

Mayor
Elise Partin

Mayor Pro-Tem
Tara S. Almond

Council Members
Phil Carter
Eva Corley
James E. Jenkins

City Manager
Tracy Hegler

Assistant City Manager
James E. Crosland



**City of Cayce
Regular Council Meeting
Wednesday, February 19, 2020
5:00 p.m. – Cayce City Hall – 1800 12th Street
caycesc.gov**

I. Call to Order

- A. Invocation and Pledge of Allegiance

II. Public Comment Regarding Items on the Agenda

III. Ordinances and Other

- A. Discussion and Approval of Ordinance 2020-02 Amending City Code Chapter 12 Business License Ordinance of the City of Cayce – First Reading
- B. Discussion and Approval of Contract for Housing Study and Needs Analysis

IV. City Manager's Report

V. Council Comments

VI. Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege
- B. Discussion of possible contractual arrangements concerning Lexington County water rates
- C. Discussion of negotiations incident to proposed contractual arrangements regarding proposed Project Eiffel
- D. Discussion of negotiations incident to proposed contractual arrangements for two sewer line projects

VII. Reconvene

VIII. Possible Actions by Council in follow up to Executive Session

- A. Discussion and Approval of Contractual Arrangements Concerning Lexington County Water Rates
- B. Discussion and Approval of Contractual Arrangements for Sewer Line Projects

IX. Adjourn

SPECIAL NOTE: Upon request, the City of Cayce will provide this document in whatever form necessary for the physically challenged or impaired.

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager
Carroll Williamson, Planning and Development Director

Date: February 14, 2020

Subject: Update of Business License Ordinance Appendix A Classification and Rates and Appendix B Class Schedule

Issue

Council approval is needed in order to (1) amend Business License Ordinance Appendix A Classification and Rates to increase the business license tax rate by \$.05 for each additional \$1,000 of gross income over \$2,000 and (2) update Business License Ordinance Appendix B Class Schedule of the Business License Ordinance to be in accordance with the Municipal Association of South Carolina's Model Ordinance

Discussion

On July 16, 2019, the Municipal Association of South Carolina (MASC) released an updated Class Schedule for its Model Business License Ordinance. The Class Schedule is based on the United States North American Industry Classification System (NAICS) and it must reflect the most recent federal statistical data relating to NAICS codes.

Staff estimates a business license revenue shortfall as a result of this update. Additionally, while the cost of living has increased over 10% since the current business license tax rates were adopted in 2012, the business license tax has not increased. To maintain revenue neutrality with this update of the Class Schedule and to keep pace with the consumer price index, staff is recommending an increase of \$.05 for each additional \$1,000 of gross income over \$2,000.

Recommendation

Staff recommends Council approve an update of Business License Ordinance Appendix A Classification and Rates and Appendix B Class Schedule

ITEM III. A.

STATE OF SOUTH CAROLINA)	ORDINANCE 2020-02
)	Amending the Business License Tax
COUNTY OF LEXINGTON)	Rate Schedule and Class Schedule in
)	Appendix A and Appendix B of the
CITY OF CAYCE)	City Business License Ordinance

WHEREAS, the City Council previously adopted a Business License Ordinance, now codified in the City Code in Article II ("Licenses") of Chapter 12 ("Businesses"), that, among other things, provides for an annual license tax for the privilege of doing business within the City that is based on certain specified rate classifications and rate schedules; and

WHEREAS, Appendix A ("Classification and Rates") to the Business License Ordinance establishes a schedule of rates for the annual license tax, which are applied based on classifications of the businesses (the "Rate Schedule"); and

WHEREAS, Appendix B ("Business License Class Schedule by NAICS Code") to the Business License Ordinance establishes a schedule of classifications for the annual license tax, which primarily are based on Internal Revenue Service statistical data as to profitability of businesses nationally using the North American Industry Classification System (NAICS) Codes for businesses (the "Class Schedule"); and

WHEREAS, the Council now desires to update the Rate Schedule and the Class Schedule to reflect the most recent available Internal Revenue Service statistical data on profitability of businesses nationally based on NAICS Codes; and

WHEREAS, except as amended herein, the Business License Ordinance will remain in full force and effect,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Cayce, in Council, duly assembled, as follows:

1. Article II ("Licenses") of Chapter 12 ("Businesses") of the City Code (also known as the Business License Ordinance) is hereby amended by replacing the Rate Schedule contained in Appendix A thereof with the attached Appendix A.
2. Article II ("Licenses") of Chapter 12 ("Businesses") of the City Code (also known as the Business License Ordinance) is hereby amended by replacing the Class Schedule contained in Appendix B thereof with the attached Appendix B.
3. The Master Fee Schedule attached to and adopted by Ordinance 2019-10, effective as of July 1, 2019, is hereby amended to repeal and delete the business license tax rates contained on pages 10-12 of the Master Fee Schedule.

This Ordinance shall become effective immediately upon second and final reading, except that the class schedule entries for the subsectors of NAICS 2211 ("Electric Power Generation, Transportation and Distribution (except as to gross income on which a franchise fee is paid to the City)") and NAICS 2212 ("Natural Gas Distribution (except as to gross income on which a franchise fee is paid to the City)") shall become effective thirty days after second and final reading.

DONE IN MEETING DULY ASSEMBLED, this _____ day of _____ 2020.

Elise Partin, Mayor

Attest:

Mendy Corder, CMC, Municipal Clerk

First Reading: _____

Second Reading and Adoption: _____

Approved as to form: _____
Danny C. Crowe, City Attorney

Appendix A**Classification and Rates.****RATE SCHEDULE**

RATE CLASS	INCOME: 0 - \$2,000 MINIMUM TAX	INCOME OVER \$2,000 Rate per Thousand or fraction thereof
1	\$20.00	\$1.20
2	\$25.00	\$1.25
3	\$30.00	\$1.30
4	\$35.00	\$1.35
5	\$40.00	\$1.40
6	\$45.00	\$1.45
7	\$50.00	\$1.50
8	See individual business	In Class 8

NONRESIDENT 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 \$5,000,000.00	
Gross Income in \$ Millions	Percent of Class Rate for each additional \$1,000.00
0 - 5	100%
<u>5</u> - 7	95%
<u>7</u> - <u>9</u>	90%
<u>9</u> - 110	85%
Over 110	45%

CLASS 8 RATES

Business Type	Class	INCOME: 0 - \$2,000 MINIMUM TAX	INCOME OVER \$2,000 Rate per Thousand or fraction thereof	
Contractor	801	\$30	\$1.30	Non-resident Rates Apply
8B railroad	805	\$410		
Taxi	806	\$30	\$1.30	Non-resident Rates Apply
Telephone	807	\$30	\$1.30	
Junk/scrap	810	\$60	\$2.50	Non-resident Rates Apply
Pawn	813	\$400	\$1.75	
Auto/motor	811	\$20	\$1.00	
Peddlers	814	\$135	\$3.10	Non-resident Rates Apply
Peddlers seasonal	815	\$20	\$3.10	Non-resident Rates Apply
Insurance	816			
Coin operated per machine	826	\$12.50		
Coin machine gross receipts	826	\$35	\$1.35	Non-resident Rates Apply
Amusement per machine	820	\$12.50		
Amusement gross receipts	820	\$35	\$1.35	Non-resident Rates Apply
Bingo	825	\$300	\$3.10	
Carnivals / circus	822	\$200	\$5.10	
Drinking place	812	\$265	\$5.60	
Special events	822	\$200	\$5.10	
Pool hall	821	\$25	\$1.85	

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. Non-resident rates do not apply except where

indicated.

801 NAICS 230000 - Contractors. Construction. All Types

A. Having permanent place of business within the municipality Minimum on first \$2,000.00\$30.00 PLUS
Each additional \$1,000.....\$1.30

B. Non-resident (no permanent place of business in the municipality) Minimum on first \$2,000.00\$60.00 PLUS
Each additional \$1,000.00.....\$2.60(additional non-resident double rates do not apply)

A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this article.

The total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle 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 \$1,000.00 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year.

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 subcontractors furnishing labor or materials for each project.

805 NAICS 482 - Railroad Companies - (See Code § 12-23-210)\$410.00

807NAICS 517311, 517312 - Telephone Companies:

A. Notwithstanding any other provisions of the business license article, the business license tax for "retail telecommunications services", as defined in S. C. Code section 58-9-2200, shall be at the maximum rate authorized by S. C. Code section 58-9-2220, as it now provides or as provided by its amendment. The business license tax year shall begin on January 1 of each year. Declining rates shall not apply.

B. In conformity with S.C. Code section 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the Municipality and which are charged to a service address within the Municipality regardless of where these amounts are billed or paid and on which a business license tax has not been paid to another municipality. The measurement of the amounts derived from the retail sale of mobile telecommunications services shall include only revenues from the fixed monthly recurring charge of customers whose service address is within the boundaries of the Municipality. For a business in operation for less than one year, the amount of business license tax shall be computed on a twelve-month projected income.

C. The business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year, without penalty.

D. The delinquent penalty shall be five (5%) percent of the tax due for each month, or portion thereof, after the due date until paid.

E. Exemptions in the business license article for income from business in interstate commerce are hereby repealed. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

F. Nothing in this article shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31, 2003.

G. All fees collected under such a franchise or contractual agreement expiring after December 31, 2003, shall be in lieu of fees or taxes which might otherwise be authorized by this article.

H. As authorized by S.C. Code section 5-7-300, the Agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from telecommunications companies pursuant to S.C. Code section 58-9-2200 shall continue in

effect.

810 NAICS 423930 - Junk or Scrap Dealers [Nonresident rates apply]

Minimum on first \$2,000.....\$60.00 PLUS

Per \$1,000, or fraction, over \$2,000\$2.50

813 NAICS 52298 - Pawn Brokers - All Types

Minimum on first \$2,000.....\$400.00

PLUS Per \$1,000, or fraction, over

\$2,000.....\$1.75

811 NAICS 4411, 4412 - Automotive, Motor Vehicles, Boats, Farm Machinery, or Retail

(except auto supply stores - see 4413)

Minimum on first \$2,000.....\$20.00 PLUS

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

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 full sales price without deduction for trade-ins. Dealer transfers shall not be included in gross receipts.

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

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

815 Regular activities [more than two sale periods of more than three days each per

year] Minimum on first \$2,000.....\$135.00 PLUS

Per \$1,000, or fraction, over \$2,000.....\$3.10

815A 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.....\$20.00 PLUS

Per \$1,000, or fraction, over

\$2,000.....\$3.10

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

816 NAICS 5241 – Insurance Companies:

Except as to fire insurance, “gross premiums” means gross premiums written for policies for property or a risk located within the Municipality. In addition, “gross premiums” shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company’s office located in the Municipality, (2) the insurance company’s employee conducting business within the Municipality, or (3) the office of the insurance company’s licensed or appointed producer (agent) conducting business within the Municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium.

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 conducting business within the Municipality, regardless of whether or not an office is maintained in the Municipality.

As to fire insurance, “gross premiums” means gross premiums (1) collected in the Municipality, and/or (2) realized from risks located within the limits of the Municipality.

Gross premiums shall include all business conducted in the prior calendar year.

Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.

Declining rates shall not apply.

NAICS 52411 – Life, Health and Accident.....0.75% of Gross Premiums

NAICS 524126 – Fire and Casualty(Licensed in SC).....2% of Gross Premiums

NAICS 524127 – Title Insurance.....2% of Gross Premiums

Notwithstanding any other provisions of this article, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be 5% of the tax due per month, or portion thereof, after the due date until paid.

Any exemptions in the business license article for income from 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.

Pursuant to S.C. Code Ann. §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina, by agreement with the Municipality, is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The agreement with the Association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code § 5-7-300 shall remain in effect.

[The South Carolina General Assembly, in order to ensure consistency with the federal Non-admitted and Reinsurance Reform Act of 2010 ("NRRA"), ratified an act (Rat# 283) on June 28, 2012, amending S.C. Code §§ 38-7-16 and 38-45-10 through 38-45-195. The act establishes a blended broker's premium tax rate of 6 percent comprised of a 4 percent state broker's premium tax and a 2 percent municipal broker's premium tax. The act states a municipality may not impose on brokers of non-admitted insurance in South Carolina an additional license fee or tax based upon a percentage of premiums.]

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]**

1. **826** Operator of machine.....\$12.50/machine PLUS
\$12.50 business license for
 operation of all machines (not on gross income). [§ 12-21-2746]

2. **826** Distributor selling or leasing machines (not licensed by the State as an operator pursuant to §12- 21-2728) - [Nonresident rates apply.] - Minimum on first \$2,000.00\$35.00 PLUS
 Per \$1,000, or fraction, over \$2,000.....\$1.35

NAICS 713200 - 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]**

1. **820** Operator of machine (owner of business)\$12.50 business
 license for operation of all machines (not on gross income). **[§12-21-2720(B)]**

2. **820** Distributor selling or leasing machines (not licensed by the State as an operator pursuant to §12- 21-2728) - [Nonresident rates apply.] - Minimum on first \$2,000.....\$35.00 PLUS
 Per \$1,000, or fraction, over \$2,000.....\$1.35

825 NAICS 713290 - Bingo halls. parlors -

Minimum on first \$2,000.....\$300.00 PLUS
 Per \$1,000, or fraction, over \$2,000.....\$3.10

822 NAICS 711190 - Carnivals and Circuses -

Minimum on first \$2,000.....\$200.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$5.10

812 NAICS 722410 - Drinking Places, bars, lounges, cabarets

(Alcoholic beverages consumed on premises)

Minimum on first \$2,000.00.....\$265.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$5.60

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.

822 NAICS 711310, 711320 Special Events

Minimum on first \$2,000.....\$200.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$5.10

821 NAICS 713990 - Billiard or Pool Rooms, all types.....\$5.00 stamp/table
PLUS Minimum on first \$2,000.....\$25.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$1.85

APPENDIX B
BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	3
113	Forestry and Logging (including forest nurseries, timber tracts)	2
115	Support activities for agriculture and forestry	1
21	Mining	4
2211	Electric Power Generation, Transmission and Distribution -except as to gross income on which a franchise fee is paid to the City	1
2212	Natural Gas Distribution -except as to gross income on which a franchise fee is paid to the City	1
22	Utilities	1
23	Construction	801
31-33	Manufacturing	2
311	Food manufacturing	2
313	Textile and textile product mills	2
315	Apparel	2
316	Leather and allied products	2
321	Wood products	2
322	Paper products	2
323	Printing and related support activities	2
324	Petroleum and coal products	2
325	Chemical manufacturing	2
327	Nonmetallic mineral products	2
331	Primary metal industries	2
332	Fabricated metal products	2
333	Machinery	2
334	Computer and electronic products	2
335	Electrical equipment, appliances, and components	2
336	Transportation equipment	2
337	Furniture and related products	2
339	Other miscellaneous manufacturing	2
42	Wholesale trade	1
42393	Recyclable Material Merchant Wholesalers (Junk)	810
44-45	Retail trade	1
441	Motor vehicle and parts dealers	1
4411	Automobile Dealers	811
4412	Other Motor Vehicle Dealers	811
442	Furniture and home furnishing stores	1
443	Electronic and appliance stores	1
444	Building material and garden equipment and supplies dealers	1
445	Food and beverage stores	1

APPENDIX B
BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
446	Health and personal care stores	2
447	Gasoline stations	1
448	Clothing and accessories stores	2
451	Sporting goods, hobby, book, and music stores	1
452	General merchandise stores	1
453	Miscellaneous store retailers	2
454	Nonstore retailers	2
45439	Other Direct Selling Establishments (Peddlers)	815
45439	Other Direct Selling Establishments (Peddlers Seasonal)	815A
48-49	Transportation and warehousing	2
482	Rail Transportation	805
484	Truck Transportation	2
486	Pipeline transportation	1
493	Warehousing and storage facilities	2
51	Information	3
511	Publishing industries (except internet)	2
512	Motion picture and sound recording	1
515	Broadcasting (except internet) and telecommunications	3
517	Telecommunications	3
517311	Wired Telecommunications Carriers	807
517312	Wireless Telecommunications Carriers (except Satellite)	807
518	Internet service providers, web search portals, and data processing	3
519	Other Information Services	5
52	Finance and insurance	6
522	Credit intermediation and related activities	4
522298	Pawnshops	813
523	Securities, commodity contracts, and other financial investments	7
524	Insurance agents, brokers, and related activities	6
5241	Insurance Carriers	816
52421	Insurance Brokers for non-admitted Insurance Carriers	816
525	Funds, trusts and other financial vehicles	7
53	Real estate and rental and leasing	7
531	Real estate	7
5311	Lessors of real estate (including miniwarehouses and self storage)	7
532	Rental and leasing services	1
54	Professional, scientific, and technical services	3
541600-541900	Other professional, scientific, and technical services	4
55	Management of companies	6

APPENDIX B
BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
	Administrative and support and waste management and remediation	
56	services	3
561	Administrative and support services	3
562	Waste management and remediation services	1
61	Educational services	3
62	Health Care and social assistance	3
623	Nursing and Residential Care Facility	1
71	Arts, entertainment, and recreation	3
71119	Other Performing Arts Companies (Carnivals and Circuses)	822
71131	Promoters of Performing Arts, Sports, and Similar Events with Facilities	822
71132	Promoters of Performing Arts, Sports, and Similar Events without Facilities	822
712	Museums, Historical Sites and similar institutions	1
7131	Amusement Parks and Arcades	826
71312	Amusement Arcades (distributor selling or leasing machines)	820
7132	Nonpayout Amusement Machines	8.82
71329	Bingo Halls	8.9
71399	All Other Amusement and Recreational Industries (pool tables)	821
721	Accommodation	2
722	Food services and drinking places	2
72233	Mobile Food Services	2
72241	Drinking Places (Alcoholic Beverages)	812
81	Other services	3
811	Repair and maintenance	1
8111	Auto repair and maintenance	2
812	Personal and laundry services	6
813	Religious, grantmaking, civic, professional, and similar organizations	4

Note: Class Schedule is based on 2014 IRS data.

Appendix A

Classification and Rates.

RATE SCHEDULE

RATE CLASS	INCOME: 0 - \$2,000 MINIMUM TAX	INCOME OVER \$2,000 Rate per Thousand or fraction thereof
1	\$20.00	\$1.15 \$1.20
2	\$25.00	\$1.20 \$1.25
3	\$30.00	\$1.25 \$1.30
4	\$35.00	\$1.30 \$1.35
5	\$40.00	\$1.35 \$1.40
6	\$45.00	\$1.40 \$1.45
7	\$50.00	\$1.45 \$1.50
8	See individual business	In Class 8

NONRESIDENT 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 \$5,000,000.00	
Gross Income in \$ Millions	Percent of Class Rate for each additional \$1,000.00
0 - 5	100%
5 - 7	95%
7 - 9	90%
9 - 110	85%
Over 110	45%

CLASS 8 RATES

Business Type	Class	INCOME: 0 - \$2,000 MINIMUM TAX	INCOME OVER \$2,000 Rate per Thousand or fraction thereof	
Power company	8	\$60	\$1.45	-
Contractor	8.1801	\$30	\$1.25\$1.30	Non-resident Rates Apply
8B railroad	8.2805	\$410		
Taxi	8.21806	\$30	\$1.25\$1.30	Non-resident Rates Apply
Telephone	8.3807	\$30	\$1.25\$1.30	
Cable	8.4	\$50	\$1.45	
Junk/scrap	8.41810	\$60	\$2.45\$2.50	Non-resident Rates Apply
Pawn	8.42813	\$400	\$1.70\$1.75	
Auto/motor	8.5811	\$20	\$0.95\$1.00	
Peddlers	8.6814	\$135	\$3.05\$3.10	Non-resident Rates Apply
Peddlers seasonal	8.61815	\$20	\$3.05\$3.10	Non-resident Rates Apply
Insurance	8.7816			
Coin operated per machine	8.8826	\$12.50		
Coin machine gross receipts	8.81826	\$35	\$1.30\$1.35	Non-resident Rates Apply
Amusement per machine	8.82820	\$12.50		
Amusement gross receipts	8.83820	\$35	\$1.30\$1.35	Non-resident Rates Apply
Bingo	8.9825	\$300	\$3.05\$3.10	
Carnivals / circus	8.91822	\$200	\$5.05\$5.10	
Drinking place	8.92812	\$265	\$5.55\$5.60	
Special events	8.93822	\$200	\$5.05\$5.10	
Pool hall	8.94821	\$25	\$1.80\$1.85	

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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. Non-resident rates do not apply except where

indicated.

~~8~~ ~~NAICS 22112 - Electric Power Distribution~~ See consent or franchise

~~NAICS 22121 - Natural Gas Distribution~~ See consent or franchise

8-1801 **NAICS 230000 - Contractors, Construction, All Types**

A. Having permanent place of business within the municipality Minimum on first \$2,000.00\$30.00 PLUS
Each additional \$1,000.....~~\$1.25~~\$1.30

B. Non-resident (no permanent place of business in the municipality) Minimum on first \$2,000.00\$60.00 PLUS
Each additional \$1,000.00.....~~\$ 2.50~~\$2.60(additional non-resident double rates do not apply)

A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this article.

The total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle 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 \$1,000.00 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year.

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 subcontractors furnishing labor or materials for each project.

8-2805 **NAICS 482 - Railroad Companies -** (See Code § 12-23-210)\$410.00

8-3807 **NAICS 517311, 517312 - Telephone Companies:**

A. Notwithstanding any other provisions of the business license article, the business license tax for "retail telecommunications services", as defined in S. C. Code section 58-9-2200, shall be at the maximum rate authorized by S. C. Code section 58-9-2220, as it now provides or as provided by its amendment. The business license tax year shall begin on January 1 of each year. Declining rates shall not apply.

B. In conformity with S.C. Code section 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the Municipality and which are charged to a service address within the Municipality regardless of where these amounts are billed or paid and on which a business license tax has not been paid to another municipality. The measurement of the amounts derived from the retail sale of mobile telecommunications services shall include only revenues from the fixed monthly recurring charge of customers whose service address is within the boundaries of the Municipality. For a business in operation for less than one year, the amount of business license tax shall be computed on a twelve-month projected income.

C. The business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year, without penalty.

D. The delinquent penalty shall be five (5%) percent of the tax due for each month, or portion thereof, after the due date until paid.

E. Exemptions in the business license article for income from business in interstate commerce are hereby repealed. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

F. Nothing in this article shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31, 2003.

G. All fees collected under such a franchise or contractual agreement expiring after December 31, 2003, shall be in lieu of fees or taxes which might otherwise be authorized by this article.

H. As authorized by S.C. Code section 5-7-300, the Agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from telecommunications companies pursuant to S.C. Code section 58-9-2200 shall continue in effect.

~~8.4~~ **NAICS 517110 – Television: Cable or Pay**
Services using public streets.....See Franchise

~~—~~ **Cable television services not using public streets:** Minimum on first
\$2,000.....\$50.00 PLUS Per \$1,000, or
fraction, over \$2,000.....\$1.45

8.41810 NAICS 423930 - Junk or Scrap Dealers [Nonresident
rates apply] Minimum on first \$2,000.....\$60.00 PLUS
Per \$1,000, or fraction, over \$2,000~~\$2.45~~\$2.50

8.42813 NAICS 522298 - Pawn Brokers -
All Types Minimum on first
\$2,000.....\$400.00 PLUS Per \$1,000, or
fraction, over \$2,000.....~~\$1.70~~\$1.75

8.5811 NAICS 4411, 4412 - Automotive, Motor Vehicles, Boats, Farm Machinery, or Retail
(except auto supply stores - see 4413)
Minimum on first \$2,000.....\$20.00 PLUS
Per \$1,000, or fraction, over
\$2,000.....~~\$0.95~~\$1.00

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 full sales price without deduction for trade-ins. Dealer transfers shall not be included in gross receipts.

NAICS 454390 – Peddlers, Solicitors, Canvassers, Door-To-Door Sales
Direct retail sales of merchandise. [Non-resident rates apply]

8-6815 Regular activities [more than two sale periods of more than three days each per year] Minimum on first \$2,000.....\$135.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$3.05~~\$3.10

8-61815A 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.....\$20.00 PLUS
Per \$1,000, or fraction, over
\$2,000.....~~\$3.05~~\$3.10

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

8-7816 **NAICS 5241 – Insurance Companies:**

Except as to fire insurance, "gross premiums" means gross premiums written for policies for property or a risk located within the Municipality. In addition, "gross premiums" shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company's office located in the Municipality, (2) the insurance company's employee conducting business within the Municipality, or (3) the office of the insurance company's licensed or appointed producer (agent) conducting business within the Municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium.

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 conducting business within the Municipality, regardless of whether or not an office is maintained in the Municipality.

As to fire insurance, "gross premiums" means gross premiums (1) collected in the Municipality, and/or (2) realized from risks located within the limits of the Municipality.

Gross premiums shall include all business conducted in the prior calendar year.

Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.

Declining rates shall not apply.

NAICS 52411 – Life, Health and Accident0.75% of Gross Premiums

NAICS 524126 – Fire and Casualty (Licensed in SC).....2% of Gross Premiums

NAICS 524127 – Title Insurance.....2% of Gross Premiums

Notwithstanding any other provisions of this article, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be 5% of the tax due per month, or portion thereof, after the due date until paid.

Any exemptions in the business license article for income from 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.

Pursuant to S.C. Code Ann. §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina, by agreement with the Municipality, is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The agreement with the Association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code § 5-7-300 shall remain in effect.

[The South Carolina General Assembly, in order to ensure consistency with the federal Non-admitted and Reinsurance Reform Act of 2010 ("NRRA"), ratified an act (Rat# 283) on June 28, 2012, amending S.C. Code §§ 38-7-16 and 38-45-10 through 38-45-195. The act establishes a blended broker's premium tax rate of 6 percent comprised of a 4 percent state broker's premium tax and a 2 percent municipal broker's premium tax. The act states a municipality may not impose on brokers of non-admitted insurance in South Carolina an additional license fee or tax based upon a percentage of premiums.]

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]**

- 1. ~~8-88~~**26** Operator of machine.....\$12.50/machine PLUS
.....\$12.50 business license for
operation of all machines (not on gross income). [§ 12-21-2746]
- 2. ~~8-81~~~~826~~ Distributor selling or leasing machines (not licensed by the State as an operator
pursuant to §12- 21-2728) - [Nonresident rates apply.] - Minimum on first \$2,000.00\$35.00
PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$1.30~~**\$1.35**

NAICS 713200 - 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]**

1. **8.82820** Operator of machine (owner of business)\$12.50
business license for operation of all machines (not on gross income). **[\$12-21-2720(B)]**
2. **8.83820** Distributor selling or leasing machines (not licensed by the State as an operator pursuant to §12- 21-2728) - [Nonresident rates apply.] - Minimum on first \$2,000.....\$35.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$1.30~~**\$1.35**

8.9825 NAICS 713290 - Bingo halls, parlors -

Minimum on first \$2,000.....\$300.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$3.05~~**\$3.10**

8.91822 NAICS 711190 - Carnivals and Circuses -

Minimum on first \$2,000.....\$200.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$5.05~~**\$5.10**

8.92812 NAICS 722410 - Drinking Places, bars, lounges, cabarets

(Alcoholic beverages consumed on premises)

Minimum on first \$2,000.00.....\$265.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$5.55~~**\$5.60**

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.

8.93822 NAICS 711310, 711320 Special Events

Minimum on first \$2,000.....\$200.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$5.05~~**\$5.10**

8.94821 NAICS 713990 - Billiard or Pool Rooms, all types.....\$5.00

stamp/table PLUS Minimum on first
\$2,000.....\$25.00 PLUS
Per \$1,000, or fraction, over \$2,000.....~~\$1.80~~**\$1.85**

APPENDIX B
~~2013~~ BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
110000	Agriculture, forestry, hunting and fishing	23
113	<u>Forestry and Logging (including forest nurseries, timber tracts)</u>	2
115	<u>Support activities for agriculture and forestry</u>	1
210000	Mining	64
221100	Electric Power Generation, Transmission and Distribution -except as to gross income on which a franchise fee is paid to the City	18-0
221200	Natural Gas Distribution -except as to gross income on which a franchise fee is paid to the City	18-0
220000	Utilities	1
230000	Construction	8-1801
31-33	Manufacturing	2
311000	Food manufacturing	2
313000	Textile and textile product mills	12
315000	Apparel	2
316000	Leather and allied products	2
321000	Wood products	12
322000	Paper products	2
323000	Printing and related support activities	2
324000	Petroleum and coal products	2
325000	Chemical manufacturing	32
327000	Nonmetallic mineral products	2
331000	Primary metal industries	12
332000	Fabricated metal products	2
333000	Machinery	2
334000	Computer and electronic products	42
335000	Electrical equipment, appliances, and components	2
336000	Transportation equipment	2
337000	Furniture and related products	2
339000	Other miscellaneous manufacturing	32
420000	Wholesale trade	1
423930	Recyclable Material Merchant Wholesalers (Junk)	8-41810
44-45	Retail trade	1
441000	Motor vehicle and parts dealers	1
441100	Automobile Dealers	8-5811
441200	Other Motor Vehicle Dealers	8-5811
442000	Furniture and home furnishing stores	21
443000	Electronic and appliance stores	1
444000	Building material and garden equipment and supplies dealers	21
445000	Food and beverage stores	1

APPENDIX B
2013-BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
446000	Health and personal care stores	2
447000	Gasoline stations	1
448000	Clothing and accessories stores	2
451000	Sporting goods, hobby, book, and music stores	1
452000	General merchandise stores	1
453000	Miscellaneous store retailers	2
454000	Nonstore retailers	12
454390	Other Direct Selling Establishments (Peddlers)	8-6815
454390	Other Direct Selling Establishments (Peddlers Seasonal)	8-64815A
48-49	Transportation and warehousing	2
482000	Rail Transportation	8-2805
484	<u>Truck Transportation</u>	2
486000	Pipeline transportation	21
493000	Warehousing and storage facilities	2
510000	Information	3
511000	Publishing industries (except internet)	42
512000	Motion picture and sound recording	31
515000	Broadcasting (except internet) and telecommunications	3
517000	Telecommunications	3
517100 311	Wired Telecommunications Carriers	8-3807
517110	Cable, DSL, VoIP, etc.	8-4
517200 312	Wireless Telecommunications Carriers (except Satellite)	8-3807
518000	Internet service providers, web search portals, and data processing	43
519000	Other Information Services	5
520000	Finance and insurance	76
522000	Credit intermediation and related activities	54
522298	Pawnshops	8-42813
523000	Securities, commodity contracts, and other financial investments	7
524000	Insurance agents, brokers, and related activities	26
524100	Insurance Carriers	8-7816
524210	Insurance Brokers for non-admitted Insurance Carriers	8-7816
525000	Funds, trusts and other financial vehicles	7
530000	Real estate and rental and leasing	57
531000	Real estate	67
531100	Lessors of real estate (including miniwarehouses and self storage)	7
532000	Rental and leasing services	21
540000	Professional, scientific, and technical services	53
541600-541900	Other professional, scientific, and technical services	74
550000	Management of companies	56

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APPENDIX B
~~2013~~ BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
560000	Administrative and support and waste management and remediation services	3
561000	Administrative and support services	3
562000	Waste management and remediation services	21
610000	Educational services	53
62000	Health Care and social assistance	43
623000	Nursing and Residential Care Facility	1
710000	Arts, entertainment, and recreation	3
711190	Other Performing Arts Companies (Carnivals and Circuses)	8-91822
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	8-93822
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	8-93822
712000	Museums, Historical Sites and similar institutions	31
713100	Amusement Parks and Arcades	8-8826
713120	Amusement Arcades (distributor selling or leasing machines)	8-83820
713200	Nonpayout Amusement Machines	8.82
713290	Bingo Halls	8.9
713990	All Other Amusement and Recreational Industries (pool tables)	821
721000	Accommodation	12
722000	Food services and drinking places	2
722330	Mobile Food Services	2
722410	Drinking Places (Alcoholic Beverages)	8-92812
810000	Other services	43
811000	Repair and maintenance	21
811100	Auto repair and maintenance	2
812000	Personal and laundry services	56
813000	Religious, grantmaking, civic, professional, and similar organizations	54

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Note: Class Schedule is based on ~~2010-2014~~ IRS data.

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager
Carroll Williamson, Planning and Development Director

Date: February 11, 2020

Subject: Proposal Acceptance for Housing Study and Needs Analysis

Issue

Council approval is needed in order to accept the proposal from RKG Associates Inc. to conduct a housing study and needs analysis.

Discussion

On December 18, 2019 Council approved a 180-day moratorium on the acceptance, review, processing and granting of applications for approvals, permits or permissions related to the development or construction of (a) single-family residential subdivisions of fifteen (15) residences or more, and (b) multi-family residential housing, including rented or owner-occupied apartments or condominium units, of four or more living units (except in a planned development district) in order to have adequate time and opportunity to study, analyze, and make recommendations to the Council concerning the consequences and impact of planned and unplanned large scale residential growth in and around the City.

On January 6, 2020 the City advertised a request for proposals for a housing study and needs analysis. On February 3, six (6) proposals were submitted to the City and evaluated by City staff for (1) understanding and technical approach to the project, (2) ability to meet the project schedule, (3) pertinent experience and qualifications, and (4) relative value of the services to be provided. Based on these criteria, the most responsive firm was RKG Associates Inc. with a budget of \$32,250.

This study and analysis will provide invaluable information about Cayce's existing supply and the demand for both rental and owner-occupied housing, barriers that prevent the City from meeting housing demands, and an implementation strategy to better plan for future population growth.

Recommendation

Staff recommends Council approve a contract with RKG Associates Inc. and authorize the City Manager to execute the contract from RKG Associates Inc. for a not to exceed amount of \$32,250. Staff recommends that the funding for this Study be provided by the Fund Balance.