

ORDINANCE 2026/30

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 certain projects including, but not limited to, highways, roads, streets, bridges 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, 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, 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:

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.

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

For a period not to exceed nine (9) years from the date of imposition of such tax, to fund the Projects at a maximum cost not to exceed \$780,000,000 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 3, 2026. 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 The 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 nine (9) years to collect a limited amount of money will serve a public purpose, provide funding for highways, roads, streets, bridges, 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. The County Council further finds that all unprepared food items eligible for purchase with United States Department of Agriculture food coupons shall be exempted from the Sales and Use Tax (as defined below).

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 3, 2026.

2.2 The Sales and Use Tax shall be imposed for a period not to exceed nine (9) 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 \$780,000,000 and the maximum amount of net proceeds to be raised by the tax shall not exceed \$780,000,000, 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 \$780,000,000.

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:

For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage facilities related hereto, which may include, but not limited to the following Projects as listed in the ballot question.

The amount of the maximum total funds to be collected which shall be expended for these Projects and purposes shall be no more than \$780,000,000;

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 3, 2026, the tax is to be imposed on the first day of May 2027, provided the Board of Voter Registration and Elections of Beaufort County shall certify the results not later than November 30, 2026, 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 3, 2026 shall terminate on the earlier of:

(1) April 30, 2036; 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. Pursuant to the Act, the Council has determined to and does hereby exempt from the Sales and Use Tax all unprepared food items eligible for purchase with United States Department of Agriculture food coupons.

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 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, 2027, 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 2027 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.

(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 3, 2026, 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 3, 2026, 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 nine (9) years, or until a total of \$780,000,000 in resulting revenue has been collected, whichever occurs first, to fund the following projects:

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 including the following projects and estimated costs:

Project (1) for Intersection and Safety Projects:	\$326,000,000
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Ribaut Road/ Lady's Island Drive- Turn Lane Construction

Traffic Signal Improvements (Countywide)

SC 170/US 278 Diverging Diamond Interchange

Squire Pope Road/William Hilton Parkway Improvements

Ribaut Road Corridor Improvement (City of Beaufort)

Lady's Island Drive/Meridian Road Improvements

US 21 Improvements at Chowan Creek

SC 170/SC 46 Intersection Conversion

SC 462 Realignment

SC 170 Corridor Improvements – (North of the Broad)

Spanish Wells Road/William Hilton Parkway Improvements

Savannah Highway/SC 170 Improvements

Warsaw Island Road

Bluffton Parkway/SC46 Roundabout Improvements

B.E Wheatley Drive/Robert Smalls Parkway Signal

US 278/Sun City Signal Improvements

US 278/Buck Island Road Intersection
Ribaut Road/Depot Road Intersection 
 Gumtree Road Improvements
 US 278/Simmons ville Road
 Bluffton Parkway Improvements 
Gateway to Port Royal Improvements (Ribaut Road)
 SC 46/Gibbet Road Signal
 Grober Hill Road/Parris Island Gateway Intersection
 High Visibility Crosswalks & Rapid Flashing Beacons (Downtown Beaufort) 
SC 802/Short's Landing Road Signal
 Sea Pines Circle
 Evans Way/SC 170 Signalized Reduced Conflict Intersection
 Right-in/Right-out at Bluffton Parkway/Goethe Road
 Median Closings US 278
 Old Jericho Road Bridge Replacement
 Goethe Road Resurfacing/Traffic Calming
 Main Street Road Improvements
 Grober Hill Road Corridor Improvements
 William Hilton Parkway- Chaplin Corridor
 SC 46/Stardust Lane Signal
 Buckwalter Parkway (HE McCracken Circle Section)
 Joe Frazier Road/Middleton Recreation Drive Roundabout
 Laurel Bay/Joe Frazier Roundabout
 Laurel Bay/Bay Pines Roundabout
 US 21/Shanklin Road Reduced Conflict Intersection
 US 21/Roseida Road Reduced Conflict Intersection
 Coordinated Message Boards for Woods Memorial Bridge (Downtown Beaufort)
Middle Road/SC 802 Roundabout Improvements
 Guardrail on Middle Road (between Doe Road & Buck Road)

Project (2) for Widening Projects: \$205,000,000

Okatie Highway (SC 170)
 Okatie Highway (SC 46)
 West Fording Island Road (US 278)
 Robert T Smalls Parkway /Neil Road (SC 170)

Project (3) for Resurfacing and Dirt Road Paving Projects: \$249,000,000

County Dirt Roads:
 Arum Cir N
 Briars Creek 
Comet Lane

Creek View Dr
Dockside Lane
Huspah Creek Dr
Judge Island Dr
Mr. McBryde Lane
Najas Dr
Nyssa Lane
O'Connor Road
Sandstone Cir
Sawgrass Ct
Sparkleberry Dr
Sugar Hill Landing Road
Sweet Grass Dr
Worthington Road
Kline Cir
Municipal Resurfacing - City of Beaufort
Municipal Resurfacing - Town of Port Royal
Municipal Resurfacing - Town of HHI
Municipal Resurfacing - Town of Bluffton
Daufuskie Island Resurfacing:
 Cooper River Landing Road
 Haig Point Road
 Melrose Landing Road
 Old Haig Point Road
 Pappy's Landing Road
Trask Parkway (US 17)
Trask Parkway (US 21)
Sea Island Parkway (US 21)
Sam's Point Road (SC 802)
Parris Island Gateway (US 21)
Savannah Highway (SC 128)
Robert Smalls Parkway (SC 170)
Buckwalter Parkway
Bluffton Parkway
Fording Island Road (US 278)
William Hilton Parkway (US 278 Business)

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 \$450,000,000 of general obligation bonds of Beaufort County, maturing over a period not to exceed nine (9) 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 3, 2026, 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 3, 2026.

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.

Done this 22nd day of June, 2026.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: Alice G. Howard

Alice G. Howard, Chairman

ATTEST:

Sarah W. Brock

Sarah W. Brock, Clerk to Council

First Reading: May 26, 2026 / 10:0

Second Reading: June 8, 2026 / 8:3

Public Hearing: June 22, 2026

Third Reading: June 22, 2026 / 8:3