

TOWN OF SEABROOK ISLAND

ORDINANCE NO. 2025-06

ADOPTED _____

AN ORDINANCE AMENDING THE TOWN CODE FOR THE TOWN OF SEABROOK ISLAND; CHAPTER 8, BUSINESSES AND BUSINESS REGULATIONS; ARTICLE 1, BUSINESS LICENSE; SECTION 8-21, CLASSIFICATION AND RATES; SO AS TO AMEND THE BUSINESS LICENSE RATE CLASS SCHEDULE AS REQUIRED BY ACT 176 OF 2020

WHEREAS, the Town of Seabrook Island (the "Town") 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; and

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; and

WHEREAS, following the enactment of the Standardization Act, and in order to comply with the requirements of the Standardization Act, the Mayor and Council of the Town (the "Town Council") enacted Ordinance No. 2021-15 on December 14, 2021, which ordinance has been codified in Chapter 8, Article 1, of the Town Code (the "Town Business License Ordinance"); and

WHEREAS, the Town Business License Ordinance was subsequently amended by Ordinance No. 2023-12 (adopted November 28, 2023) and Ordinance No. 2024-08 (adopted December 17, 2024); and

WHEREAS, the Standardization Act requires that by December 31st of each odd-numbered year, each municipality levying a business license tax must adopt, by ordinance, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina (the "Association") and adopted by the Director of the Revenue and Fiscal Affairs Office; and

WHEREAS, the Town Council now wishes to amend the Town Business License Ordinance to adopt the latest Standardized Business License Class Schedule, as required by the Standardization Act;

NOW, THEREFORE, pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, **BE IT ORDAINED BY THE MAYOR AND COUNCIL FOR THE TOWN OF SEABROOK ISLAND:**

SECTION 1. Amending Chapter 8 of the Town Code. The Town Code for the Town of Seabrook Island, Chapter 8, Businesses and Business Regulations; Article 1, Business License; Section 8-21, Classification and Rates; is hereby amended to read as follows:

Sec. 8-21. Classification and Rates.

- (a) The business license tax for each class of businesses subject to this article shall be computed in accordance with the current Business License Rate Schedule, designated as Appendix A to this article, 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 Town 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 Town, the revised Business License Class Schedule shall then be appended to this article 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 Town Clerk.

APPENDIX A
BUSINESS LICENSE RATE SCHEDULE

Rate Class	Income: \$0 – \$2,000 Base Rate	Income Over \$2,000 Rate Per \$1,000 or Fraction Thereof
1	\$ 35.00	\$ 1.45
2	\$ 40.00	\$ 1.65
3	\$ 45.00	\$ 1.85
4	\$ 55.00	\$ 2.05
5	\$ 60.00	\$ 2.25
6	\$ 65.00	\$ 2.50
7	\$ 70.00	\$ 2.70
8	See individual businesses in Class 8 listed below	
9	See individual businesses in Class 9 listed below	

NON-RESIDENT RATES

Unless otherwise specifically provided elsewhere in this article, all taxes and rates specified herein shall be doubled for nonresidents and itinerants having no fixed principal place of business within the Town.

CLASS 8 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

Town 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 23 – Construction. [Contractors, Construction, All Types]

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

Minimum on first \$2,000	\$ 55.00 PLUS
Each additional \$1,000	\$ 1.80

Non-resident rates apply to contractors that do not have a permanent place of business within the Town. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this article.

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 Development Standards 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 – Rail Transportation. (See S.C. Code § 12-23-210).

8.3 NAICS 517111, 517112 and 517122 – Wired & Wireless Telecommunications Carriers.

With respect to “retail telecommunications services” as defined in S. C. Code § 58-9-2200, the Town participates in a collections program administered by the Municipal Association of South Carolina. The Town 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 Carriers; Agencies, Brokerages, and Other Insurance Related Activities.

Independent agents, brokers, 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 Town participates in a collections program administered by the Municipal Association of South Carolina. The Town 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 Arcades. [*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 – Other Gambling Industries. [*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 Code Varies – Billiard or Pool Tables.

A business that offers the use of billiard or pool tables shall be subject to business license taxation under its natural class for all gross income of the business excluding the gross income attributable to the billiard or pool tables. In addition, the billiard or pool tables shall require their own separate business licenses pursuant to SC Code § 12-21-2746 and shall be subject to a 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.

CLASS 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 Town also may provide for reasonable subclassifications for rates, described by a 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.

9.1 NAICS Code Varies – Temporary Vendor License

Independent artists, writers, and performers (NAICS 711510); craftspersons (NAICS Code varies); and mobile food services (NAICS 722330); are subject to a business license tax based on their natural class; provided, however, businesses who wish to sell goods and/or perform services at a public event or activity within the Town (eg. art show, craft show, fair, festival, food truck rodeo, or similar activity) with a total duration not to exceed three (3) consecutive days may obtain a temporary vendor license from the Town. A temporary vendor license shall be valid only upon the premises of the public event or activity and shall expire immediately upon the conclusion of the event or activity. Temporary vendor licenses shall be computed as follows:

Minimum on first \$2,000	\$ 20.00 PLUS
Each additional \$1,000	\$ 0.00

9.2 NAICS 721199 – All Other Traveler Accommodation

The business license tax for establishments primarily engaged in providing short-term lodging including, specifically, short-term rental units and vacation club units, but excluding hotels, motels, and bed-and-breakfast inns, shall be computed as follows:

9.2A Standard Short-Term Rental Unit (Class A Permit); Vacation Club Unit

Minimum on first \$2,000	\$ 500.00 PLUS
Each additional \$1,000	\$ 2.95

9.2B Provisional Short-Term Rental Unit (Class B Permit)

Minimum on First \$2,000	\$10.00 PLUS
Each additional \$1,000	\$2.95

9.2C Temporary Short-Term Rental Unit (Class C Permit)

Minimum on First \$2,000	\$150.00 PLUS
Each additional \$1,000	\$2.95

A business license shall not be issued for a standard (Class A), provisional (Class B) or temporary (Class C) short-term rental unit, or vacation club unit, until the host has applied for and obtained the applicable short-term rental permit, as required by subsection 9.4 O of the Development Standards Ordinance.

Appendix B

Classes 1-9: Business License Class Schedule by NAICS Code

NAICS Sector/ Subsector	Industry Sector	Class
11	Agriculture, Forestry, Hunting and Fishing	1
21	Mining	23
22	Utilities	1
31-33	Manufacturing	3
42	Wholesale Trade	1
44-45	Retail Trade	1
48-49	Transportation and Warehousing	12
51	Information	4
52	Finance and Insurance	7
53	Real Estate and Rental and Leasing	76
54	Professional, Scientific, and Technical Services	54

55	Management of Companies	7
56	Administrative and Support and Waste Management and Remediation Services	3
61	Educational Services	3
62	Health Care and Social Assistance	43
71	Arts, Entertainment, and Recreation	3
721	Accommodation	1
722	Food Services and Drinking Places	2
81	Other Services	43
Class 8	Subclasses	
23	Construction	8.1
482	Rail Transportation	8.2
517111	Wired Telecommunications Carriers	8.3
517112	Wireless Telecommunications Carriers (Except Satellite)	8.3
517122	Agents for Wireless Telecommunications Services	8.3
5241	Insurance Carriers	8.4
5242	Insurance Brokers for Non-Admitted Insurance Carriers	8.4
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (Pool Tables)	8.6
Class 9	Subclasses	
711510	Independent Artists, Writers, and Performers (Temporary Vendor License)	9.1
721199	All Other Traveler Accommodation (Short-Term Rental Unit; Vacation Club Unit)	9.2
722330	Mobile Food Services (Temporary Vendor License)	9.1

The [20232025](https://www.townofseabrookisland.org/business-licenses.html) Business License Class Schedule is based on a three-year average of IRS statistical data. This appendix will be updated every odd year based on the latest available IRS statistics. The [20232025](https://www.townofseabrookisland.org/business-licenses.html) Business License Class Schedule may be accessed at: <https://www.townofseabrookisland.org/business-licenses.html>

SECTION 2. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed; provided that any prior ordinances 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 (BTCPP), the Telecommunications Tax Collection Program (TTCP), and Setoff Debt Collection Program, shall remain in full force and effect in accordance with their terms, except to the extent specifically amended by the provisions of this ordinance.

SECTION 3. Severability. If any section, subsection, paragraph, clause, or provision of this ordinance shall be deemed to be unconstitutional, unenforceable, or otherwise invalid by the final decision of a court of competent jurisdiction, it shall be construed to have been the legislative intent of Town Council to pass said ordinance without such unconstitutional provision, and the validity of all remaining sections, subsections, paragraphs, clauses, or provisions of said ordinance shall not be affected

thereby. If said ordinance, or any provision thereof, is held by the final decision of a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

SECTION 4. Effective Date. This ordinance shall be effective for the Business License Year beginning May 1, 2026.

SIGNED AND SEALED this ____ day of _____, 2025, having been duly adopted by the Mayor and Council for the Town of Seabrook Island on the ____ day of _____, 2025.

First Reading: September 30, 2025
Public Hearing: October 28, 2025
Second Reading: October 28, 2025

TOWN OF SEABROOK ISLAND

Bruce Kleinman, Mayor

LEGAL REVIEW

ATTEST

Stafford J. McQuillin, Town Attorney

Peter D. Wiggins II, Town Clerk