

TOWN COUNCIL

STAFF REPORT

Finance & Administration Department



MEETING DATE:	April 11, 2023
PROJECT:	Consideration of Ordinance Amending Chapter 6 – Businesses and Business Regulations to add Division 1 – Local Business Licenses and Division 2 – Business Licenses for Insurers, Brokers, and Telecommunication Providers to Article II – Business Licenses and Regulations, Authorizing and Directing the Town of Bluffton to Enter into an Intergovernmental Agreement Relating to South Carolina Revenue Services; to Participate in one or more Local Revenue Service Programs, to Execute and Deliver One or More Participant Program Supplements, and other Matters Relating Thereto – First Reading
PROJECT MANAGER:	Natalie Majorkiewicz, CGFO, Assistant Director of Finance

REQUEST:

Town Staff requests Town Council to approve First Reading of an Ordinance adding Division 1. – Local Business Licenses and Division 2. – Business Licenses for Insurers, Brokers, and Telecommunication Providers to Article II, Business Licenses and Regulations as recommended by the Municipal Association of South Carolina (MASC) due to the Local Revenue Services rebranding and to comply with State of South Carolina’s law, Act 176 of 2020, The Business License Standardization Act.

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.

Recently, the Municipal Association has rebranded the collection program and changed the names of the programs offered, as noted below:

- Insurance Tax Collection Program becomes Insurance Tax Program, or ITP,
- Brokers Tax Collection Program becomes Brokers Tax Program, or BTP, and
- Telecommunications Tax Collection Program to Telecommunications Tax Program, or TTP

All of these programs are now rebranded as Local Revenue Services and does not have any impact on the Setoff Debt Program.

Since 2013, The Town of Bluffton has participated in the Insurance Tax, Brokers Tax, and the Telecommunication Tax Collection Programs offered through the Municipal Association.

Due to the rebranding and renaming of the programs and the adoption of the standardized business license ordinance under Act 176 of 2020, the Association requires the Town to enact the proposed ordinance and sign updated agreements in order to continue participate in the programs now known as Local Revenue Services.

NEXT STEPS:

Should Town Council approve the First Reading of the proposed amended Ordinance, the following are next steps;

1. Town Council approves the Second and Final Reading of the proposed amended Ordinance,
2. Sign Local Revenue Services Agreement (Attachment 3), and
3. Sign Local Revenue Services Participant Program Supplement (Attachment 4).

SUMMARY:

The approval of the proposed amended Ordinance and by signing the LRS agreement and supplement allows the Town to continue participation in the tax collection programs offered by the Municipal Association.

The substantial changes to the Local Revenue Services programs noted by MASC are as follows:

- The new agreement is an intergovernmental agreement among all of the participating governments, rather than a series of standalone agreements.
- Local Revenue Services will act in its own name as a division of the Municipal Association and will be governed by a committee of the Municipal Association's Board of Directors.
- The terms on which the Municipal Association is delegated the authority to resolve litigation on behalf of its members have been clarified.
- An appeals process, as required by and consistent with Act 176, has been formally adopted.

ATTACHMENTS:

1. Presentation
2. Proposed Ordinance
3. Local Revenue Services Agreement
4. LRS Participant Program Supplement
5. Memo from MASC
6. Recommended Motions