

1. Agenda

Documents:

[10-21-2021-CHAPTER-4-WORKSHOP-AGENDA.PDF](#)
[10-21-2021-CHAPTER-4-WORKSHOP-AGENDAXXXX.PDF](#)

2. Meeting Materials

Documents:

[10-21-21 CHAPTER-4-ARTICLE-I-10262021-CLEAN-FINAL.PDF \(PDF\).PDF](#)
[10-21-21 CHAPTER-4-ARTICLE-II-VII-10262021-CLEAN-FINAL.PDF \(PDF\).PDF](#)



SURFSIDE BEACH WORKSHOP MEETING
CIVIC CENTER
115 US HIGHWAY 17 NORTH, SURFSIDE BEACH, SC 29575
www.surfsidebeach.org - ☎ (843) 913-6111 📠 (843) 238-5432

TOWN COUNCIL WORKSHOP AGENDA
Thursday, October 21, 2021, at 10:00 AM

- 1. CALL TO ORDER.** Mayor Bob Hellyer

- 2. BUSINESS – CHAPTER 4, ARTICLES TWO THROUGH EIGHT.**

- 3. ADJOURNMENT.**

*This agenda is published pursuant to the Freedom of Information Act Section 30-4-80(A) and (E).
The public is invited to attend all meetings and events.*



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Please join the meeting from your computer, tablet or smartphone.

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- 1. CALL TO ORDER.** Mayor Bob Hellyer

- 2. PUBLIC COMMENT ON AGENDA ITEMS ONLY**

- 3. BUSINESS – CHAPTER 4, ARTICLES TWO THRU EIGHT.**

- 4. ADJOURNMENT.**

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Chapter 4 - BUSINESS LICENSES, PERMITS AND REGULATIONS

ARTICLE I. - IN GENERAL

Sec. 4-1. - License required.

Every person engaged or intending to engage in any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, in whole or in part, within the limits of the Town of Surfside Beach, South Carolina, ("Town") is required to pay an annual license tax for the privilege of doing business and obtain a business license as herein provided.

Sec. 4-2. - Definitions.

The following words, terms, and phrases, when used in this Chapter, shall have the meaning ascribed herein. Defined terms are not capitalized when used in this article unless the context otherwise requires:

"Business" means any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, either directly or indirectly, for which a separate Classification (as defined below) exists.

"Charitable Organization" means an organization that is determined by the Internal Revenue Service to be exempt from Federal income taxes under 26 U.S.C. Section 501(c)(3), (4), (6), (7), (8), (10) or (19).

"Charitable Purpose" means benevolent, philanthropic, patriotic, or eleemosynary purpose that does not result in personal gain to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization.

"Classification" means that division of businesses by NAICS codes subject to the same license rate as determined by a calculated index of ability to pay based on national averages, benefits, equalization of tax burden, relationships of services, or other basis deemed appropriate by the Council.

"Council" means the Town Council of the Town of Surfside Beach.

"Domicile" means a principal place from which the trade or business of a Licensee is conducted, directed, or managed. For purposes of this article, a Licensee may be deemed to have more than one Domicile.

"Gross Income" means the gross receipts or gross revenue of a Business, received, or accrued, for one (1) calendar or fiscal year collected or to be collected from business done within the Town. If the Licensee has a Domicile within the Town, business done within the Town shall include all gross receipts or revenue received or accrued by such Licensee. If the Licensee does not have a Domicile within the Town, business done within the Town shall include only gross receipts or revenue received or accrued within the Town. In all cases, if the Licensee pays a business license tax to another county or municipality, then the Licensee's Gross Income for the purpose of computing the tax within the Town must be reduced by the amount of revenues or receipts taxed in the other county or municipality and fully reported to the Town. Gross Income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds that are the property of a third party. The value of bartered goods or trade-in merchandise shall be included in Gross Income. The gross receipts or gross revenues for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Department of Insurance, or other governmental agencies. In calculating Gross Income for certain Businesses, the following rules shall apply:

- (a) Gross Income for agents shall be calculated on gross commissions received or retained, unless otherwise specified. If commissions are divided with other brokers or agents, then only the amount retained by the broker or agent is considered Gross Income.
- (b) Except as specifically required by S.C. Code § 38-7-20, Gross Income for insurance companies shall be calculated on gross premiums written.
- (c) Gross Income for manufacturers of goods or materials with a location in the Town shall be calculated on the lesser of (i) gross revenues or receipts received or accrued from business done at the location, (ii) the amount of income allocated and apportioned to that location by the Business for purposes of the Business's state income tax return, or (iii) the amount of expenses attributable to the location as a cost center of the Business. Licensees reporting Gross Income under this provision shall have the burden to establish the amount and method of calculation by satisfactory records and proof. Manufacturers include those taxpayers reporting a manufacturing principal Business activity code on their federal income tax returns.

"License Official" means any person designated to administer this article. Notwithstanding the designation of a primary License Official, the Town may designate one or more alternate License Officials to administer particular types of business licenses, including without limitation for business licenses issued to Businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code.

"Licensee" means the Business, the Person applying for the license on behalf of the Business, an agent or legal representative of the Business, a Person who receives any part of the net profit of the Business, or a Person who owns or exercises control of the Business.

"NAICS" means the North American Industry Classification System for the United States published under the auspices of the Federal Office of Management and Budget.

"Person" means any individual, firm, partnership, limited liability partnership, limited liability company, cooperative nonprofit membership, corporation, joint venture, association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a Business in the absence of the principals.

"Town" means the Town of Surfside Beach, South Carolina.

Sec. 4-3. - Purpose and duration.

The business license required by this article is for the purpose of providing such regulation as may be required by the Businesses subject thereto and for the purpose of raising revenue for the general fund through a privilege tax. Except as set forth below for business licenses issued to contractors with respect to specific construction projects, each yearly license shall be issued for twelve-month period of May 1st to April 30th. A business license issued for a construction contract may, at the request of the Licensee, be stated to expire at the completion of the construction project; provided, any such business license may require that the Licensee file, by each April 30th 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. The provisions of this article and the rates herein shall remain in effect from year to year unless otherwise amended by the Council.

Sec. 4-4. – Business License Tax, Refund.

- (a) The required business license tax shall be paid for each Business subject hereto according to the applicable rate Classification on or before the due date of the 30th day of April in each year, except

for those Businesses in Rate Class 8 for which a different due date is specified. Later payment shall be subject to penalties as set forth in Section 4-12 hereof, except that admitted insurance companies may pay before June 1st without penalty

- (b) A separate business license shall be required for each place of business and for each Classification of business conducted at one place. If Gross Income cannot be separated for Classifications at one (1) location, the business license tax shall be computed on the combined Gross Income for the Classification requiring the highest rate. The business license tax must be computed based on the Licensee's Gross Income for the calendar year proceeding the due date, for the Licensee's twelve-month fiscal year preceding the due date, or on a twelve-month projected income based on the monthly average for a Business in operation for less than one (1) year. The business license tax for a new Business must be computed on the estimated probable Gross Income for the balance of the license year. A business license related to construction contract projects may be issued on a per-project basis, at the option of the taxpayer. No refund shall be made for a Business that is discontinued.
- (c) A Licensee that submits a payment greater than the amount owed may request a refund. To be considered, a refund request must be submitted in writing to the Town before the June 1st immediately following the April 30th on which the payment was due and must be supported by adequate documentation supporting the refund request. The Town shall approve or deny the refund request, and if approved shall issue the refund to the Business, within thirty (30) days after receipt of the request.

Sec. 4-5. - Registration required.

- (a) The owner, agent, or legal representative of every Business subject to this article, whether listed in the Classification index or not, shall register the Business and make application for a business license on or before the due date of each year; provided, a new Business shall be required to have a business license prior to operation within the Town, and an annexed Business shall be required to have a business license within thirty (30) days of the annexation. A license for a bar (NAICS 722410) must be issued in the name of the individual who has been issued the corresponding state alcohol, beer, or wine permit or license and will have actual control and management of the Business.
- (b) Application shall be on the then-current standard business license application as established and provided by the Director of the South Carolina Revenue and Fiscal Affairs Office and shall be accompanied by all information about the applicant, the Licensee and the Business deemed appropriate to carry out the purpose of this article by the License Official. Applicants may be required to submit copies of portions of state and federal income tax returns reflecting Gross Income figures.
- (c) The applicant shall certify under oath that the information given in the application is true, that the Gross Income is accurately reported (or estimated for a new business) without any unauthorized deductions, and that all assessments and personal property taxes on Business property due and payable to the Town have been paid.
- (d) The Town shall allow application, reporting, calculation, and payment of business license taxes through the business license tax portal hosted and managed by the South Carolina Revenue and Fiscal Affairs Office, subject to the availability and capability thereof. Any limitations in portal availability or capability do not relieve the applicant or Licensee from existing business license or business license tax obligations.

Sec. 4-6. - Deductions, exemptions, and Charitable Organizations.

- (a) No deductions from Gross Income shall be made except income earned outside of the Town on which a license tax is paid by the Business to some other municipality, or a county and fully reported to the Town, taxes collected for a governmental entity, or income which cannot be included for

computation of the tax pursuant to state or federal law. Properly apportioned income from business in interstate commerce shall be included in the calculation of Gross Income and is not exempted. The applicant shall have the burden to establish the right to exempt income by satisfactory records and proof.

- (b) No Person shall be exempt from the requirements of this article by reason of the lack of an established place of Business within the Town, unless exempted by state or federal law. The License Official shall determine the appropriate Classification for each Business in accordance with the latest issue of the NAICS. No Person shall be exempt from this article by reason of the payment of any other tax, unless exempted by state law, and no Person shall be relieved of the liability for the payment of any other tax or fee by reason of the application of this article.
- (c) Wholesalers are exempt from business license taxes unless they maintain warehouses or distribution establishments within the Town. A wholesale transaction involves a sale to an individual who will resell the goods and includes delivery of the goods to the reseller. It does not include a sale of goods to a user or consumer.
- (d) A charitable Organization shall be exempt from the business license tax on its Gross Income unless it is deemed a Business subject to a business license tax on all or part of its Gross Income as provided in this section. A Charitable Organization, or any affiliate of a Charitable Organization, that reports income from for-profit activities or unrelated business income for federal income tax purposes to the Internal Revenue Service shall be deemed a Business subject to a business license tax on the part of its Gross Income from such for-profit activities or unrelated business income.
- (e) A Charitable Organization shall be deemed a Business subject to a business license tax on its total Gross Income if (1) any net proceeds of operation, after necessary expenses of operation, inure to the benefit of any individual or any entity that is not itself a Charitable Organization as defined in this article, or (2) any net proceeds of operation, after necessary expenses of operation, are used for a purpose other than a Charitable Purpose as defined in this article. Excess benefits or compensation in any form beyond fair market value to a sponsor, organizer, officer, director, trustee, or Person with ultimate control of the organization shall not be deemed a necessary expense of operation.

Sec. 4-7. - False application unlawful.

It shall be unlawful for any Person subject to the provisions of this article to make a false application for a business license, or to give or file, or direct the giving or filing of any false information with respect to the license or tax required by this article.

Sec. 4-8. - Display and transfer.

- (a) All Persons shall display the license issued to them on the original form provided by the License Official in a conspicuous place in the Business establishment at the address shown on the license. A transient, or nonresident Business shall carry the license upon their person or in a vehicle used in the Business readily available for inspection by any authorized agent of the Town.
- (b) A change of address must be reported to the License Official within ten (10) days after removal of the Business to a new location and the license will be valid at the new address upon written notification by the License Official and compliance with zoning and building codes. Failure to obtain the approval of the License Official for a change of address shall invalidate the license and subject the Licensee to prosecution for doing Business without a license. A business license shall not be transferable, and a transfer of controlling interest shall be considered a termination of the old Business and the establishment of a new Business requiring a new business license, based on old Business Gross Income.

Sec. 4-9. - Administration of ordinance.

The License Official shall administer the provisions of this article, collect business license taxes, issue licenses, make or initiate investigations and audits to ensure compliance, initiate denial or suspension and revocation procedures, report violations to the municipal attorney, assist in prosecution of violator, produce forms, undertake reasonable procedures relating to the administration of this article, and perform such other duties as may be duly assigned.

Sec. 4-10. - Inspection and audits.

- (a) For the purpose of enforcing the provisions of this article the License Official or other authorized agent of the Town is empowered to enter upon the premises of any Person subject to this article to make inspections and to examine and audit books and records. It shall be unlawful for any such Person to fail or refuse to make available the necessary books and records. In the event an audit or inspection reveals that the Licensee has filed false information, the costs of the audit shall be added to the correct business license tax and late penalties in addition to other penalties provided herein. Each day of failure to pay the proper amount of business license tax shall constitute a separate offense.
- (b) The License Official shall have the authority to make inspections and conduct audits of Businesses to ensure compliance with the article. Financial information obtained by inspections and audits shall not be deemed public records, and the License Official shall not release the amount of business license taxes paid or the reported Gross Income of any Person by name without written permission of the Licensee, except as authorized by this article, state or federal law, or proper judicial order. Statistics compiled by Classifications are public records.

Sec. 4-11. - Assessments, payment under protest, appeal.

- (a) Assessments, payment under protest, and appeals of assessment shall be allowed and conducted by the Town pursuant to the provisions of S.C. Code §6-1-4-40, as amended. In preparing an assessment, the License Official may examine such records of the Business or any other available records as may be appropriate and conduct such investigations and statistical surveys as the License Official may deem appropriate to assess a business license tax and penalties as provided herein.
- (b) The License Official shall establish a uniform local procedure consistent with S.C. Code § 6-1-410 for hearing an application for adjustment of assessment and issuing a notice of final assessment; provided that for particular types of business licenses, including without limitation for business licenses issued to Businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the Town, by separate ordinance, may establish a different procedure and may delegate one or more rights, duties, and functions hereunder to the Municipal Association of South Carolina.

Sec. 4-12. - Delinquent license taxes, partial payment, failure to obtain a license, enforcement.

- (a) For nonpayment of all or any part of the correct business license tax, the License Official shall impose and collect a late penalty of five percent (5%) of the unpaid tax for each month or portion thereof after the due date until paid. Penalties shall not be waived. If any business license tax shall remain unpaid for sixty (60) days after its due date, the License Official shall report it to the municipal attorney for appropriate legal action.
- (b) Partial payment may be accepted by the License Official to toll imposition of penalties on the portion paid; provided, however, no business license shall be issued or renewed until the full amount of the tax due, with penalties, has been paid.

- (c) Unpaid license taxes, penalties, and costs chargeable to a delinquent license payer shall constitute a lien against the property of the delinquent license payer, shall be recorded as such in the public records of Horry County, and may enforced through foreclosure.
- (d) The License Official shall levy and collect an additional five percent (5%) penalty or twenty-five dollars (\$25.00), whichever is greater for Businesses that begin operating within the Town without being properly licensed by the Town.
- (e) The municipal attorney may use the South Carolina Setoff Debt Collection Act, S.C. Code, §12-56—10 et seq. (as amended) as a method to collect unpaid license taxes, penalties, and costs chargeable to a delinquent license payer, and the Town shall in such case be a claimant agency as that statute defines the same.

Sec. 4-13. - Notices.

The License Official may, but shall not be required to, mail written notices that business license taxes are due. If notices are not mailed, there shall be published a notice of the due date in a newspaper of general circulation within the Town three (3) times prior to the due date in each year. Failure to receive notice shall not constitute a defense to prosecution for failure to pay the tax due or grounds for waiver of penalties.

Sec. 4-14. - Denial of license.

The License Official shall deny a license to an applicant when the License Official determines:

- (a) The application is incomplete or contains a misrepresentation, false or misleading statement, or evasion or suppression of a material fact; or
- (b) The activity for which the license is sought is unlawful or constitutes a public nuisance *per se* or *per accidens*; or
- (c) The applicant, Licensee, prior Licensee, or the Person in control of the Business has been convicted within the previous ten (10) years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a Business or a subject of a Business, or an unlawful sale of merchandise or prohibited goods; or
- (d) The applicant, Licensee, prior Licensee, or the Person in control of the Business has engaged in an unlawful activity or nuisance related to the Business or to a similar Business in the Town or in another jurisdiction; or
- (e) The applicant, Licensee, prior Licensee, or the Person in control of the Business is delinquent in the payment to the Town of any tax or fee; or
- (f) A Licensee has actual knowledge or notice, or based on the circumstances reasonably should have knowledge or notice, that any Person or employee of the Licensee has committed a crime of moral turpitude on the Business premises, or has permitted any Person or employee of the Licensee to engage in the unlawful sale of merchandise or prohibited goods on the Business premises and has not taken remedial measures necessary to correct such activity; or
- (g) The license for the Business or for a similar Business of the Licensee in the Town or another jurisdiction has been denied, suspended, or revoked in the previous license year.

A decision of the License Official shall be subject to appeal as herein provided. Denial shall be written with reasons stated.

Sec. 4-15. - Suspension or revocation of license.

When the License Official determines that:

- (a) A License has been mistakenly or improperly issued or issued contrary to law; or
- (b) A Licensee has breached any condition upon which the license was issued or has failed to comply with the provisions of this article; or
- (c) A Licensee has obtained a license through a fraud, misrepresentation, a false or misleading statement, or evasion or suppression of a material fact in the license application; or
- (d) A Licensee has been convicted within the previous ten (10) years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a Business or a subject of a Business, or an unlawful sale of merchandise or prohibited goods; or
- (e) A Licensee has engaged in an unlawful activity or nuisance related to the Business; or
- (f) A Licensee delinquent in the payment to the Town of any tax or fee; then

The License Official shall give written notice to the Licensee or the Person in control of the Business within the Town by personal service or mail that the license is suspended pending a single hearing before Council or its designee for the purpose of determining whether the suspension should be upheld, and the license should be revoked.

The written notice of suspension and proposed revocation shall state the time and place at which the hearing is to be held and shall contain a brief statement of the reasons for the suspension and proposed revocation and a copy of the applicable provisions of this article.

Sec. 4-16. - Appeals to Council.

- (a) Except with respect to appeals of assessments under Section 4-11 hereof, which are governed by S.C. Code § 6-1-410, any Person aggrieved by a determination, denial, or suspension and proposed revocation of a business license by the License Official may appeal the decision to the Council or its designee by written request stating the reasons for appeal, filed with the License Official within ten (10) days after service by mail; or personal service of the notice of determination, denial or suspension and proposed revocation.
- (b) A hearing on an appeal from a license denial or other determination of the License Official and a hearing on a suspension and proposed revocation shall be held by the Council or its designee within ten (10) business days after receipt of a request for appeal or service of notice of suspension and proposed revocation. The hearing shall be held upon written notice at a regular or special meeting of the Council, or if by designee of the Council, at a hearing to be scheduled by the designee. The hearing may be continued to another date by agreement of all parties. At the hearing, all parties shall have the right to be represented by counsel, to present testimony and evidence and to cross-examine witnesses. The proceedings shall be recorded and transcribed at the expense of the party so requesting. The rules of evidence and procedure prescribed by the Council or its designee shall govern the hearing. Following the hearing, the Council by majority vote of members present, or designee of Council if the hearing is held by the designee, shall render a written decision based on findings of fact and conclusions on application of the standards herein. The written decision shall be served, by personal service or by mail, upon all parties or their representatives and shall constitute the final decision of the Town.

- (c) Timely appeal of a decision of Council or its designee does not effectuate a stay of that decision. The decision of the Council or its designee shall be binding and enforceable unless overturned by an applicable appellate court after a due and timely appeal.
- (d) For business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58 and Chapters 7 and 45, Title 38 of the South Carolina Code, the Town may establish a different procedure by ordinance.

Sec. 4-17. – Consent, franchise or license required for use of streets.

- (a) It shall be unlawful for any Person to construct, install, maintain, or operate in, on, above, or under any street or public place under control of the Town any line, pipe, cable, pole, structure, or facility for utilities, communications, cablevision, or other purposes without a consent agreement or franchise agreement issued by the Council by ordinance that prescribes the term, fees, and conditions for use.
- (b) The annual fee for use of streets or public places authorized by a consent agreement or franchise agreement shall be set by the ordinance approving the agreement and shall be consistent with limits set by state law. Existing franchise agreements shall continue in effect until expiration dates in the agreements. Franchise and consent fees shall not be in lieu of or be credited against business license taxes unless specifically provided by the franchise or consent agreement.

Sec. 4-18. - Confidentiality.

Except in accordance with proper judicial order or as otherwise provided by law, no official or employee of the Town may divulge or make known in any manner the amount of income, or any financial particulars set forth or disclosed in any report or return required under this article. Nothing in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns. Any license data may be shared with other public officials or employees in the proper performance of their duties, whether or not those duties relate to enforcement of this article.

Sec. 4-19. - Violations.

Any Person violating any provision of this article shall be deemed guilty of an offense and shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days, or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided in this article.

Sec. 4-20.1. - Severability.

A determination that any portion of this article is invalid or unenforceable shall not affect the remaining portions. To the extent of any conflict between the provisions of this article and the provisions of the South Carolina Business License Tax Standardization Act, as codified at S.C. Code §§ 6-1-400 et seq., the standardization act shall control.

Sec. 4-20.2. - Classification and rates.

- (a) The business license tax for each Classification of Business subject to this article shall be computed in accordance with the current business license rate schedule, designated as Appendix A to this article, which may be amended from time to time by the Council.
- (b) The current business license class schedule is attached hereto as Appendix B. Hereafter, no later than December 31st of each odd year, the Town shall adopt, by ordinance, the latest standardized business license class schedule as recommended by the Municipal Association of South Carolina and adopted by the Director of the South Carolina Revenue and Fiscal Affairs Office. Upon adoption

by the Town, the revised business license class schedule shall then be appended to this article as a replacement Appendix B.

- (c) The Classifications included in each rate class are listed with NAICS codes, by sector, sub-sector, group, or industry. The business license class schedule (Appendix B) is a tool for classification and not a limitation on Businesses subject to a business license tax. The Classification in the most recent version of the business license class schedule adopted by the Council that most specifically identifies the subject Business shall be applied to the Business. The License Official shall have the authority to make the determination of the Classification most specifically applicable to a subject Business
- (d) A copy of the class schedule and rate schedule shall be filed in the office of the Town Clerk.

APPENDIX A. - RATE SCHEDULE

RATE CLASS	INCOME: \$0 — \$2,000	INCOME OVER \$2,000
	MINIMUM TAX	Rate per Thousand or fraction thereof
1	\$ 60.00	\$ 1.07
2	\$ 65.00	\$ 1.27
3	\$ 70.00	\$ 1.47
4	\$ 75.00	\$ 1.67
5	\$ 80.00	\$ 1.87
6	\$ 85.00	\$ 2.07
7	\$ 90.00	\$ 2.27
8.1	\$ 50.00	\$ 1.30
8.51	\$ 70.00 + \$12.50 + \$12.50 per machine	\$ 1.30
8.52	\$180.00 + \$12.50	
8.6	\$ 150.00 +\$5.00 per table	\$2.00
9.1	\$200.00	\$1.30
9.2	\$200.00	\$1.30
9.3	\$40.00	\$0.70
9.41	\$250.00	\$1.20
9.42	\$250.00	\$1.25
9.5	\$310.00	\$1.45
9.6	\$3910.00	\$1.45

9.7	\$310.00	\$1.45
9.91	\$90.00	\$2.27
9.92	\$60.00	\$1.00

NON-RESIDENT RATES

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

DECLINING LICENSE RATES

Declining rates apply in all classes for Gross Income in excess of one million dollars (\$1,000,000.00), unless otherwise specifically provided for in this article.

Gross Income In \$ Millions	Percent of Class Rate for Each Additional \$1.0 Million
0—1 Million	100%
1—2 Million	90%
2—3 Million	80%
3—4 Million	70%
Over 4 Million	60%

CLASS 8 RATES

Each NAICS Number designates a separate sub-Classification. 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, etc., which are deemed to be sufficient to require individually determined rates. In accordance with state law, the Town also may provide for reasonable sub-classifications 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 municipal 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 permanent place of Business within the Town

Minimum on first \$2,000 \$50.00 PLUS

Each additional \$1,000 \$1.30

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

No contractor shall be issued a business license until all state and municipal 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 ordinances.

Each prime contractor shall file with the building department 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 30th 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 NAICS 517311, 517312 - Telephone Companies:

With respect to retail telecommunications services, as defined in S.C. Code Section 58-9-2200, the Town participates in a collections program administered by the Municipal Association of South Carolina. The Town has approved participation in the collections program by separate ordinance

(Telecommunications Collections Ordinance: #04-0537). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to retail telecommunications services are set forth in the Telecommunications Collections Ordinance #04-0537.

8.4 NAICS 5241 and 5242 - Insurance Companies and Brokers Independent agents and their employees are subject to a business license tax based on their natural class. With respect to insurers subject to license fees and taxes under Chapter 7 of Title 38 and to brokers under Chapter 45 of Title 38, the Town participates in a collections program administered by the Municipal Association of South Carolina. The Town has approved participation in the collections program by separate ordinance (Insurers and Brokers Collections Ordinance #12-0735). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to insurers and brokers are set forth in the Insurers and Brokers Collections Ordinance #12-0735.

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)(I) 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 Plus
Business License	\$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.

8.52 NAICS 713290 - Amusement Machines, coin operated, non-payout. Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(3) [Type III]

For operation of all machines (not on Gross Income), pursuant to S.C. Code §12-21-2720(B):

Per Machine	\$180.00 Plus
Business License	\$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 8.52,

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 \$150.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$2.00

Class 9 Rates

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

Minimum on first \$2,000	\$200.00 PLUS
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Per \$1,000, or fraction, over \$2,000 \$1.30

9.2 NAICS 522298- Pawn Brokers [All Types].

Minimum on first \$2,000 \$200.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.30

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

Minimum on first \$2,000 \$40.0 PLUS

Per \$1,000, or fraction, over \$2,000 \$.70

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

9.4 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 \$250.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.20

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 \$250.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.25

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 \$310.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.45

9.6 NAICS 711190 - Carnivals and Circuses.

Minimum on first \$2,000 \$310.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.45

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

Minimum on first \$2,000 \$310.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.45

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.

9.91 NAICS 721199 – Short Term Rentals

Minimum on first \$2,000 \$90.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$2.27

9.92 NAICS 532284 - Beach Rentals

Minimum on first \$2000 \$60.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$1.00

APPENDIX B. - 2021 BUSINESS LICENSE CLASS SCHEDULED 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	9.2(
5241	Insurance Carriers	8.4(
5242	Insurance Brokers for non-admitted Insurance Carriers	8.40
53	Real estate and rental and leasing	7.00
532284	Beach rentals	9.92

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	3.00
713990	All Other Amusement and Recreational Industries (pool tables)	8.60
721	Accommodation	3.00
721199	Short term rentals	9.91
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.

This appendix will be updated every odd year based on the latest available IRS statistics. The 1021 Business License Class Schedule may be accessed at:
<http://www.masc.sc/StieCollectionDocuments/Finance/BL-AppxB.pdf>

ARTICLE II. - PEDDLING AND SOLICITING

Sec. 4-21. - Peddler's permit and business license required.

- (a) It shall be unlawful for any peddler, drummer, or solicitor to call at any private or public residence or dwelling for the purpose of selling or offering for sale, goods, wares, or services, unless such person has first obtained a permit to solicit for which he or she shall pay a peddler's license fee of twenty-five dollars (\$25.00). For profit Business shall have a current Town business license, unless otherwise exempt as set forth herein below. Every person shall have a Town issued permit and personal identification in their possession when soliciting, which shall be presented to patrons, donors, or Town officials upon request.
- (b) Any nonresident or transient peddler, drummer, or solicitor business applicant to the Town shall first produce a license issued by the State of South Carolina or by the clerk of court of Horry County pursuant to S.C. Code 1976, § 40-41-10.
- (c) Applicants shall submit the following information, as applicable, to the License Official at least ten (10) days prior to solicitation dates:
 - (1) The dates during which solicitation will occur;
 - (2) A copy of each solicitor's driver's license or other commonly accepted photo identification;
 - (3) A copy of the organization's federal identification number;
 - (4) A copy of the organization's federal and/or state exemption status documentation;
 - (5) A copy of the current Town business license; and
 - (6) A copy of the South Carolina or Horry County business license.
- (d) Solicitation by any peddler, drummer, solicitor, or business, regardless of whether the solicitation is charitable or for-profit, may not occur more than twice per calendar year for more than three (3) days each.

Sec. 4-22. - Reserved.

Sec. 4-23. - Special event sales.

It shall be unlawful for any person to sell, hawk, peddle, drum, solicit, etc., goods, wares or provisions of any kind without a valid business license, unless otherwise exempt under this Chapter 4 or as governed by Art. II of Chapter 12. Such license shall only be issued for the sale of such goods, wares, or provisions as are by custom sold at such events, and such license shall only be valid at the location of and during the time period in which such event is conducted.

Sec. 4-24. - Roadside vendors.

It shall be unlawful for any person to sell or offer for sale any goods or wares as a roadside vendor. This provision shall not apply to persons selling or offering to sell fresh provisions provided such person provides adequate off-street parking for motor vehicles, does not establish the location of such provisions nearer than one hundred fifty (150) feet from the boundaries of a street right-of-way, and obtains the proper business license.

Sec. 4-25. - Solicitation for charitable purposes.

- (a) *Permissions to solicit required.* It shall be unlawful for any person to solicit or attempt to solicit for Charitable Purposes unless written permission is obtained in advance from the License Official. It shall be the duty of the License Official to investigate each applicant to ensure that the solicitation is for a legitimate Charitable Organization with a Charitable Purpose recognized by the state or the Internal Revenue Service.
- (b) *Issuance of permit.* If the License Official finds that the solicitation is for a valid Charitable Purpose, under the control and supervision of responsible and reliable persons, then such License Official shall authorize issuance of a permit.
- (c) *Exemption for proselytizing.* Religious organizations soliciting for the sole purpose of proselytizing within the Town's corporate limit shall be exempt hereunder; provided, however, that said religious organization's representatives shall immediately leave the premises of any resident upon being requested to do so.

Sec. 4-26. - False statements.

Upon discovery that the solicitation campaign has resulted in the occurrence of a misrepresentation of facts or the making of untrue statements, the Town Administrator or License Official shall immediately suspend such permits and/or licenses and present to the holder of the permit and/or license a notice of suspension.

Sec. 4-27. - Prohibited in certain places.

No selling, peddling, hawking, drumming, or commercial solicitation is allowed on the beach, Town streets, Town sidewalks, walkways to beach or other public property.

Sec. 4-28. - Persons in vehicles.

Literature cannot be distributed to anyone in a vehicle parked, stopped, or moving. Other methods of solicitation cannot be attempted or contact made with anyone in a vehicle parked, stopped, or moving.

Sec. 4-29. - Violations.

Any person violating any provision of this article shall be deemed guilty of an offense and may be subject to a fine of up to five hundred dollars (\$500.00) or imprisonment for not more than thirty (30) days, or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided herein.

Sec. 4-30. Solicitation of funds for Town sponsored, charity, and nonprofit events.

- (a) Authority. Solicitation of funds for Town sponsored events shall be authorized by the Council or the Town Administrator as set forth herein.
 - (1) Town Events. The Council shall have authority to authorized solicitation of funds for Town sponsored events. The Town Administrator shall present to Council during a regular meeting all requests for solicitations that will be made in the Town's name or for the benefit of the Town. In such cases all monies shall follow the Town's prescribed order for donations, gifts, and the general handling of Town funds. Donations are tax deductible only when the entity soliciting those funds is a 501 (C) (3). It shall be communicated to all donors, prior to the acceptance of a donation, whether or not the donations are tax deductible.

Committee members and/or others desiring to solicit funds on behalf of the Town shall submit their requests to the Town Administrator in writing. The request shall include a description of the event or purpose, anticipated expenses, anticipated revenue, and expected benefit for the Town and its residents. The Town Administrator has the right to require additional information before the request is presented to the Town Council.

- (2) Charity or nonprofit events. The Town Administrator shall have the authority to permit solicitation of funds by an established non-profit 501 (C)(3) organization or other Charitable Organization when it makes a request and said solicitation will not interfere with the smooth operation of the Town. (e.g., Girl Scout cookie booth, high school car wash, etc.).
- (b) Permit to solicit. A permit to solicit shall be issued to individuals authorized to solicit funds on behalf of the Town. Said permit shall be presented to any person or business from whom funds are requested. Individuals soliciting funds without proper authority are subject to fines and penalties. Individuals approved to solicit funds shall submit identification and/or other requested information to the Town Administrator.
- (c) Handling of solicited funds.
 - (1) A numbered receipt book will be provided by the Town;
 - (2) All donations shall be receipted with a copy to both the donor and the Town;
 - (3) A check shall be the preferable method of payment and shall be made payable to the "Town of Surfside Beach";
 - (4) All collected funds shall be turned into the Finance Department by the next business day;
 - (5) The Finance Department shall identify the particular project and keep an accounting of all solicited funds for each project and/or event;
 - (6) Expenditures, preapproved by Council, must be accompanied by original receipt(s) and/or original invoice(s) and shall be presented to the Town Administrator for payment within the appropriate timeframe.
- (d) Penalties for failure to comply. It shall be unlawful for any person to violate any provisions within this Chapter 4, Article II. Any violator shall appear in the Municipal Court of the Town and be subject to a maximum misdemeanor fine of five hundred dollars (\$500.00), plus any local, state, or federal assessments or imprisonment for not more than thirty (30) days for each offense. Nothing in this section shall prevent the Town from taking such other lawful action as necessary to prevent or remedy a violation.

Secs. 4-31— 4-40. - Reserved.

ARTICLE III. - CONTRACTING TRADES AND SERVICES

Sec. 4-41. - Contractors defined; valid business license required.

- (a) Every person, firm or corporation receiving any type of compensation undertaking the listed types of contracting services, or any similar type of service not otherwise classified, in which social security and income taxes are not being withheld weekly and a W-2 is not issued as an employee of an owner, prime contractor or subcontractor shall be considered an individual contractor for the purpose of this article.

In cases where doubt may exist as to whether a person is an individual contractor as defined above or an employee, the burden of proof shall be on the person to produce copies of current payroll records to indicate full-time employment with the Business to be considered an employee.

- (b) Persons, firms or corporations defined as an individual contractor furnishing labor, supervision or providing any type of contracting services for any form of compensation from the prime contractor shall be listed as a subcontractor. Otherwise, such persons, firms or corporations shall be subject to all licensing, registration, certification or permit requirements and liable for payment of the business license taxes herein set forth on the same basis as the prime contractor.
- (c) Charitable organizations not receiving any form of compensation for their contracting services may be exempt from payment of business license taxes but must still meet all requirements for permits, licensing, certification or registration as indicated in section 4-42 below.
- (d) It shall be a violation of this article for any contractor or subcontractor to engage in or offer to engage in any construction activity without having first obtained a valid business license and if awarded a contract obtain the necessary permits from the Town.

Sec. 4-42. - Construction trades subject to state licensing, certification, or registration; cost limits for contracts.

- (a) The following types of construction trades listed in subsection (b) for commercial or residential work requires a state license, certification or registration from:

South Carolina Contractors Licensing Board

South Carolina Residential Builders Commission

South Carolina State Fire Marshall

Municipal Association of South Carolina

South Carolina Department of Health and Environmental Control

South Carolina Residential Builders Registration

- (b) All trades, subject to Code of Laws of South Carolina, 1976, must have a current state license, registration or certification, before commencing work in the Town. Trades are listed in the S.C. Code 1976, §§ 40-59-5 et. seq. and 40-11-5 et. seq.
- (c) All limitations imposed by the state based on the type of license, certification or registration issued shall be observed.
- (d) Contractors and subcontractors only registered by the South Carolina Residential Builders Commission shall be limited to a maximum of five thousand dollars (\$5,000.00) per commercial or residential project based on the total cost unless working under a permit obtained by a licensed general contractor or residential builder. The cost of the undertaking for the purposes of this article shall include the total cost of materials, equipment and labor. The splitting up of a contract by the various trades, using separate contracts or property owners furnishing materials in order for a contractor or subcontractor to exceed the five thousand dollars (\$5,000.00) limit shall not be allowed. When the cost of an undertaking performed by a residential specialty contractor exceeds five thousand dollars (\$5,000.00), the residential specialty contractor must obtain an executed bond with a surety in an amount approved by the residential builder's commission.

Separate contracts used by registered contractors that exceed the limit imposed per project shall have a minimum waiting period of thirty (30) days from completion of the previous contract before another permit will be issued. Contractors or subcontractors only registered shall not be issued a license to perform general contracting, residential homebuilding, plumbing, electrical, fire protection, exterminating, HVAC mechanical or other trades that require examination until certified by an approved license exam.

Possession, use or attempted use of another person's state license, registration, or certification shall be a violation of this article.

Sec. 4-43. - Certain contractors not subject to state licensing, certification, etc.

Any contractors exempted from any state licensing requirement, regardless of trade, must have a Town business license to perform work within the Town's corporate limits.

Sec. 4-44. - Reserved.

Sec. 4-45. - Right of Town to rule on necessity for licensing for and to clarify construction trades.

The Classifications listed in sections 4-42 through 4-44 of this article are not all inclusive. The Town reserves the right to rule on the necessity for licensing and Classification of construction trades not listed above or reclassify trade and license requirements necessary to meet any federal, or state laws that may be imposed and to protect the health and safety of the residents of the Town.

Sec. 4-46. - Construction or repairs by property owners.

In the interest of public health, safety, welfare, the protection of building occupants, future subsequent property owners and their visitors, the Town regulates the construction activities a property owner may perform on their own property by requiring permits and inspections for such activities.

(1) New construction, additions, structural alterations or improvements:

- a. A property owner may act as a general contractor and contract work or construction trades if all of the following conditions are met:
 1. The property owner and its contractors shall comply with all applicable laws, regulations, building codes, and zoning ordinances.
 2. The property owner shall perform supervision of the job site. Supervision of the work shall not be delegated to anyone other than a properly licensed residential builder or general contractor.
 3. The property owner shall not receive a wage, fee or commission for their participation in the project.
 4. A complete list of all contractors or persons to be involved on the project shall be submitted to the building and codes department prior to any permits being issued.
 5. Contractors or persons providing labor or services to a property owner shall be licensed, insured and limited to state license limitations based on a valuation of materials and labor to be used in the course of their work.
 6. Each contractor shall be responsible for obtaining a separate permit for their portion of labor, materials and profit. The difference in construction valuation between individual

contracts and the total job valuation for permit fee calculation shall be the responsibility of the property owner for payment.

- b. In accordance with state laws, any property owner or contractor shall be qualified by having a South Carolina Residential Builder's or General Contractor's License to obtain a permit to perform any structural carpentry, (not applicable to detached structures less than four hundred (400) square feet). Any property owner or contractor shall be qualified by having the appropriate South Carolina Mechanical Contractor's License or hold a valid master trade certification from an approved agency to perform any mechanical trades (electrical, gas, fire protection, plumbing, or heating and air conditioning work).

(2) Commercial property:

- a. Permits shall not be issued to any property owner for any construction trades or work to be performed other than defined ordinary minor repairs on any property where the general public will have access, that is used for commercial purposes or residential property that is to be offered for lease or rent unless properly licensed for such undertaking.

(3) Residential repairs and nonstructural alterations (owner-occupied primary home only):

- a. A property owner may perform general repairs and nonstructural alterations on their own residential property (not including property intended for rent or lease); Provided, however, it is the responsibility of the property owner to ensure compliance with Town's ordinances, including Chapter 14 – Flood Damage Prevention, Chapter 15 – Land Development Regulations, and Chapter 17 – Zoning. In accordance with state law, the property must not be offered for sale for at least two (2) years, or for lease or rent after the performance of the work.

Sec. 4-47. - Additional requirements and responsibilities applicable to contractors, subcontractors and property owners.

- (a) Permit applications must be obtained, completely filled out, submitted, approved and fees paid before any work may begin on any project. Some projects will require plan reviews.
- (b) Any contractor, subcontractor, or individual working for or receiving compensation directly from a property owner shall meet the state's bonding requirements. Failure to maintain bond required will be a violation of this article and will be sufficient grounds for denial of additional permits and certificates of occupancy.
- (c) Whenever a permit is required from the building and codes department, the property owner or prime contractor shall list every contractor, subcontractor or individual not classified as an employee providing services on the project for each permit issued. Subcontractors or persons not listed and found working on the job site will be in violation of this article. Certificates of occupancy will be withheld on all projects until the subcontractor list is verified.
- (d) It shall be necessary on each job for the prime contractor to be identified and posted in plain view at the project. Any building permit issued shall be posted in a conspicuous place visible from the street and protected from the elements.
- (e) Property owners and/or prime contractors shall bear full responsibility and will be in violation of this article for knowingly hiring any subcontractors that have not first proved meeting the requirements of this article. Stop work orders will also be issued on any project where unlicensed or unregistered contractors or subcontractors are found working.

Sec. 4-48. - Reserved.

Sec. 4-49. - Violations.

Any person violating any provision of this article shall be deemed guilty of an offense and may be subject to a fine of up to five hundred dollars (\$500.00) or imprisonment for not more than thirty (30) days, or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided herein.

ARTICLE IV. - INSURANCE COMPANIES AND BROKERS

Sec. 4-50. - Gross Income defined; rates established.

SIC CODE	NAICS CODE		
63	5241	<p><i>Insurance companies.</i> Except as to fire insurance, "Gross Income" means gross premiums collected (1) on policies on property or risks located in the Town, and (2) on policies, wherever the insured property or risk is located, that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by the insurance company's office located in the Town or by the insurance company's employee doing business within the Town or by the office of the insurance company's licensed or appointed producer (agent) located in the Town or by the insurance company's licensed or appointed producer (agent) doing business within the Town. As to fire insurance, "Gross Income" means gross premiums (1) collected in the Town, and/or (2) realized from risks located within the limits of the Town.</p>	
		<p>Gross Income shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.</p>	
		<p>Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute doing business within the Town whether or not an office is maintained therein. A premium collected on property or a risk located within the Town shall be deemed to have been collected within the Town. Declining rates shall not apply.</p>	
631— 32	52411	<i>Life, health and accident</i>	0.75% of Gross Income
633— 35	524126	<i>Fire and casualty</i>	2% of Gross Income
636	524127	<i>Title insurance</i>	2% of Gross Income
6411	524210	<p><i>Brokers for fire and casualty insurers—Non-admitted.</i> As to brokers for non-admitted fire and casualty insurers, "Gross Income" means gross premiums collected by or for fire and casualty insurers not licensed in South Carolina (1) on policies on property or</p>	

		<p><i>risks located in the Town and/or (2) on policies, wherever the insured property or risk is located, that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by a broker located in or doing business within the Town. Brokers shall provide, with their payment of the tax, a copy of the report required by the State Department of Insurance showing the locations of the property or risks insured. 2% of Gross Income</i></p>
		<p>[Premiums for non-admitted business are not included in broker's gross commissions for other business. Declining rates shall not apply.]</p>

Sec. 4-51. - Due date; penalty rate.

Notwithstanding any other provisions of this article, license taxes for insurance companies and brokers for non-admitted fire and casualty insurers shall be payable on or before April 30th in each year without penalty. The penalty for delinquent payments shall be five percent (5%) of the tax due per month, or portion thereof, after the due date until paid.

Sec. 4-52. - Interstate commerce.

Any exemptions herein for Gross Income from insurance business in interstate commerce are hereby repealed. Gross Income from interstate commerce shall be included in the Gross Income for every Business subject to a business license tax.

Sec. 4-53. - Agreement with municipal association.

The agreement with the Municipal Association of South Carolina, pursuant to S.C. Code § 5-7-300, for collection of current and delinquent license taxes from insurance companies and brokers for non-admitted fire and casualty insurers shall continue in effect.

Secs. 4-54—4-70. - Reserved.

ARTICLE V. - Reserved.

ARTICLE VI. - HOSPITALITY FEE

Sec. 4-87. - Authority.

This article is enacted pursuant to the authority of Title 6, Article 7 ("the Local Hospitality Tax Act") and Title 5, S.C. Code 1976, including, without limitation, S.C. Code 1976, §§ 5-7-10 and 5-7-30, which provide, in relevant part, that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality and further that municipalities may establish uniform service charges.

Sec. 4-88. - Declaration of purpose and intent.

This article is enacted to preserve the general health, safety and welfare of the general public within the Town by collecting a uniform fee for the purpose of creating a fund to pay in whole or in part for the

current and future preservation, maintenance, nourishment, renourishment and improvement of the beaches of the Town and those public facilities related to the use of the beach; public transportation improvement, including street construction, storm damage, right-of-way acquisition, median and right-of-way enhancements and landscaping, walkways and bikeways, public pack facilities, public parking, and capital facilities and equipment necessary for the provision of public safety activities.

Sec. 4-89. - Hospitality fee.

A uniform fee equal to one percent (1%) is hereby imposed on all gross proceeds derived from:

- (1) The rental or charges for any rooms, lodging, or sleeping accommodations furnished to transients by any hotel, inn, tourist court, motel, residence, or any place which rooms, lodgings, or sleeping accommodations are furnished to transients for a consideration. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person for a period of ninety (90) continuous days are not considered proceeds from transients. This fee imposed by this section 4-89(1) shall not apply to additional guest charges as that term is defined in S.C. Code 1976, §12-36-920(B)
- (2) The sale of all food and beverages, served by a restaurant, hotel, motel, or other food service facility within the Town. In addition, the fee shall be imposed for all food and beverages prepared or modified by convenience stores or grocery stores including, but not limited to, fishing pier establishments, or other general merchandise establishments where such food or beverage is provided for immediate consumption on or off of the premises.
- (3) Paid admissions to places of amusement within the Town; provided, however, that those places of admission which are specifically exempted from payment of the state license tax on admissions established in S.C. Code 1976, § 12-21-2420 shall also be exempt from this hospitality fee.

Sec. 4-90. - Payment of fee.

- (a) Payment of the fee established herein shall be the liability of the consumer of the services or products described in section 4-89. The fee shall be paid at the time of delivery of the services or products to which the fee applies and shall be collected by the provider or seller of the service or products.
- (b) The fee collected by the seller or provider of the services or products as required under section 4-89 shall be remitted to the Town along with such return or forms as may be established by the Town for such purpose.
- (c) Fees and required reports shall be submitted to the Town on the same basis as sales tax returns are required to be submitted to the state department of revenue. An establishment shall be entitled to a two percent (2%) discount on fees collected for returns that are filed on or before the due date. Any fee not timely remitted shall be subject to a penalty of five percent (5%) per month. The failure to collect from patrons the fee imposed by this article shall not relieve any establishment subject to the article from making the required remittance.
- (d) Any person violating any provision of this article shall be deemed guilty of an offense and shall be subject to punishment under section 1-16 upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent fees, penalties, and costs provided for herein.

Sec. 4-91. - Hospitality fee account.

The revenue account, to be known as the Town's Hospitality Fee Account, shall be established and all revenues received from the hospitality fee shall be deposited into this account. The principal and any accrued interest from this account shall be expended as permitted in section 4-92 below.

Sec. 4-92. - Permitted uses of funds.

The Town Council is hereby authorized to utilize the funds collected from the imposition of the hospitality fee for the following purposes in accordance with the provisions of S.C. Code § 6-1-730:

- (1) nourishment, renourishment, and maintenance of the beaches, dunes, restoration, including sand fencing, the planting of sea grass or other vegetation useful in preserving the dune system within the territorial limits of the Town,
- (2) acquisition and maintenance of public beach access,
- (3) capital improvements to the beaches and beach related facilities which include but are not limited to public beach parks, public parking, public access, dune walkovers, public bathhouses and restrooms,
- (4) transportation improvements including construction and resurfacing of streets, stormwater drainage, sidewalks, bikeways, landscaping and all associated costs including right-of-way acquisition and engineering design,
- (5) the acquisition of land and the construction of passive and active parks and facilities associated with parks, including playground equipment, sports facilities, and community recreation buildings,
- (6) acquisition of property and the construction of facilities required for the provision of public safety services and the acquisition of capital equipment for the provision of public safety services,
- (7) the payment of bonded indebtedness required to provide the above-referenced uses, or
- (8) administrative costs associated with collection, accounting for an applying the hospitality fee.

Sec. 4-93. - Authorization for use.

Authorization to utilize revenues from the Hospitality Fee Account shall be by the annual budget ordinance, duly adopted by the Town.

Sec. 4-94. - Effective date.

This article shall become effective on July 1, 2021.

Secs. 4-95—4-100. - Reserved.

ARTICLE VII. - LOCAL ACCOMMODATIONS

DIVISION 1. - GENERALLY

Secs. 4-101—4-110. - Reserved.

DIVISION 2. - LOCAL ACCOMMODATIONS TAX

Sec. 4-111. - Tax imposed.

A local accommodations tax of one-half percent (0.5%) is created and is imposed on every person that is engaged in the business of furnishing accommodations to transients within the municipal boundaries of the Town.

Sec. 4-112. - Tax further enumerated.

A uniform tax equal to one-half percent (0.5%) is hereby imposed on all gross proceeds derived from the rental or charges for any rooms, lodging, or sleeping accommodations furnished to transients by any hotel, inn, tourist court, tourist camp, motel, residence, or any place which rooms, lodgings, or sleeping accommodations are furnished to transients for a consideration. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person for a period of ninety (90) continuous days are not considered proceeds from transients. This tax imposed by this section shall not apply to additional guest charges as that term is defined in S.C. Code 1976, § 12-36-920(B).

Sec. 4-113. - Payment of tax.

Payment of the local accommodations tax shall be the liability of the transient(s) described in section 4-112. The local accommodations tax shall be paid at the time of delivery of the service to which the tax applies and shall be collected by the provider of the services, and shall be held in trust by the provider until remitted as provided herein.

Sec. 4-114. - Collection of tax; remitting tax to local governing body; frequency determined by estimated average amounts.

- (1) The local accommodations tax imposed by this section is due and payable in monthly installments on or before the twentieth (20th) day of each month when the estimated amount of average tax is more than fifty dollars (\$50.00) a month, on a quarterly basis when the estimated amount of the average tax is twenty-five dollars (\$25.00) to fifty dollars (\$50.00) a month, or on an annual basis when the estimated amount of average tax is less than twenty-five dollars (\$25.00) a month. Every person liable for the tax shall make a true and correct return to the Town in such form as it may prescribe and remit the tax therewith. A return is considered timely filed if the return is mailed and has a postmark dated on or before the date the return is required to be filed.
- (2) An establishment shall be entitled to a two percent (2%) discount on taxes collected for returns that are filed on or before the due date. Any taxes not timely remitted shall be subject to a penalty of five percent (5%) per month. The failure to collect from patrons the taxes imposed by this article shall not relieve any establishment subject to the article from making the required remittance.
- (3) Any person violating any provision of this article shall be deemed guilty of an offense and shall be subject to punishment under section 1-16 upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent fees, penalties, and costs provided for herein.
- (4) In case of a failure to make a true and correct return or a failure to file the return, the Town shall make a return upon such information as it may be able to obtain, assess the tax due thereon, and add a penalty of ten percent (10%), whereupon the Town shall mail notice to the person liable for the tax and, in the case of failure to pay the tax within ten (10) days after the mailing of any such notice, the Town shall add an additional penalty of ten percent (10%).

Sec. 4-115. - Inspections and audit.

For the purpose of enforcing the provisions of this article, the License Official, or another authorized agent for the Town, is empowered to enter upon the premises of any person subject to this article upon twenty-four (24) hours written notice, and to make inspections, examinations, and audits of books and records, and it shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon such written notice. In the event that an audit reveals that the remitter has filed false information, the costs of the audit shall be added to the correct amount of taxes determined to be due, in addition to the penalties provided herein. The License Official, or another authorized agent of the Town, may make systematic inspections of all businesses within the Town to ensure compliance with this article. Records of inspections shall not be deemed public records.

Sec. 4-116. - Penalties.

It is a violation of this article to:

- (1) Fail to collect the local accommodations tax;
- (2) Fail to remit to the Town any local accommodations tax collected;
- (3) Fail to file a local accommodations tax return;
- (4) Knowingly provide false information on a local accommodations tax return;
- (5) Fail to provide books and records to the License Official, or other authorized agent of the Town, for inspection, examination, or audit after twenty-four (24) hours written notice.

Sec. 4-117. - Real estate agents required to report when rental property listing dropped.

Real estate agents, brokers, corporations, or listing services required to remit taxes under this article must notify the Town if rental property, previously listed by them, is dropped from their listings.

Sec. 4-118. - Administrative fee.

The costs of collecting the monies may be reimbursed by the fund monies, up to a maximum of one percent (1%).

Sec. 4-119. - Local accommodations tax account.

The revenue account to be known as Town's Local Accommodations Tax Account, shall be established and all revenues received from the local accommodations tax shall be deposited into this account. The principal and any accrued interest from this account shall be expended only as permitted herein.

Sec. 4-120. - Permitted uses of funds.

The Town Council is hereby authorized to utilize the funds collected from the imposition of the local accommodations tax for the following purposes:

- (1) Use of revenue from local accommodations tax.
 - a. Tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;

- b. Tourism-related cultural, recreational, or historical facilities;
- c. Beach access and renourishment;
- d. Highways, roads, streets, and bridges providing access to tourist destinations;
- e. Advertisements and promotions related to tourism development; or
- f. Water and sewer infrastructure to serve tourism-related demand.

(2) In a county in which at least nine hundred thousand dollars (\$900,000.00) in accommodations taxes is collected annually pursuant to S.C. Code § 12-36-920, the revenues of the local accommodations tax authorized in this article may also be used for the operation and maintenance of those items provided in subsection (1) a.—f., including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

Sec. 4-121. - Authorization for use.

Authorization to utilize revenues from the Local Accommodations Tax account shall be by the annual budget ordinance duly adopted by the Town Council.

Sec. 4-122 - Effective date.

This article shall become effective on July 1, 2021.

Secs. 4-123—4-140. - Reserved.

ARTICLE VIII. - RENTAL FEES—FOR TOWN FACILITIES

Sec. 4-141. - On-going fee schedule.

Rates for the Town facilities, including the Floral Clubhouse, for on-going meetings, events, or programs shall be:

GROUP, ORGANIZATION OR BUSINESS	Rate per day
Non-Profit Groups	\$15.00 per day
Weekly Groups and Organizations	\$50.00 per day
Business Organizations	Town Business License plus 10% of monthly revenue payable by the 5th day of the following month

Sec. 4-142. - One-time rental schedules.

Rates for the Town facilities, including the Floral Clubhouse, for one-time rentals for a meeting, an event, or a program shall be:

ONE-TIME RENTALS	Rate
Large Room	\$75.00
Small Room	\$50.00
Non-profit (eleemosynary) Organizations	\$10.00
Town Resident Groups, 6 or less	Free

Sec. 4-143. - Town discretion to rent.

The Town, in its sole discretion, reserves the right to deny rental for any reason.

Sec. 4-144. - Town reserves the right to pre-empt rental.

The Town reserves the right to pre-empt any regularly scheduled or one-time event for Town business on no less than forty-eight (48) hour notice. In such instances, the rental fee shall be refunded, if already paid.

Sec. 4-145. - Rental fees and late penalty.

(a) *Group, organization or business on-going rentals.* Should any fee not be paid in accordance with the terms of this article, a twenty percent (20%) late fee per month shall be applied. Failure to pay shall be deemed reasonable cause to refuse future rentals.

(b) *One-time rentals.* Payment for one-time rentals are payable in advance at the time the facility is reserved.

Sec. 4-146. - Cleaning deposit.

A cleaning deposit of fifty dollars (\$50.00) per rental may be required to be paid in advance at the sole discretion of the Town. The Town Administrator or their designee shall have sole authority to determine whether facilities are cleaned in a manner that would warrant a refund.

Sec. 4-147. - Non-profit (eleemosynary) organizations.

Non-profit organizations shall be charged a fee of ten dollars (\$10.00) per day to use the Floral Clubhouse provided:

(1) The room is reserved at least forty-eight (48) hours in advance.

(2) The organization shall provide proof of its eleemosynary status at the time reservation. It shall be within the Town's discretion what is deemed proof.

(3) A cleaning deposit shall be paid, if deemed appropriate.

(4) Payment and security cleaning deposit, if any, shall be paid in advance.

Sec. 4-148. - Town resident groups.

Resident groups of six (6) individuals or less may use the Floral Clubhouse at no charge provided:

(1) The room is reserved at least forty -eight (48)-hours in advance.

(2) All residents desiring to use the facility have provided satisfactory proof of residency at the time the room is reserved. It shall be within the Town's discretion what is deemed proof.

(3) A cleaning deposit shall be paid in advance, if deemed appropriate.

Sec. 4-149. - Lions Club.

Pursuant to the agreement between the South Strand Chapter of the Lions Club, International, (the club) and the Town made when the club gave its the building (formerly known as the Dick M. Johnson Civic Center) to the Town, the club shall have perpetual rights to use a Town facility for its twice monthly meetings at no charge.