

TOWN COUNCIL

STAFF REPORT

Finance & Administration Department



MEETING DATE:	November 13, 2025
PROJECT:	Consideration of Ordinance Amending Chapter 6 – Businesses and Business Regulations, Appendix A – Business Licenses Rate Schedule and Appendix B – Business License Class Schedule by NAICS Code of the Town Code as Required by Act 176 of 2020. – Second & Final Reading
PROJECT MANAGER:	Natalie Majorkiewicz, CGFO, CGFM Director of Finance & Administration

REQUEST:

Town Staff requests Town Council to approve First Reading of an Ordinance amending Appendix A – Business License Rate Schedule and Appendix B – Business License Class Schedule by NAICS Code in Chapter 6 – Businesses and Business Regulations of the Town Code to comply with State of South Carolina’s law, Act 176 of 2020, The Business License Standardization Act. Staff has evaluated the revenue impact on the proposed changes by the Municipal Association of South Carolina (MASC). The updated class schedule results in an estimated fiscal impact of a decrease of approximately \$97,150 or four percent. Staff recommends the following to remain revenue neutral:

- Increasing the step increase per Rate Class from \$0.15 to \$0.18
- Keeping Rate Class the same at \$1.00 per thousand
- Keeping the base fee at \$50.00

BACKGROUND:

The State of South Carolina passed standardized business licensing, known as Act 176 of 2020, in September of 2020 that became effective January 1, 2022 which required all cities and towns to adhere to specific requirements.

One of the requirements is to update the business licensing class schedule every odd-numbered year for it to go into effect the following year. The updated class schedule must be adopted by December 31, 2025.

The North American Industry Classification System (NAICS) is reviewed and revised every five years to keep the classification system current with changes to economic activities with the most recent being 2022 . The update to the NAICS code does not require an ordinance or approval by Town Council but is incorporated in the ordinance amendment.

NEXT STEPS:

Should Town Council approve the Second & Final Reading of the proposed amended Ordinance, it shall be effective to the business license year beginning on May 1, 2026.

SUMMARY:

The approval of the proposed amended Ordinance keeps the Town compliant as required by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act.

The amendment to Chapter 6 – Businesses and Business License Regulations with updates to Appendix A and Appendix B as recommended by MASC are as follows:

- Appendix A – Business License Rate Schedule:

	Income: \$0—\$2,000	Income Over \$2,000
Rate Class	Base Rate	Rate Per \$1,000 or Fraction Thereof
1	\$50.00	\$1.00
2	\$50.00	\$1.15 \$1.18
3	\$50.00	\$1.30 \$1.36
4	\$50.00	\$1.45 \$1.54
5	\$50.00	\$1.60 \$1.72
6	\$50.00	\$1.75 \$1.90
7	\$50.00	\$1.90 \$2.08
8.1	\$50.00	\$1.00
8.2	Set by state statute	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.52	\$12.50 + \$180.00 per machine	
8.6	\$50.00 plus \$5.00 -OR- \$12.50 per table	\$1.00
9.1	\$50.00	\$1.00
9.3	\$50.00	\$1.00
9.5	\$50.00	\$1.00
9.6	\$50.00	\$1.00
9.7	\$50.00	\$1.15 \$1.18

- Appendix B – Business License Class Schedule:
 - Classes 1 through 8 in Appendix B to the Current Business License Ordinance, the “Business License Class Schedule,” are hereby amended and restated.
 - Class 9.7 NAICS 722410 – Drinking Places, bars, lounges, cabarets rate shall increase from \$1.15 to \$1.18. All other Class 9, in Appendix B to the Current Business License Ordinance, the “Business License Class Schedule,” shall remain in full force and effect as set forth in the Current Business License Ordinance.

ATTACHMENTS:

1. Proposed Ordinance
2. NAICS Codes and Class Schedule Timeline from MASC
3. Recommended Motions