STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON DAVID CHANDLER, 622 EAST COOPER LLC, individually on their own behalf and on behalf of one or more others similarly situated, Plaintiffs, v. CITY OF FOLLY BEACH, SOUTH CAROLINA, Defendant.	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT C.A. No.: 2026-CP-10-4779 **SUMMONS** (Class Action) (Jury Trial Demanded as to Issues So Triable)

TO THE DEFENDANT ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the complaint, judgment by default will be rendered against you for the relief demanded in the complaint.

September 3, 2026

s/ Ben Whaley Le Clercq
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JULIE J. ARMSTRONG
CLERK OF COURT
BY

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT

DAVID CHANDLER, 622 EAST COOPER LLC, individually and on their own behalf and on behalf of one or more others similarly situated,

Plaintiffs,

v.

CITY OF FOLLY BEACH, SOUTH CAROLINA,

Defendant.

C.A. No.: ________________

VERIFIED CLASS ACTION COMPLAINT FOR DECLARATORY JUDGMENT, REFUND, AND FURTHER RELIEF

(Class Action)
(Jury Trial Demanded as to Issues So Triable)

COME NOW PLAINTIFFS David Chandler and 622 East Cooper LLC ("Plaintiffs") individually and on behalf of one or more others similarly situated, complaining of Defendant City of Folly Beach, South Carolina ("City" or "Defendant"), and respectfully allege as follows:

INTRODUCTION

1. This class action seeks the repayment of an illegal short-term rental fee that the City of Folly Beach required property owners with short term rental ("STR") licenses to pay since 2022 in addition to the City's ordinary business license tax. This Court recently ruled that it is an "illegal and improper tax" *Park Lane Partners, LLC v. City of Folly Beach*, C.A. No. 2024-CP-10-04208, Order on Cross-Motions for Summary Judgment at p.23 (Charleston Cnty. Ct. Com. Pl. Aug. 14, 2026) (Rode, J.).

2. Since September 2022, the City has required persons operating STRs to pay, in addition to the City's ordinary business-license tax, a separate "Rental Registration Permit Fee" imposed under Folly Beach Code § 117.03(B) (the "Permit Fee"). The Permit Fee is not a charge for a particular service. It is calculated as a percentage of an STR's gross revenue and deposited into the City's general fund.

3. South Carolina law prohibits a local governing body from imposing a new tax after December 31, 1996 unless specifically authorized by the General Assembly. S.C. Code Ann. § 6-1-

310. "Specifically authorized by the General Assembly" means an express grant of power. S.C. Code Ann. § 6-1-300(7). The Permit Fee was imposed after December 31, 1996, and no act of the General Assembly expressly authorizes the City to impose this separate percentage-of-gross-revenue charge on STR businesses.

4. South Carolina law separately authorizes local governments to impose qualifying "service or user fees," but only within defined statutory limits. A "service or user fee" is a charge required to be paid in return for a particular governmental service or program. The revenues generated must benefit the payers, be used only for the specific improvement contemplated, not exceed the cost of that improvement, and be uniformly imposed. S.C. Code Ann. § 6-1-300(6). A local governing body may impose such a fee by ordinance approved by a positive majority, subject to the notice and hearing requirements prescribed by § 6-1-330.

5. In *Burns v. Greenville County Council*, 433 S.C. 583, 861 S.E.2d 31 (S.C. 2021) the South Carolina Supreme Court held that a post-1996 local charge that does not qualify as a valid uniform service charge or service/user fee is a tax and, absent specific authorization from the General Assembly, is invalid under § 6-1-310. 433 S.C. 583, 586–87, 861 S.E.2d 31, 32–33 (2021). Justice Kittredge wrote in a concurring opinion:

> ***Local governments, for obvious reasons, want to avoid calling a tax a tax. I am hopeful that today's decision will deter the politically expedient penchant for imposing taxes disguised as "service or user fees."*** I believe today's decision sends a clear message that the courts will not uphold taxes masquerading as "service or user fees." Going forward, courts will carefully scrutinize so-called "service or user fees" to ensure compliance with section 6-1-300(6).

Id. at 861 S.E. 2d p. 34. (emphasis added)

6. The challenged Permit Fee does not satisfy the applicable statutory framework. It is not paid in return for a particular governmental service or program; it is calculated as a percentage of STR gross revenue; and its proceeds are deposited into the City's General Fund and used for general municipal purposes rather than being restricted to the cost of a particular service furnished to the payer.

7. On August 14, 2026, after cross-motions for summary judgment in *Park Lane Partners, LLC v. City of Folly Beach*, C.A. No. 2024-CP-10-04208, the Charleston County Court of Common Pleas held that the Permit Fee at issue here is "an improper and illegal tax." The City has appealed that ruling. Plaintiffs do not rely upon the Park Lane order as independently preclusive in this action; rather, the order confirms that the legality of the Permit Fee presents a common question of law arising from uniform City-wide facts. Plaintiff brings this action now to preserve the rights of Class Members, including claims that may otherwise be affected by applicable statutes of limitation while the City's appeal proceeds.

8. Plaintiff and the proposed Class paid the same challenged Permit Fee pursuant to the same City ordinance and formula. The City's own licensing, revenue, and payment records can identify the persons and entities who paid the Permit Fee, the dates of payment, and the amount paid by each. This action therefore seeks a classwide declaration that the Permit Fee is unlawful, an injunction against further collection unless and until lawfully authorized, and further relief under S.C. Code Ann. § 15-53-120 requiring the City to return the money it unlawfully exacted, together with appropriate interest and Court-supervised administration.

PARTIES, JURISDICTION & VENUE

9. Plaintiff David Chandler ("Chandler") is a natural person who, during the relevant period, individually owned the real property located at 622 East Cooper Avenue, Folly Beach, South Carolina, which was operated as a short-term rental.

10. Plaintiff 622 East Cooper, LLC is a South Carolina limited liability company that was involved in the operation, administration, accounting, and/or business activities associated with the short-term rental of the property.

11. During the Class Period, the City assessed and collected one or more Rental Registration Permit Fees associated with the short-term rental of the property. Upon information and belief, those

fees were paid by, through, or on behalf of Chandler and/or 622 East Cooper, LLC, pursuant to Folly Beach Code § 117.03(B), in an aggregate amount exceeding $100.

12. Defendant CITY OF FOLLY BEACH, SOUTH CAROLINA is a municipal corporation and political subdivision of the State of South Carolina located in Charleston County. The City enacted, administered, assessed, collected, retained, and used the Permit Fee challenged in this action.

13. This Court has original subject-matter jurisdiction under Article V, § 11 of the South Carolina Constitution and the South Carolina Uniform Declaratory Judgments Act, S.C. Code Ann. §§ 15-53-10 through -140, including §§ 15-53-20, -30, and -120.

14. The Revenue Procedures Act, S.C. Code Ann. §§ 12-60-10 et seq. ("RPA"), does not deprive this Court of jurisdiction or bar this class action. The Permit Fee is a locally imposed municipal exaction arising under Title 6, is not imposed under Title 12, and is not subject to assessment or collection by the South Carolina Department of Revenue. Nor is this action a dispute concerning value-based property taxes. Accordingly, under *Thompson v. Killian*, 447 S.C. 177, 924 S.E.2d 606 (2026), the Permit Fee does not fall within the RPA's definition of "taxes," and § 12-60-80(C) does not bar this class action against the City.

15. Personal jurisdiction exists because Defendant is a South Carolina municipality located in Charleston County and all conduct challenged in this Complaint occurred in South Carolina.

16. Venue is proper in Charleston County under S.C. Code Ann. § 15-7-30 because Defendant is located in Charleston County, the challenged ordinance was enacted and administered here, the Permit Fees were assessed and collected here, and the relevant STR properties are located here.

GENERAL FACTUAL ALLEGATIONS

17. The City of Folly Beach is a municipality incorporated under South Carolina law. The City requires persons conducting business within its boundaries to obtain a business license and pay a corresponding business-license tax. That requirement applies to persons operating short-term rentals

("STRs"). In addition to the ordinary business-license tax, the City has at various times also required STR operators to pay a separate rental-registration permit fee.

18. Beginning in 2019, for business-license-tax purposes, the City classified short-term rental businesses as "Class 9.5, NAICS 721199 – All Other Traveler Accommodations (short term rentals)." The City's ordinance provided that all short-term residential rentals would be classified under that code and imposed a business-license tax based upon gross income.

19. In 2022, following enactment of South Carolina's Business License Tax Standardization Act, S.C. Code Ann. § 6-1-400 et seq., the City repealed its prior business-licensing provisions and adopted standardized business-licensing provisions utilizing the applicable NAICS classifications. Although the Act permits a municipal governing body to create additional subclasses by a positive majority vote, the Folly Beach City Council did not do so. Accordingly, as of 2022, the City maintained a single business-license classification applicable to STR businesses.

20. The concept of a separate rental-registration permit fee originated much earlier. In approximately 2010, the City enacted an ordinance imposing an "additional rental registration permit fee" as a condition of obtaining a business license to rent property on a short-term basis. This charge was imposed in addition to the ordinary business-license tax and was initially a flat fee of approximately $50 per year.

21. In approximately 2017, the City increased that flat rental-registration permit fee from approximately $50 to $100 per year. The permit fee nevertheless remained a fixed annual charge rather than a charge calculated according to the STR's revenue.

22. In 2019, the City eliminated the separate rental-registration permit fee in connection with its reclassification of STR business licenses under the NAICS system. In doing so, the City recognized that requiring STR owners to make one payment for a business license and a second payment for rental registration created unnecessary compliance difficulties. Beginning in 2019,

therefore, STR businesses paid a single business-license tax, calculated according to gross income and the applicable business-license classification, without a separate rental-registration permit fee.

23. That changed again in September 2022, when the City adopted or re-adopted a separate "Rental Registration Form and Permit Fee" requirement. Unlike the former flat $50 or $100 annual permit fee, however, the newly imposed Permit Fee was calculated as a percentage of the STR business's gross income—the same basic measure the City uses to calculate the ordinary business-license tax.

24. The broader STR regulatory scheme also underwent significant changes during this same period. In June 2022, the Mayor proposed limiting business licenses for non-owner-occupied STR properties to 800. The City Council considered and rejected that proposal on June 28, 2022.

25. The 2022 enactment arose through an unusual legislative history. As the Court explained in *Park Lane*, the challenged portions of the City's STR Ordinance were enacted through South Carolina's initiative-and-referendum process after having first been rejected by the Folly Beach City Council. *Park Lane Partners, LLC v. City of Folly Beach*, C.A. No. 2024-CP-10-04208, Order on Cross-Motions for Summary Judgment at 2 (Charleston Cnty. Ct. Com. Pl. Aug. 14, 2026) (Rode, J.).

26. The City's ordinary business-license tax and the challenged Permit Fee are addressed together in § 117.03 of the City's STR Ordinance and share the same essential characteristics. Both are mandatory conditions of conducting an STR business in the City; both are calculated by reference to the gross revenues of that business; and the proceeds of both are deposited into the City's General Fund. As the Court observed in *Park Lane*, the principal distinction between the two charges is the City's decision to label one a "fee" rather than a tax, but that distinction cannot "carry [the] day."

27. Following City Council's rejection of the proposed cap, a group of citizens invoked South Carolina's initiative-and-referendum process and submitted a petition in October 2022 proposing an ordinance that would cap non-owner-occupied STRs at 800 and create two classes of STR business licenses: "Investor Short Term Rental" and "Owner-Occupied Short Term Rental." City Council again

declined to adopt the proposed ordinance. The proposal was then submitted to the electorate and, on February 7, 2023, narrowly passed by a vote of 656 to 579. Those provisions thereafter became part of §§ 117.01 et seq. of the Folly Beach Code of Ordinances.

28. At present, Folly Beach Code § 117.03 requires any owner advertising or operating a dwelling unit as an STR to maintain a current business license, comply with the City's rental-registration permit requirements, and make the required payments. Section 117.03(B) further requires that a rental-registration permit be obtained and renewed annually, and the City requires approval of the rental-registration permit before issuing a new STR business license.

29. The present Permit Fee is calculated at a rate of $17.50 for each $1,000 of the STR business's gross income—equivalent to 1.75% of gross income. Thus, unlike the historical flat registration charge, the amount of the current Permit Fee rises directly with the STR business's revenues. Payment of the Permit Fee is mandatory for operation of an STR subject to the ordinance. The City assessed and collected the Permit Fee from Plaintiff and Class Members as a condition of maintaining or operating their STR businesses.

30. The Permit Fee payments were not donations or optional payments. The City made payment a condition of lawful STR operation and permit/licensing compliance. Plaintiff and Class Members paid the fees to obtain or maintain the municipal authorization necessary to continue their STR businesses and to avoid the consequences of noncompliance.

31. The City deposits revenues collected through the Permit Fee into its General Fund along with revenues from hospitality taxes, accommodations taxes, property taxes, telecommunications taxes, vehicle taxes, alcohol taxes, and business-license taxes. The Permit Fee is not paid in exchange for a particular governmental service or program furnished to the STR owner. Rather, the City uses its General Fund to finance general municipal functions and administration, including public safety, public works, public buildings, and facilities.

32. The identities of the persons and entities assessed the Permit Fee, the annual gross-income figures used by the City to calculate the Fee, the amounts assessed, the amounts paid, payment dates, and the City accounts receiving the payments are maintained in records controlled by the City and can be determined through ordinary discovery and accounting.

33. Plaintiff and each Class Member paid money pursuant to the same ordinance and materially the same City-wide policy. Differences in the amount paid result from an arithmetic formula applied to gross STR income and do not alter the common legal question whether the City possessed lawful authority to impose and collect the Permit Fee.

34. The City occupies a uniquely consequential position with respect to members of the proposed Class. It is not merely the defendant that collected and retains the challenged Permit Fees; it is also the governmental authority responsible for licensing, regulating, investigating, and enforcing ordinances against the very STR owners whose money is at issue in this litigation.

35. That regulatory authority has particular significance because the City has adopted a numerical cap of 800 Investor Short Term Rental licenses, while the number of existing licenses historically exceeded that cap. Existing STR licenses therefore possess substantial economic value, and continued eligibility depends upon maintaining the license in good standing under the City's regulatory requirements.

36. "*Four Strikes and You're Out*:" The City's STR enforcement scheme also provides for escalating consequences based upon violations associated with a rental property, potentially culminating in proceedings to revoke or decline to renew the property's business license. The City actively investigates and enforces STR requirements and maintains dedicated personnel and administrative processes for that purpose. On information and belief, since 2022 the City has hired additional enforcement officers based on the windfall/revenue gained from the "illegal and improper tax."

37. Against this background, proposed Class Members are understandably reluctant to assert claims against the City, participate openly in this action, or provide information adverse to the City if doing so requires disclosure of their identities to the same officials responsible for regulating and enforcing their STR licenses. Regardless of whether any particular retaliatory action has yet occurred, the combination of the City's position as defendant and regulator, the limited number of available STR licenses, and the potentially serious consequences of enforcement creates a substantial risk of chilling participation in this litigation.

38. Plaintiff therefore respectfully requests that the Court exercise its authority under Rule 23 and its inherent case-management powers to protect the identities and personally identifying information of absent Class Members from unnecessary disclosure. Plaintiff further requests that Class Member identities, licensing records, payment information, and contact information produced for purposes of class identification and administration be disclosed only to Class Counsel, any Court-appointed administrator, and the Court, absent further order upon a showing of particularized need, and that such information not be used by the City for regulatory, licensing, investigative, or enforcement purposes unrelated to this litigation.

THE PERMIT FEE IS AN UNAUTHORIZED LOCAL TAX

39. S.C. Code Ann. § 6-1-310 provides that "[a] local governing body may not impose a new tax after December 31, 1996, unless specifically authorized by the General Assembly."

40. A tax does not cease to be a tax merely because a municipality calls it a "fee." As *Burns v. Greenville County Council* makes clear, simply labeling an exaction a "charge" or "fee" is inconsequential; courts must examine what the charge actually is and whether state law authorizes it. 433 S.C. 583, 861 S.E.2d 31 (2021).

41. A local charge that is neither a valid uniform service charge nor a valid service or user fee is an unauthorized tax and is invalid under South Carolina law.

42. In *Park Lane*, the City conceded that the Permit Fee is neither a "uniform service charge" nor a "service or user fee" of the types authorized by statute. Based in part upon that concession, the Court concluded that it was "constrained to find the Permit Fee is an improper tax disguised as a fee." *Park Lane Partners, LLC v. City of Folly Beach*, C.A. No. 2024-CP-10-04208, Order on Cross-Motions for Summary Judgment at 18 (Charleston Cnty. Ct. Com. Pl. Aug. 14, 2026) (Rode, J.)

43. The Permit Fee was imposed after December 31, 1996; is mandatory to conduct the STR business; is calculated as a percentage of gross business revenue; is imposed in addition to the City's ordinary business-license tax; is deposited into the City's general fund; and is not charged in exchange for a particular government service or program.

44. The General Assembly has not specifically authorized Folly Beach to impose the Permit Fee as a separate percentage-of-gross-revenue tax on STR businesses in addition to the City's otherwise authorized business-license tax.

45. On August 14, 2026, the Charleston County Court of Common Pleas held in *Park Lane* that because the Permit Fee is neither a valid uniform service charge nor a service or user fee, Burns controls and the Permit Fee is "an improper and illegal tax" in violation of § 6-1-310. The City's appeal does not change the uniform factual character of the exaction or the common legal issues presented here.

DECLARATORY AND FURTHER RELIEF

46. An actual, justiciable controversy exists between Plaintiffs and the Class, on the one hand, and the City, on the other, concerning the City's legal authority to impose, collect, retain, and continue to administer the Permit Fee.

47. The controversy remains live even if the City suspends or ceases future collection during this litigation or the *Park Lane* appeal because the City disputes liability and retains Permit Fees previously collected from Plaintiff and Class Members. The legality of those past collections and the

right to further relief therefore continue to present concrete adverse interests requiring judicial resolution.

48. S.C. Code Ann. § 15-53-20 authorizes courts of record to declare rights, status, and other legal relations whether or not further relief is or could be claimed. Section 15-53-30 specifically permits a person whose rights are affected by a municipal ordinance to obtain a declaration concerning the construction or validity of that ordinance. The Act is to be liberally construed and administered. S.C. Code Ann. § 15-53-130.

49. S.C. Code Ann. § 15-53-120 provides that "[f]urther relief based on a declaratory judgment or decree may be granted whenever necessary or proper." South Carolina courts recognize that such further relief may include consequential, incidental, and coercive relief where the grounds for that relief appear from the pleadings and proof. *Bank of Augusta v. Satcher Motor Co.*, 249 S.C. 53, 152 S.E.2d 676 (1967); *Robison v. Asbill*, 328 S.C. 450, 492 S.E.2d 400 (Ct. App. 1997).

50. South Carolina law permits a declaratory-judgment claim challenging an allegedly unlawful local charge to proceed as a class action. *Thompson v. Killian*, 447 S.C. 177, 924 S.E.2d 606 (2026). In *Thompson*, the Supreme Court permitted such a declaratory claim to proceed "individually and as a class" and recognized that a request for refunds as further relief under S.C. Code Ann. § 15-53-120 presented an issue for the circuit court on remand.

51. Plaintiffs and Class Members seek the return of the unlawfully collected Permit Fees as further relief necessary and proper to give practical effect to the requested declaratory judgment.

52. A declaration without classwide monetary implementation would be incomplete because the City has already collected and retained the challenged exaction from Plaintiff and hundreds of similarly situated persons and entities. The requested refund can be calculated from the City's own records without individualized adjudication of liability.

CLASS ACTION ALLEGATIONS

53. Pursuant to Rule 23, SCRCP, Plaintiff brings this action individually and on behalf of all persons and entities similarly situated.

54. Subject to amendment after discovery, Plaintiff seeks certification of the following class (the "Class"):

> **All persons and entities who, from the effective date of the City's 2022 ordinance imposing the percentage-based Rental Registration Permit Fee through the date the City ceased or ceases collecting that charge, were obligated to pay, paid, caused to be paid, or on whose behalf was paid a Rental Registration Permit Fee imposed pursuant to Folly Beach Code § 117.03(B) or any materially equivalent successor provision.**

55. **Numerosity**. The Class consists of hundreds of persons and entities and is sufficiently numerous that joinder is impracticable. The City's STR licensing regime has encompassed hundreds of licensed STR properties, and the Permit Fee has been imposed annually. The exact number of Class Members is known or readily determinable by the City. The members of the Class can be readily identified from the City's own licensing, assessment, payment, and revenue records.

56. **Commonality**. Questions of law and fact common to the Class include, without limitation:

- Whether the City had statutory authority to impose the Permit Fee;
- Whether the Permit Fee is a tax rather than a valid uniform service charge or service/user fee;
- Whether § 6-1-310 prohibits the Permit Fee;
- Whether the Permit Fee is invalid under applicable law;
- Whether Plaintiff and the Class are entitled to declaratory and injunctive relief;
- Whether return of Permit Fees is necessary or proper further relief under § 15-53-120;
- Whether the City must account for the amounts assessed and collected from each Class Member;

- Whether prejudgment or other interest is recoverable and, if so, the appropriate method of calculation; and

- What procedures are appropriate for notice, claims administration, refund calculation, and distribution.

57. **Typicality**. Plaintiff's claims are typical of the Class because Plaintiff was subjected to the same Permit Fee, imposed under the same ordinance, calculated under the same revenue-based method, and paid to the same municipal defendant. Plaintiff seeks the same declaration and the same type of refund relief as the Class.

58. **Adequacy**. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff has no interest antagonistic to the Class with respect to the Permit Fee challenged here and has retained counsel experienced in complex civil litigation and class-action practice.

59. **Rule 23(a)(5)**. This action primarily seeks classwide declaratory and injunctive relief concerning the validity and enforcement of a single municipal exaction, with return of unlawfully collected Permit Fees sought as further relief based upon that declaration. Accordingly, the monetary threshold in Rule 23(a)(5), SCRCP, does not bar certification. In any event, Plaintiffs individual claims exceed $100, exclusive of interest and costs, and on information and belief the claims of substantially all Class Members likewise exceed that amount. To the extent any Class Member's refund is determined to be $100 or less, Plaintiff requests such subclassing, modification, or other treatment as the Court deems appropriate without defeating certification of the remaining Class.

60. **Common issues and manageability.** Liability turns on the validity of one City-wide ordinance and one uniformly imposed exaction. The central liability questions therefore are common to the Class. Differences in individual refund amounts do not require individualized determinations of liability because those amounts can be calculated ministerially from common City records using the same revenue-based formula.

61. Class treatment is superior and efficient because requiring hundreds of separate actions would duplicate the same statutory question, risk inconsistent judgments, burden the courts and parties, and make many economically modest refund claims impractical to prosecute individually.

62. The City has acted and continues to act on grounds generally applicable to the Class by uniformly imposing, collecting, retaining, administering, and defending the Permit Fee. Declaratory and injunctive relief therefore can be framed on a classwide basis.

63. Plaintiff anticipates no unusual difficulty in class administration. The Court may direct production of an electronic ledger identifying payments and payers and establish appropriate procedures for notice, verification of refund amounts, resolution of disputed claims, and distribution. The Court may appoint a neutral class administrator for ministerial administration and, if an appropriate matter requires judicial reference, may utilize a master or special referee as authorized by Rule 53, SCRCP.

64. Because the City is simultaneously the defendant in this action and the licensing and enforcement authority governing Class Members' STR businesses, disclosure of absent Class Members' identities presents an unusual risk of chilling participation and creating concern regarding heightened or selective regulatory scrutiny. Plaintiff therefore requests appropriate protective and case-management orders providing that personally identifying Class Member information obtained through discovery or class administration be maintained confidentially; disclosed to the City only upon further order of the Court and a demonstrated litigation need; and not used for licensing, investigative, regulatory, or enforcement purposes unrelated to this action.

COUNT I
(Class Action — Declaratory Judgment: Invalid and Unauthorized Municipal Tax)

65. Plaintiff realleges and incorporates the preceding paragraphs as if fully set forth herein.

66. The Permit Fee is a post-1996 "illegal and improper" local tax masquerading as a user fee, imposed by a local governing body within the meaning of S.C. Code Ann. §§ 6-1-300 et seq.

67. The Permit Fee is not a valid uniform service charge or service/user fee because, among other things, it is based on gross business revenue, deposited into the general fund, imposed as a condition of conducting the STR business, and not charged in exchange for a particular governmental service or benefit to the payer.

68. Because the Permit Fee is not a valid fee and the General Assembly has not specifically authorized the City to impose it as a separate tax, § 6-1-310 and *Burns* render the Permit Fee unlawful and invalid.

69. Pursuant to S.C. Code Ann. §§ 15-53-20 and 15-53-30, Plaintiffs and the Class are entitled to a judgment declaring that the City lacked lawful authority to impose and collect the Permit Fee and that the Permit Fee is invalid under South Carolina law.

70. Plaintiff and the Class further seek permanent injunctive relief prohibiting the City from collecting or enforcing the Permit Fee unless and until such charge is lawfully authorized and imposed in compliance with South Carolina law.

COUNT II

(Class Action — Further Relief Pursuant to S.C. Code Ann. § 15-53-120)

71. Plaintiff realleges and incorporates the preceding paragraphs as if fully set forth herein.

72. Upon entry of the requested declaratory judgment, further relief is necessary and proper to give the declaration practical effect because the City has collected and retained money from Plaintiff and the Class under the invalid Permit Fee.

73. Pursuant to S.C. Code Ann. § 15-53-120, Plaintiffs and the Class seek an accounting and return of all Permit Fees unlawfully collected during the actionable period as further relief necessary and proper to give effect to the requested declaratory judgment, together with prejudgment interest or other interest to the extent authorized by law.

74. The amount due to each Class Member is objectively determinable from the City's records or by straightforward mathematical reconstruction using the City's assessment formula and the gross-revenue figures upon which the City calculated each Permit Fee.

75. Plaintiff requests that the Court retain jurisdiction to supervise the accounting and distribution process, approve class notice and distribution procedures, address disputed or unclaimed amounts, appoint a neutral class administrator if appropriate, and utilize a master or special referee as authorized by Rule 53, SCRCP, if necessary.

PRAYER FOR RELIEF

NOW, THEREFORE, Plaintiff, individually and on behalf of all others similarly situated, respectfully requests that this Court:

a. Certify this action as a class action under Rule 23, SCRCP, and certify the Class defined above, or such modified class or subclasses as the Court deems appropriate;

b. Appoint Plaintiff as Class Representative and appoint Le Clercq Law Firm, P.C. as Class Counsel;

c. Declare that the Rental Registration Permit Fee imposed pursuant to Folly Beach Code § 117.03(B), and any materially equivalent provision, constitutes an unauthorized and unlawful tax and is invalid under South Carolina law;

d. Enjoin the City from further collecting or enforcing the challenged Permit Fee unless and until the charge is lawfully authorized and imposed;

e. Order the City to provide a complete accounting of Permit Fees assessed and collected, including payer identity, amount, date, assessment year, and sufficient records to verify each refund;

f. Pursuant to S.C. Code Ann. § 15-53-120, order the City to return to Plaintiff and Class Members the Permit Fees unlawfully collected during the actionable period as further relief based upon the declaratory judgment;

g. Award prejudgment and post-judgment interest to the extent permitted by law;

h. Enter appropriate protective and case-management orders governing class data and communications; appoint a neutral class administrator if appropriate; and utilize a master or special referee as authorized by Rule 53, SCRCP, to the extent necessary to assist with matters properly subject to reference;

i. Award Class Counsel reasonable attorneys' fees and litigation expenses from any common fund or common benefit created, or under any other applicable authority, in an amount approved by the Court;

j. Award Plaintiff and the Class taxable costs; and

k. Grant such other and further legal or equitable relief as the Court deems just, necessary, and proper.

DEMAND FOR JURY TRIAL

Plaintiff, individually and on behalf of the Class, demands a trial by jury as to all issues so triable.

Respectfully submitted, this 3rd day of September, 2026.

September 3, 2026

s/ Ben Whaley Le Clercq

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VERIFICATION

I, David Chandler, on my own behalf as well as on behalf of 622 East Cooper LLC, a company for which I am the sole member, declare that I have reviewed the foregoing Verified Class Action Complaint; that the factual allegations concerning me and my property, payments, and dealings with the City are true and correct to the best of my personal knowledge; and that the remaining allegations are true and correct to the best of my knowledge, information, and belief, including information provided by counsel and matters of public record.

I declare under penalty of perjury that the foregoing is true and correct.

David Chandler (Sep 3, 2026 12:38:16 EDT)
David Chandler

Date: Sep 3, 2026

622 East Cooper, LLC

By: David Chandler (Sep 3, 2026 12:38:16 EDT)
David Chandler, Sole Member

Date: Sep 3, 2026

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CLERK OF COURT
BY

Common Pleas

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Transaction Type:	Payment		Reference #:	
Payment Type:	Credit Card	$150.00	Comment:	
	SC.gov Portal Fee	$3.55	Non-Refundable	
Total Paid:		$153.55		
Total Received:		$150.00		
Change Due:		$0.00		

You may check the status of your Charleston case at:
http://www.sccourts.org/caseSearch/

Case #	Caption	Previous Balance	Amount Paid	Balance Due
2026CP1004779	David Chandler VS Folly Beach City of	**$150.00**	**$150.00**	**$0.00**
Total Cases: 1		**$150.00**	**$150.00**	**$0.00**
		SC.gov Portal Fee:	**$3.55**	
		Total Paid:	**$153.55**	