

# Anderson County Capital Projects Sales Tax 2025

## Anderson County, South Carolina Background Information

### Introduction

Public roads inside the boundaries of Anderson County are maintained by three primary agencies:

- The South Carolina Department of Transportation (SCDOT) maintains 1337 miles of streets and roads inside the County boundaries. The primary funding sources for SCDOT are state motor fuel tax, vehicles sales tax, and reimbursements from the Federal Highway Administration (which is primarily funded by the Federal motor fuel tax).
- The municipalities within the County boundaries maintain about 196 miles of streets. The primary source of funding for maintaining these streets is municipal property taxes.
- Anderson County maintains about 1553 miles of roads. The roads are maintained by the Roads & Bridges Department (R&B) which is funded through the County's general fund (primarily funded by property taxes). R&B fills potholes and other asphalt maintenance, keeps roadway ditches and other road drainage clear, keeps vegetation and litter along the roads under control, installs and maintains traffic signs, coordinates interaction with utilities and others who cross County right-of-way, maintains 160 bridges, reviews Traffic Impact Studies, and conducts plan reviews and construction inspections for new subdivision streets. The R&B budget is on page 164 of the Anderson County budget. [Anderson-County-Budget-FY25-online-version.pdf](#)

### Current funding for repaving County roads and major repair of County bridges

While Anderson County is able to patch potholes, seal cracks, and conduct other asphalt maintenance within the R&B budget, the only repaving of County roads is through grants from the Anderson County Transportation Committee (ACTC). [Anderson County Transportation Committee - Anderson County](#) Every County in South Carolina has a County Transportation Committee. The funds allocated by the committees come from just under four cents of the state gas tax per gallon of motor vehicle fuel. This program is usually referred to as the "C" Program referencing the original section of state law in which the program was established. The distribution of the statewide funds to each County is based on population, land area, and rural lane mileage.

The ACTC is appointed by the Anderson County Legislative Delegation (members of the SC State Senate and SC State House of Representatives who represent areas of Anderson County). Twenty-five percent of the funds allocated to the ACTC must be spent on SCDOT roads. The remaining 75 percent is awarded by the Committee to the entities that make a formal application. Each year Anderson County applies for these funds and has received an average of about \$2,500,000 year over the last five years. This is the entire paving budget for the County. The County's general fund supplies the required 10 percent match of ACTC funds, and the amount is not guaranteed every year. At a general cost of \$1,000,000 per mile to repair and repave the worst roads, only about three miles can be addressed per year. Municipalities may also apply for these funds.

In recent years, Anderson County Council has allocated about \$1,000,000 per year for major repair of County infrastructure such as bridges and culverts. Over the last five years, one bridge has been repaired at \$60,000, and the hydrologic studies and preliminary design have been completed for another at \$600,000. To complete the replacement of one simple bridge costs about \$3,000,000.

### **Condition of County roads and bridges**

In 2023, Anderson County had a road scan conducted for all County roads. The scan was conducted using a van equipped with lasers that scanned the road surface. These scans revealed various degrees of pavement deterioration, and treatments were recommended. Some roads can be addressed with patching and repaving while others need multiple treatments such as reconstruction of the base (compacted soil and stone) and then repaving. On some roads, the pavement failure is easily seen where potholes are constantly patched. On other roads, the scans pick up deterioration that will soon lead to pavement failure which could be prevented by relatively inexpensive treatments now. The County road system scored 64.7 out of 100 overall, a failing score. (An individual road with a score of 50 or lower needs to be completely reconstructed.) The overall score would be even lower except for the new subdivision streets included in the County system. Every year that the County is unable to address the failing roads, the cost to fix those roads increases, and the score gets lower.

Of the County's 160 bridges, four are currently closed because the bridges cannot carry even passenger vehicles. Fifty-two are open but weight restricted meaning larger vehicles cannot use the bridges.

Traffic safety is also a challenge within the boundaries of Anderson County. On all roads between 2017 and 2021, the county experienced 220 fatal crashes, with 41 of those fatalities being pedestrians. In 2020, roads inside Anderson County had the highest pedestrian fatality rate among all counties in South Carolina. On average, from 2017 to 2024,

- Fifteen car crashes happened every day,
- Someone dies on these roads every 8.5 days, and
- Five people are injured on these roads every day.

Given this safety challenge, the projects to be funded by a Capital Projects Sales Tax include 18 safety and intersection projects.

### **Other potential sources of funds to address County road needs**

Counties in South Carolina have limited funding sources for major road and bridge maintenance. One source is the general fund of the County. The primary revenue of Anderson County's general fund is property taxes. Therefore, using the County's general fund for road paving would require an increase in property taxes. A potential source which Anderson County has not pursued to date is a Road Maintenance Tax paid on each motor vehicle registered in Anderson County. Even if a \$25/year/vehicle tax were levied that source would only generate about \$6,000,000, still far short of the funding required to catch up with major road and bridge maintenance on County roads.

### **Why a Capital Projects Sales Tax?**

Funds for major road maintenance can also be raised by a county in South Carolina through a Capital Projects Sales Tax. The advantages for citizens of this funding source are:

- Voters must approve the tax in a County-wide referendum.
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- The tax has a legally binding sunset. For Anderson County, the sunset will occur in eight years. If there are still needs, a new referendum with all the associated steps must be held.
- An appointed Commission approves the list of projects to be funded and writes the question to be placed on the ballot. The project list is not dictated by elected officials.
- While a Capital Projects Sales Tax can be used for courthouses and other capital projects, Anderson's tax will be used only for transportation projects (paving, bridges, and safety). This is legally binding through the listed projects and a requirement in the Commission's resolution stating that any excess funds after eight years must also be used for such transportation projects.
- According to economists' estimates, about 35 percent of sales tax paid in Anderson County is paid by non-residents. Therefore, lake visitors, college and university families dining and shopping in Anderson, and others would pay a portion of the cost of major maintenance on County roads.
- The sales tax does NOT apply to unprepared food, prescription drugs, or motor vehicle fuel.
- The tax is projected to generate \$379,600,000 over eight years.

## Oversight

Capital Projects Sales Tax revenues are collected at points of sale and then sent to the SC Department of Revenue. The SC Department of Revenue keeps track of these dollars and disburses them quarterly to a local capital projects program (Anderson County in this case). A local program manager is only permitted to spend these funds on the purposes listed on the ballot question. Any deviation from the Commission-approved purposes, projects, and restrictions is a violation of state law. Programs are also subject to regular reporting and auditing requirements.

## Development of list of projects, County Council approval, and referendum

Per state law, the Capital Sales Tax Commission was appointed by Anderson County Council and Anderson City Council with input from the remaining nine municipalities inside Anderson County. Anderson County produced a list of requested projects based on pavement condition, road classification, accident experience, and bridge condition. The municipalities within the county submitted lists based on similar criteria. The Commission received the combined list of projects, considered public input, and approved the project list posted on Commission's page of the County's website.

<https://www.andersoncountysc.org/capital-projects-sales-tax-commission/> A map of the projects is also included on that webpage.

According to state law, County Council can either accept in full or deny in full the purposes, projects, and restrictions adopted by the Commission. After three readings at County Council meetings and a public hearing, Anderson County Council voted on August 5, 2025, to proceed with the referendum on November 4, 2025.

If the voters approve the ballot question, a capital projects sales tax would be collected starting in May 2026 and ending in April 2034. Because the County would not receive revenues until about September 2026, nearly a year after the vote, Anderson County Council has also approved a bond which would be paid back by the tax revenues. That allows repaving to start as soon as the first grouping of projects can be contracted and acceptable weather conditions exist.

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