

Horry County Special Tax District Fact Sheet

Fact Sheet: Special Tax Districts (STDs) in Horry County, SC

What is a Special Tax District? A Special Tax District is a designated geographic area where property owners agree to pay an additional property tax or fee to fund specific local services or infrastructure improvements that the county does not otherwise provide.

Common Uses for STDs - Road Maintenance: Paving and repairing residential roads. - Street Lighting: Installation and monthly electricity costs. - Recreation: Neighborhood parks or community centers. - Fire Protection: Enhanced local fire services.

The Legal Framework (SC Code § 4-9-30). In South Carolina, a county cannot simply impose a Special Tax District. It must be initiated by the residents through one of two petition paths:

1. The Referendum Path: Requires a petition signed by 15% of registered electors in the area, followed by a public vote where a majority must approve.

2. The Petition Path: Requires a petition signed by 75% of freeholders (property owners) who own at least 75% of the assessed property value in the proposed district.

An STD is a public mechanism governed by County Ordinance. STD fees appear on your annual property tax bill and are collected by the County Treasurer. Failure to pay an STD fee can lead to a tax sale of the property. - Public Purpose: Funds collected via an STD must be used for a "public purpose." This often requires the infrastructure (like roads) to meet county standards.

Transparency and Oversight - Ordinance Requirements: The county ordinance creating the district must specify the nature of the services and the maximum tax or fee that can be levied.

Reporting: All Special Purpose Districts must file notification forms with the SC Secretary of State and the Horry County Auditor's Office every even-numbered year. Why Use an STD? STDs are often used when an HOA is unable to collect enough dues for major capital projects (like repaving) or when residents want a more "permanent" and legally enforceable way to ensure all neighbors contribute to essential services.

My property is in a family trust, why can't I vote regarding Special Tax District actions?

It is not uncommon for a property owner to transfer ownership of their property into a trust. This has caused challenges in meetings as those who have done this have become surprised that they no longer can vote regarding Special Tax District business. The following is not from legal council and is from simple research alone. Do not count on it as the absolute rule or fact. That said, it does help understand why this can happen from a high level.

Strictly speaking, there is no language in the South Carolina Code that says a trust is "not allowed" to have a say in a Special Tax District. However, the law creates a "Catch-22" based on **who** is legally allowed to sign a petition or cast a ballot.

The restriction isn't about the *property*; it's about the **legal definition of a "voter" or "elector."** Here is how the law breaks it down:

1. The Definition of "Qualified Elector"

Under **SC Code § 4-9-30(5)(a)(i)** (The Referendum Path), the law states that the petition must be signed by, and the election voted in by, "**qualified electors.**"

- **The Rule:** To be a "qualified elector" in South Carolina, you must be a **natural person** (a human being) who is a U.S. citizen, at least 18 years old, and a registered voter in that specific precinct.
- **The Trust Issue:** A Trust (or an LLC or Corporation) is a legal entity, not a human "elector." Therefore, while the Trust pays the taxes, the Trust itself cannot register to vote or sign a "voter" petition.

2. The Definition of "Freeholder"

Under **SC Code § 4-9-30(5)(a)(iii)** (The 75% Petition Path), the law requires signatures from "**resident freeholders.**"

- **The Rule:** A "freeholder" is generally defined in SC law as someone who owns a legal life estate or an estate in fee simple.
- **The Conflict:** For a trust to count toward the 75% requirement, the **Trustee** must usually sign on behalf of the trust. However, some county legal departments (including interpretations seen in Horry County) argue that because the trust is the owner and the trustee is merely a representative, it doesn't meet the "resident" part of "resident freeholder" unless the trust documents specifically grant certain residency-based rights to a natural person.

3. Why This Matters for Your Group

In many SC neighborhoods, this creates a major hurdle:

- If **30%** of the homes in your area are owned by **Trusts or LLCs**, those properties are effectively "sidelined" in a referendum because they aren't "electors."
- This makes the **75% Petition Path** even harder, because you need 75% of the *total* assessed value, but if the county auditor disqualifies trust-owned signatures, you may never hit the threshold.

Summary Table: Who Can Sign/Vote?

Entity Type	Can Vote in Referendum?	Can Sign 75% Petition?
Natural Person (Resident)	Yes	Yes
Natural Person (Non-Resident)	No	Yes (as Freeholder)
Trust / LLC / Corp	No (Not an elector)	Varies (Often rejected by County)