

TOWN COUNCIL



STAFF REPORT

Department of Finance & Administration

MEETING DATE:	June 8, 2021
PROJECT:	Consideration of a Resolution Affirming the Use of Revenues Generated when Local Option Sales Tax is Approved by Voters of Beaufort County
PROJECT MANAGER:	Chris Forster, MPA, CPFO, CGFM, Interim Town Manager

RECOMMENDATION: Town Council considers approval of the proposed resolution affirming the use of revenue generated when the Local Option Sales Tax is approved in Beaufort County and the Town of Bluffton.

BACKGROUND: South Carolina Act 391 of 1990 established the Local Option Sales Tax (LOST) as an optional provision for property tax relief with the added benefit of providing an additional source of revenue to counties and municipalities. The additional revenue generated by LOST shall be used as credits against property tax in accordance with State Law, Section 4-10-40 and revenue generated under the county/municipal revenue fund will be used in accordance with State Law, Section 4-10-50.

ATTACHMENTS:

1. Resolution
2. Recommended Motion

RESOLUTION

A RESOLUTION PROVIDING THAT IF THE LOCAL OPTION SALES TAX IS APPROVED IN BEAUFORT COUNTY AND THE TOWN OF BLUFFTON IN 2021, FROM THAT DAY FORWARD, THE REVENUE GENERATED UNDER THE PROPERTY TAX CREDIT FUND SHALL BE USED AS CREDITS AGAINST PROPERTY TAX IN ACCORDANCE WITH STATE LAW, SECTION 4-10-40 AND REVENUE GENERATED UNDER THE COUNTY/MUNICIPAL REVENUE FUND WILL BE USED IN ACCORDANCE WITH STATE LAW, SECTION 4-10-50 AS APPROVED BY TOWN COUNCIL DURING THE REGULAR ANNUAL BUDGET ADOPTION PROCESS.

WHEREAS, the Bluffton Town Council is elected by the people to provide those services which are necessary and required to provide for the for the general well-being of its citizens and must provide for revenues necessary to fund the services; and

WHEREAS, the Bluffton Town Council agrees that a disproportionate share of the local revenues that are used to pay for the costs of government services are derived from property taxes, creating an inequitable tax burden on the property owners; and

WHEREAS, many of the recipients of Town services are not property owners and do not share in the local tax burden of such services, and, further, no contribution to the cost of funding local services is now made by visitors who utilize the services, and

WHEREAS, the Town of Bluffton is committed not only to minimizing the cost of public services, but also to seeking alternative revenue sources which can be used to replace property taxes--Council is of the opinion and belief that all Town property owners and homeowners, can benefit from the implementation of a local option sales tax as such an alternative revenue source for Town services,

NOW, THEREFORE BE IT RESOLVED, by Bluffton Town Council of the Town of Bluffton, South Carolina, that when the local option sales tax is approved by the voters of Beaufort County and the Town of Bluffton in the November, 2021 referendum on this question, the revenues generated to the Town under the Property Tax Credit fund (up to 71% of the Local Option Sales Tax proceeds) will be used to replace and reduce the property tax revenues by application of a property tax credit against Town property taxes so that they are reduced by the greatest amount possible. In addition, revenues generated to the Town of Bluffton under the County/Municipal Revenue Fund (up to 29% of the Local Option Sales Tax proceeds) will be used in accordance with State Law Section 4-10-50 as determined by Town Council through the annual budget process.

SIGNED, SEALED AND DELIVERED AS OF THIS 8TH DAY OF JUNE 2021.

Lisa Sulka, Mayor
Town of Bluffton, South Carolina

ATTEST:

Kim Chapman, Town Clerk
Town of Bluffton, South Carolina

Recommended Motion

Consideration of a Resolution Affirming the Use of Revenues Generated when Local Option Sales Tax is Approved by Voters of Beaufort County.

“I make a motion to approve the Resolution Affirming the Use of Revenues Generated when Local Option Sales Tax is Approved by Voters of Beaufort County.”