds of which are applied to such Projects, for the following purposes:

(i) For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental entities, which may include, but not limited to the following Projects at the estimated costs indicated:

Major Projects and Amounts

The Triangle ($100 million): Capacity and safety improvements on the Beaufort County section of the triangle made by Highway 170, Highway 278 and Argent Boulevard.

Ribaut Road Improvements ($75 million): Implementation of the Reimagine Ribaut Road project developed by Beaufort County, the City of Beaufort and the Town of Port Royal to improve safety, interconnectivity, capacity and attractiveness along the Ribaut Road Corridor between Boundary Street and the Russell Bell Bridge.
Highway 46 Improvements ($20 million): Capacity and safety improvements along SC 46 from SC 170 to Jasper County. Additional safety improvements (i.e.- turn lanes at intersections) along SC 46 from SC 170 to Buckwalter Parkway. All planned improvements would be coordinated so as to preserve the South Carolina Scenic Byway designation.

Lady’s Island Corridor Traffic Improvements ($40 million): Lady’s Island Corridor Traffic Improvements from the Woods Memorial Bridge to Chowan Creek. These funds will supplement the monies approved in the 2018 Transportation Sales Tax Referendum.

Bluffton Municipal Projects ($60 million): Implementation of the Bluffton projects listed as priorities by the Bluffton Town Council.

Hilton Head Island Municipal Projects ($60 million): Intersection improvements to included Sea Pines Circle and adjacent corridors for the safety of motorists, bicyclists and pedestrians.

North of the Broad Transportation System Improvements ($60 million): Intersection improvements, pathways, flood prevention on access road such as Warsaw Island Road, and other projects in both incorporated and unincorporated areas developed in coordination with the City of Beaufort and the Town of Port Royal.

Highway 278 Project Enhancements ($60 million): Additional funding to support the US 278 Corridor Improvement Project.

Future Projects ($175 million): Additional safety, capacity and interconnectivity transportation improvement projects in the County.

Project Programs and Amounts

Mass Transit ($100 million): Funding multimodal transportation planning and implementation, including marine transport and commercial airport improvements.

Safety and Traffic Flow ($250 million): Safety improvements along roadways and intersections to include pedestrian accommodations.

Emergency Evacuation and Resiliency ($90 million): Improvements to transportation infrastructure to address flooding, rising sea levels, stormwater and drainage.

Pavement Resurfacing and Preservation ($180 million): Road resurfacing and preservation of roadways (including roads owned by the State, by the County and by municipalities). The goal is to improve the overall pavement condition of roads throughout the County.

Pathways ($180 million): Design, right of way acquisition, and construction of bike and pedestrian accommodations throughout the County in accordance with the Beaufort County Connects Bicycle and Pedestrian Plan 2021.

Transportation Technology/Access Roads ($90 million): Planning, design, right of way acquisition, and construction of access roads for better interconnectivity. Implementation of transportation technologies to support the enhancement to capacity and safety of the transportation system.
The amount of the maximum total funds to be collected which shall be expended for these Projects and purposes shall be no more than $1,540,000,000;

(ii) For financing the costs of greenbelt initiatives, including, but not limited to, purchasing property for conservation and conservation easements, creating passive and active greenspaces, protecting natural resources, protecting agricultural or heritage landscapes, and protecting scenic corridors. The amount of the maximum total funds to be collected with shall be expended for these Projects and purposes shall be no more than $85,000,000.

2.5 If the Sales and Use Tax is approved by a majority of the qualified electors voting in a referendum to be held in the County on November 5, 2024, the tax is to be imposed on the first day of May 2025, provided the Board of Voter Registration and Elections of Beaufort County shall certify the results not later than November 30, 2024, to the County Council and the South Carolina Department of Revenue. Included in the certification must be the maximum cost of the Projects to be funded in whole or in part from the proceeds of the tax, the maximum time specified for the imposition of the tax, and the principal amount of initial authorization of bonds, if any, to be supported by a portion of the tax.

2.6 The Sales and Use Tax, if approved in the referendum conducted on November 5, 2024 shall terminate on the earlier of:

(1) April 30, 2040; or

(2) the end of the calendar month during which the Department of Revenue determines that the tax has raised revenues sufficient to provide the greater of either the costs of the Projects as approved in the referendum or the cost to amortize all debts related to the approved Projects.

2.7 Amounts of Sales and Use Tax collected in excess of the required proceeds must first be applied, if necessary, to complete each project for which the tax was imposed. Any additional revenue collected above the specified amount must be applied to the reduction of debt principal of the County on transportation infrastructure debts only.

2.8 The Sales and Use Tax must be administered and collected by the South Carolina Department of Revenue in the same manner that other sales and use taxes are collected. The Department may prescribe amounts that may be added to the sales price because of the tax.

2.9 The Sales and Use Tax is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in the applicable area that is subject to the tax imposed by Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended, and the enforcement provisions of Chapter 54 of Title 12 of the Code of Laws of South Carolina 1976, as amended. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as
amended are exempt from the tax imposed by this Ordinance. The gross proceeds of the sale of food lawfully purchased with United States Department of Agriculture Food Stamps are exempt from the tax imposed by this Ordinance. The tax imposed by this Ordinance also applies to tangible property subject to the use tax in Article 13, Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended.

2.10 Taxpayers required to remit taxes under Article 13, Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended, must identify the county in which the personal property purchased at retail is stored, used, or consumed in this State.

2.11 Utilities are required to report sales in the county in which the consumption of the tangible personal property occurs.

2.12 A taxpayer subject to the tax imposed by Section 12-36-920 of the Code of Laws of South Carolina 1976, as amended, who owns or manages rental units in more than one county must report separately in his sales tax return the total gross proceeds from business done in each county.

2.13 The gross proceeds of sales of tangible personal property delivered after the imposition date of the Sales and Use Tax, either under the terms of a construction contract executed before the imposition date, or written bid submitted before the imposition date, are exempt from the Sales and Use tax provided in this Ordinance if a verified copy of the contract is filed with the Department of Revenue within six months after the imposition date of the Sales and Use tax provided for in this Ordinance.

2.14 Notwithstanding the imposition date of the Sales and Use Tax with respect to services that are billed regularly on a monthly basis, the Sales and Use tax authorized pursuant to this Ordinance is imposed on the first day of the billing period beginning on or after the imposition date.

Section 3. Remission of Sales and Use Tax; Segregation of Funds; Administration of Funds; Distribution to County: Confidently.

3.1 The revenues of the Sales and Use Tax collected under this Ordinance must be remitted to the State Treasurer and credited to a fund separate and distinct from the general fund of the State. After deducting the amount of any refunds made and costs to the Department of Revenue of administering the tax, not to exceed one percent of such revenues, the State Treasurer shall distribute the revenues quarterly to the Beaufort County Treasurer and the revenues must be used only for the purposes stated herein. The State Treasurer may correct misallocations by adjusting subsequent distributions must be made in the same fiscal year as the misallocation. However, allocations made as a result of city or County code errors must be corrected prospectively.

3.2 (a) Any outside agencies, political subdivisions, or organizations designated to receive funding from the Sales and Use Tax must annually submit requests for funding in accordance with procedures and schedules established by the County Administrator. The County Administrator shall prepare the proposed budget for the Sales
and Use Tax and submit it to the County Council at such time as the County Council determines. At the time of submitting the proposed budget, the County Administrator shall submit to the County Council a statement describing the important features of the proposed budget.

(b) County Council shall adopt annually and prior to the beginning of each fiscal year a budget for expenditures of Sales and Use Tax revenues. County Council may make supplemental appropriations for the Sales and Use Tax following the same procedures prescribed for the enactment of other budget ordinances. The provisions of this section shall not be construed to prohibit the transfer of funds appropriated in the annual budget for the Sales and Use Tax for purposes other than as specified in the annual budget when such transfers are approved by County Council. In the preparation of the annual budget, County Council may require any reports, estimates, and statistics from any county agency or department as may be necessary to perform its duties as the responsible fiscal body of the County.

(c) Except as specifically authorized by County Council, any outside agency or organization receiving an appropriation of the Sales and Use Tax must provide to County Council an independent audit of such agency’s or organization’s financial records and transactions and such other and more frequent financial information as required by County Council, all in form satisfactory to County Council.

3.3 The Department of Revenue shall furnish data to the State Treasurer and to the Beaufort County Treasurer for the purpose of calculating distributions and estimating revenues. The information which must be supplied to the County upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers. Information about a specific taxpayer is considered confidential and is governed by the provisions of S.C. Code Ann. Section 12-54-240. Any person violating the provisions of this section shall be subject to the penalties provided in S.C. Code Ann. Section 12-54-240.

Section 4. **Sales and Use Tax Referendum; Ballot Question.**

4.1 The Board of Voter Registration and Elections of Beaufort County shall conduct a referendum on the question of imposing a Sales and Use Tax in the area of Beaufort County on Tuesday, November 5, 2024, between the hours of 7 a.m. and 7 p.m. under the election laws of the State of South Carolina, mutatis mutandis. The Board of Voter Registration and Elections of Beaufort County shall publish in a newspaper of general circulation the question that is to appear on the ballot, with the list of Projects and purposes as set forth herein, and the cost of Projects, and shall publish such election and other notices as required by law.

4.2 The referendum question to be on the ballot of the referendum to be held in the County on November 5, 2024, must read substantially as follows:
BEAUFORT COUNTY SPECIAL SALES AND USE TAX

QUESTION 1

I approve a special sales and use tax in the amount of one percent (1%) to be imposed in Beaufort County for not more than fifteen (15) years, or until a total of $1,625,000,000 in resulting revenue has been collected, whichever occurs first, to fund the following projects:

Project (1) For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities related thereto including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; and mass transit systems operated by Beaufort County or jointly operated by the County and other governmental entities $1,540,000,000.

Project (2) For financing the costs of greenbelts $85,000,000.

YES ______ NO ______

Instructions to Voters: All qualified electors desiring to vote in favor of levying the special sales and use tax shall vote “YES;” and

All qualified electors opposed to levying the special sales and use tax shall vote “NO.”

QUESTION 2

I approve the issuance of not exceeding $____________ of general obligation bonds of Beaufort County, maturing over a period not to exceed fifteen (15) years and payable from the special sales and use tax described in Question 1 above, to fund completion of projects from among the categories described in Question 1 above.

YES ______ NO ______

Instructions to Voters: All qualified electors desiring to vote in favor of the issuance bonds for the stated purpose shall vote “YES;” and

All qualified electors opposed to the issuance of bonds for the stated purposes shall vote “NO.”

4.3 In the referendum on the imposition of a the Sales and Use Tax in the County, all qualified electors desiring to vote in favor of imposing the tax for the stated purposes shall vote “yes” and all qualified electors opposed to levying the tax shall vote “no”. If a majority of the electors voting in the referendum shall vote in favor of imposing the tax, then the tax is imposed as provided in the Act and this Ordinance. Expenses of the referendum must be paid by the County.
4.4 In the referendum on the issuance of bonds, all qualified electors desiring to vote in favor of the issuance of bonds for the stated purpose shall vote “yes” and all qualified electors opposed to the issuance of bonds shall vote “no”. If a majority of the electors voting in the referendum shall vote in favor of the issuance of bonds, then the issuance of bonds shall be authorized in accordance with S.C. Constitution Article X, Section 14, Paragraph (6). Expenses of the referendum must be paid by the County government.

Section 5. **Imposition of Tax Subject to Referendum.**

The imposition of the Sales and Use Tax in the County is subject in all respects to the favorable vote of a majority of qualified electors casting votes in a referendum on the question of imposing a sales and use tax in the County area in a referendum to be conducted by the Board of Voter Registration and Elections of Beaufort County on November 5, 2024, and the favorable vote of a majority of the qualified electors voting in such a referendum shall be a condition precedent to the imposition of a sales and use tax pursuant to the provisions of this Ordinance.

Section 6. **Miscellaneous.**

6.1 If any one or more of the provisions or portions hereof are determined by a court of competent jurisdiction to be contrary to law, then that provision or portion shall be deemed severable from the remaining terms or portions hereof and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance; if any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied to any particular case in any jurisdiction or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, those circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever; provided, however that the Sales and Use Tax may not be imposed without the favorable results of the referendum to be held on November 5, 2024.

6.2 This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in this State.

6.3 The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretations, or effect of this Ordinance.

6.4 This Ordinance shall take effect immediately upon approval following third reading.
6.5 All previous ordinances regarding the same subject matter as this Ordinance are hereby repealed.

IT IS SO ORDAINED.

________________________________
Joseph Passiment
County Council Chairman

____________________________
Sarah Brock, Clerk to Council

First Reading:
Second Reading:
Public Hearing:
Third Reading:
Dear Chairman Passiment and other Honorable Members of Beaufort County Council:

We are writing to you in reference to County Council’s consideration, upon first reading on January 22, 2024, of an ordinance to levy and impose a one-percent sales and use tax, subject to referendum, on the November 2024 General Election ballot. As you know, we have supported such a referendum, both by formal Resolution as well as by appointment of a joint representative on the county’s steering committee. What we observed in your meeting on January 22, however, was unexpected and gives us pause to consider whether it is in the best interest of City of Beaufort voters to continue supporting this referendum.

The language contained in Section 1.2 of the ordinance, coupled with Councilman Logan Cunningham’s amendment to Section 2.3 are concerning to us. Section 1.2 references SC Code of Laws §4-37-30 which expressly provides latitude for county governments to enter into partnerships with other government entities for such endeavors. The text in Section 1.2 states that, “the County Council has decided to provide funding for highways, roads, streets, bridges, mass transit systems, greenbelts and other transportation related projects inter alia without the complexity of a transportation authority or entering into a partnership consortium or other contractual arrangements with one or more other governmental entities at this time.”

This language alone would not be cause for grave concern, given that language immediately following it provides that such partnerships may be formed in the future. When coupled with the amendment to Section 2.3, however, it provides troubling context. The amendment, as we understand it and which is text to be added to the end of paragraph 2.3, reads “all proceeds of the sales and use tax and all proceeds of any bonds payable therefrom shall be held by county until the County Council has approved the allocation and expenditure of the funds for the projects and preparations of the project as further identified herein.”

We object to the amendment to Section 2.3, as being superfluous and unnecessarily inflammatory given the way it was presented by Councilman Cunningham. His comments in support of this amendment were “(the) County can make sure those funds aren’t wasted...make sure the money goes to the appropriate locations.” The inference by Councilman Cunningham in both his words and manner of presentation is that there is a level of distrust in the county’s municipal partners. Even more troubling is that this amendment passed on an 8-3 vote of County Council.

We have other concerns with the ordinance as presented for first reading. The language in this ordinance suggests that the County Administrator shall provide County Council a statement describing the "important features" of the proposed budget, which we imagine to be filtered by an
oversight committee if one should be stood up in the future. It is our collected belief that this
discretionary authority should not rest with the County Administrator in this matter.

We also find it concerning that this ordinance, as currently written, provides $60 million to
priority projects identified by the Town of Bluffton, $60 million to priorities identified by the
town of Hilton Head (no mention of the unincorporated areas), and $60 million for projects
North of the Broad to include both the incorporated and unincorporated areas of the county in
coordination with the City of Beaufort / Town of Port Royal, with no clear definition of what
coordination means.

In closing, we will remind you that our support of this referendum was based on the belief that it
would ultimately be in the best interest of the citizens of the City of Beaufort and surrounding
area, if it passes. With a concerted effort on the part of most of County Council to erode the
municipalities’ influence over how the proceeds from the penny tax would be spent, that belief
wanes. We hope you will take this communication into consideration upon subsequent readings
of the ordinance.

Sincerely,

[Signatures]

Philiip Cromer, Mayor

Mike McFee, Mayor Pro-Tempore

Neil Lipsitz, Councilman

Harold “Mitch” Mitchell, Councilman

Josh Scatlite, Councilman

Cc: Scott Marshall, City Manager
    Mayor Kevin Phillips, Town of Port Royal, SC
    Van Willis, Town Manager, Town of Port Royal, SC
    Mayor Alan Perry, Town of Hilton Head Island, SC
    Marc Orlando, Town Manager, Town of Hilton Head Island, SC
    Mayor Larry Toomer, Town of Bluffton, SC
    Stephen Steese, Town Manager, Town of Bluffton, SC
AN ORDINANCE

TO LEVY AND IMPOSE A ONE PERCENT (1%) SALES AND USE TAX, SUBJECT TO A REFERENDUM, WITHIN BEAUFORT COUNTY PURSUANT TO SECTION 4-37-30 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; TO DEFINE THE SPECIFIC PURPOSES AND DESIGNATE THE PROJECTS FOR WHICH THE PROCEEDS OF THE SALES AND USE TAX MAY BE USED; TO PROVIDE THE MAXIMUM TIME FOR WHICH SUCH SALES AND USE TAX MAY BE IMPOSED; TO PROVIDE THE ESTIMATED COST OF THE PROJECTS FUNDED FROM THE PROCEEDS OF THE SALES AND USE TAX; TO PROVIDE FOR A COUNTY-WIDE REFERENDUM ON THE IMPOSITION OF THE SALES AND USE TAX AND THE ISSUANCE OF GENERAL OBLIGATION BONDS AND TO PRESCRIBE THE CONTENTS OF THE BALLOT QUESTIONS IN THE REFERENDUM; TO PROVIDE FOR THE CONDUCT OF THE REFERENDUM BY THE BOARD OF VOTER REGISTRATION AND ELECTIONS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ADMINISTRATION OF THE SALES AND USE TAX, IF APPROVED; TO PROVIDE FOR THE PAYMENT OF THE SALES AND USE TAX, IF APPROVED; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO.

BE IT ENACTED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

Section 1. Recitals and Legislative Findings. As an incident to the enactment of this ordinance (the “Ordinance”), the County Council (the “County Council”) as governing body of Beaufort County, South Carolina (“County”) makes the following findings:

1.1 The South Carolina General Assembly has enacted Section 4-37-30 of the Code of Laws of South Carolina 1976, as amended (the “Act”), pursuant to which the County governing body may impose by ordinance a sales and use tax in an amount not to exceed one percent, subject to the favorable results of a referendum, within the County area for a specific purpose or purposes and for a limited amount of time to collect a limited amount of money.

1.2 Pursuant to the terms of Section 4-37-30 of the Code of Laws of South Carolina 1976, as amended, the South Carolina General Assembly has authorized county government to finance the costs of highways, roads, streets, bridges, mass transit systems, greenbelt initiatives, and other transportation-related projects facilities including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; either alone or in conjunction with other governmental entities. As a means to furthering the powers granted to the County under the provisions of Section 4-9-30 and Sections 6-21-10, et.seq. of the Code of Laws of South Carolina 1976 as amended, the County Council is authorized to form a transportation authority or to enter into a partnership, consortium, or other contractual arrangement with one of more other governmental entities pursuant to Title 4, Chapter 37 of the Code of Laws of the
South Carolina 1976, as amended. The County Council has decided to provide funding for highways, roads, streets, bridges, mass transit systems, greenbelts, and other transportation-related projects, *inter alia*, without the complexity of a transportation authority or entering into a partnership, consortium, or other contractual arrangements with one or more other governmental entities at this time; provided that nothing herein shall preclude County Council from entering into partnerships, consortiums, or other contractual arrangements in the future. County Council may utilize such provisions in the future as necessary or convenient to promote the public purposes served by funding highways, roads, streets, bridges, mass transit systems, greenbelt initiatives, and other transportation-related projects facilities as provided in this Ordinance.

1.3 The County Council finds that a one percent (1%) sales and use tax should be levied and imposed within the County, for the following projects and purpose:

i. For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities related thereto, including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; and mass transit systems operated by the County or jointly operated by the County and other entities.

ii. For financing the costs of greenbelt initiatives.

(the above herein referred to as the “Projects”)

For a period not to exceed [ten (10)] years from the date of imposition of such tax, to fund the Projects at a maximum cost not to exceed [950,000,000] to be funded from the net proceeds of a sales and use tax imposed in the County pursuant to provisions of the Act, subject to approval of the qualified electors of the County in referendum to be held on November 5, 2024. The imposition of the sales and use tax and the use of sales and use tax revenue if approved in the referendum, shall be subject to the conditions precedent and conditions or restrictions on the use and expenditure of sales and use tax revenue established by the Act, the provisions of this Ordinance, and other applicable law. Subject to annual appropriations by County Council, sales and use tax revenues shall be used for the costs of the Projects established in this Ordinance, as it may be amended from time to time, including, without limitation, payment of administrative costs of the Projects, and such sums as may be required in connection with the issuance of bonds, the proceeds of which are applied to pay costs of the Projects. All spending shall be subject to an annual independent audit to be made available to the public.

1.4 County Council finds that the imposition of a sales and use tax in the County for the Projects and purposes defined in this Ordinance for a limited time not to exceed fifteen years to collect a limited amount of money will serve a public purpose, provide funding for highways, roads, streets, bridges, mass transit systems, greenbelts,
and other transportation-related projects facilities including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; as provided in this Ordinance to facilitate economic development, promote public safety, provide needed infrastructure, promote desirable living conditions, enhance the quality of life in the County, and promote public health and safety in the event of fire, emergency, and other dangers, and prepare the County to meet present and future needs of the County and its citizens.

Section 2. Approval of Sales and Use Tax Subject to Referendum.

2.1 A sales and use tax (the “Sales and Use Tax”), as authorized by the Act, is hereby imposed in the County, subject to a favorable vote of a majority of the qualified electors voting in a referendum on the imposition of the tax to be held in the County, South Carolina on November 5, 2024.

2.2 The Sales and Use Tax shall be imposed for a period not to exceed ten (10) years from the date of imposition.

2.3 The maximum cost of the Projects to be funded from the proceeds of the Sales and Use Tax shall not exceed, in the aggregate, the sum of $950,000,000 and the maximum amount of net proceeds to be raised by the tax shall not exceed $950,000,000, which includes administrative costs and debt service on bonds issued to pay for the Projects. The estimated principal amount of initial authorization of bonds to be issued to pay costs of the Projects and to be paid by a portion of the Sales and Use Tax is $515,000,000.

2.4 The Sales and Use Tax shall be expended for the costs of the following described Projects, including payment of any sums as may be required for the issuance of and debt service for bonds, the proceeds of which are applied to such Projects, for the following purposes:

(i) For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental entities, which may include, but not limited to the following Projects at the estimated costs indicated:

Major Projects and Amounts

**The Triangle ($120 million):** Capacity and safety improvements on the County section of the triangle made by Highway 170, Highway 278 and Argent Boulevard.

**Ribaut Road Improvements ($75 million):** Implementation of the Ribaut Road project developed by the County, the City of Beaufort and the Town of Port Royal to improve safety, interconnectivity, capacity and attractiveness along the Ribaut Road Corridor between Boundary Street and the Russell Bell Bridge.
Highway 46 Improvements ($50 million): Capacity and safety improvements along SC 46 from SC 170 to Jasper County. Additional safety improvements (i.e., turn lanes at intersections) along SC 46 from SC 170 to Buckwalter Parkway. All planned improvements would be coordinated so as to preserve the South Carolina Scenic Byway designation.

Lady’s Island Corridor Traffic Improvements ($60 million): Lady’s Island Corridor Traffic Improvements from the Woods Memorial Bridge to Chowan Creek. These funds will supplement the monies approved in the 2018 Transportation Sales Tax Referendum.

Bluffton Municipal Projects ($30 million): Implementation of the Bluffton projects listed as priorities by the Bluffton Town Council, with the exclusion of Bluffton Parkway 5B.

Hilton Head Island Municipal Projects ($30 million): Intersection improvements to include Sea Pines Circle and adjacent corridors for the safety of motorists, bicyclists and pedestrians.

North of the Broad Transportation System Improvements ($30 million): Intersection improvements, pathways, flood prevention on access road such as Warsaw Island Road, and other projects in both incorporated and unincorporated areas developed in coordination with the City of Beaufort and the Town of Port Royal.

Highway 278 Project Enhancements ($90 million): Additional funding to support the US 278 Corridor Improvement Project.

2018 Existing Pathways ($30 million): Additional funding to support the completion of the remaining unfunded pathways from the 2018 Transportation Sales Tax.

Future Projects ($175 million): Additional safety, capacity and interconnectivity transportation improvement projects in the County.

Project Programs and Amounts

Mass Transit ($80 million): Funding multimodal transportation planning and implementation, including marine transport and commercial airport improvements.

Safety and Traffic Flow ($100 million): Safety improvements along roadways and intersections to include pedestrian accommodations.

Emergency and Resiliency ($55 million): Improvements to transportation infrastructure to address flooding, rising sea levels, stormwater, and drainage.

Pavement Resurfacing and Preservation ($50 million): Road resurfacing and preservation of roadways (including roads owned by the State of South Carolina (the “State), by the County and by municipalities). The goal is to improve the overall pavement condition of roads throughout the County.

Dirt Road Paving ($80 million): Paving of County and municipally owned dirt roads throughout the county.

Pathways ($20 million): Design, right of way acquisition, and construction of bike and pedestrian accommodations throughout the County in accordance with the Beaufort County Connects Bicycle and Pedestrian Plan 2021.

Transportation Technology/Access Roads ($90 million): Planning, design, right of way acquisition, and construction of access roads for...
better interconnectivity. Implementation of transportation technologies to support the enhancement to capacity and safety of the transportation system.

The amount of the maximum total funds to be collected which shall be expended for these Projects and purposes shall be no more than $900,000,000;

(ii) For financing the costs of greenbelt initiatives, including, but not limited to, purchasing property for conservation and conservation easements, creating passive and active greenspaces, protecting natural resources, protecting agricultural or heritage landscapes, and protecting scenic corridors. The amount of the maximum total funds to be collected which shall be expended for these Projects and purposes shall be no more than $50,000,000.

2.5 If the Sales and Use Tax is approved by a majority of the qualified electors voting in a referendum to be held in the County on November 5, 2024, the tax is to be imposed on the first day of May 2025, provided the Board of Voter Registration and Elections of Beaufort County shall certify the results not later than November 30, 2024, to the County Council and the South Carolina Department of Revenue (“DOR”). Included in the certification must be the maximum cost of the Projects to be funded in whole or in part from the proceeds of the tax, the maximum time specified for the imposition of the tax, and the principal amount of initial authorization of bonds, if any, to be supported by a portion of the tax.

2.6 The Sales and Use Tax, if approved in the referendum conducted on November 5, 2024 shall terminate on the earlier of:

(1) April 30, 2040; or

(2) the end of the calendar month during which DOR determines that the tax has raised revenues sufficient to provide the greater of either the costs of the Projects as approved in the referendum or the cost to amortize all debts related to the approved Projects.

2.7 Amounts of Sales and Use Tax collected in excess of the required proceeds must first be applied, if necessary, to complete each project for which the tax was imposed. Any additional revenue collected above the specified amount must be applied to the reduction of debt principal of the County on transportation infrastructure debts only.

2.8 The Sales and Use Tax must be administered and collected by DOR in the same manner that other sales and use taxes are collected. DOR may prescribe amounts that may be added to the sales price because of the Sales and Use Tax.

2.9 The Sales and Use Tax is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in the applicable area that is subject to the tax.
imposed by Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended, and the enforcement provisions of Chapter 54 of Title 12 of the Code of Laws of South Carolina 1976, as amended. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended, are exempt from the Sales and Use Tax. The gross proceeds of the sale of food lawfully purchased with United States Department of Agriculture Food Stamps are exempt from the Sales and Use Tax. The Sales and Use Tax also applies to tangible property subject to the use tax in Article 13, Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended.

2.10 Taxpayers required to remit taxes under Article 13, Chapter 36 of Title 12 of the Code of Laws of South Carolina 1976, as amended, must identify the county in which the tangible personal property purchased at retail is stored, used, or consumed in this State.

2.11 Utilities are required to report sales in the county in which the consumption of the tangible personal property occurs.

2.12 A taxpayer subject to the tax imposed by Section 12-36-920 of the Code of Laws of South Carolina 1976, as amended, who owns or manages rental units in more than one county must report separately in his sales tax return the total gross proceeds from business done in each county.

2.13 The gross proceeds of sales of tangible personal property delivered after the imposition date of the Sales and Use Tax, either under the terms of a construction contract executed before the imposition date, or written bid submitted before the imposition date, are exempt from the Sales and Use Tax if a verified copy of the contract is filed with DOR within six months after the imposition date of the Sales and Use Tax.

2.14 Notwithstanding the imposition date of the Sales and Use Tax with respect to services that are billed regularly on a monthly basis, the Sales and Use Tax is imposed on the first day of the billing period beginning on or after the imposition date.

2.15 The County Council hereby establishes a Citizen’s Oversight Committee (the “Oversight Committee”) to provide oversight of the Projects described in this Ordinance, to gather input from all areas of the County regarding the general projects to be undertaken with proceeds of the Sales and Use Tax, and to make recommendations to the County Council on matters related to the Sales and Use Tax, including but not limited to, the general projects and the prioritization of the Projects. The Oversight Committee will consist of seven (7) members who reflect the interests of all citizens of the County. Three (3) members will be appointed by the County Council; one (1) member will be appointed by the Town Council of Hilton Head Island; one (1) member will be appointed by the Town Council of Bluffton; one (1) member will be appointed by the City Council of the City of Beaufort; and one (1) member will be appointed by the Town Council of the Town of Port Royal. Council members of the County Council and council members of the municipal councils that appoint members to the Oversight Committee are not
eligible to serve on the Oversight Committee. Members of the Oversight Committee shall have terms of four (4) years; provided, however, that the three (3) members appointed by the County Council shall have initial terms of three (3) years. All of the terms of the initial members of the Oversight Committee will commence on January 1, 2025, and members may serve two (2) terms on the Oversight Committee. The Oversight Committee will elect officers; produce minutes following each of its meetings which are to be provided to the public and to all of the county, city and town councils which have appointees on the Oversight Committee; deliver quarterly updates to the County Council; follow all of the requirements of the South Carolina Freedom of Information Act; and meet quarterly beginning in the first quarter of 2025 and continuing throughout the time period during which the Sales and Use Tax is imposed.

Section 3. Remission of Sales and Use Tax; Segregation of Funds; Administration of Funds; Distribution to County: Confidentially.

3.1 The revenues of the Sales and Use Tax must be remitted to the State Treasurer and credited to a fund separate and distinct from the general fund of the State. After deducting the amount of any refunds made and costs to DOR of administering the tax, not to exceed one percent of such revenues, the State Treasurer shall distribute the revenues and related interest earnings quarterly to the County Treasurer and the revenues must be used only for the purposes stated herein. The State Treasurer may correct misallocations by adjusting subsequent distributions must be made in the same fiscal year as the misallocation. However, allocations made as a result of city or County code errors must be corrected prospectively.

3.2 (a) Any outside agencies, political subdivisions, or organizations designated to receive funding from the Sales and Use Tax must annually submit requests for funding in accordance with procedures and schedules established by the County Administrator. The County Administrator shall prepare the proposed budget for the Sales and Use Tax and submit it to the County Council at such time as the County Council determines. At the time of submitting the proposed budget, the County Administrator shall submit to the County Council a statement describing the important features of the proposed budget.

(b) County Council shall adopt annually and prior to the beginning of each fiscal year a budget for expenditures of Sales and Use Tax revenues. County Council may make supplemental appropriations for the Sales and Use Tax following the same procedures prescribed for the enactment of other budget ordinances. The provisions of this section shall not be construed to prohibit the transfer of funds appropriated in the annual budget for the Sales and Use Tax for purposes other than as specified in the annual budget when such transfers are approved by County Council. In the preparation of the annual budget, County Council may require any reports, estimates, and statistics from any County agency or department as may be necessary to perform its duties as the responsible fiscal body of the County.
Proposed Ordinance

(c) Except as specifically authorized by County Council, any outside agency or organization receiving an appropriation of the Sales and Use Tax must provide to County Council an independent audit of such agency’s or organization’s financial records and transactions and such other and more frequent financial information as required by County Council, all in form satisfactory to County Council.

3.3 DOR shall furnish data to the State Treasurer and to the County Treasurer for the purpose of calculating distributions and estimating revenues. The information which must be supplied to the County upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.

Section 4. Sales and Use Tax Referendum; Ballot Question.

4.1 The Board of Voter Registration and Elections of Beaufort County shall conduct a referendum on the question of imposing a Sales and Use Tax in the area of the County on Tuesday, November 5, 2024, between the hours of 7 a.m. and 7 p.m. under the election laws of the State, mutatis mutandis. The Board of Voter Registration and Elections of Beaufort County shall publish in a newspaper of general circulation the date and purpose of the referendum, including the question that is to appear on the ballot, with the list of Projects and purposes as set forth herein, and the cost of Projects, and shall publish such election and other notices as required by law.

4.2 The referendum question to be on the ballot of the referendum to be held in the County on November 5, 2024, must read substantially as follows:

BEAUFORT COUNTY SPECIAL SALES AND USE TAX

QUESTION 1

I approve a special sales and use tax in the amount of one percent (1%) to be imposed in Beaufort County for not more than ten (10) years, or until a total of $950,000,000 in resulting revenue has been collected, whichever occurs first, to fund the following projects:

Project (1) For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities related thereto including, but not limited to, drainage facilities relating to the highways, roads, streets, bridges, and other transportation-related projects; and mass transit systems operated by Beaufort County or jointly operated by the County and other governmental entities $900,000,000.

Project (2) For financing the costs of greenbelt initiatives $50,000,000.

YES ______

NO ______

Instructions to Voters: All qualified electors desiring to vote in favor of levying the special sales and use tax shall vote “YES;” and
All qualified electors opposed to levying the special sales and use tax shall vote “NO.”

**QUESTION 2**

I approve the issuance of not exceeding $515,000,000 of general obligation bonds of Beaufort County, maturing over a period not to exceed ten (10) years and payable from the special sales and use tax described in Question 1 above, to fund completion of projects from among the categories described in Question 1 above.

YES ______

NO ______

Instructions to Voters: All qualified electors desiring to vote in favor of the issuance bonds for the stated purposes shall vote “YES;” and

All qualified electors opposed to the issuance of bonds for the stated purposes shall vote “NO.”

4.3 In the referendum on the imposition of the Sales and Use Tax in the County, all qualified electors desiring to vote in favor of imposing the tax for the stated purposes shall vote “yes” and all qualified electors opposed to levying the tax shall vote “no”. If a majority of the electors voting in the referendum shall vote in favor of imposing the tax, then the tax is imposed as provided in the Act and this Ordinance. Expenses of the referendum must be paid by the County.

4.4 In the referendum on the issuance of bonds, all qualified electors desiring to vote in favor of the issuance of bonds for the stated purposes shall vote “yes” and all qualified electors opposed to the issuance of bonds shall vote “no”. If a majority of the electors voting in the referendum shall vote in favor of the issuance of bonds, then the issuance of bonds shall be authorized in accordance with S.C. Constitution Article X, Section 14, Paragraph (6). Expenses of the referendum must be paid by the County.

**Section 5. Imposition of Tax Subject to Referendum.**

The imposition of the Sales and Use Tax in the County is subject in all respects to the favorable vote of a majority of qualified electors casting votes in a referendum on the question of imposing the Sales and Use Tax in the County area in a referendum to be conducted by the Board of Voter Registration and Elections of Beaufort County on November 5, 2024, and the favorable vote of a majority of the qualified electors voting in such a referendum shall be a condition precedent to the imposition of the Sales and Use Tax pursuant to the provisions of this Ordinance.

**Section 6. Miscellaneous.**
6.1 If any one or more of the provisions or portions hereof are determined by a court of competent jurisdiction to be contrary to law, then that provision or portion shall be deemed severable from the remaining terms or portions hereof and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance; if any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied to any particular case in any jurisdiction or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, those circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever; provided, however that the Sales and Use Tax may not be imposed without the favorable results of the referendum to be held on November 5, 2024.

6.2 This Ordinance shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in this State.

6.3 The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretations, or effect of this Ordinance.

6.4 This Ordinance shall take effect immediately upon approval following third reading.

6.5 All previous ordinances regarding the same subject matter as this Ordinance are hereby repealed.

IT IS SO ORDAINED.

____________________________________
Joseph Passiment
County Council Chairman

Sarah Brock, Clerk to Council

First Reading: January 22, 2024
Second Reading: February 12, 2024
Public Hearing: February 12, 2024
Third Reading: