

AGENDA
OF THE SIMPSONVILLE CITY
BUSINESS MEETING
May 09, 2023
6:30pm
Council Chambers – City Hall

1. **CALL TO ORDER**.....Mayor Shewmaker
2. **ROLL CALL**.....City Clerk, Ashley Clark
3. **PLEDGE OF ALLEGIANCE**
4. **PRESENTATION**..... Charlie Barrineau
Field Service Manager, Municipal Association of South Carolina
5. **APPROVAL OF MINUTES**- April 11, 2023
6. **CITIZEN COMMENTS**
7. **BUSINESS**
 - A. 2nd Reading of Local Revenue Services, Ordinance O-2023-01.....City Administrator, Dianna Gracely
 - B. 1st Reading of FY 2023-2024 Budget, Ordinance O-2023-02.....City Administrator, Dianna Gracely
8. **ADJOURN**

PLEASE NOTE: This Agenda is accurate as of the Friday immediately preceding the Council meeting but is subject to change until twenty-four (24) hours prior to the meeting. Please contact the City Clerk the day of the meeting for the latest agenda information.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

TITLE: AN ORDINANCE TO ADOPT THE BUDGET FOR THE CITY OF SIMPSONVILLE, SOUTH CAROLINA, FOR FISCAL YEAR 2023-2024 ACCORDING TO THE TERMS AND PROVISIONS CONTAINED THEREIN; FIXING THE MILLAGE RATE AT 59.8 MILS; AUTHORIZING THE TRANSFER OF UP TO \$583,998 FROM THE SPECIAL REVENUE FUND TO PAY FOR OPERATIONAL EXPENSES; AUTHORIZING THE TRANSFER OF UP TO \$239,699 FROM THE SEWER FUND TO PAY FOR OPERATIONAL EXPENSES; AUTHORIZING THE TRANSFER OF UP TO \$250,000 FROM PUBLIC WORKS ENTERPRISE FUND FOR ROAD IMPROVEMENT EXPENSES; AUTHORIZING THE TRANSFER OF UP TO \$250,000 TO THE CAPITAL PROJECTS FUND; SETTING THE PUBLIC WORKS FEE TO BE COLLECTED ON ALL IMPROVED REAL PROPERTY; AND REPEALING ANY PREVIOUS ORDINANCE IN CONFLICT THEREWITH

BASIS FOR THE ORDINANCE: SOUTH CAROLINA CODE ANN. § 5-11-40 *et. seq.* South Carolina Code of Laws

EFFECTIVE DATE OF ORDINANCE: July 1, 2023, and upon final approval by Council after second reading and signing by the Mayor.

WHEREAS, pursuant to S.C. Code Ann. §5-11-40 the City Council shall adopt an annual budget for the operation of the City and capital improvements for Fiscal Year 2023-2024; and

WHEREAS, Council has carefully studied and examined the financial needs for operations for the coming fiscal year after discussions with the City Administrator and all Department Heads; and

WHEREAS, having considered the budget requests for the coming fiscal year and having determined that it is in the best interests of the taxpayers of the City to adopt a comprehensive budget based upon estimated revenues and to provide appropriations for City operations and debt service for all City departments; and

WHEREAS, pursuant to S.C. Code Ann. §6-1-80 the City has provided notice to the public by advertising the public hearing before the adoption of the budget for the next fiscal year in a newspaper of general circulation in the area, given that not less than fifteen days in advance of the public hearing in the form as prescribed by law; and

WHEREAS, after a public hearing and receiving public comment the City Council finds that the budget for Fiscal Year 2023-2024 should be adopted;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SIMPSONVILLE, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. ADOPTION OF THE BUDGET FOR THE CITY OF SIMPSONVILLE, SOUTH CAROLINA, FOR FISCAL YEAR 2023-2024:

1.1. The budget document entitled: "CITY OF SIMPSONVILLE: BUDGET FOR FISCAL YEAR 2023-2024" is hereby ADOPTED and incorporated herein by reference.

1.2. The millage rate for FY 2023-2024 is as follows:

OPERATING MILLAGE

	2022	Increase ¹	Total 2023
Operating Base Millage	59.8		59.8
Reserve Account Millage*			
Lease Purchase Millage**			
Debt Millage			
Total	59.8		59.8

*Millage levied pursuant to Sec. 6-1-320(D) to "maintain a reserve account."

**Millage levied pursuant to Sec. 6-1-320(D) for "real property purchased using a lease-purchase agreement"

¹Millage increases for 2021 are limited to the millage cap established by SC Code Sec 6-1-320.

SURCHARGE MILLAGE

	2022	2023
Surcharge Millage	0.0	0.0

Statutory Reasons under Section 6-1-320(B) for surcharge: (please check one)

- (1) deficiency of the preceding year
- (2) catastrophic event (natural disaster, act of God, etc.)
- (3) compliance with a court order or decree
- (4) taxpayer closure (decreases by 10% or more prior year revenue)
- (5) compliance with a federal or state unfunded regulation or statute

1.3. Public Works Fee:

- a. A Public Works Fee of One Hundred Sixty-Seven Dollars (\$167.00) shall be collected on each separate taxable parcel of improved real property located within the city limits of Simpsonville.
- b. A Public Works Fee of One Hundred Sixty-Seven Dollars (\$167.00) shall be collected times the number of commercial units or spaces located on each taxable parcel of improved real property located within the core central business district as that district is identified on a map maintained in the Office of the City Planning Director that currently use a single roll-a-waste container for solid waste collection. This service will not include recycling, brush, leaves or white

goods collection.

- c. A Public Works Fee of One Hundred Sixty-Seven Dollars (\$167.00) shall be collected on each dwelling unit of a duplex located on each taxable parcel of improved real property located in the City.
- d. A Public Works Fee of One Hundred Sixty-Seven Dollars (\$167.00) shall be collected on every mobile home located with a mobile home park. The City Treasurer shall cause the fee to be collected on the annual mobile home county tax notice.

1.4. The City Administrator is authorized to transfer an amount not to exceed Five Hundred Eighty-Three Thousand, Nine Hundred and Ninety-Eight Dollars (\$583,998) from the Special Revenue Fund to fund operational expenses.

1.5. The City Administrator is authorized to transfer an amount not to exceed Two Hundred Thirty-Nine Thousand, Six Hundred Ninety-Nine Dollars (\$239,699) from the Sewer Fund to fund operational expenses.

1.6. The City Administrator is authorized to transfer an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Public Works Enterprise Fund to fund road improvement expenses.

1.7. The City Administrator is authorized to transfer an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) to the Capital Projects Fund to cover the purchase of a Heavy Rescue Fire Truck in fiscal year 2026-2027.

1.8. In order to provide for unforeseen expenditures or new opportunities throughout the year, the General Fund budget will have a contingency of Forty-Seven Thousand, Five Hundred Dollars (\$47,500) that will be used only with City Administrator approval.

1.9. All revenues provided for by law shall be collected and placed in ordinary City funds to supplement and provide sufficient funds for all ordinary City purposes. No public funds of the City of Simpsonville shall be deposited unless the bank or depository shall pledge to the City Administrator a security equal in value to the funds deposited, after Federal Deposit Insurance Corporation guarantees have been considered. The security shall consist of either a surety bond executed by a licensed surety company, United States Government Bonds, bonds of the State of South Carolina or such other security as shall be approved in writing by a majority of the City Council.

1.10. Funds appropriated herein are to be expended only in compliance with policies adopted by City Council or, at City Council's direction, as formulated and implemented by the City Administrator, either existing or adopted.

1.11. The County Auditor of Greenville County shall levy an ad valorem tax on all taxable property owned and used in the City of Simpsonville, South Carolina, except such as may be exempt from taxation under the Constitution and laws of the state of South

Carolina. The tax shall be collected and paid into the treasury of Greenville County for credit to the City of Simpsonville.

1.12. City Council reserves the right to amend and alter any appropriation contained herein.

1.13. Any transfer of funds, except as allowed for in this ordinance and except for transfers within a department's budget line items (provided the overall department's budget appropriations do not change) must be reported in the monthly Financial Report to City Council and must be approved by a majority vote of the City Council.

1.14. Expenditure of funds from the General Fund and other City funds, as outlined in the General Fund budget or other budget as approved by City Council, is hereby approved by the City Council and the City Administrator is authorized to expend funds in accordance therewith.

1.15. The annual budget documents and the estimated revenue for the payment of same is hereby adopted and is made a part of this Ordinance as fully as if incorporated herein.

1.16. The purchase of supplies and repairs must be in accordance with provisions of the City's Procurement Ordinance; however, the City Administrator is authorized to purchase used vehicles and equipment from scheduled surplus equipment sales sponsored by City, County, State and Federal government agencies, outside of the requirements of the Procurement Ordinance and procedures of the City of Simpsonville.

1.17. Fees collected by all offices of the City shall be remitted to the City Administrator or her designee for deposit for general City purposes.

1.18. The City Administrator is hereby directed to transfer that sum which represents 75% of the surplus funds, as determined by the annual audit, to the Capital improvement Fund.

SECTION 2. REPEAL OF CONFLICTING ORDINANCES: All ordinances, order, resolutions and parts thereof in conflict herewith are, but only to the extent of such conflict, are hereby REPEALED and this Ordinance shall take effect and be in full force from and after its passage and approval.

SECTION 3. PROVISION SEVERAGE: If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The CITY COUNCIL hereby declares that it would have passed this ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

SECTION 4. AUTHORIZATION: The Mayor, City Administrator, and the City Clerk, for and on behalf of the City, acting jointly or individually, are fully empowered and authorized to take such further action as may be reasonably necessary to effect the amendments authorized by this Ordinance

in accordance with the conditions herein set forth.

SECTION 5. SAVINGS CLAUSE: Nothing in this ordinance hereby adopted shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as stated in Section 3 of this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance.

SECTION 6. The CITY CLERK is hereby ordered and directed to cause this ordinance to be published according to law.

SECTION 7. EFFECTIVE DATE: This ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect from and after July 1, 2023, as set forth herein.

Done in meeting duly assembled this 13th day of June, 2023

SIGNATURE OF MAYOR:

Paul D. Shewmaker

ATTEST:

APPROVED AS TO FORM:

Ashley Clark
City Clerk

Daniel Hughes
City Attorney

FIRST READING: May 9, 2023
SECOND READING: June 13, 2023

ORDINANCE 2023-01

AUTHORIZING AND DIRECTING THE CITY OF SIMPSONVILLE TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT RELATING TO SOUTH CAROLINA LOCAL 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.

WHEREAS, the City of Simpsonville (the "Municipality") is authorized by S.C. Code Section 5-7-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income;

WHEREAS, under State law, certain business license taxes are applicable in a manner or at a rate that applies throughout the State ("Statewide Business License Taxes");

WHEREAS, such Statewide Business License Taxes include without limitation the business license taxes applicable to insurers under Title 38, Chapter 7 of the S.C. Code; to brokers under Title 38, Chapter 45 of the S.C. Code; and to telecommunications companies under Title 58, Chapter 9, Article 20 of the S.C. Code;

WHEREAS, the Municipal Association of South Carolina (the "Association") has previously established local revenue service programs in which the Association administers Statewide Business License Taxes on behalf of and for the benefit of participating municipalities;

WHEREAS, such local revenue service programs include a program known as the Insurance Tax Program ("ITP") that administers business license taxes applicable to insurers under Title 38, Chapter 7 of the S.C. Code; a program known as the Brokers Tax Program ("BTP") that administers business license taxes applicable to brokers under Title 38, Chapter 45 of the S.C. Code; and a program known as the Telecommunications Tax Program ("TTP") that administers business license taxes applicable to telecommunications companies under Title 58, Chapter 9, Article 20 of the S.C. Code;

WHEREAS, the Municipality currently participates in ITP, BTP and TTP;

WHEREAS, by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act and codified at S.C. Code Sections 6-1-400 to -420 (the "Standardization Act"), the South Carolina General Assembly imposed additional requirements and conditions on the administration of business license taxes;

WHEREAS, following the enactment of the Standardization Act, the Municipality enacted Ordinance No. 2021-07 on August 10, 2021, in order to comply with the requirements of the Standardization Act (the "Current Business License Ordinance");

WHEREAS, in connection with the enactment of the Standardization Act and the adoption of locally compliant business license ordinances, the municipalities of the State have determined that it would be advisable and prudent to update the existing local revenue service programs;

WHEREAS, in particular, the municipalities of the State have determined to establish and join

South Carolina Local Revenue Services (“LRS”) by intergovernmental agreement, which among other things will administer Statewide Business License Taxes on behalf of its participants, including but not limited to by continuing to offer the services provided by the ITP, BTP, and TTP;

WHEREAS, Article VIII, Section 13(A) of the South Carolina Constitution provides that “(a)ny county, incorporated municipality, or other political subdivision may agree with the State or with any other political subdivision for the joint administration of any function and exercise of powers and the sharing of the costs thereof;”

WHEREAS, the City Council of the Municipality (the “Council”) now wishes to authorize and direct the Municipality to join LRS and to participate in one or more local revenue service programs;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Simpsonville, as follows:

SECTION 1. Direction to Apply to and Join LRS. The form of the Local Revenue Services Agreement (the “Agreement”) pursuant to which a municipality may request to participate in LRS and, if approved, become a participant is attached hereto as Exhibit A. The City Administrator (the “Executive Officer”) is hereby authorized and directed to apply to participate in LRS. If the Municipality’s application is approved by LRS, then the Executive Officer shall execute and deliver a counterpart to the Agreement in substantially the form attached hereto. The Council hereby approves the terms and conditions of and agrees to comply with the Agreement upon the execution and delivery thereof by the Executive Officer.

SECTION 2. Participation in Local Revenue Service Programs. The Council determines that, if admitted to LRS, the Municipality will participate in the ITP, BTP and TTP. The Executive Officer is hereby authorized and directed to execute and deliver any required Participant Program Supplements (as such term is defined in the Agreement) as may be necessary to participate in such local revenue service programs.

SECTION 3. Business License Taxes Applicable to Insurance Companies. Notwithstanding anything in the Current Business License Ordinance to the contrary, the following provisions shall apply to insurance companies subject to Title 38, Chapter 7 of the S.C. Code.

- a) Except as set forth below, “gross premiums” for insurance companies 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.
- b) 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.

- c) As to bail bonds, "gross premiums" shall exclude any amounts retained by a licensed bail bondsman as defined in Title 38, Chapter 53 of the S.C. Code for authorized commissions, fees, and expenses.
- d) 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.
- e) 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.
- f) The business license tax for insurance companies under Title 38, Chapter 7 of the S.C. Code shall be established at the rates set forth below. Declining rates shall not apply.

NAICS Code

524113 **Life, Health, and Accident.** 0.75% of Gross Premiums.

524126 **Fire and Casualty.** 2% of Gross Premiums.

524127 **Title Insurance.** 2% of Gross Premiums.

- g) 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.

SECTION 4. Business License Tax Applicable to Brokers. Title 38, Chapter 45 of the S.C. Code (the "Brokers Act") establishes a blended premium tax rate applicable to brokers of 6 percent, comprising a 4 percent State premium tax and a 2 percent municipal premium tax, each to be collected by the South Carolina Department of Insurance. Pursuant to §§ 38-45-10 and 38-45-60 of the Brokers Act, the Municipal Association of South Carolina is designated the municipal agent for purposes of administration of the municipal broker's premium tax.

SECTION 5. Business License Taxes Applicable to Telecommunication Companies.

- a) Notwithstanding any other provisions of the Current Business License Ordinance, 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. Declining rates shall not apply.
- b) The business license tax year for retail telecommunications services shall begin on January 1 of each year. 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. The delinquent penalty shall be five percent (5%) of the tax due for each month, or portion thereof, after the due date until paid.

- c) 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.
- d) Nothing in this Ordinance shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement. All fees collected under such a franchise or contractual agreement shall be in lieu of fees or taxes which might otherwise be authorized by this Ordinance.

SECTION 6. No Exemption for Interstate Commerce. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

SECTION 7. LRS to Appoint Business License Official and to Designate Appeals Board. Pursuant to the Agreement, LRS is hereby authorized to appoint one or more individuals (each, an "LRS Business License Official") to act as the Municipality's business license official for purposes of administering Statewide Business License Taxes. In addition, LRS is hereby authorized pursuant to the Agreement to designate an appeals board (the "Appeals Board") for purposes of appeals arising with respect to such taxes. The LRS Business License Official so appointed and the Appeals Board so designated shall have all of the powers granted to the Municipality's business license official and appeals board under the Current Business License Ordinance, except as may be modified by this ordinance.

SECTION 8. Appeals Process. With respect to the calculation, assessment, and collection of Statewide Business License Taxes, in lieu of the appeals process described in the Current Business License Ordinance, the following appeals process required by S.C. Code Section 6-1-410 shall apply:

- a) If a taxpayer fails or refuses to pay a Statewide Business License Tax by the date on which it is due, the LRS Business License Official may serve notice of assessment of the Statewide Business License Tax due on the taxpayer by mail or personal service. Within thirty days after the date of postmark or personal service, a taxpayer may request, in writing with

reasons stated, an adjustment of the assessment. An informal conference between the LRS Business License Official and the taxpayer must be held within fifteen days of the receipt of the request, at which time the taxpayer may present any information or documents in support of the requested adjustment. Within five days after the conference, the LRS Business License Official shall issue a notice of final assessment and serve the taxpayer by mail or personal service with the notice and provide a form for any further appeal of the assessment by the taxpayer.

- b) Within thirty days after the date of postmark or personal service, the taxpayer may appeal the notice of final assessment by filing a completed appeal form with the LRS Business License Official, by mail or personal service, and by paying to LRS in protest at least eighty percent of the business license tax based on the final assessment. The appeal must be heard and determined by the Appeals Board. The Appeals Board shall provide the taxpayer with written notice of the hearing and with any rules of evidence or procedure prescribed by the Appeals Board. The hearing must be held within thirty days after receipt of the appeal form unless continued to another date by agreement of the parties. A hearing by the Appeals Board must be held at a regular or specially called meeting of the Appeals Board. At the appeals hearing, the taxpayer and LRS have the right to be represented by counsel, to present testimony and evidence, and to cross-examine witnesses. The hearing must be recorded and must be transcribed at the expense of the party so requesting. The Appeals Board shall decide the assessment by majority vote. The Appeals Board shall issue a written decision explaining the basis for the decision with findings of fact and conclusions and shall inform the taxpayer of the right to request a contested case hearing before the Administrative Law Court. The written decision must be filed with the LRS Business License Official and served on the taxpayer by mail or personal service. The decision is the final decision of LRS on the assessment.
- c) Within thirty days after the date of postmark or personal service of LRS's written decision on the assessment, a taxpayer may appeal the decision to the Administrative Law Court in accordance with the rules of the Administrative Law Court.

SECTION 9. Repealer, Effective Date. All ordinances in conflict with this ordinance are hereby repealed. This ordinance shall be effective on the date of final reading.

ENACTED IN REGULAR MEETING, this ____ day of _____, 2023.

Mayor

ATTEST:

Clerk

First reading: April 11, 2023

Final reading: May 9, 2023