

SOUTH CAROLINA CASE LAW UPDATE

To: Chief Administrative Officers and County Attorneys
From: SCAC Legal Staff

SCAC legal staff compiles updates of appellate court opinions impacting county government operations. CAOs/Attorneys are encouraged to forward this update to impacted county departments.

South Carolina Court of Appeals

Town of Sullivan's Island v. Nathan Bluestein & Theodore Albenesius, III, Appellate Case No. 2023-001082, Opinion No. 6139. February 25, 2026

Areas of Law: Binding future councils, Contracts, Legislative authority.

The town of Sullivan's Island owned land along the Atlantic Ocean. Owners of private property abutting the town's land brought several causes of actions to determine how the town must maintain its land and vegetation. In October 2020, the town and property owners negotiated a settlement agreement that included the town implementing a selective thinning plan, including a recurring review and maintenance component. The agreement stated it was made to further specific, enumerated public purposes necessary for the health, safety and general welfare of the town. The agreement stated it would be binding upon all parties, and their heirs, successors and assigns.

On May 4, 2021, the Sullivan's Island citizens elected a new town council. In February 2022, the town brought a declaratory judgement action against the property owners seeking an order that the settlement agreement was invalid and unenforceable. The circuit court granted the town summary judgement finding that the agreement was invalid and unenforceable as a matter of law because it involved the legislative powers of the town and claimed to bind current and future town councils. The court found that the agreement imposed perpetual obligations on the town, which were unreasonable and against public policy. The property owners appealed.

The Court of Appeals agreed with the circuit court. The Court held as a threshold matter that settlement agreements under South Carolina law are contracts. The Court held that the subject matter of the agreement involved the town's legislative functions or governmental powers, and to the extent that a governmental contract impinged on a municipality's ability to legislate freely, the contract was *ultra vires* and void. The Court held that the test remains whether the contract itself deprives a governing body or its successor of a discretion which public policy demands should be left unimpaired.

The Court agreed with Sullivan's Island that the agreement concerning the maintenance of the land was not contemplated for some financial benefit, but rather in furtherance of public health and safety of the general public. Further, the Court held that the language of the agreement itself evidenced the public rather than proprietary nature of the benefit.

Read the [full opinion](#).