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DATE 04/15/2026

Shanita Brangman
CLERK OF COURT
CLARENDON COUNTY, SC

CLARENDON COUNTY ORDINANCE NO. 2026-02

AN ORDINANCE AMENDING AND RESTATING ORDINANCES ESTABLISHING A 1% LOCAL HOSPITALITY TAX ON THE SALES OF PREPARED MEALS AND BEVERAGES SOLD IN CLARENDON COUNTY, SOUTH CAROLINA AND OTHER MATTERS RELATING THERETO

NOW THEREFORE, BE IT ORDAINED, by the County Council of Clarendon County (the "*County Council*"), the governing body of Clarendon County, South Carolina (the "*County*"), as follows:

Section 1 Findings of Fact. The County Council hereby makes the following findings of fact in connection with the enactment of this ordinance (this "*Ordinance*"):

(a) In accordance with the Local Hospitality Tax Act, codified at Title 6, Chapter 1, Article 7 of the Code of Laws of South Carolina 1976, as amended (the "*Act*"), pursuant to Ordinance No. 2007-02, enacted on April 9, 2007, as amended by Ordinance No. 2008-01, enacted on March 10, 2008 (together, the "*Original H-Tax Ordinance*"), the County Council established a tax equal to 1% on the gross proceeds derived from the sale of prepared foods and beverages (as more fully described in the Original H-Tax Ordinance, the "*Local Hospitality Tax*").

(b) Pursuant to Ordinance No. 2008-09, enacted on October 13, 2008, as amended by Ordinance No. 2009-14, enacted on May 18, 2009, Ordinance No. 2010-05, enacted on April 12, 2010, and Ordinance No. 2023-02, enacted on June 12, 2023, the County issued its \$4,385,000 Enterprise Charge Limited Obligation Refunding Bond (Weldon Auditorium Project) Series 2023, dated as of October 4, 2023 (the "*2023 Bond*"), and pledged to the revenues of the Local Hospitality Tax for the payment thereof. In connection with the issuance of the 2023 Bond, the County and Truist Bank, as purchaser of the 2023 Bond, entered into that certain Financing Agreement, dated as of October 4, 2023, pursuant to which the County covenanted to not reduce the amounts assessed for the Local Hospitality Tax to a level insufficient to permit the County to discharge its obligations thereunder.

(c) The County Council has determined that it is necessary to amend and restate the Original H-Tax Ordinance in its entirety to clarify the terms for the imposition and collection of the Local Hospitality Tax and to ensure that all such terms are aligned with the Act. Through the amendment and restatement of Original H-Tax Ordinance by the enactment of this Ordinance, the County expressly finds and determines that (1) the Local Hospitality Tax, as originally established under the Original H-Tax Ordinance, shall continue in full force and effect from the date of its original establishment, (2) this Ordinance merely recodifies and makes minor amendments to the collection and enforcement terms related to the Local Hospitality Tax and does not amount to a termination and reimposition of the Local Hospitality Tax, as originally established, and (3) the amount assessed for the Local Hospitality Tax is not reduced hereby, and therefore the enactment of this Ordinance does not violate any covenants given by the County in connection with the issuance of the 2023 Bond.

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Shanita Brangman, CLK - Clarendon SC

Section 2 Definitions. As used in this Ordinance, the following terms shall have the following meanings:

- (a) “*County*” means Clarendon County, South Carolina.
- (b) “*Act*” means the Local Hospitality Tax Act, codified at Title 6, Chapter 1, Article 7 of the Code of Laws of South Carolina 1976, as amended.
- (c) “*Food Service Establishment*” means any business located in the County that sells Prepared Meals and Beverages.
- (d) “*Local Hospitality Tax*” means a charge on the sales of Prepared Meals and Beverages within certain areas of the County.
- (e) “*Obligations*” means bonds, certificates of participation, leases or other forms of indebtedness approved by the County payable or secured by the proceeds of the Local Hospitality Tax to defray the costs of one or more projects authorized under this Ordinance and the Act.
- (f) “*Prepared Meals and Beverages*” means products sold by any business that are, at the time of sale, ready for consumption either on-or off-premises including, but not limited to, lunch counters and restaurant stands, restaurants, lunch counters, drinking places operated as a subordinate facility by other establishments, convenience stores, grocery delicatessens, and bars and restaurants owned by and operated for members of civic, social, and fraternal associations.
- (g) “*State*” means the State of South Carolina.

Section 3 Imposition of Local Hospitality Tax. A Local Hospitality Tax is hereby imposed on the sales of Prepared Meals and Beverages in Food Service Establishments. The Local Hospitality Tax shall be in an amount equal to 1% of the gross proceeds of sales of Prepared Meals and Beverages sold in Food Service Establishments within the County.

Section 4 Payment of Local Hospitality Tax.

(a) Payment of the Local Hospitality Tax shall be the liability of the purchaser of Prepared Meals and Beverages; however, collection of the Local Hospitality Tax shall be the responsibility of the Food Service Establishment. The Local Hospitality Tax shall be paid at the time of purchase of Prepared Meals and Beverages to which the charge applies and shall be collected by the Food Service Establishment when payment for the Prepared Meal and Beverage is tendered.

(b) The Local Hospitality Tax shall be held in trust by the Food Service Establishment for the benefit of the County until remitted as provided in this Ordinance.

(c) As provided by the Act, the Local Hospitality Tax must be remitted to the County on the following schedule based upon the average monthly amount of Local Hospitality Tax collected by the Food Service Establishment: (i) on a monthly basis when the estimated amount of average Local Hospitality Tax is more than \$50.00 a month; (ii) on a quarterly basis when

the estimated amount of average Local Hospitality Tax is \$25.00 to \$50.00 a month; and (iii) on an annual basis when the estimated amount of average Local Hospitality Tax is less than \$25.00 a month. The closing date for monthly payments is the last day of the month; the closing dates for quarterly payments are the last days of the months of March, June, September and December, and the closing date for annual payments is the last day of December.

(d) The Food Service Establishment shall remit the Local Hospitality Taxes, when due, to the County by the 20th day of the month following the closing date of the payment period for which the Local Hospitality Tax payment is to be remitted under subsection (c) of this Section. A payment is considered to be timely remitted to the County if, by the date on which payment is due, the full amount of Local Hospitality Taxes then due are (i) paid in person to the County Finance Department or other payment location directed by the County on its website, or (ii) the return has been mailed to the County Finance Department at the address directed by the County on its website by the date on which payment is due, as evidenced by a U.S. mail postmark on or before such date. If the 20th day of the month falls on a Saturday, Sunday, or postal service holiday, then payments postmarked on the next business day will be accepted as timely filed.

(e) Any collections not remitted by the above stated deadlines shall be subject to a penalty of 5% of the unpaid amount, without notice or demand, for each calendar month or portion thereof after the due date until paid. The failure to collect from patrons the amount imposed by this Ordinance shall not relieve any Food Service Establishment from making the required remittance.

(f) When payment of the Local Hospitality Tax is made, the Food Service Establishment shall file with the County a copy of the State sales tax computation form for the Food Service Establishment for the period for which such Local Hospitality Taxes then due have been collected and any form promulgated by the County Finance Department for the reporting of Local Hospitality Taxes.

(g) For the purpose of enforcing this Ordinance, a County official or other authorized agent of the County is empowered to enter upon the premises of any person or entity subject to this Ordinance upon 24-hours' written notice and to make inspections and examine and audit books and records. It shall be unlawful for any person or entity to fail or refuse to make available the necessary books and records during normal business hours upon receiving notice of such inspection, examination, or audit. In the event an audit reveals that the person or entity has filed false information with the County, the cost of the audit shall be added to the correct amount of fees determined to be due. A County official or other authorized agent of the County may make systematic inspections of all establishments within the County to ensure compliance with this Ordinance. The County Finance Director shall administer the provisions of this Ordinance and make reasonable regulations relating to its administration.

Section 5 Local Hospitality Tax Special Revenue Fund.

(a) An interest-bearing, segregated and restricted account to be known as the "Clarendon County Local Hospitality Tax Special Revenue Fund" (the "*Hospitality Tax Fund*") is hereby established. All revenues received from the Local Hospitality Tax shall be deposited into the Hospitality Tax Fund. Any interest accruing to the Hospitality Tax Fund shall be expended only as permitted by this Ordinance and the Act.

(b) The Hospitality Tax Fund shall be booked as a special revenue fund for accounting purposes and shall be kept separate from the County's General Fund.

(c) Should the Local Hospitality Tax be pledged as security for any Obligations, the disposition of funds held in the Hospitality Tax Fund necessary to pay debt service on such Obligations or to meet any covenant given by the County in connection with such Obligation shall have priority over the disposition of funds held in the Hospitality Tax Fund for all other purposes; except to the extent that an ordinance of the County Council authorizing such Obligation establishes an alternative order of priority for the disposition of funds held in the Hospitality Tax Fund. In the event that any Obligations are outstanding, and subject to the continued authorization under the terms of the Act, the Local Hospitality Taxes hereunder shall continue to be levied and collected by the County.

Section 6 Violations and Penalties.

(a) In addition to the late fees accruing under Section 4(e) of this Ordinance, which shall be payable without notice or demand, it shall be a violation of this Ordinance for any owner, operator, or employee of a Food Service Establishment to:

(i) Fail to collect the Local Hospitality Tax as provided in this Ordinance;

(ii) Fail to remit to the County the Local Hospitality Tax collected pursuant to this Ordinance when due;

(iii) Knowingly provide false information on any Local Hospitality Tax form or return submitted to the County; or

(iv) Fail to provide or give access to books and records related to the sale of Prepared Food and Beverages or the collection of Local Hospitality Taxes to a County official or other authorized agent of the County for the purpose of an inspection, examination, or audit upon 24-hours' written notice.

(b) Any person violating the provisions of subsection (a) above shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine not to exceed \$200.00, or imprisoned for a term of not to exceed 30 days. Each day of a violation shall be considered a separate offense.

Section 7 Further Action. The County Administrator, the County Finance Director, and other officers of the County, or their designee, are herewith authorized and empowered to take such further action as may be necessary to fully implement the action taken by this Ordinance.

Section 8 Repealer and Effect of Amending and Restating Ordinance. The Local Hospitality Tax, as initially established pursuant to the Original H-Tax Ordinance, shall continue in full force and effect. All provisions of the Original H-Tax Ordinance regarding the imposition, collection, and enforcement of the Local Hospitality Tax are hereby amended and replaced, in their entirety, by the provisions of this Ordinance.

Section 9 Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such section, phrase, sentence or portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining sections, phrases, sentences, or portions thereof.

Section 10 Effective Date. Upon enactment by a positive majority (as defined in the Act) of the County Council, this Ordinance shall become effective after third and final reading.

DONE AND ORDAINED this 13th day of April 2026.



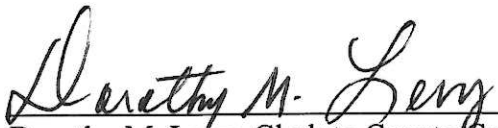
(SEAL)

CLARENDON COUNTY, SOUTH CAROLINA



John E. Johnson, Chairman, County Council

ATTEST:



Dorothy M. Levy, Clerk to County Council

First Reading: February 9, 2026
Public Hearing: March 9, 2026
Second Reading: March 9, 2026
Third Reading: April 13, 2026