



Minutes
Special Meeting
Sumter County Council
Tuesday, November 30, 2021 - Held at 5:00 p.m.
County Administration Building -- Third Floor
County Administration Conference Room
13 E. Canal Street, Sumter, SC

*Social Distancing Is Required At All of County Council's Meetings,
And Seating Is On A First Come First Serve Basis.*

COUNCIL MEMBERS PRESENT: James T. McCain, Jr., Chairman; James R. Byrd, Vice Chairman; Artie Baker, Eugene R. Baten, Charles T. Edens, and Vivian Fleming McGhaney

COUNCIL MEMBERS ABSENT: Carlton B. Washington

STAFF PRESENT: Gary Mixon, Johnathan Bryan, Mary W. Blanding, Joe Perry, Major Randy Stewart, and Lt. Gary Hawkins.

MEDIA PRESENT: No one from the media.

MEMBERS OF THE PUBLIC PRESENT: No members of the public were present.

CALL TO ORDER - Chairman McCain called the meeting to order

INVOCATION - Councilman Vivian Fleming McGhaney called the meeting to order.

APPROVAL OF AGENDA - November 30, 2021

Chairman McCain asked the Clerk if there were any changes to the agenda; Mrs. Blanding said that there were no changes. Then Chairman McCain said he would entertain a motion concerning the approval of the agenda.

NEW BUSINESS:

- (1) Ordinance #21-968 - Second Reading - An Ordinance To Adopt A Revised Business License Ordinance In Accordance With The Business License Standardization Act (2020 Act No. 176). *(Public Hearing Will Be Held On December 14, 2021.)***

The County Attorney, Johnathan Bryan, presented this proposed ordinance to Council for first reading consideration. He stated that as of September 2020, the South Carolina General Assembly adopted the South Carolina Business License Tax Standardization Act (2020 Act No. 176). The act is now codified at S.C. Code Sections 6-1-400 to 6-1-420 (the "Act"). He also informed Council that the Act requires all municipalities and counties that impose a business license tax to adopt a standard business license year of May 1 through April 30. Sumter County Council has adopted this requirement.

Mr. Bryan read to Council from 6-1-1200, Section G, the following information:

By December 31, of every odd year a tax jurisdiction levying a business license tax shall adopt by Ordinance the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina and adopted by the

Revenue and Fiscal Affairs Office. The Municipal Association of South Carolina shall determine and revise the Standardized Business License Class Schedule every even year using the latest available nationwide Internal Revenue Service statistics with the calculation of the possibility of businesses using the latest Business Classification Code of the North American Classification System.

Mr. Bryan reiterated that the ordinance before Council will provide for second reading and the ordinance complies with the Standardized Business License Class Schedule and all other matters related to this State Law requirement. Councilman Baten asked for clarification of the purpose of changing the process for the business license. Mr. Bryan stated that each County had the opportunity to charge whatever fee the County imposed. Therefore, if Clarendon County changed \$40 for a License and Sumter County charged \$60 for the same type of License, companies were paying different costs for the same type of license. Therefore the General Assembly decided to standardize the fee structure. The Attorney referred to Appendix A and Appendix B as listed below.

**APPENDIX A
BUSINESS LICENSE RATE SCHEDULE**

Application Fee: \$50.00

<u>RATE CLASS</u>	<u>INCOME: \$0 - \$2,000</u>	<u>INCOME OVER \$2,000</u>
<u>THEREOF</u>	<u>BASE RATE</u>	<u>RATE PER \$1,000 OR FRACTION</u>
1	\$ 25.00	\$ 1.15
2	\$ 30.00	\$ 1.30
3	\$ 35.00	\$ 1.60
4	\$ 40.00	\$ 1.90
5	\$ 45.00	\$ 2.20
6	\$ 50.00	\$ 2.50
7	\$ 55.00	\$ 2.80
8.1	\$ 50.00	\$ 0.85
8.2	Set by state statute	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.6	\$5.00 per table	
9.1	\$ 40.00	\$ 1.90
9.2	\$ 50.00	\$ 2.50
9.3	\$ 25.00	\$ 0.80
9.41	\$ 500.00	\$ 5.00
9.42	\$ 5.00	\$ 2.50
9.5	\$ 225.00	\$ 1.30
9.6	\$ 100.00	\$ 2.50
9.7	\$ 250.00	\$ 5.00

NON-RESIDENT RATES

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the County.

DECLINING RATES

Declining Rates apply in all Classes for gross income in excess of \$1,000,000, unless otherwise specifically provided for in this ordinance.

<u>Gross Income in \$ Millions</u>	<u>Percent of Class Rate for each additional \$1,000</u>
0 - 1	100%
1 - 2	50%
2 - 3	45%
3 - 4	40%
4 - 5	35%
5 - 6	30%
6 - 7	25%
7 - 8	20%
8 - 9	15%
OVER 9	10%

CLASS 8 RATES

Each NAICS number designates a separate subclassification. The businesses in this section are treated as separate and individual subclasses due to provisions of state law, regulatory requirements, service burdens, tax equalization considerations, and other factors that are deemed sufficient to require individually determined rates. In accordance with state law, the County also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations as needed for economic stimulus or for the enhanced or disproportionate demands on County services or infrastructure.

Non-resident rates do not apply except where indicated.

8.1 NAICS 230000 - Contractors, Construction, All Types [Non-resident rates apply].

Resident rates, for contractors having a permanent place of business within the County:

Minimum on first \$2,000	\$ 50.00 PLUS
Each additional 1,000.....	\$ 0.85

Non-resident rates apply to contractors that do not have a permanent place of business within the County. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all State and County qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

For licenses issued on a per-job basis, the total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle the contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licensees holding a per-job license shall file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount.

8.2 NAICS 482 - Railroad Companies (See S.C. Code § 12-23-210).

8.3 Reserved.

8.4 Reserved.

8.51 NAICS 713120 - Amusement Machines, coin operated (except gambling). Music machines, juke boxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(1) and (A)(2) [**Type I and Type II**].

For operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2746:

Per Machine \$12.50 Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.51.

8.6 NAICS 713990 - Billiard or Pool Rooms, all types. (A) Pursuant to SC Code § 12-21-2746, license tax of \$5.00 per table measuring less than 3½ feet wide and 7 feet long, and \$12.50 per table longer than that; PLUS, (B) with respect to gross income from the entire business in addition to the tax authorized by state law for each table:

Minimum on first \$2,000	\$50.00 PLUS
Per \$1,000, or fraction, over \$2,000	\$2.50

CLASS 9 RATES

In accord with S.C. Code section 6-1-400(G)(2), Class 9 consists of additional sub-classifications for which the Council has determined a rational basis exists for individually designated rates rather than those derived from IRS statistics. This determination is based on particularized considerations for economic stimulus or for enhanced or disproportionate demands for municipal services and infrastructure.

Non-resident rates do not apply except where indicated.

9.1 NAICS 423930 - Junk or Scrap Dealers [Non-resident rates apply].

Minimum on first \$2,000	\$40.00 PLUS
Per \$1,000, or fraction, over \$2,000	\$1.90

9.2 NAICS 522298 - Pawn Brokers [All Types].

Minimum on first \$2,000	\$50.00 PLUS
Per \$1,000, or fraction, over \$2,000	\$2.50

9.3 NAICS 4411, 4412 - Automotive, Motor Vehicles, Boats, Farm Machinery or Retail.
(except auto supply stores - see 4413)

Minimum on first \$2,000 \$25.00 PLUS
Per \$1,000, or fraction, over \$2,000 \$0.80

One sales lot not more than 400 feet from the main showroom may be operated under this license provided that proceeds from sales at the lot are included in gross receipts at the main office when both are operated under the same name and ownership.

Gross receipts for this classification shall include value of trade-ins. Dealer transfers or internal repairs on resale items shall not be included in gross income.

NAICS 454390 - Peddlers, Solicitors, Canvassers, Door-To-Door Sales.

Direct retail sales of merchandise. [Non-resident rates apply]

9.41 Regular activities [more than two sale periods of more than three days each per year]

Minimum on first \$2,000 \$500.00 PLUS
Per \$1,000, or fraction, over \$2,000 \$2.50

9.42 Seasonal activities [not more than two sale periods of not more than three days each year, separate license required for each sale period]

Minimum on first \$2,000 \$5.00 PLUS
Per \$1,000, or fraction, over \$2,000 \$2.50

Applicants for a license to sell on private property must provide written authorization from the property owner to use the intended location.

9.5 NAICS 713290 - Bingo halls, parlors.

Minimum on first \$2,000 \$225.0 PLUS
Per \$1,000, or fraction, over \$2,000 \$1.30

9.6 NAICS 711190 - Carnivals and Circuses.

Minimum on first \$2,000 \$100.00 PLUS
Per \$1,000, or fraction, over \$2,000 \$2.50

9.7 NAICS 722410 - Drinking Places, bars, lounges, cabarets (Alcoholic beverages consumed on premises).

Minimum on first \$2,000 \$250.00 PLUS
Per \$1,000, or fraction, over \$2,000 \$5.00

License must be issued in the name of the individual who has been issued a State alcohol, beer or wine permit or license and will have actual control and management of the business.

Appendix B
Business License Class Schedule By Naics Code

Naics Sector/Subsector	Industry Sector	Class
11	Agriculture, Forestry, Hunting And Fishing	2.00
21	Mining	4.00
23	Construction	8.10
31-33	Manufacturing	2.00
42	Wholesale Trade	1.00
423930	Recyclable Material Merchant Wholesalers (Junk)	9.10
44-45	Retail Trade	1.00
4411	Automobile Dealers	9.30
4412	Other Motor Vehicle Dealers	9.30
454390	Other Direct Selling Establishments (Peddlers)	9.41 & 9.42
48-49	Transportation And Warehousing	2.00
482	Rail Transportation	8.20
51	Information	4.00
517311	Wired Telecommunications Carriers	8.30
517312	Wireless Telecommunications Carriers (Except Satellite)	8.30
52	Finance And Insurance	7.00
522298	Pawnshops	9.20
5241	Insurance Carriers	8.40
5242	Insurance Brokers For Non-Admitted Insurance Carriers	8.40
53	Real Estate And Rental And Leasing	7.00
54	Professional, Scientific, And Technical Services	5.00
55	Management Of Companies	7.00
56	Administrative And Support And Waste Management And Remediation Services	4.00
61	Educational Services	4.00
62	Health Care And Social Assistance	4.00
71	Arts, Entertainment, And Recreation	3.00
711190	Other Performing Arts Companies (Carnivals And Circuses)	9.60
713120	Amusement Parks And Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713290	Bingo Halls	9.50
713990	All Other Amusement And Recreational Industries (Pool Tables)	8.60
721	Accommodation	3.00
722	Food Services And Drinking Places	1.00
722410	Drinking Places (Alcoholic Beverages)	9.70
81	Other Services	5.00

Note: Class Schedule Is Based On 2017 Irs Data.

- (2) Executive Session: It May Be Necessary To Hold An Executive Session To Discuss Matters Appropriate For Executive Session And Take Appropriate Actions After The Executive Session As Necessary.

No executive session was held.

OLD BUSINESS

- (1) None

ADJOURNMENT

After all comments, the Chairman called for a motion to convene the Special Meeting. Motion was made by Vice Chairman Byrd, seconded by Councilman Baker, and unanimously carried by Council to adjourn the meeting at 5:40 p.m.

Respectfully submitted,

Mary W. Blanding

Mary W. Blanding, Clerk
Sumter County Council

Approve: December 15, 2021