

COUNTY COUNCIL OF BEAUFORT COUNTY  
ADMINISTRATION BUILDING  
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX  
100 RIBAUT ROAD

POST OFFICE DRAWER 1228  
BEAUFORT, SOUTH CAROLINA 29901-1228

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DEPUTY COUNTY ADMINISTRATOR  
SPECIAL COUNSEL

SUZANNE M. RAINEY  
CLERK TO COUNCIL

**AGENDA**  
**FINANCE COMMITTEE**

Monday, May 18, 2015

2:00 p.m.

Conference Room, Building 3

Beaufort Industrial Village

104 Industrial Village Road, Beaufort

Committee Members:

Jerry Stewart, Chairman  
Steve Fobes, Vice Chairman  
Cynthia Bensch  
Rick Caporale  
Brian Flewelling  
William McBride  
Stu Rodman

Staff Support:

Suzanne Gregory, Employee Services Director  
Alicia Holland, Assistant County Administrator, Finance  
Chanel Lewis, Controller

1. CALL TO ORDER – 2:00 P.M.
2. CONSIDERATION OF CONTRACT AWARD
  - A. Bluffton Township Fire District Maintenance Facility Construction ([backup](#))
3. DISCUSSION / FUTURE USES OF 2% HOSPITALITY, 3% LOCAL ACCOMMODATIONS, AND 2.5% ADMISSIONS YEAR-END FUND BALANCES
4. DISCUSSION / COUNTY DEPARTMENT EXPENDITURES
5. CONSIDERATION OF REAPPOINTMENTS AND APPOINTMENTS
  - A. Airport Board
  - B. Tax Equalization Board
6. ADJOURNMENT





## COUNTY COUNCIL OF BEAUFORT COUNTY

### PURCHASING DEPARTMENT

106 Industrial Village Road, Building 2  
Post Office Drawer 1228  
Beaufort, South Carolina 29901-1228

**TO:** Councilman Jerry W. Stewart, Chairman, Finance Committee

**FROM:** Dave Thomas, CPPO, Purchasing Director

**SUBJ:** **RFQ #05052014 Bluffton Township Fire District Maintenance Facility Construction**

**DATE:** May 11, 2015

**BACKGROUND:** The Bluffton Township Fire District is a full service fire department providing service to all areas of Southern Beaufort County with the exception of Hilton Head Island and Daufuskie Island. The District covers a geographical area of approximately 250 square miles with eight (8) strategically located fire stations. The District is a career fire department with 130 full-time personnel. The District responded to 5,188 emergency incidents in 2013. The District currently operates eight (8) engine companies, one (1) truck company, and one (1) service/support unit. Three (3) of the engine companies are staffed as Advanced Life Support (ALS) engines. Emergency medical services are currently provided by Beaufort County's Emergency Medical Services (EMS) division which is not affiliated with the District. EMS crews do, however, share space in three (3) of the District's fire stations and will not share space in the Maintenance Facility.

**SCOPE OF WORK:** Although the economy has slowed, the Town of Bluffton still has the potential to expand. Prior to the economic slowdown, Bluffton had an annual growth rate of approximately 20%. At that time, the Bluffton Township Fire District realized its emergency services need to expand with the growth. For this reason, the five-year plan for the District indicated at least five (5) additional fire stations and a maintenance facility would be required to adequately provide service to our citizens. As the slowdown occurred, all projects were placed on hold, not due to a lack of revenue for the design and construction of the projects, but due to a lack of revenue required for staffing the stations.

Therefore, the District re-evaluated its plan and decided to concentrate on strengthening and updating its current facilities. At this time, the District has rebuilt one of its oldest stations and remodeled another to the sum of \$2,950,000 dollars for both projects.

The District has a fleet of vehicles that are imperative to its daily operation of emergency responses. The District also realizes that maintaining these vehicles is just as important as having them. Therefore, the District is ready to update its maintenance facility to maintain these vehicles now and for years to come. The current facility is a rental property that consists of two bays. The bays are not of adequate size nor do they offer a drive-through feature. The equipment to service our fleet also takes up much of the shops' floor space. In addition to maintaining the District's fleet, the Maintenance Division also maintains The Town of Bluffton's fleet of police cars and other town vehicles. The fire district will be reaching out to other agencies in the near future to also provide maintenance for their fleet of vehicles. The approximate square footage would be 10,000 SF to 12,000 SF.

The new facility will be located approximately one mile from its current location of #1204 Fording Island Road to #199 Burnt Church Road. This location is a 9.2 acre tract of land that the District owns. This parcel of land is wooded except for approximately 3 acres where Bluffton Fire Station #30 is located. The District published an RFQ for Design Build Services from qualified firms. As a result the following firms submitted qualifications and were evaluated.

**VENDOR NAME AND FINAL RANKING:**



- |                                                 |                                      |
|-------------------------------------------------|--------------------------------------|
| 1. Fraser Construction (Bluffton SC)            | Score 264 out of possible 300 points |
| 2. Mitchell Brothers Construction (Beaufort SC) | Score 257 out of possible 300 points |
| 3. Hogan/Pond Construction (Charleston SC)      | Score 249 out of possible 300 points |
| 4. Brunson Construction (Hampton SC)            | Score 237 out of possible 300 points |
| 5. Architecture Plus (Charleston SC)            | D/Q (incomplete RFQ submittal)       |

**FUNDING:** This project is one of three capital improvement projects that County Council approved. Ordinance 2015/3 was approved by County Council on January 26, 2015. This ordinance provided for Bluffton Township Fire District to issue \$8.5 million of limited general obligation bonds to fund three capital improvement projects. The bond proceeds will be held with the County in an agency fund. The Fire District will make warrant requests from the agency fund for vendor payments.

**PROPOSED COST:** **\$2,749,296** This price was negotiated with the contractor to meet the operational needs of the district along with the budget created for this project.

**FOR ACTION:** Finance Committee Meeting on May 18, 2015.

**RECOMMENDATION:** The Purchasing Department recommends that the Finance Committee approve and recommend to County Council to proceed with the contract with Fraser Construction to build a maintenance facility for the Bluffton Township Fire District on 9.2 acres of land that the district owns at #199 Burnt Church Road.

CC: Gary Kubic, County Administrator   
Josh Gruber, Deputy County Administrator/Special Counsel  
Alicia Holland, Asst. Co. Administrator, Finance   
John Thompson, Fire Chief, Bluffton Township Fire District

Att: RFQ Scoring Summary Sheet





Bluffton Township Fire District  
Maintenance RFQ #05052014

EVALUATION CRITERIA FOR SELECTION  "Fraser Const."	Combined Total Score of (3) Evaluators
1. Nature and quality of previously completed work as a design-build team. (20 points)	60
2. Understanding of the project requirements and approach to meeting the proposed schedule as described in Section 2 Scope of Work and Section 3 Process Parameter. (20 points)	60
3. Ability to customize the design to the needs of the Bluffton Township Fire District. (10 points)	30
4. Qualifications of personnel assigned to the project. (15 points)	45
5. Availability to deliver the services required with flexibility in scheduling. (10 points)	24
6. History of previous design-build projects final cost compared to original budget. (15 points)	15
7. Unique approaches and intangible factors demonstrated by the Offeror. (10 points)	30
8. Total Score of Possible 300  "combined 3 evaluators score"	264



Bluffton Township Fire District  
Maintenance RFQ #05052014

EVALUATION CRITERIA FOR SELECTION  "Mitchell Brothers"	Combined Total Score of (3) Evaluators
1. Nature and quality of previously completed work as a design-build team. (20 points)	60
2. Understanding of the project requirements and approach to meeting the proposed schedule as described in Section 2 Scope of Work and Section 3 Process Parameter. (20 points)	50
3. Ability to customize the design to the needs of the Bluffton Township Fire District. (10 points)	30
4. Qualifications of personnel assigned to the project. (15 points)	45
5. Availability to deliver the services required with flexibility in scheduling. (10 points)	27
6. History of previous design-build projects final cost compared to original budget. (15 points)	15
7. Unique approaches and intangible factors demonstrated by the Offeror. (10 points)	30
8. Total Score of Possible 300  "combined 3 evaluators score"	257



Bluffton Township Fire District  
Maintenance RFQ #05052014

EVALUATION CRITERIA FOR SELECTION  "Hogan / Pond"	Combined Total Score of (3) Evaluators
1. Nature and quality of previously completed work as a design-build team. (20 points)	60
2. Understanding of the project requirements and approach to meeting the proposed schedule as described in Section 2 Scope of Work and Section 3 Process Parameter. (20 points)	45
3. Ability to customize the design to the needs of the Bluffton Township Fire District. (10 points)	30
4. Qualifications of personnel assigned to the project. (15 points)	45
5. Availability to deliver the services required with flexibility in scheduling. (10 points)	24
6. History of previous design-build projects final cost compared to original budget. (15 points)	15
7. Unique approaches and intangible factors demonstrated by the Offeror. (10 points)	30
8. Total Score of Possible 300  "combined 3 evaluators score"	249



Bluffton Township Fire District  
Maintenance RFQ #05052014

EVALUATION CRITERIA FOR SELECTION  "Brunson Const."	Combined Total Score of (3) Evaluators
1. Nature and quality of previously completed work as a design-build team. (20 points)	45
2. Understanding of the project requirements and approach to meeting the proposed schedule as described in Section 2 Scope of Work and Section 3 Process Parameter. (20 points)	45
3. Ability to customize the design to the needs of the Bluffton Township Fire District. (10 points)	30
4. Qualifications of personnel assigned to the project. (15 points)	45
5. Availability to deliver the services required with flexibility in scheduling. (10 points)	27
6. History of previous design-build projects final cost compared to original budget. (15 points)	15
7. Unique approaches and intangible factors demonstrated by the Offeror. (10 points)	30
8. Total Score of Possible 300  "combined 3 evaluators score"	237



Bluffton Township Fire District  
Maintenance RFQ #05052014

EVALUATION CRITERIA FOR SELECTION  "Architecture +"	Combined Total Score of (3) Evaluators
1. Nature and quality of previously completed work as a design-build team. (20 points)	DQ
2. Understanding of the project requirements and approach to meeting the proposed schedule as described in Section 2 Scope of Work and Section 3 Process Parameter. (20 points)	DQ
3. Ability to customize the design to the needs of the Bluffton Township Fire District. (10 points)	DQ
4. Qualifications of personnel assigned to the project. (15 points)	DQ
5. Availability to deliver the services required with flexibility in scheduling. (10 points)	DQ
6. History of previous design-build projects final cost compared to original budget. (15 points)	DQ
7. Unique approaches and intangible factors demonstrated by the Offeror. (10 points)	DQ
8. Total Score of Possible 300  "combined 3 evaluators score"	DQ



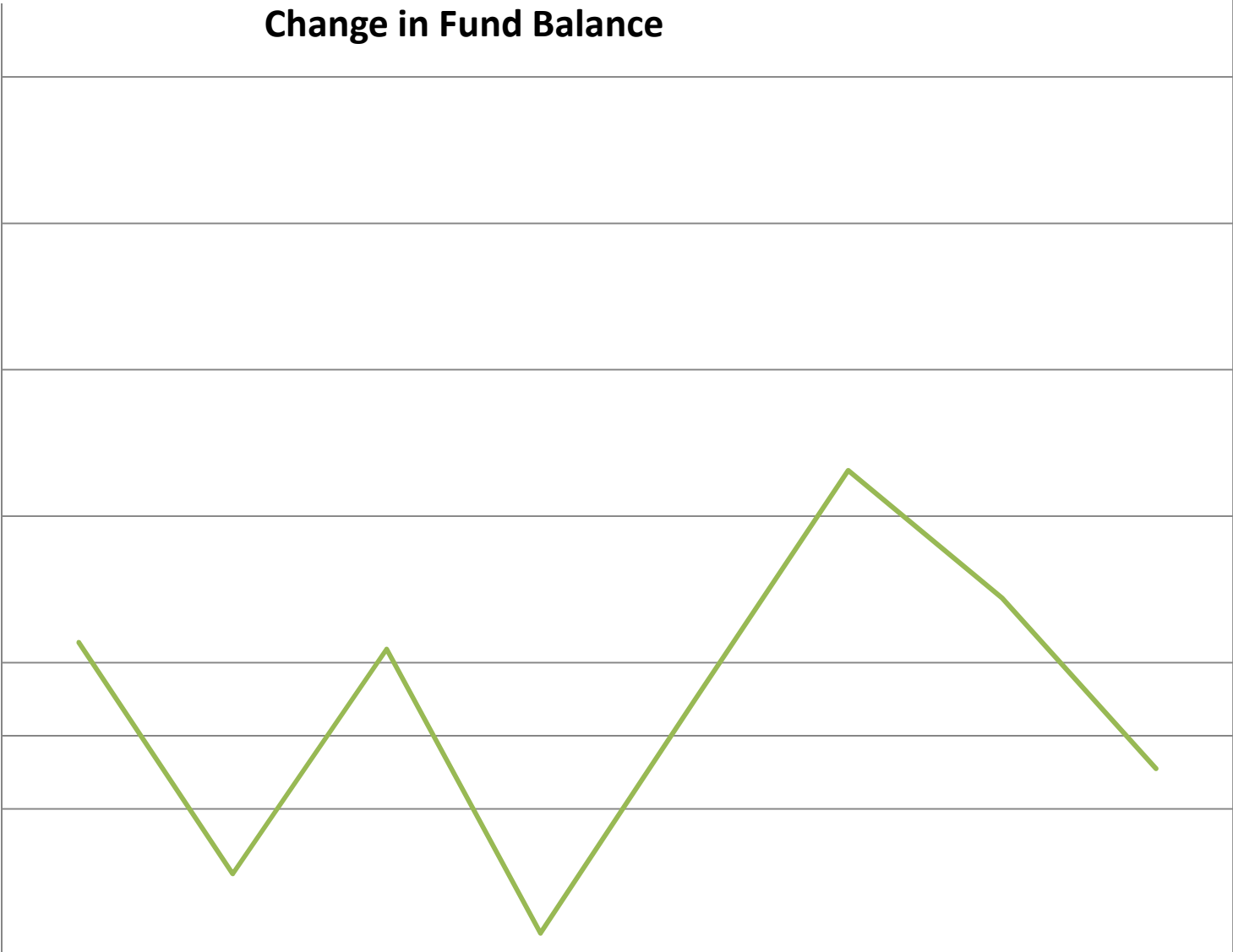
# ADD-ONS

The document(s) herein were provided to Council for information and/or discussion after release of the official agenda and backup items.

Topic: General Fund Balance Changes  
Date Submitted: May 18, 2015  
Submitted By: Alicia Holland  
Venue: Finance Committee

## Beaufort County General Fund Change in Fund Balance

\$9,000,000  
\$7,000,000  
\$5,000,000  
\$3,000,000  
\$1,000,000  
\$(1,000,000)  
\$(3,000,000)



	2007	2008	2009	2010	2011	2012	2013	2014
Change in Fund Balance	\$1,275,027	\$(1,885,529)	\$1,183,153	\$(2,699,351)	\$478,946	\$3,622,269	\$1,879,261	\$(448,600)

Alicia Holland

5/18/2015 May 18, 2015

Finance Committee

Beaufort County General Fund  
Change in Fund Balance Notes

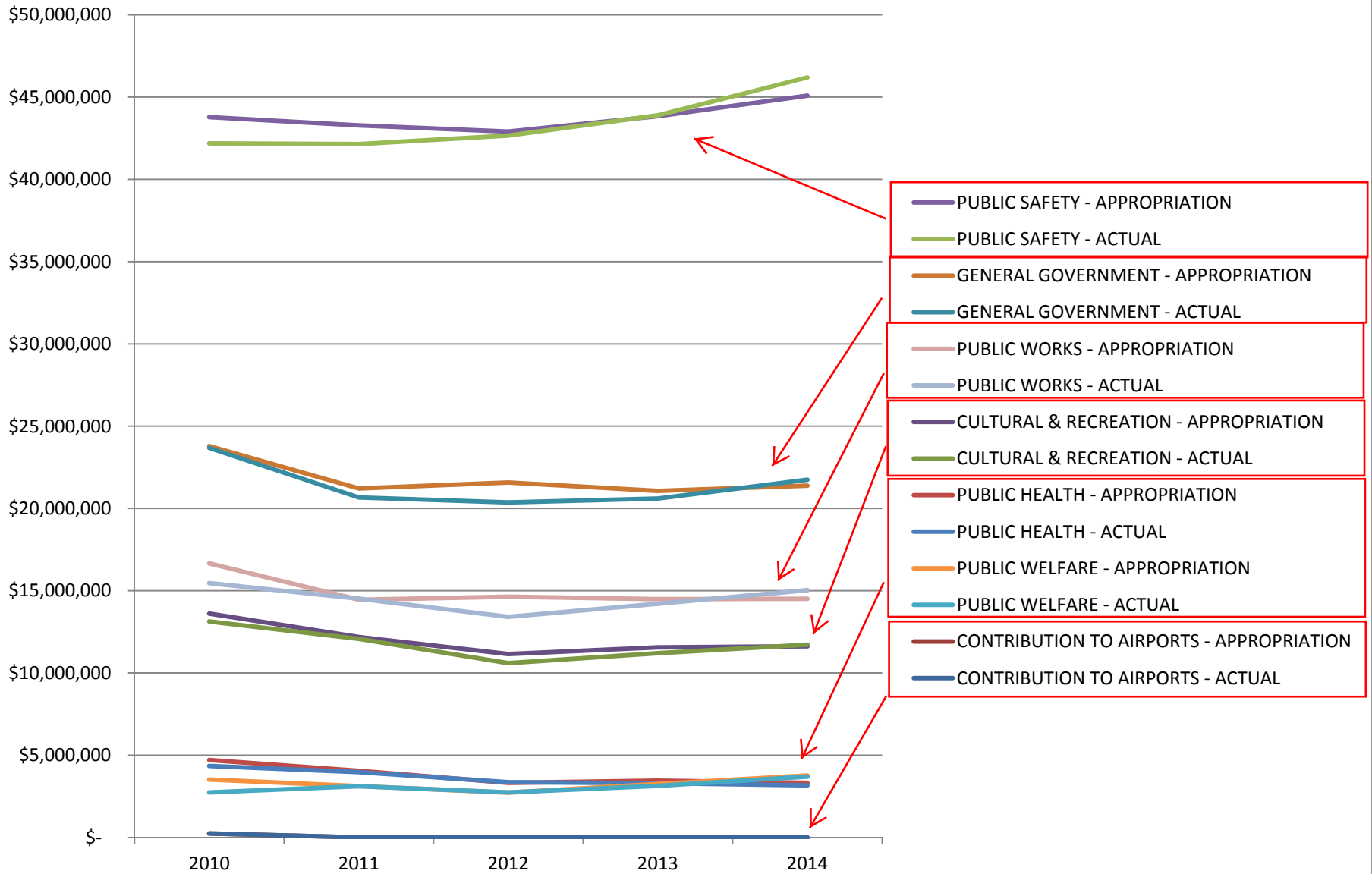
Notes:

\*\* - In Fiscal Year 2010, the Beaufort County Treasurer was backlogged with processing refunds. During the fourth quarter of Fiscal Year 2010 (April - June 2010), these refunds were processed and created the \$2.7 million deficit in the General Fund. As a result, County Council instructed County Administration to restore the deficit in the General Fund and this was done by the end of Fiscal Year 2012.

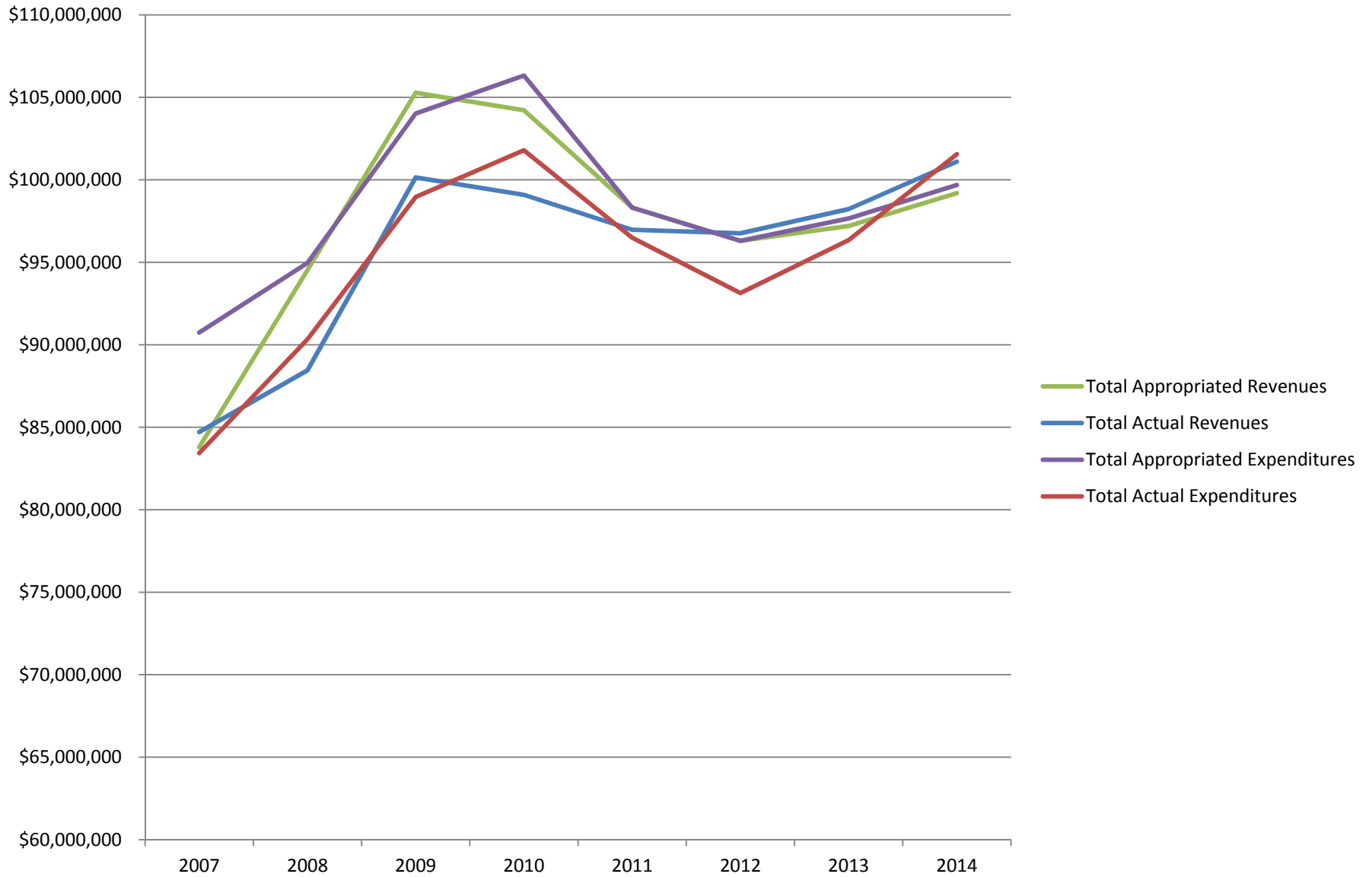
\*\*\*- Over the most recent audited 24 months, Beaufort County has added \$1.4 million to the General Fund Balance (Fiscal Years 2013 and 2014). This is an average of \$700 thousand per fiscal year. That is an average of less than 1% of General Fund annual expenditures or annual revenue.



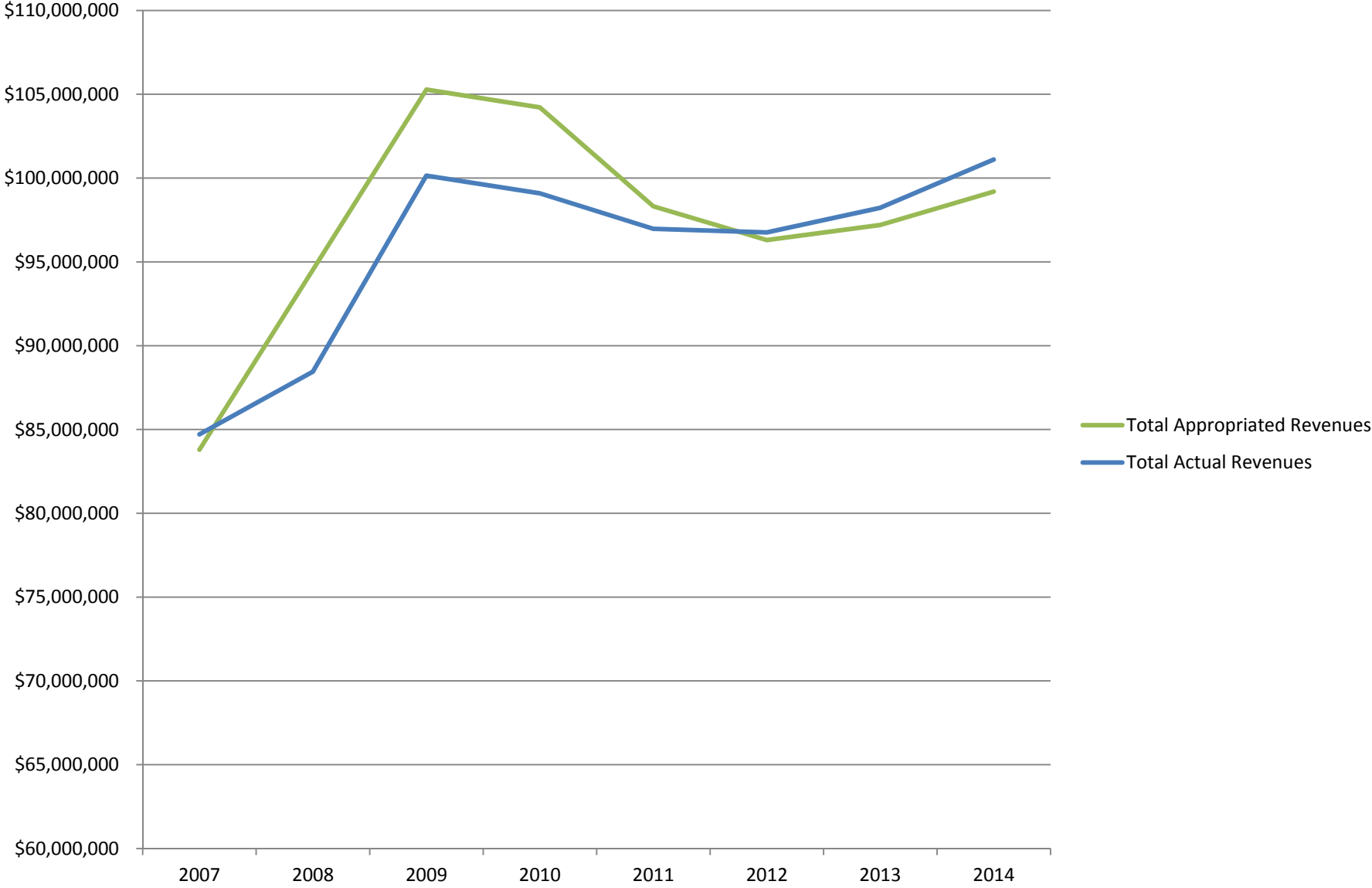
## Beaufort County General Fund Appropriation versus Actual - Expenditures by Function



## Beaufort County General Fund Appropriation versus Actual - Revenues and Expenditures



# Beaufort County General Fund Appropriation versus Actual - Revenues



## Beaufort County General Fund Appropriation versus Actual - Expenditures





Topic: Legal Expenses - Fiscal Years 2013, 2104, 2015  
Date Submitted: May 18, 2015  
Submitted By: Josh Gruber  
Venue: Finance Committee

BEAUFORT COUNTY  
Legal Expenditures

DEPARTMENT	FUND	FISCAL YEAR		
		2013	2014	2015
AIRPORT	ENTERPRISE FUND <sup>1</sup>	\$ 46,024	\$ 28,697	\$ 60,367
COUNTY ATTORNEY	GENERAL FUND	\$ 167,980	\$ 219,560	\$ 128,045
COUNTY COUNCIL	GENERAL FUND	\$ 38,165	\$ 63,347	\$ 21,385
RURAL & CRITICAL	RURAL & CRITICAL	\$ 96,314	\$ 54,373	\$ 97,447
SALES TAX	SALES TAX	\$ 153,534	\$ 55,613	\$ 59,906
TAG PROJECTS	TAG (ROAD PAVING)	\$ 21,863	\$ 95,124	\$ 3,671
TREASURER	TREASURER EXECUTION	\$ 116,339	\$ 137,996	\$ 123,912
Total Gross Legal Expenditures		\$ 640,219	\$ 654,711	\$ 494,732
IRF REIMBURSEMENTS		\$ (131,379)	\$ (127,744)	\$ (49,365)
Net Legal Expenditures		\$ 508,840	\$ 526,967	\$ 445,367

IRF - Insurance Reserve Fund

Josh Gruber  
May 18, 2015  
Finance Committee

## Staff Attorney FY Budget and Purchased Services Breakout

<b>FY 2010</b>	
Budget:	\$576,084
Actual:	\$556,119
Personnel	\$59,715
Purchased Services:	\$492,215
<b>FY 2011</b>	
Budget:	\$539,002
Actual:	\$551,292
Personnel	\$65,201
Purchased Services:	\$483,409
<b>FY 2012</b>	
Budget:	\$497,661
Actual:	\$507,441
Personnel	\$154,154
Purchased Services:	\$349,434
<b>FY 2013</b>	
Budget:	\$320,063
Actual:	\$243,996
Personnel	\$175,766
Purchased Services:	\$66,518
<b>FY 2014</b>	
Budget:	\$356,385
Actual:	\$446,996
Personnel	\$279,300
Purchased Services:	\$165,887

### CAFR Reference Location:

2014- Schedule A-2, Sheet 3, Page 71  
2013- Schedule A-2, Sheet 3, Page 77  
2012- Schedule A-2, Sheet 3, Page 83  
2011- Schedule A-2, Sheet 3, Page 78  
2010- Schedule A-2, Sheet 3, Page 74

Topic: Potential Accommodations Tax Funded Projects  
Date Submitted: May 18, 2015  
Submitted By: Josh Gruber  
Venue: Finance Committee



## Potential Accommodation Tax Funded Projects

USCB Auditoriam AV Replacement	\$500,000.00
Arts Center of Coastal Carolina	\$100,000.00
Spanish Moss Trial (Future Phases)	unknown
Santa Elena Foundation (3-year lease, Fu	\$300,000.00
Fort Freemont Interpretive Center	\$300,000.00
Hunting Island Life Gaurds	\$35,000/yr
Boat Ramp Installation/Repair	unknown
Median Beautification (US 278)	\$950,000.00
Crystal Lake (Future Phases)	unknown
New Riverside Park	unknown
Camp St. Mary's	\$4,000,000.00
Mitchellville	unknown
Calhoun Stree Dock Improvements	\$567,000.00
May River Road Streetscape	\$ 1,941,500.00
Oyster Factory Park (Garvin House)	\$334,214.00
Oyster Factory Park (Boat Ramp Improve	\$760,248.00
Oyster Factory Park (Parking Lot Expansio	\$1,595,678.00
Property Acquisition May River Access	\$3,000,000.00
Eagle's Field Renovation/Enhancements	unknown
Minor League Baseball Sports Complex	unknown

Topic: 3% Local Accommodations Tax Ordinance  
Date Submitted: May 18, 2015  
Submitted By: Josh Gruber  
Venue: Finance Committee

## DIVISION 2. - ACCOMMODATIONS (3%) TAX

### Sec. 66-41. - Authority.

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

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

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

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

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

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

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

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

- (c) The local accommodations tax collected by the provider of the services as required herein shall be remitted to the County of Beaufort, South Carolina, as follows:

- (1) Payment shall be collected and remitted monthly starting January 1, 2010 and each month thereafter.
- (2) Payments are due on or before the twentieth day following the end of the filing period.
- (d) An interest-bearing restricted account, kept in a separate fund segregated from the county's general fund and to be known as "The County of Beaufort, South Carolina, Local Accommodations Tax Account" is hereby established. All revenue and interest generated by the local accommodations tax shall be deposited into this account. "The County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be controlled by the county administrator for the County of Beaufort, South Carolina. The principal and any accrued interest thereon shall be spent only as provided herein.
- (e) Deposits into "The County of Beaufort, South Carolina, Local Accommodations Tax Account" may also include appropriations from the general fund by the county council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided herein.

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

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

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

(Ord. No. 2002-11, § 4, 3-11-2002; [Ord. No. 2005/10, § 4, 3-28-2005](#); [Ord. No. 2009/15, 3-30-2009](#))

Sec. 66-45. - Inspections and audits.

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

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

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

Sec. 66-46. - Violations and penalty.

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

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

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

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

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

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

(Ord. No. 2002-11, § 7, 3-11-2002; [Ord. No. 2005/10, § 7, 3-28-2005](#); [Ord. No. 2009/15, 3-30-2009](#))

Sec. 66-48. - Applicability and effective date.

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

[\(Ord. No. 2009/36, 10-12-2009\)](#)

Sec. 66-49. - Severability.

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

[\(Ord. No. 2009/36, 10-12-2009\)](#)

Sec. 66-50. - Reserved.

Topic: 2% Hospitality Tax Ordinance  
Date Submitted: May 18, 2015  
Submitted By: Josh Gruber  
Venue: Finance Committee

ARTICLE V. - HOSPITALITY TAX

Sec. 66-531. - Authority.

This article is enacted pursuant to the authority S.C. Code § 4-9-30 (1976, as amended) which provides that the county may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the county and for the preservation of the general health, peace and order in the county and S.C. Code § 6-1-700 et seq. (1976, as amended) which expressly provides authorization for the imposition of a hospitality tax.

(Ord. No. 2005/9, § 1, 3-28-2005)

Sec. 66-532. - Hospitality tax—Definitions.

- (a) Local hospitality tax is a tax imposed within the unincorporated areas of Beaufort County on the sales of prepared meals and beverages sold in establishments or sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine. In addition, the tax shall be imposed for all food and beverages prepared or modified by convenience stores or grocery stores within the unincorporated areas of Beaufort County.
- (b) A hospitality tax equal to two percent is hereby imposed on the gross proceeds derived from the sale of prepared meals and beverages sold in establishments located in unincorporated areas of Beaufort County.
- (c) Beverages shall include all beverages, including, but not limited to, alcoholic beverages, beer, wine, and any nonalcoholic beverage.
- (d) Establishments shall mean any individual, partnership, corporation or business entity, regardless of form which, as a part of its business offers prepared meals, whether for consumption on the premises or off.
- (e) Establishments licensed for on-premises consumption of alcoholic beverages, beer or wine shall mean any individual, partnership, corporation or business entity, regardless of form, which is licensed by the State of South Carolina alcoholic beverage commission to offer alcoholic beverages, beer or wine for sale or consumption on its premises.
- (f) Gross sales price shall mean the total charge for any prepared meal or beverage, exclusive of any other taxes, fees or gratuity.
- (g) Prepared meals shall mean any prepared food item prepared or offered for sale by any establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine, whether consumed on the premises or off.

(Ord. No. 2005/9, § 2, 3-28-2005; [Ord. No. 2009/35, 10-12-2009](#); [Ord. No. 2012/1, 2-13-2012](#))

Sec. 66-533. - Payment of hospitality tax.

- (a) Payment of the local hospitality tax shall be the liability of the consumer of prepared meals and beverages as described in section 66-532. The local hospitality tax shall be paid at the time of the purchase of the prepared meals and beverages and shall be collected by the establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine selling the prepared meals and beverages.



- (b) The county shall provide a hospitality tax return, which shall be utilized by the provider of the services to calculate the amount of hospitality taxes collected and due. Payment shall be made to Beaufort County and shall be made at the same time as the return is required to be filed as provided below.
- (c) The hospitality tax collected by the provider of the services as required herein shall be remitted to the County of Beaufort, South Carolina, as follows:
  - (1) Payment shall be collected and remitted monthly starting January 1, 2010 and each month thereafter.
  - (2) Payments are due on or before the twentieth day following the end of the filing period.
- (d) An interest-bearing restricted account, kept in a separate fund segregated from the county's general fund and to be known as "The County of Beaufort, South Carolina, Local Hospitality Tax Account" is hereby established. All revenue and interest generated by the local hospitality tax shall be deposited into this account. The County of Beaufort, South Carolina, Hospitality Tax Account, shall be controlled by the county administrator for the County of Beaufort, South Carolina. The principal and any accrued interest thereon shall be spent only as provided herein.
- (e) Deposits into "The County of Beaufort, South Carolina, Hospitality Tax Account" may also include appropriations from the general fund by the county council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided herein.

(Ord. No. 2005/9, § 3, 3-28-2005; [Ord. No. 2009/35, 10-12-2009](#))

Sec. 66-534. - Permitted uses of hospitality tax funds.

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

(Ord. No. 2005/9, § 4, 3-28-2005)

Sec. 66-535. - Inspections and audits.

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

(Ord. No. 2005/9, § 5, 3-28-2005; [Ord. No. 2009/35, 10-12-2009](#))

Sec. 66-536. - Violations and penalty.

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

(Ord. No. 2005/9, § 6, 3-28-2005; [Ord. No. 2009/35, 10-12-2009](#))

Sec. 66-537. - Management and use of hospitality tax.

- (a) Fund the approved annual operating expenditures of the program at an amount not to exceed eight percent of the funds collected;
- (b) Allocate the remaining balance through the county's annual budget process.

(Ord. No. 2005/9, § 7, 3-28-2005)

Sec. 66-538. - Applicability and effective date.

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

[\(Ord. No. 2009/35, 10-12-2009\)](#)

Sec. 66-539. - Severability.

If any part of the ordinance is held by a court of competent jurisdiction be unconstitutional, illegal, or invalid for any reason, it shall be construed to have been the legislative intent of the County Council of Beaufort County, South Carolina, to pass this Ordinance [Ord. No. 2009/35] without such unconstitutional, illegal or invalid provision, and the remainder of this Ordinance shall be deemed and held to be constitutional, lawful and valid as if such portion had not been included. If this article or any provision thereof is held by a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

[\(Ord. No. 2009/35, 10-12-2009\)](#)