**ORDINANCE #2025-16**

**“AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF A TAX ANTICIPATION BORROWING OF THE CITY OF MULLINS, SOUTH CAROLINA, IN A PRINCIPAL AMOUNT NOT EXCEEDING $750,000, IN ANTICIPATION OF THE COLLECTION OF AD VALOREM TAXES FOR A FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026; TO PRESCRIBE THE TERMS AND CONDITIONS OF SUCH BORROWING AND THE FORM OF NOTE TO BE EXECUTED EVIDENCING THE SAME; TO MAKE PROVISION FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO”**

**NOW THEREFORE, BE IT ORDAINED**, by the City Council of the City of Mullins (the “***Council***”), the governing body of the City of Mullins, South Carolina (the “***City***”), in a meeting duly assembled, as follows:

ARTICLE I

FINDINGS OF FACT

Incident to the enactment of this ordinance (this “***Ordinance***”) and the issuance of the tax anticipation note authorized hereby, the Council, finds that the facts set forth in this Article exist and the statements made with respect thereto are in all respects true and correct.

Section 1.01

Pursuant to Ordinance No. 25-112 dated June 24, 2025, the Council duly adopted the operating budget (the “***Budget***”) for the City for the fiscal year beginning July 1, 2025, and ending June 30, 2026 (“***Fiscal Year 2025-26***”), which sets forth the revenues and expenditures necessary for the operations of the City. General Fund estimated expenditures for Fiscal Year 2025-26 total $5,461,918, which expenses will be paid partly from the receipt of ad valorem taxes, as well as from fees, fines and other revenue sources.

Section 1.02

Pursuant to the provisions of the Budget, the Council has determined that funds in the amount of $1,300,000 must be raised by the receipt of ad valorem real property taxes (including fees in lieu of taxes, if any, but excluding delinquent taxes and local option sales tax monies to be received during Fiscal Year 2025-26) (“***Ad Valorem Taxes***”) in order to defray a portion of the City’s operational expenses for Fiscal Year 2025-26. In order to meet the costs of the Budget, it was necessary to levy 184 mills. Such millage has been approved by the Council and has been reported to the Auditor of Marion County, South Carolina (the “***County Auditor***”). The assessed value of all taxable property in the City for Fiscal Year 2025-26 is presently estimated to be an amount not less than $10,777,997.[[1]](#footnote-1)

Section 1.03

The levy of Ad Valorem Taxes will produce an amount of revenue which, together with other revenues available to the City, will enable the City to pay all appropriations made in the Budget. It is therefore necessary that the City borrow funds in anticipation of the receipt of the moneys to be collected from such Ad Valorem Tax levy. It has been determined that the City may require an amount not exceeding $750,000 to meet the cost of conducting its corporate activities until such time as revenues from Ad Valorem Taxes are received and available.

Section 1.04

It has been determined that the City should raise the sum of not exceeding $750,000 by borrowing in anticipation of the collection of Ad Valorem Taxes.

Section 1.05

No previous sums have been borrowed in anticipation of the collection of Ad Valorem Taxes or reimbursement amounts for Fiscal Year 2025-26 and no pledge of the proceeds of said taxes or reimbursement amounts has been made during Fiscal Year 2025-26.

Section 1.06

On the basis of the foregoing, the Council enacts this Ordinance as a means of providing for the issuance of a not exceeding $750,000 Tax Anticipation Note, Series 2025 (the “***Note***”).

ARTICLE II

ISSUANCE OF NOTE

Section 2.01

A. Pursuant to Section 11-27-40(5) of the Code of Laws of South Carolina 1976, as amended, and for the purpose of raising moneys to defray the cost of the operations of the City, the Council directs that there shall be borrowed in anticipation of the collection of Ad Valorem Taxes to be levied by the County Auditor for the Fiscal Year 2025-26, the sum of not exceeding $750,000.

B. The borrowing shall be evidenced by the Note to be issued in typewritten form, substantially in the form attached hereto as Exhibit A, to be dated as of the date of its delivery, and to mature on or before April 1, 2026, which date is not later than ninety days of January 15, 2026 as the initial due date of the Ad Valorem Taxes to be paid without penalty.

C. In approving the issuance of the Note under the terms hereof, nothing herein obligates the City to issue the Note. The City, acting through the City Administrator of the City (the “***City Administrator***”), may determine not to effect the issuance of the Note for either of the following reasons: (i) the proceeds of the Note are not needed to sustain the operations during Fiscal Year 2025-26, or (ii) the funding necessitated by the Note is made available from other legally available sources. Should a decision not to issue the Note be made, the City Administrator shall timely inform Council of the decision not to issue the Note and no additional action, formal or informal, shall be required by Council.

D. The Note shall be prepayable on terms to be negotiated by the City, acting through the City Administrator, and the Purchaser (as defined below).

Section 2.02

The principal sum of the Note or, so much thereof as shall from time to time have been withdrawn thereunder shall bear interest from the issuance date or the respective dates on which such withdrawals have been made, as applicable, at the single fixed rate of interest named by the purchaser thereof and accepted by the City, acting through the City Administrator; such interest to be paid at the maturity or earlier payment in full of the Note.

Section 2.03

The Note shall be executed on behalf of the City by the manual signature of either the Mayor or the City Administrator (together, the “***Authorized Officers***”), respectively, and attested by the City Clerk of the City. In the absence or unavailability of the City Clerk for any reason, an Authorized Officer, other than the Authorized Officer signing the Note, may attest the execution of the Note or any other actions to be performed by the City Clerk. Further, the corporate seal of the City shall be impressed thereon. Facsimiles or electronic signatures by the Authorized Officers and the City Clerk are expressly authorized and permitted with respect to the Note, as applicable, and all closing documents and certificates associated therewith.

Section 2.04

For the payment of the Note and the interest due thereon there shall be pledged the full faith, credit and taxing power of the City and all sums realized from the Ad Valorem Tax to be levied upon all taxable property in the City for the Fiscal Year 2025-26 for operations and maintenance, except such sums as are necessary for operation and maintenance of the City from July 1, 2025 to January 15, 2026, less all other funds available therefor, including the amount borrowed under the Note, and with the right of the Purchaser to require by mandamus or other legal proceeding the application of the proceeds from such Ad Valorem Tax levy (save as excepted in this Section 2.04) to the payment of the principal and interest on the Note authorized by this Ordinance.

Section 2.05

All Ad Valorem Taxes collected in excess of such sums as are necessary for operation and maintenance of the City shall be impounded by the City and shall be used to meet the payment of the principal of and interest on the Note and for no other purposes, until the principal and interest of the Note have been fully paid, whereupon such pledge shall be deemed discharged.

Section 2.06

The City, acting through the City Administrator, shall withhold from the taxes levied and collected for operation and maintenance purposes of the City for Fiscal Year 2025-26 a sum sufficient to pay the principal of and interest on the Note at maturity, the payment of which shall, subject to the provisions of Section 2.05 hereof, be a first charge and lien upon said taxes, and on or before the maturity of the Note, the City Administrator shall cause the same to be fully paid and discharged.

Section 2.07

A. As required by the City for any corporate purpose, the proceeds derived from the sale of the Note shall either be (i) drawn down from the Purchaser, or (ii) gross funded at the closing of the Note.

B. If the proceeds of the Note are subject to draw down, the City shall only withdraw such amounts as are necessary to meet immediate current expenses of the City, less all other funds available for such purposes from any source. Each withdrawal under the Note shall be made pursuant to a written Request for Disbursement of Funds, the form of which is attached hereto as Exhibit B. Any Request for Disbursement of Funds shall be executed by an Authorized Officer. Once executed, each Request for Disbursement of Funds shall constitute evidence of the principal amount withdrawn under the Note. The Purchaser shall not be responsible for the proper application of the proceeds of the Note.

Section 2.08

A. The City Administrator is hereby authorized to negotiate the sale of the Note to a financial institution or institutions of her choice (such financial institution referred to herein as the “***Purchaser***”). In negotiating with the Purchaser, the City Administrator shall negotiate the sale of the Note on the terms she determines to be most advantageous to the City, including the final maturity of the Note and the terms of redemption therefor; however, in no event shall the interest rate on the Note exceed 7.0% per annum unless otherwise approved by Council.

B. Notwithstanding Section 2.07 herein and based on the negotiations with the Purchaser, the City may elect to draw down all proceeds of the Note at closing, and the same shall be held by the City, acting through the City Administrator, and expended to meet the costs of operation and maintenance of the City for Fiscal Year 2025-26. Any proceeds of the Note not required for such purpose shall be applied to payment of the principal of and interest on the Note at maturity or earlier redemption thereof. In the event the full proceeds of the Note are drawn at closing, the form of the Note attached hereto as Exhibit A shall be amended accordingly.

Section 2.09

No part of the proceeds of the Note issued pursuant hereto shall be invested in such manner as to cause the Note to become an “Arbitrage Bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations issued thereunder (collectively, the “***Code***”). The proper officers of the City are hereby authorized to render such certifications as may be required to establish that such Note is not and will not become an Arbitrage Bond. In addition, the Council covenants to comply, as may be necessary, with the rebate provisions of Section 148(f) of the Code, the information reporting requirements of Section 149(e) of the Code, and the applicable Treasury Regulations thereunder.

It is expected that no tax-exempt borrowings in addition to the one authorized hereby will be made by the City in calendar year 2025 which will aggregate more than $10,000,000. The Note is hereby accordingly designated as a “qualified tax-exempt obligation” in accordance with Section 265(b)(3)(B) of the Code.

Section 2.10

The City reserves the right to issue additional tax anticipation notes in an amount not exceeding $250,000 (“***Additional Notes***”) without the consent of the holder of the Note. Such Additional Notes, when and if issued pursuant to ordinance duly enacted, shall be deemed on a parity in all respects with the Note.

Section 2.11

This Ordinance shall become effective upon enactment.

DONE IN MEETING DULY ASSEMBLED on the 11th day of November 2025

CITY OF MULLINS, SOUTH CAROLINA

(SEAL)

By:

Mayor

Attest:

City Clerk

First Reading: October 14, 2025

Second Reading: November 11, 2025

EXHIBIT A

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

CITY OF MULLINS

TAX ANTICIPATION NOTE, SERIES 2025

No. R-1 $750,000

THE CITY OF MULLINS, SOUTH CAROLINA, hereby acknowledges itself indebted and, for value received, promises to pay to [PURCHASER] (the “***Purchaser***”) the sum of \_\_\_\_\_\_\_\_ and no/100 Dollars ($750,000.00), (or such lesser sum as shall have been withdrawn hereunder,) on the 1st day of [April 2026], and to pay interest on said principal sum, or on so much thereof as shall from time to time be due thereon, from the respective dates on which withdrawals hereon shall have been made, at the rate of \_\_\_\_\_\_\_ per centum (\_\_\_\_\_%) per annum, payable upon the stated maturity hereof. [This Note is prepayable in whole (but not in part) at any time without penalty.]

This Tax Anticipation Note, Series 2025 (this “***Note***”) is issued by City of Mullins, South Carolina (the “***Town***”), in anticipation of the collection of ad valorem taxes levied to defray the cost of conducting the corporate activities of the City commencing July 1, 2025 and ending June 30, 2026. This Note is issued pursuant to the authorization of Section 11-27-40(5)of the Code of Laws of South Carolina 1976, as amended, and an ordinance (the “***Ordinance***”) duly enacted by the City Council of the City, its governing body (the “***Town Council***”) on November 11, 2025.

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, at the principal office of in the City of , State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[Each withdrawal under the Note shall be made pursuant to a Request for Disbursement of Funds in the form as set forth at Exhibit B attached to the Ordinance. A duly executed Request for Disbursement of Funds shall, when presented to the holder hereof, shall establish conclusively the withdrawal of the sum stated thereon under this Note.]

For the payment of the principal and interest of this Note as the same shall fall due, the full faith, credit and taxing power of the City are hereby irrevocably pledged, and in addition all ad valorem taxes so levied for operations and maintenance of the City for the fiscal year beginning July 1, 2025 and ending June 30, 2026, except such amounts necessary for the operation and maintenance of the City from July 1, 2025 to January 15, 2026, less all other sums available therefor, are hereby irrevocably pledged. The City has reserved the right to issue not exceeding $250,000 principal amount of additional tax anticipation notes on a parity with this Note without the consent of the Purchaser or subsequent holder hereof.

This Note and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note, do exist, have happened and have been performed in regular and due time, form and manner, and that provision has been made for the levy and collection of ad valorem taxes sufficient in amount to pay the principal of and interest on this Note at the maturity thereof.

IN WITNESS WHEREOF, the City of Mullins, South Carolina, has caused this Note to be signed in its name by the City Administrator, attested by the City Clerk, its Corporate Seal to be impressed hereon, and this Note to be dated this \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 2025.

CITY OF MULLINS, SOUTH CAROLINA

(SEAL)

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Mayor or City Administrator]

Attest:

City Clerk

City of Mullins, South Carolina

EXHIBIT B

**REQUEST FOR DISBURSEMENT OF FUNDS**

TO: (PURCHASER)

YOU ARE HEREBY REQUESTED to disburse this \_\_\_ day of \_\_\_, 20\_\_ to the City of Mullins, South Carolina (the “Town”) the sum of $\_\_\_\_\_\_\_\_\_\_\_, which sum shall be drawn against the $750,000 Tax Anticipation Note, Series 2025 of City of Mullins, South Carolina. Such sum, when withdrawn, shall be held by the City and applied to the corporate purposes of City of Mullins, South Carolina for the 2025-26 Fiscal Year. We hereby certify that the sum withdrawn is required to meet immediate operating and maintenance expenses of City of Mullins, and that no other funds are available to meet such expenses. Such sum withdrawn will not be invested but will be expended immediately.

Upon the withdrawal of the sum stated above, the total principal withdrawals under said Note will equal the sum of $\_\_\_\_\_\_\_\_\_\_\_\_.

CITY OF MULLINS, SOUTH CAROLINA

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[City Administrator/Mayor]

I have this \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, received this duly executed Request for Disbursement of Funds and have paid to the City the sum of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in accordance with the foregoing instructions.

[PURCHASER]

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Amount represents the assessed value as of June 30, 2025, as certified by the Marion County Auditor on October 2, 2025. [↑](#footnote-ref-1)