



BUILDING CODES COMMITTEE MEETING

MONDAY, OCTOBER 4, 2021 | 6 PM

6th committee meeting

The Committee will meet in the Mauldin City Hall at 5 East Butler Road in the Council Chambers at 6 p.m.

Please note that members of the public may attend this meeting in-person but are encouraged to participate remotely. The meeting will be available remotely through Zoom. Please visit the City's website at <https://cityofmauldin.org/your-government/meeting-minutes-agendas/> to access the meeting via audio and videoconferencing.



Building Codes (BDS) Committee AGENDA October 4, 2021

Committee Members: Diane Kuzniar (Chair), Dale Black, Taft Matney

1. Call to Order The Honorable Diane Kuzniar
2. Public Comment The Honorable Diane Kuzniar
3. Reading and Approval of Minutes The Honorable Diane Kuzniar
 - a. Building Codes Committee Meeting:
September 7, 2021 (*Pages 2-5*)
4. Reports or Communications from City Officers The Honorable Diane Kuzniar
 - a. BDS Director David Dyrhaug
5. Unfinished Business The Honorable Diane Kuzniar

None
6. New Business The Honorable Diane Kuzniar
 - a. An ordinance to provide for the annexation of property owned by Gail C. Frost and Sarah S. Coates, and located at 220 Fowler Circle (Tax Map Parcel: M007.03-01-010.01) by one hundred percent petition method; and to establish a zoning classification of R-M1, residential, for said property (*Pages 6-15*)
 - b. An ordinance to adopt a revised business license ordinance in accordance with the Business License Standardization Act (2020 Act No. 176) (*Pages 16-43*)
7. Public Comment The Honorable Diane Kuzniar
8. Committee Concerns The Honorable Diane Kuzniar
9. Adjourn The Honorable Diane Kuzniar

Building Codes Committee Meeting



Minutes

Building Codes (BDS) Committee

September 7, 2021

1st Committee Meeting

Committee Members: Diane Kuzniar attended via Zoom, Dale Black and Taft Matney were present in the Council Chambers.

Others present: Business and Development Services Director David Dyrhaug, and City Administrator Brandon Madden.

1. Call to Order- Councilman Matney

2. Public Comment

- a. Monroe Free: I live at 602 Rosebud Lane in Greer. I am the President/CEO for Habitat for Humanity in Greenville County. I am here to talk about the business license issue that was before the Planning Commission two weeks ago, where they saw things our way, and hope you will too. Habitat is one of the leaders for affordable housing. We will soon have 400 houses we have built in Greenville County. We will do 13 more mortgages this year, and we do 40-45 repair projects. We just finished one here in Mauldin for a veteran's wife who needed a new roof.

It is always a question to non-profits of does it work? Our mortgages are paid on time over 90% of the time. The foreclosure rate is less than 1%. The program works for families, to change their cash flow, and allows them to change the financial trajectory of the family. Children's grades improve, and health improves. It is not just the family, but neighborhoods are better with Habitat homes, because we help people to be good neighbors and participate in programs. They raise property values in their homes. It is good for people and neighborhoods. When I look at Greenville County, we have a housing crisis. There are well over 12,000 homes short. The City just put in \$2million in affordable housing, and the County will invest \$5 million. Private corporations and businesses are adding money because people see this as a huge problem because of its economic impact. For people to have jobs in your community, they have to have a place to call home.

Habitat raises a third of its revenue through its Restores. When you say you can't have a business license to operate in Mauldin, what you are saying is you are going to limit the ability in this county to have affordable housing. There could not be a worse time to do this. I understand the issues with thrift stores, but we do not operate that way. We don't have drop boxes, if you look at the two stores we have now, they are in tip top shape. They look good from the outside. Our signage is good. We are not going to be a bad partner. If we are a bad partner with you in Mauldin, it affects everything we do. It will affect people's willingness to help us and affect our ability to get volunteers. We have to do everything really well because we are dependent upon the public.

We would like you to be like the planning commission and say we see it your way, and would like to work with you.

- b. Mark Steenback: I am the Chief Resource Officer for Habitat, and my address is 24 Trailstream Drive in Mauldin. My goal is to tell you how all thrift stores are not equal. I oversee the stores and have over twelve years of experience. Our goal is we run a neat, clean place. Our goal is to operate in a clean, organized, and neat way. We want community support. We pride ourselves on being

Building Codes Committee Meeting



complimented. We hear all the time that this doesn't look like a thrift store. We communicate internally to our staff that we are a retail store, not a junk store. We just happen to sell donated items. We are donor and shopper friendly. We run safe stores. We are constantly improving our processes and making sure our customers are treated well.

We do separate entrances for donor drop-offs and shopping entrances. We don't have any issues with things piling up outside. We see about 900 people a day between Wade Hampton and the store on Woodruff Road. I expect this one to double the foot traffic. We expect 700-800 on average. We don't use drop boxes because they are dirty and an eyesore, and are poor stewards of the donor's trust. It doesn't take care of the donations. When items are donated, we recognize that the donor is trusting us. We will earn their trust. We expect in the first full year of opening that we will be able to fund up to two new constructions. Conservatively, we believe in three years, we will be able to fund five new homes.

It provides convenient access to appliances, furniture, flooring, tools, construction materials and household items. It diverts waste and will save the City money. There is some furniture on the side of the road in my neighborhood that I am sure could be dropped off at the store if it was open and it would save the City pounds of material from the landfills between our stores. Initially, this location will probably create 12 jobs, and could mean up to 25 jobs. We want to raise the bar with this store. We have done that at every location and will do that here as well.

If I may, just stepping outside the hat of a leader in Habitat, and just talking as a resident of Mauldin, I am concerned about the look and the communication this sends that certain types of people or businesses are not welcome in our community. That bothers me as a citizen, and I hope you will take what the planning commission saw as reasonable and pass that along. Thank you for your time.

- c. Kevin Conway: Good evening. I am Kevin Conway and work for Wheeler Real Estate, the current owner of the Bi-Lo shopping center. My address is 3209 Hartford Way in Charlotte. I would like to give everyone a little background on our company. We are a publicly traded group. We have people from Washington, DC to Tampa, Florida. We have relationships with almost every grocery store in the southeast. We have 16 Food Lions, we met with them, and it is not going there. Too much competition and hard to find employees. Bilo's lease doesn't end for two more years. It can sit dark and vacant, but I don't think that helps the community or the other owners in the shopping center.

I have been working with Habitat for 6 months. We have a good relationship with them and know what they want to do. We like working with them. We have asked Hobby Lobby, furniture stores, Harris Teeter, Lowe's Foods, Piggly Wiggly, Lidl, Aldi, Publix to relocate, and we are not getting anyone. We need to look at alternative uses like Habitat. Some companies are turning box stores into medical offices. Someone in Charleston is turning boxes into public storage. We would like to partner with Habitat and not have it vacant for the next two years.

3. Reading and Approval of Minutes

- a. Building Codes Committee Meeting: August 2, 2021

Motion: Councilman Black made a motion to approve the minutes with Councilwoman Kuzniar seconding.

Vote: The vote was unanimous (3-0).

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4. Reports or Communications from City Officers

a. BDS Director David Dyrhaug

Mr. Dyrhaug reported the budget should be at least 83% and his department's actual budget is 88%.

5. Unfinished Business- None

6. New Business

- a. An ordinance to provide for the annexation of property owned by Bo Lac Properties, LLC, and located at 2001 Fork Shoals Road (Tax Map Parcel: 0583.02-01-007.05) by one hundred percent petition method; and to establish a zoning classification of R-10, residential, for said property

Items a and b on the agenda go together and the properties are side by side.

The City of Mauldin has received signed petitions requesting the annexation of two tracts of land consisting of two parcels pursuant to South Carolina Code of Laws Section 5-3-150. These petitions include approximately 16 acres owned by Bo Lac Properties, LLC, located at 2001 Fork Shoals Road, and approximately 16 acres owned by Cojac Whitehorse, LLC, located at the corner of Fork Shoals Road and Union Church Road. The applicant has requested that these tracts be zoned R-10 Residential, with a C-2 Commercial 2.8-acre outparcel upon annexation into the City of Mauldin.

The applicant plans to expand the Chestnut Ridge subdivision, which is currently under development, onto both of these tracts totaling approximately 32 acres.

Motion: Councilwoman Kuzniar made a motion to move items a and b to the Council meeting for approval. Councilman Black seconded the motion.

Vote: The vote was unanimous (3-0).

- b. An ordinance to provide for the annexation of property owned by Cojac Whitehorse, LLC, and located at Fork Shoals Road and Union Church Road (Tax Map Parcel: 0583.02-01-007.02) by one hundred percent petition method; and to establish a zoning classification of R-10, Residential, and C-2, Commercial, for said property
- c. An amendment to the Mauldin Zoning Ordinance establishing definitions and conditional use standards for thrift stores, consignment stores and like businesses and to establish the zoning districts for which they can locate

On July 19, 2021, the Mauldin City Council approved a resolution requesting the Planning Commission to consider amending the zoning ordinance to limit the number of thrift stores allowed in the City' commercial districts and to conduct a public hearing.

One of the findings in the resolution passed by City Council is that "additional thrift stores in the City of Mauldin may be inconsistent with the objectives of the zoning ordinance to protect the quality and appearance of the properties in commercial zoning districts."

After the public hearing and considerable discussion, the Planning Commission voted 6-0 to recommend approval of the draft ordinance while striking conditional standards 1 and 2 under

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Section 10:37. Namely, the two standards stricken by the Planning Commission include the requirement that a thrift store be separated from residential properties by at least 200 feet and the requirement that a thrift store must be located within a multi-tenant shopping center. These two standards appear as ~~stricken through~~ in the draft ordinance presented to the Committee and would not be included in the final ordinance unless specifically reinserted by the Committee or the Council. The Committee or the Council may also consider inserting other standards it deems appropriate.

Motion: Councilman Black made a motion to send this to Council with Councilwoman Kuzniar seconding.

Councilwoman Kuzniar said she would like to hear from full Council before she makes comment. Councilmen Matney and Black agreed.

Councilman Black asked if Florence was the only municipality in SC that has rules for thrift stores. Mr. Dyrhaug said it was the only one he could find in South Carolina.

Vote: The vote was unanimous (3-0).

7. Public Comment- None
8. Committee Concerns- None
9. Adjourn- Councilman Matney adjourned the meeting at 6:30 p.m.

Respectfully Submitted,
Cindy Miller
Municipal Clerk



BUILDING CODES COMMITTEE AGENDA ITEM

MEETING DATE: October 4, 2021

AGENDA ITEM: 6a

TO: Building Codes Committee
FROM: Business & Development Services Director, David C. Dyrhaug
SUBJECT: Annexation of 220 Fowler Circle

AUTHORIZED REP(S):	Zenith Real Estate
OWNER(S):	Gail C. Frost Sarah S. Coates
TAX MAP #(S):	M007.03-01-010.01
LOCATION:	220 Fowler Circle
CURRENT ZONING:	R-S (County)
REQUESTED ZONING:	R-M1, Residential
SIZE OF PROPERTY:	Approx. 10.77 acres
CONTIGUITY:	This tract touches the corner of Sunset Park (diagonally across the street) located in the City of Mauldin.

REQUEST

The City of Mauldin has received a signed petition requesting the annexation of a tract of land consisting of one parcel pursuant to South Carolina Code of Laws Section 5-3-150. This petition includes approximately 10 acres owned by Gail Frost and Sarah Coates and is located at 220 Fowler Circle.

The applicant has requested that this tract be zoned R-M1, Residential, upon annexation into the City of Mauldin. Zenith Real Estate has this property under contract for purchase. Zenith Real Estate is described on their website as a residential acquisitions, holdings, and development company. Zenith Real Estates anticipates developing this property for 50-80 townhomes at an average sales price in the mid \$200,000's.

UTILITIES AND SERVICES

Sewer is not presently available at this property. Zenith Real Estate expects to extend the existing sewer line on Fowler Circle to reach this tract. Due to the topography of the site in relation to the existing sewer line, a lift station will also be needed. There has been no study yet to determine the fee that may need to be levied on the future homeowners in order to be able to support the ongoing costs associated with a lift station.



This tract is currently located in in the Mauldin Fire Service Area. The City of Mauldin will continue to provide fire protection services to this tract upon annexation.

PLANNING AND ZONING

About the R-M1 District

The R-M1 zoning designation is a medium density residential district intended to provide single-family living, including both detached and attached single-family homes, and related facilities such as recreational, religious, and educational facilities.

R-M1 Zoning allows a minimum 6,000-square foot lot for detached single-family homes. Attached single-family homes can be developed at a maximum density of 12.5 units per acre.

Comprehensive Plan Analysis

The designation of this tract in the Future Land Use Map of the Comprehensive Plan calls for low-density residential consisting of single-family homes in this area. However, this tract is right next to the edge of an area designated for medium-density residential.

Surrounding Development/Zoning

These properties are surrounded by the following zoning and land uses:

Direction	Zoning District(s)	Existing Use(s)
North	R-S (County)	Rural residential
South	R-S (County)	Rural residential
East	R-S (County)	Rural residential
West	R-S (County) / R-M1 (City)	Rural residential / Undeveloped

Property Values

The homes in this project are projected to sell at an average in the mid-\$200’s. Aside from rural residential properties, the only single-family housing development in close proximity to this tract is the Parkside Villas immediately adjacent to Sunset Park. This range will be above the average price of home sales in Parkside Villas over the last couple of years. See below.

Community	2019		2020		2020	
	No. of Sales	Avg. Price	No. of Sales	Avg. Price	No. of Sales	Avg. Price
Parkside Villas	1	\$164,000	3	\$160,633	6	\$186,966

TIMELINE

In September, 2021, staff received the signed petition for the annexation of this tract.



FISCAL IMPACT

Based on the information available, staff projects that the development of this tract will have a neutral fiscal benefit to the City (projected revenue of \$64,516 compared to a project cost of \$62,757). This analysis is based on the following factors:

- Number of Homes: 50-80 (65 homes used for calculation)
- Average price-point: about \$250,000
- New streets: Privately owned and maintained
- New sewer: Owned and maintained by the City of Mauldin

RECOMMENDATION

Because there is no study yet about the cost and fees for the ongoing maintenance of the prospective sewer lift station, there is no recommendation at this time.

ATTACHMENTS

Annexation Ordinance (maps and petitions attached therein)



ORDINANCE _____-2021

AN ORDINANCE TO PROVIDE FOR THE ANNEXATION OF PROPERTY OWNED BY GAIL C. FROST AND SARAH S. COATES, AND LOCATED AT 220 FOWLER CIRCLE (TAX MAP PARCEL: M007.03-01-010.01) BY ONE HUNDRED PERCENT PETITION METHOD; AND TO ESTABLISH A ZONING CLASSIFICATION OF R-M1, RESIDENTIAL, FOR SAID PROPERTY

WHEREAS, Gail C. Frost and Sarah S. Coates are the sole owner of record title of a parcel of real property containing 10.77 acres, more or less, located at 220 Fowler Circle, which property is contiguous to the City of Mauldin and is more particularly illustrated in Exhibit 1 attached hereto; and,

WHEREAS, an Annexation Petition, attached hereto as Exhibit 2, has been filed with the City of Mauldin by Gail C. Frost and Sarah S. Coates requesting that the aforementioned property be annexed into the City of Mauldin; and,

WHEREAS, the property to be annexed is contiguous to the City of Mauldin, and is more particularly depicted in Exhibit 1 attached hereto; and,

WHEREAS, Gail C. Frost and Sarah S. Coates constitute one hundred (100%) percent of freeholders owning one hundred (100%) of the real property depicted in Exhibit 1 attached hereto; and,

WHEREAS, the proposed zoning of R-M1, Residential, is compatible with the surrounding property uses in the area; and,

WHEREAS, the Mayor and Council conclude that the annexation is in the best interest of the property owner and the City;

NOW, THEREFORE, be it ordained by the Mayor and Council of the City of Mauldin that:

1. ANNEXATION: The real property owned by Gail C. Frost and Sarah S. Coates, and more particularly depicted in the map attached hereto marked as Exhibit 1, is hereby annexed into the corporate city limits of the City of Mauldin effective immediately upon second reading of this ordinance.

2. ANNEXATION OF A PORTION OF ADJACENT RIGHTS-OF-WAY: All of that portion of Fowler Circle along the edge of and adjoined to the annexed property shown on the attached Exhibit to the centerline of the afore-mentioned right-of-way is also hereby annexed into the corporate limits of the City of Mauldin effective immediately upon second reading of this ordinance.

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3. ZONING ASSIGNMENT: The above referenced property owned is hereby zoned R-M1, Residential.

Terry Merritt, Mayor

ATTEST:

Cindy Miller, Municipal Clerk

First Reading: _____

Second Reading: _____

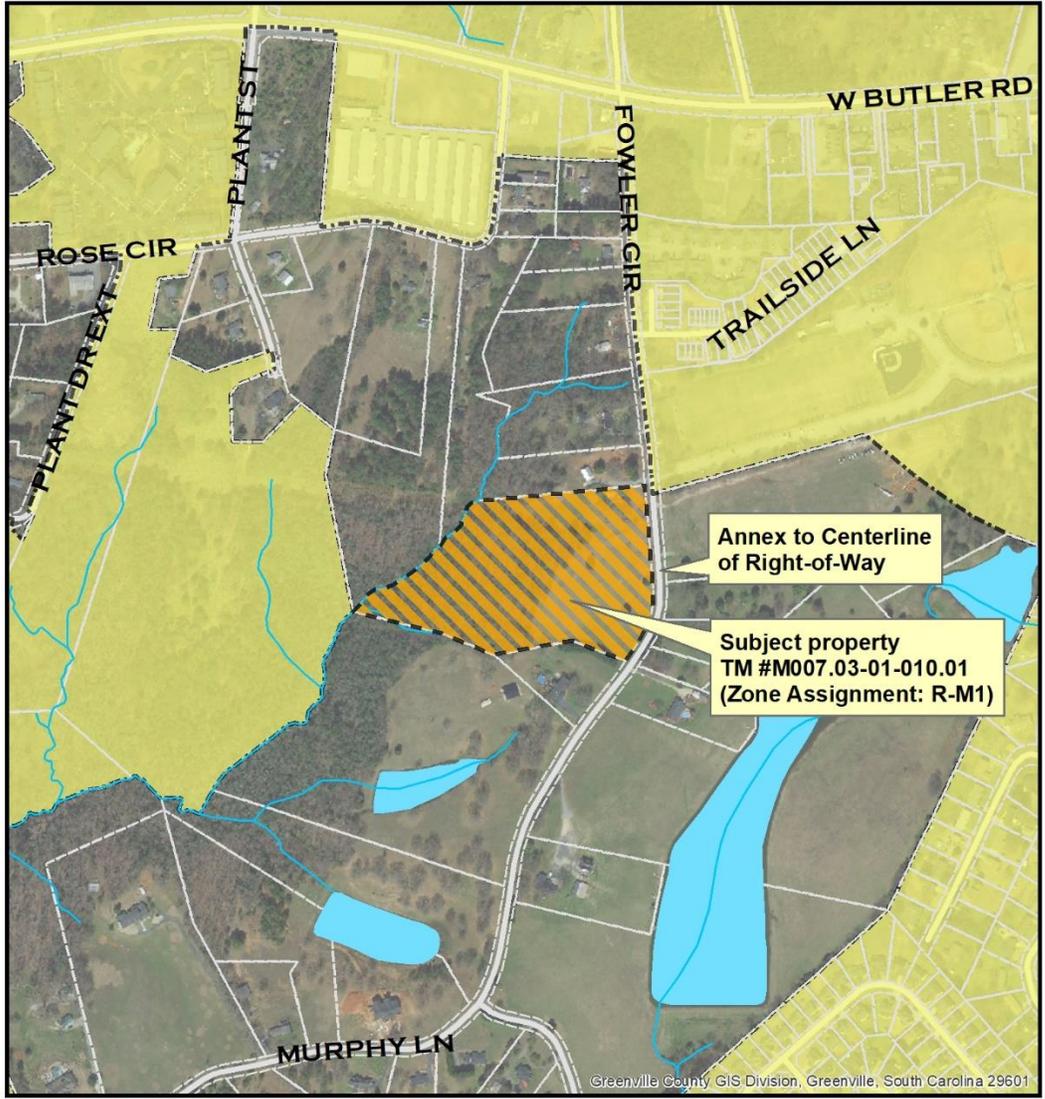
Approved as to Form:

City Attorney



EXHIBIT 1 – ANNEXATION MAP

220 Fowler Circle Annexation Map



Greenville County GIS Division, Greenville, South Carolina 29601

Legend

- Subject Property
- Mauldin City Limits

Created on September 15, 2021

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EXHIBIT 2 – PETITION

PETITION FOR ANNEXATION OF REAL PROPERTY OWNED BY GAIL C. FROST AND SARAH S. COATES, AND LOCATED AT 220 FOWLER CIRCLE (TAX MAP #M007.03-01-010.01) INTO THE CITY OF MAULDIN BY ONE HUNDRED PERCENT (100%) METHOD

Petitioners, Gail C. Frost and Sarah S. Coates are the sole owners [freeholders owning one hundred (100%) percent of the assessed value of real property in the area proposed to be annexed] of a parcel of real property in Greenville County containing approximately 10.77 acres, more particularly described in the property description attached hereto marked as Exhibit A, and the Property Map attached hereto marked as Exhibit B.

Petitioners hereby petition to annex their property consisting of 10.77 acres, which is contiguous to the City of Mauldin, into the corporate limits of the City of Mauldin. Petitioners also hereby petition to assign their property the zoning classification of R-M1, Residential, as depicted in Exhibit C attached hereto, on the Official Zoning Map of the City of Mauldin.

This Petition is submitted to the City of Mauldin pursuant to the provisions of S.C. Code §5-3-150(3) authorizing the City Council to annex an area by the one hundred percent (100%) method.

This Petition is dated this 25th day of Sept, 2021, before the first signature below is attached.

The Petitioners request that the tract described above and shown on the attached Exhibit A be annexed into the corporate city limits of the City of Mauldin and assign the tract the zoning classification of R-M1, Residential, as depicted in Exhibit C attached hereto. This application is contingent on the sale of the subject property to ZENITH REAL ESTATE, LLC. BC# 55C 9/21/21
Sept. 21, 2021
Date

By: Gail C. Frost
Gail C. Frost

Sherry P. Elliotts
Witness

Sarah S. Coates
Sarah S. Coates

Sherry P. Elliotts
Witness

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EXHIBIT A

PROPERTY DESCRIPTION

All that piece, parcel or lot of land situate, lying and being in the County of Greenville, State of South Carolina, being shown on plat of survey for J. W. Coates by C. O. Riddle, Surveyor, September 23, 1959, beginning at an iron pin located on the Westerly side of a County Road, near a point where a power line begins crossing the lands of J. W. Coates, and running thence South 84-10 West 175 feet to iron pin, thence North 5-50 West 150 feet to iron pin, thence North 84-10 East 175 feet to iron pin on the Westerly side of said County road, thence along the edge of said County Road South 5-50 East to the beginning.

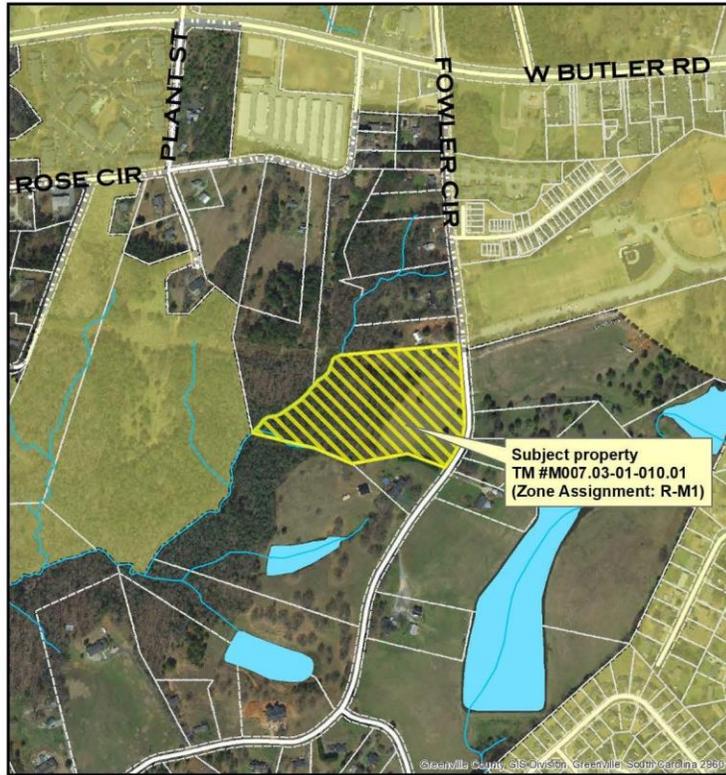
TAX MAP #M007.03-01-010.01

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EXHIBIT B

PROPERTY MAP



Legend

- Subject Property
- Mauldin City Limits



Created on September 15, 2021

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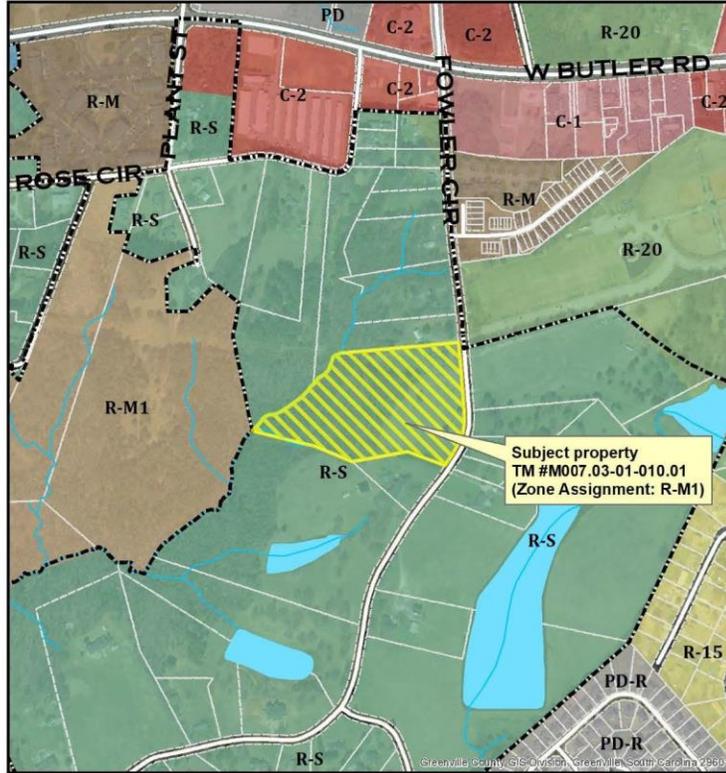
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EXHIBIT C

ZONING MAP



Legend

- Subject Property
- Mauldin City Limits



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BUILDING CODES COMMITTEE AGENDA ITEM

MEETING DATE: October 4, 2021

AGENDA ITEM: 6b

TO: Building Codes Committee

FROM: Business & Development Services Director, David C. Dyrhaug

SUBJECT: Business License Standardization Ordinance

BACKGROUND

In September 2020, the South Carolina General Assembly passed the S.C. Business License Tax Standardization Act, Act 176. This Act is intended to streamline the business license process throughout the state by creating the same process for taxing jurisdictions across the state.

Staff has been working with the Municipal Association of South Carolina (MASC) to prepare to update the City's business license in accordance with Act 176. This has included maneuvering through a series of steps including:

1. Convert Business License Year

Note: The new license period is May 1 to April 30. The City had already been operating with a business license renewal deadline of April 30. The only change that the City will experience is that the ordinance will now specify that business licenses expire on April 30 instead of December 31.

2. Review Business License Data

Note: Most of the City staff's efforts this year with MASC staff has been reviewing and correcting the City's business license data.

3. Rebalance Rates

Note: More information below.

4. Adopt Class Schedule

Note: The class schedule is established by Act 176. Every odd year, this class schedule will be updated by MASC and will need to be adopted by every municipality.

5. Replace Business License Ordinance

Note: MASC recommends that each municipality repeal its existing business license ordinance and replace it with MASC's new model ordinance. The new model ordinance has been drafted to be compliant with Act 176.



6. Set Up an Online Renewal Center Account

Note: MASC has developed the “Local Business License Renewal Center,” which is a statewide online portal for business license renewals. The online portal is for renewals only. New business licenses will still be issued by each municipality. Per Act 176, this portal will be hosted by the S.C. Revenue and Fiscal Affairs Office.

7. Notify Stakeholders

REBALANCE OF BUSINESS LICENSE RATES

After reviewing and correcting the City’s business license data as needed, MASC staff have conducted an analysis of whether the City’s business license rates will need to be adjusted so that the City does not receive a windfall from adopting the new statewide class schedule. In it’s analysis, MASC has projected that the City will not receive a windfall, but instead will incur a loss in revenue by switching to the new statewide class schedule. Specifically, their analysis projects that the City will lose \$35,764.83 in the first year.

The City has the option of simply absorbing the revenue loss and keeping the same business license rates that it currently applies. Or the City may adjust its rate to achieve revenue neutrality. Below is a table of the current rates and the adjusted rates proposed by MASC to achieve revenue neutrality.

RATE CLASS	CURRENT BASE RATE (Income: \$0 - \$2,000)	CURRENT RATE PER \$1,000 (Income over \$2,000)	PROPOSED ADJUSTED RATE PER \$1,000	% INCREASE IN RATE PER \$1,000
1	\$27.50	\$0.90	\$0.92	2.2%
2	\$34.50	\$0.95	\$0.97	2.1%
3	\$41.50	\$1.00	\$1.03	3.0%
4	\$48.50	\$1.10	\$1.11	0.1%
5	\$55.50	\$1.15	\$1.18	2.6%
6	\$62.50	\$1.20	\$1.26	5.0%
7	\$69.50	\$1.25	\$1.33	6.4%

MASC staff commented that one of their observations is that in the City’s current rate structure, there is a \$0.10 jump from rate class 3 to rate class 4. Part of their approach in adjusting the City’s rates was to smooth out the increases from one class to the next.

MASC has not proposed to adjust the rates for Class 8 and 9. Classes 8 and 9 include specific business types that receive particularized considerations. This includes categories such as contractors, motor vehicle sales, peddlers, and drinking places. In the City of Mauldin, contractors are the only special category in Class 8 and 9 that represent any significant portion (about 17%) of the City’s revenue from business licenses. The combined remaining Class 8 and 9 businesses represent less than 1% of the City’s revenue from business licenses. Adjusting the rates for these business classes would have essentially no effect of the City’s business license revenue.

If Council wishes that the above rates be adjusted differently from what is presented, staff can explore the effects of other rate scenarios. However, the City is prohibited from adjusting the rates in a manner that would lead to a revenue windfall.



MODEL ORDINANCE SUMMARY

The MASC new model business license ordinance achieves compliance with the S.C. Business License Tax Standardization Act. However, there are a few notable differences between MASC's new model ordinance and the City's current ordinance and business license practices. These include the following:

1. *License expiration.* Although the City maintains the same April 30 deadline for business license renewals as in the model ordinance, the model ordinance sets the license expiration as April 30 instead of December 31 as in the City's ordinance. The main effect that the new April 30 expiration will have on the City is that contractors and other businesses not located in the City will not have to apply for a license until after May 1 instead of January 1. The attached draft ordinance includes an expiration date of April 30.
2. *Income tax documentation.* The City currently requires the applicant to provide portions of their state or federal income tax returns reflecting gross receipts and gross revenue figures when renewing the license. This is not required by the model ordinance, although the model ordinance does provide the municipality to request this information at the municipality's discretion. MASC has indicated that there would not be an issue with the City including the requirement to provide income tax documentation as part of the ordinance that the City adopts. The attached draft ordinance includes the requirement to provide tax documentation plus procedures relating to applicants who have filed an extension for their income tax.
3. *Late penalties.* The City currently establishes a late penalty of ten percent of the unpaid tax for each month or portion thereof after the due date plus a \$25.00 processing fee. The model ordinance establishes a late penalty of five percent and no processing fee. While MASC advises against late penalties in excess of five percent, Act 176 does not place any limits on late fees. The attached draft ordinance includes the late penalties of ten percent for each month plus a \$25.00 process fee.
4. *Court fines.* The City currently establishes a maximum fine amount of \$750.00 while the model ordinance establishes a maximum fine amount of \$500.00. Title 5 of the South Carolina Code of Laws appears to provide the municipality the authority to establish fines and penalties for the violation of municipal ordinances and regulations not to exceed \$500.00 (Section 5-7-30). Per MASC, the \$750.00 fine would only be permissible if it included court assessments. The attached draft ordinance includes a maximum fine amount of \$500.00.
5. *Hearings on appeals.* The City currently provides that a hearing on an appeal for a license that has been denied, suspended, or revoked shall be held within 30 days after receipt of a request for such appeal. The model ordinance provides the City with 10 business days to hold such an appeal. MASC has indicated that this ten business days lead time has been recommended based on a study of recent case law. The attached draft ordinance includes a lead time of 10 business days for the City to hold a hearing in response to an appeal.
6. *Early payment discount.* The City currently offers a two percent discount to businesses that renew their business license on or before February 15. The model ordinance provides no such incentive. MASC has commented that businesses using the statewide business license payment portal will not be eligible to receive this discount. The attached draft ordinance includes the early payment discount that has been traditionally been available in the City.
7. *Business license fee abatement incentive program.* The City currently offers a business license fee abatement program as an incentive to encourage private capital investment and reinvestment within the City. The model ordinance provides no such incentive program. MASC does not anticipate that the statewide business license payment portal will be able to administer this type of program

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unless the abatement was provided as a refund instead of a discount. The attached draft ordinance includes the abatement program as currently structured in the City.

ATTACHMENT

Proposed Ordinance with Comments



STATE OF SOUTH CAROLINA)	
)	
COUNTY OF GREENVILLE)	ORDINANCE
)	
CITY OF MAULDIN)	

.....

AN ORDINANCE TO ADOPT A REVISED BUSINESS LICENSE ORDINANCE IN ACCORDANCE WITH THE BUSINESS LICENSE STANDARDIZATION ACT (2020 ACT NO. 176)

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WHEREAS, in September 2020 the South Carolina General Assembly adopted the South Carolina Business License Tax Standardization Act (2020 Act No. 176), now codified at S.C. Code Sections 6-1-400 to 6-1-420 (the “Act”);

WHEREAS, 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;

WHEREAS, the Act requires all municipalities and counties that impose a business license tax to utilize the Act’s standardized business licensing requirements and class schedule;

WHEREAS, the Act requires all municipalities and counties to update their business license class schedules every odd year based on the latest available IRS statistics; and

WHEREAS, in order to comply with the requirements of the Act, the City of Mauldin (the “Municipality”) has prepared the attached 2022 Business License Ordinance, which is incorporated herein by reference;

NOW, THEREFORE, be it ordained by the Mayor and Council of the City of Mauldin, South Carolina, that:

1. The attached 2022 Business License Ordinance is hereby adopted and shall become effective beginning with the business license period commencing on May 1, 2022.
2. All prior ordinances of the Municipality related to business licensing which are in effect at the time of this enactment are hereby repealed and replaced in their entirety with the 2022 Business License Ordinance; provided that any prior ordinances of the Municipality related to collections programs administered by the Municipal Association of South Carolina, including without limitation the Insurance Tax Collection Program (ITCP), the Brokers Tax Collection Program (BTCP), the Telecommunications Tax Collection Program (TTCP), and Setoff Debt Collection Program, shall remain in full force and effect in

Building Codes Committee Meeting



accordance with their terms except to the extent specifically amended by the 2022 Business License Ordinance.

DONE AND RATIFIED in Council assembled on this ____ day of _____ 2021.

Terry Merritt
Mayor

ATTEST:

Cindy Miller
City Clerk



2022 BUSINESS LICENSE ORDINANCE

Section 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 City of Mauldin, South Carolina, is required to pay an annual license tax for the privilege of doing business and obtain a business license as herein provided.

Section 2. Definitions. The following words, terms, and phrases, when used in this ordinance, shall have the meaning ascribed herein. Defined terms are not capitalized when used in this ordinance 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.

“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 a 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 City Council of the City of Mauldin.

“Domicile” means a principal place from which the trade or business of a licensee is conducted, directed, or managed. For purposes of this ordinance, 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 calendar or fiscal year collected or to be collected from business done within the Municipality. If the licensee has a domicile within the Municipality, business done within the Municipality shall include all gross receipts or revenue received or accrued by such licensee. If the licensee does not have a domicile within the Municipality, business done within the Municipality shall include only gross receipts or revenue received or accrued within the Municipality. 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 Municipality must be reduced by the amount of revenues or receipts taxed in the other county or municipality and fully reported to the Municipality. 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



government 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 Municipality 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 a person designated to administer this ordinance. Notwithstanding the designation of a primary license official, the Municipality 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.

"Municipality" means the City of Mauldin, South Carolina.

"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 non-profit 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 principal.

Section 3. Purpose and Duration. The business license required by this ordinance is for the purpose of providing such regulation as may be required for the business subject thereto and for the purpose of raising revenue for the general fund through a privilege tax. The license year ending on April 30, 2022, shall commence on January 1, 2021 and shall run for a 16-month period. Thereafter, the license period shall be established as follows. Except as set forth below for business licenses issued to contractors with respect to specific construction projects, each yearly



license shall be issued for the twelve-month period of May 1 to April 30. 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 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. The provisions of this ordinance and the rates herein shall remain in effect from year to year as amended by the Council.

Section 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. If the due date coincides with a weekend, holiday, or other day on which City offices are closed, the required business license tax shall be due the next business day on which City offices are opened. Late payments shall be subject to penalties as set forth in Section 12 hereof, except that admitted insurance companies may pay before June 1 without penalty.
- B. A separate license shall be required for each place of business and for each classification or business conducted at one place. If gross income cannot be separated for classifications at one 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 preceding 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 year. The business license tax for a new business, including businesses newly annexed into the City, 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 Municipality before the June 1 immediately following the April 30 on which the payment was due and must be supported by adequate documentation supporting the refund request. The Municipality shall approve or deny the refund request, and if approved shall issue the refund to the business, within thirty days after receipt of the request.

Section 5. Registration Required.



- A. The owner, agent, or legal representative of every business subject to this ordinance, 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 Municipality, 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 ordinance by the license official. Applicants shall be required to submit copies of portions of state or federal income tax returns reflecting gross receipts and gross revenue figures. Where the tax return form does not match the gross income reported on the business license application, the applicant shall submit other acceptable documentation that verifies the gross income reported.
- C. Applicants who have filed an extension for their income tax may be allowed to renew their business license as follows. The applicant shall submit a copy of their income tax filing extension application and shall base their gross income on the best information they have available. The applicant shall be responsible for paying any additional business license fees assessed upon receipt and processing of the business's income tax filing. Late penalties and processing fees set forth in Section 12 hereof shall apply to any additional business license fees owed to the City. Applicants who fail to submit their income tax filing on or before October 31 shall be in violation of this ordinance and shall be subject to the penalties in Section 19 hereof.
- D. 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, personal property taxes on business property, and other monies due and payable to the Municipality have been paid.
- E. Any change of information provided in the approved application shall be reported immediately.
- F. The Municipality 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.

Section 6. Deductions, Exemptions, and Charitable Organizations.

- A. No deductions from gross income shall be made except income earned outside of the Municipality on which a license tax is paid by the business to some other municipality or county and fully reported to the Municipality, 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 the ordinance by reason of the lack of an established place of business within the Municipality, 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 NAICS. No person shall be exempt from this ordinance by reason of the payment of any other tax, unless exempted by state law, and no person shall be relieved of liability for payment of any other tax or fee by reason of application of this ordinance.
- C. Wholesalers are exempt from business license taxes unless they maintain warehouses or distribution establishments within the Municipality. 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 ordinance, 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 ordinance. 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.



Section 7. False Application Unlawful. It shall be unlawful for any person subject to the provisions of this ordinance 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 ordinance.

Section 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 non-resident shall carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the Municipality.
- 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 income.

Section 9. Administration of Ordinance. The license official shall administer the provisions of this ordinance, 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 violators, produce forms, undertake reasonable procedures relating to the administration of this ordinance, and perform such other duties as may be duly assigned.

Section 10. Inspection and Audits.

- A. For the purpose of enforcing the provisions of this ordinance, the license official or other authorized agent of the Municipality is empowered to enter upon the premises of any person subject to this ordinance 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 ordinance. 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 ordinance, state or federal law, or proper judicial order. Statistics compiled by classifications are public records.

Section 11. Assessments, Payment under Protest, Appeal.

- A. Assessments, payments under protest, and appeals of assessment shall be allowed and conducted by the Municipality pursuant to the provisions of S.C. Code § 6-1-410, 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 Municipality, 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.

Section 12. Delinquent License Taxes, Partial Payment.

- A. For non-payment of all or any part of the correct business license tax, the license official shall impose and collect a late penalty of ten (10%) percent of the unpaid tax for each month or portion thereof after the due date until paid plus a \$25.00 processing fee. Penalties shall not be waived. If any business license tax remains unpaid for sixty (60) days after its due date, the license official shall report it to the municipal attorney or enforcement officer for citation or other appropriate legal action. Such legal action may include, but is not limited to, the issuance of a formal citation with a fine in the amount of \$750.00 and a summons to appear in the City's Municipal Court on a prescribed date. Punishment for violation shall not relieve the offender of liability for delinquent fees, penalties and costs provided herein.
- B. Partial payment, including payments made by applicants who have not supplied all of the required documentation, 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 information and documentation required by this ordinance and the full amount of the tax due, with penalties, has been paid.



Section 13. Notices. The license official may, but shall not be required to, send notices by postal, electronic or other effective means that business license taxes are due. Alternatively, notice of the due date may be published in a newspaper of general circulation within the Municipality 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.

Section 14. Denial of License. The license official may 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;
- B. The activity for which a license is sought is unlawful or constitutes a public nuisance *per se* or *per accidens*;
- C. The applicant, licensee, prior licensee, or the person in control of the business has been convicted within the previous ten 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;
- 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 Municipality or in another jurisdiction;
- E. The applicant, licensee, prior licensee, or the person in control of the business is delinquent in the payment to the Municipality of any tax or fee;
- 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 Municipality 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.

Section 15. Suspension or Revocation of License. When the license official determines:

- A. A license has been mistakenly or improperly issued or issued contrary to law;
- B. A licensee has breached any condition upon which the license was issued or has failed to comply with the provisions of this ordinance;



- 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;
- D. A licensee has been convicted within the previous ten 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;
- E. A licensee has engaged in an unlawful activity or nuisance related to the business; or
- F. A licensee is delinquent in the payment to the Municipality of any tax or fee,

The license official may give written notice to the licensee or the person in control of the business within the Municipality 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 ordinance.

Section 16. Appeals to Council or its Designee.

- A. Except with respect to appeals of assessments under Section 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 business days after receipt of a request for appeal or service of a 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 Council or its designee shall govern the hearing. Following the hearing, the Council by majority vote of its members present, or the 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 Municipality.

- 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 Municipality may establish a different procedure by ordinance.

Section 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 Municipality 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.

Section 18. Confidentiality. Except in accordance with proper judicial order or as otherwise provided by law, no official or employee of the Municipality 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 ordinance. 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 performance of their duties, whether or not those duties relate to enforcement of this ordinance.

Section 19. Violations. Any person violating any provision of this ordinance 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 for in this ordinance.

Section 20. Severability. A determination that any portion of this ordinance is invalid or unenforceable shall not affect the remaining portions. To the extent of any conflict between the provisions of this ordinance 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.

Section 21. Classification and Rates.

- A. The business license tax for each class of businesses subject to this ordinance shall be computed in accordance with the current business license rate schedule, designated as Appendix A to this ordinance, 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 31 of each odd year, the Municipality 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 Municipality, the revised business license class schedule shall then be appended to this ordinance 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 municipal clerk.

Section 22. Early Payment Discount.

A two-percent discount deducted from the calculated business license remittance shall be allowed for resident businesses that are in “good standing” with the City and also submit their annual business license renewal (with required documentation) on or before February 15 of each year. Renewal payments and documentation received by mail must be postmarked on or before the early discount deadline.

The term “good standing” as used herein shall mean a business that was not delinquent in paying their annual business license fee during the previous business license year and who do not carry an outstanding fee or balance on their account.

Section 23. Business License Fee Abatement Incentive Program.

The City offers a business license fee abatement program to incentivize and encourage private capital investment and reinvestment opportunities in the community. This program is intended to recognize the benefits of new investment and its contribution to the economic health and stability of the City. This program also provides a tool that furthers the economic development strategies outlined in the City’s comprehensive plan, and further promotes the regional strategies of the Greenville Area Development Corporation.



A. *Definitions.* The following words, terms and phrases, when used for determining a qualifying business shall have the meaning ascribed herein:

- (1) *Advanced material manufacturing* shall mean the manufacturing of textile, plastic, and metal products used in a variety of downstream manufacturing. This shall also include the manufacturing of high-quality textiles that support downstream automotive and aerospace manufacturing.
- (2) *Biosciences* shall mean the industry of the development and production of pharmaceuticals as well as the manufacturing of medical devices such as orthopedic instruments, surgical instruments, diagnostic tools, catheters and stents, etc.
- (3) *Business centers* shall mean office centers, data centers, shared services, financial services, consumer customer care services, information technology/software, data support for financial and insurance services and engineering services. This shall also include applications related to cloud computing, development of software applications for automotive or aerospace industries, medical-related software, open-source software, and consumer customer services.
- (4) *Capital investment* shall mean an activity that adds value to the City's tax base through property acquisition, and/or improvement of real property.
- (5) *Corporate and regional headquarters* shall mean the national or regional operations of a corporation, real estate investment trust, general or limited partnership, or comparable business entity, provided the business operations has offices, production facilities, shipping locations, wholesale facilities or retail outlets in other states. A majority (more than 50 percent) of the management, legal, planning, marketing and personnel operations must be handled or supervised from the corporate headquarters. The headquarters must have responsibility for an area including South Carolina and two other states.
- (6) *High technology growth business* shall mean those enterprises, which have as a primary revenue component of their business activity, earnings derived from the design, engineering, development, or production of innovative technology businesses, which are expanding significantly in the world economy. Examples include companies primarily engaged in activities such as: Internet technology, digital media, biotechnology research and development, wireless and high speed communication, computerized technologies and equipment design, medical device and engineering, and proprietary electronic equipment, with micro chip components, or businesses providing systems for computer software design or hardware design, or both, based on the assessment of customers' business or



organizational needs. This category does not include the mere sale or installation of standard retail software packages or individual hardware components.

- (7) *Manufacturing* shall mean doing any kind of business as manufacturers, which includes any goods, wares, or products manufactured, processed, assembled or produced with the city in whole or in part, regardless of where ultimately sold, distributed, or disposed of and not herein specifically taxed in another classification under the City’s business license ordinance.
 - (8) *Research development* shall mean a facility or enterprise devoted directly and primarily to research and development in the experimental or laboratory sense for new products, new uses, for existing products, or for improving existing products. The facility must be a separate facility devoted primarily to research and development as defined in this section. The abatement does not include facilities used in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, or research in connection with literacy, historical, or similar projects.
 - (9) *Transportation equipment manufacturing* shall mean the production of equipment for transporting people and goods. Transportation equipment is a type of machinery. Establishments in this subsector utilize production processes similar to those of other machinery manufacturing establishments—bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products.
- B. *Eligibility criteria.* Businesses may qualify for the business license fee abatement program according to one of the two qualification options provided below.
- (1) *Eligibility option 1.* A business may qualify under “eligibility option 1” if it meets the following criteria pertaining to business type and revenue growth.
 - (a) *Business type.* The business shall be one of the following business types: corporate and regional headquarters, advanced materials manufacturing, transportation equipment manufacturing, bioscience, research and development, high technology growth business, or business center.
 - (b) *Revenue growth.* A business with 100 employees or more shall have an annual increase in gross revenue of 10 percent or more during the duration of the abatement period. A business with less than 100 employees shall have an annual increase in gross revenue of 15 percent or more during the duration of the abatement period.



- (2) *Eligibility option 2.* A business may qualify under “eligibility option 2” if it has an annual gross income of \$10,000,000.00 or more and it makes a capital investment of \$300,000.00 or more with at least 33 percent towards physical improvements (i.e., building up-fit, renovation, addition or other physical improvement, etc.).
- C. *Abatement.* Businesses which qualify as outlined above and that will be in operation for a period of six months or more during the calendar year shall have their business license fee abated in accordance with “abatement option 1” below. Business which qualify as outlined above and that will be in operation for a period of less than six months during the calendar year may have their business license fee abated in accordance with either “abatement option 1” or “abatement option 2” below.
- (1) *Abatement option 1.*
 - (a) One hundred percent for the first taxable year of operation;
 - (b) Sixty-six percent for the second taxable year of operation; and
 - (c) Thirty-three percent for the third taxable year of operation.
 - (2) *Abatement option 2.*
 - (a) One hundred percent for the second taxable year of operation;
 - (b) Sixty-six percent for the third taxable year of operation; and
 - (c) Fifty percent for the fourth taxable year of operation.
- D. *Application and administration.*
- (1) The person, firm, or corporation must apply for the business license fee abatement program through the City’s Business and Development Services Department.
 - (2) The applicant shall provide sufficient documentation as deemed necessary to substantiate the qualifying criteria for which the abatement is being requested. Such documentation may include: a business plan showing the projected revenue growth over a three- to five-year period, a detailed description of business operations, and construction bid and contract costs.
 - (3) The abatement incentive shall require annual monitoring by the City to ensure continued compliance with the abatement program. Monitoring during the abatement period shall be performed during the annual business license renewal process, which requires verification of annual gross revenue for the tax year.



- (4) The three-year abatement term shall commence with the issuance of the certificate of occupancy, issuance of a business license and/or other criteria corresponding to the eligibility factors.
- (5) If at any time during the incentive period the development's use or business does not meet the eligibility criteria for which the abatement was established, then the City shall deem the agreement null and void.
- (6) If at any time during the incentive period the development is sold, then the City shall deem the agreement null and void.
- (7) If at any time during the incentive period the real property is sold, then the City shall deem the agreement null and void.
- (8) No business and no successor or affiliated business entity having one or more of the same principles and substantially the same business activity may cease business operations in the name of one business and then resume business operations in another name if the effect of such resumption is to circumvent this section or to prolong the incentives provided beyond the third incentive year.
- (9) A new business that qualifies under this section becomes eligible for the abatement in the tax year during which it commences business operations within the City.
- (10) The Director of Business and Development Services shall be responsible for the interpretation and application of the business license abatement program.



APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

RATE CLASS	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
	BASE RATE	RATE PER \$1,000 OR FRACTION THEREOF
1	\$27.50	\$0.92
2	\$34.50	\$0.97
3	\$41.50	\$1.03
4	\$48.50	\$1.11
5	\$55.50	\$1.18
6	\$62.50	\$1.26
7	\$69.50	\$1.33
8.10	\$41.50	\$1.00
8.15	\$150.00	\$2.00
8.20	Set by state statute	
8.30	MASC Telecommunications	
8.40	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.52	\$12.50 + \$180.00 per machine	
8.60	\$47.00 plus \$5.00 or \$12.50 per table	\$3.50
9.10	\$90.00	\$2.80
9.20	\$47.00	\$5.60
9.30	\$27.50	\$0.75
9.41	\$200.00	\$1.90
9.42	\$200.00	\$1.90
9.50	\$47.00	\$3.50
9.60	\$47.00	\$3.50
9.70	\$190.00	\$9.40
9.80	\$260.00	see Section 9.8



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 Municipality.

DECLINING RATES

Declining Rates apply in all Classes for gross income in excess of \$1,000,000.00, unless otherwise specifically provided for in this ordinance.

<u>Gross Income</u>	<u>Percent of Class Rate for each additional \$1,000</u>
\$0.00 - \$40,000,000.00	100%
\$40,000,000.00 – \$100,000,000.00	50%
\$100,000,000.00 – \$300,000,000.00	10%
\$300,000,000.00 +	0%

No resident business shall be charged more than \$100,000.00, exclusive of penalties and late charges, in business license fees per year.



CLASS 8 AND 9 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 Municipality 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 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].

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

Minimum on first \$2,000	\$ 41.50 PLUS
Each additional 1,000.....	\$ 1.00

8.15 Non-resident rates, for contractors that do not have a permanent place of business within the Municipality:

Minimum on first \$2,000	\$ 150.00 PLUS
Each additional 1,000.....	\$ 2.00

NOTE: 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 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 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 NAICS 517311, 517312 – Telephone Companies.

With respect to “retail telecommunications services” as defined in S. C. Code § 58-9-2200, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the “Telecommunications Collections Ordinance”). 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.

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 Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the “Insurers and Brokers Collections Ordinance”). 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.

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 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	\$47.00 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$3.50

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

Minimum on first \$2,000	\$90.00 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$2.80

9.2 NAICS 522298 – Pawn Brokers [All Types].

Minimum on first \$2,000	\$47.00 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$5.60

9.3 NAICS 4411, 4412 – Automotive, Motor Vehicles, Boats, Farm Machinery or Retail.

(except auto supply stores - see 4413)

Minimum on first \$2,000	\$27.50 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$0.75

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.

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 \$200.00 PLUS
 Per \$1,000, or fraction, over \$2,000..... \$1.90

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 \$200.00 PLUS
 Per \$1,000, or fraction, over \$2,000..... \$1.90

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 \$47.00 PLUS
 Per \$1,000, or fraction, over \$2,000..... \$3.50

9.6 NAICS 711190 – Carnivals and Circuses.

Minimum on first \$2,000 \$90.00 PLUS
 Per \$1,000, or fraction, over \$2,000..... \$3.75

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

Minimum on first \$2,000 \$190.00 PLUS
 Per \$1,000, or fraction, over \$2,000..... \$9.40

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.

9.8 Manufacturing.

Base Rate	\$260.00
First \$100,000	\$0.94 per \$1,000
Next \$300,000	\$0.75 per \$1,000
Next \$600,000	\$0.56 per \$1,000
Next \$4,000,000	\$0.37 per \$1,000
Over \$5,000,000	\$0.19 per \$1,000



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	9.80
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	7.00
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
713120	Amusement Parks and Arcades (per machine)	8.51
713120	Amusement Parks and Arcades (on gross)	3.00
713290	Nonpayout Amusement Machines (per machine)	8.52
713290	Nonpayout Amusement Machines (on gross)	3.00
713290	Bingo Halls	3.00
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