



SPECIAL CALLED CITY COUNCIL WORKSHOP AGENDA

**MONDAY, JULY 6, 2026, AFTER COMMITTEE MEETINGS
CITY HALL - COUNCIL CHAMBERS
5 EAST BUTLER ROAD, MAULDIN, SC 29662**

COUNCIL MEMBERS

Mayor

Terry Merritt

Council Members

Taft Matney, Carol King, Jason Kraeling, Michael Reynolds, Frank Allgood and Mark Steenback

AGENDA

1. **Call to Order**
2. **New Business**
 - a. Municipal Tax Relief Act [Pages 2-5]
3. **Council Concerns**
4. **Adjournment**



COUNCIL WORKSHOP AGENDA ITEM SUMMARY

MEETING DATE: July 6, 2026
AGENDA ITEM: 2a

TO: Council
FROM: Seth Duncan, City Administrator
SUBJECT: Municipal Tax Relief Act – 1% Municipal Sales Tax Referendum

SUMMARY

In May, South Carolina enacted the Municipal Tax Relief Act ([S. 866](#)), which allows for the imposition of a 1% sales tax within the municipality for property tax relief and infrastructure improvements. The Act is modeled after similar county-wide optional sales tax programs and must be approved by referendum. Staff is presenting this information to Council for their consideration.

Municipal Tax Relief Act

The Municipal Tax Relief Act (MTRA or Act), by referendum, imposes a 1% (\$0.01) sales and use tax within the municipality for property tax relief and specified infrastructure improvements. No less than 20% of the funds generated must be used to provide a credit against a taxpayer's municipal ad valorem tax liability on owner occupied property. Remaining funds can be used for projects located within or without (or both) the municipal boundaries to include the following types of projects:

- Highways, roads, streets, bridges, public parking lots, public parking garages, core local government services, and related facilities;
- Administration buildings, civic centers, police stations, and fire stations;
- Any combination of projects described above.

The maximum time, in two-year increments, may not exceed 8 years from the imposition date. The municipality may utilize bonds for projects listed and use tax proceeds to repay the bonds. The referendum must be put to the voters during a general election (2026, 2028, etc) after being approved by an ordinance by Council. If enacted, the 1% sales tax would begin being imposed on May 1st following the referendum and expire on April 30th of the year adopted in the ordinance.

Ordinance Requirements

To place the Municipal Tax Relief Act before the voters, the municipality must adopt an ordinance that meets the following criteria:

- Contains the ballot question
- The purpose for which the proceeds of the tax are to be used
- Duration of the tax (May 1, 2027 – April 30, 20XX)
- Expected revenues and expenses of funds received from the tax
- Adhere to bond requirements as outlined within the Act.

Revenue Projections

Staff continues to work with SC Revenue and Fiscal Affairs Office (RFA) to generate official revenue projections for the duration of the penny tax, but have created these preliminary figures based on the most recently available sales and use tax data.

Tax Year	Net Taxable Sale	Growth Rate	Annual Sales	Est. 1% Revenue	Property Tax Relief (20%)	Projects Revenue (80%)
1	\$ 221,970,985.28	2%	\$ 226,410,404.99	\$ 2,264,104.05	\$ 452,820.81	\$ 1,811,283.24
2	\$ 226,410,404.99	2%	\$ 230,938,613.09	\$ 2,309,386.13	\$ 461,877.23	\$ 1,847,508.90
3	\$ 230,938,613.09	2%	\$ 235,557,385.35	\$ 2,355,573.85	\$ 471,114.77	\$ 1,884,459.08
4	\$ 235,557,385.35	2%	\$ 240,268,533.05	\$ 2,402,685.33	\$ 480,537.07	\$ 1,922,148.26
5	\$ 240,268,533.05	2%	\$ 245,073,903.72	\$ 2,450,739.04	\$ 490,147.81	\$ 1,960,591.23
6	\$ 245,073,903.72	2%	\$ 249,975,381.79	\$ 2,499,753.82	\$ 499,950.76	\$ 1,999,803.05
7	\$ 249,975,381.79	2%	\$ 254,974,889.43	\$ 2,549,748.89	\$ 509,949.78	\$ 2,039,799.12
8	\$ 254,974,889.43	2%	\$ 260,074,387.21	\$ 2,600,743.87	\$ 520,148.77	\$ 2,080,595.10
					\$ 3,886,547.00	\$ 15,546,187.99

Property Tax Relief

One of the primary purposes of the Act is to provide municipal property tax relief. To this end, staff have provided a table of various scenarios that depicts the likely property tax rebate based upon a home's taxable value. The amount of any credit allowed is determined by multiplying the property tax value of the property, before the exemption provided in Section 12-37-250 (Homestead Exemption), by a fraction in which the numerator is the total estimated revenue allotted to the credit during the applicable fiscal year and the denominator is the total of all property tax value on property assessed pursuant to Section 14-43-220(c) (Legal Residence) in the City. In other words:

$$\text{Credit} = \text{Property Value} \times \frac{\text{Total Estimated Revenue Allotted to Credit}}{\text{Total Assessed Value of Property in City}}$$

Using the above formula, the table below shows a projected tax credit based upon home value for the projected 8 years.

Year	Rev of Credit	TAV4%Property	Credit	Property Value			
				\$150,000	\$300,000	\$450,000	\$600,000
1	\$ 452,820.81	\$2,138,932,510.00	0.000212	\$ 31.76	\$ 63.51	\$ 95.27	\$ 127.02
2	\$ 461,877.23	\$2,138,932,510.00	0.000216	\$ 32.39	\$ 64.78	\$ 97.17	\$ 129.56
3	\$ 471,114.77	\$2,138,932,510.00	0.00022	\$ 33.04	\$ 66.08	\$ 99.12	\$ 132.15
4	\$ 480,537.07	\$2,138,932,510.00	0.000225	\$ 33.70	\$ 67.40	\$ 101.10	\$ 134.80
5	\$ 490,147.81	\$2,138,932,510.00	0.000229	\$ 34.37	\$ 68.75	\$ 103.12	\$ 137.49
6	\$ 499,950.76	\$2,138,932,510.00	0.000234	\$ 35.06	\$ 70.12	\$ 105.18	\$ 140.24
7	\$ 509,949.78	\$2,138,932,510.00	0.000238	\$ 35.76	\$ 71.52	\$ 107.29	\$ 143.05
8	\$ 520,148.77	\$2,138,932,510.00	0.000243	\$ 36.48	\$ 72.95	\$ 109.43	\$ 145.91

*TAV = Taxable Market Value; TAV Average in the City is \$258,543.

Potential Projects

Staff prepared the following list of potential projects that could be included in the referendum, should Council move forward with the idea. These projects include a combination of facility enhancements, new operational capacity, and transportation improvements and are included in the City's long-term Capital Improvement Program (CIP).

Potential Projects	Activity	Projected Cost
Sunset Park Redevelopment & Expansion	Park improvements and expansion including: <ul style="list-style-type: none"> - Resurfacing and expanded parking & trail - Sewer system upgrades - Replacement of playground equipment - Additional rectangle fields (natural and artificial) - Playground replacement & courts 	\$ 4,500,000.00
Holland Road Improvements	Improvements would include: <ul style="list-style-type: none"> - Resurface and full depth repair - Signal and pedestrian crossing at BridgeWay Blvd. 	\$ 3,000,000.00
Street Resurfacing	Resurfacing City owned roadways based upon PCI scores <ul style="list-style-type: none"> - 11-25 (0.72 miles) - 26-40 (2.61 miles) - 41-55 (5.60 miles) - 56-70 (9.91 miles) *Road resurfacing costs approx.. \$1 MM/mile based on last pricing	\$ 720,000.00 \$ 2,610,000.00 \$ 5,600,000.00 <u>\$ 9,910,000.00</u> \$18,840,000.00
Sports Center Expansion & Improvements	Improvements and capacity expansion as follows: <ul style="list-style-type: none"> - Lighting and elevator improvements - New flooring, paint, and carpet - Expansion of gymnasium with additional courts 	\$ 1,000,000.00
Fire Station 5	Design and construction of Fire Station #5 near Log Shoals and I-185 for both City and FSA expansion	\$ 4,000,000.00
Cultural Center Grounds Improvements	Improvements along City Center Drive to enhance festivals and events including: <ul style="list-style-type: none"> - Bathroom expansion - Park/Playground improvements - Parking lot/road repaving 	\$ 1,100,000.00

Timeline

If Council desires to move forward with the referendum, the following timeline is proposed in order to meet all requisite deadlines.

- July 6th Introduction of Act, Council Workshop (tonight)
- July 20th First Reading of Ordinance
- August 3rd Second Reading of Ordinance (possible Public Hearing)
- August 17th Last day to transmit adopted ordinance to Greenville County Voter Registration and Election Board
- October 21st Ballot question and project list published in newspaper (GCVREB)
- November 4th Election Day
- May 1, 2027 Effective day of tax collection
- August 2027 First quarterly distribution to City

Sample Ballot Question

Below is a sample ballot question utilizing the required language of the statute.

Must a 1 percent sales and use tax be levied in the City of Mauldin for no more than (time) for the purpose of allowing a credit against certain municipal ad valorem tax liability and for the purpose of raising the amounts specified for the following purposes?

(1) \$ _____ for _____

(2) \$ _____ for _____

(3) etc.

Yes

No

Conclusion

In closing, staff is providing Council with this overview to facilitate a conversation regarding this new law. If Council would like to proceed with the referendum, staff will prepare an enabling ordinance, ballot question, and prioritized project list for Council review and approval. If Council enacts an ordinance, staff will work with Greenville County Voter Registration and Election Board to ensure the ballot question meets their deadline of August 17th to be placed before the voters in 2026’s General Election.