

TOWN OF SEABROOK ISLAND

Town Council Meeting
April 25, 2023– 2:30 PM

Town Hall, Council Chambers
2001 Seabrook Island Road
Seabrook Island, SC 29455



[Watch Live Stream \(YouTube\)](#)

Virtual Participation: Individuals who wish to participate in the meeting via Zoom may call (843) 768-9121 or email kwatkins@townofseabrookisland.org for log-in information prior to the meeting.

AGENDA

1. **Call to Order – Roll Call – Freedom of Information – Pledge of Allegiance**
2. **Approval of Minutes:**
 - Town Council Regular Meeting Minutes – March 28, 2023
 - Town Council Work Session Meeting Minutes – April 11, 2023
3. **Presentations:**
 - Paul McLaughlin, 3061 Baywood Drive: Presentation on most recent Short-Term Rental Ad Hoc Committee Update and Preserve Seabrook’s policy proposals for the Town of Seabrook Island and the Seabrook Island Property Owners’ Association (SIPOA)
4. **Public Hearing Items:**
 - Ord. 2023-03: An ordinance authorizing and directing the Town of Seabrook Island to enter into an intergovernmental agreement relating to South Carolina Local Revenue Services; to participate in one or more local revenue services programs; to execute and deliver one or more participant program supplements; and other matters relating thereto.
5. **Citizens Comments:** *Any citizen may speak pertaining to any item listed on the meeting agenda which does not require a public hearing. Each speaker shall be limited to 3 minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for citizen comments. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/treasurer of a desire to speak prior to the start of the meeting.*
6. **Reports of Town Boards, Commissions, and Committees:**
 - **Advisory Committees**
 - Community Promotions and Engagement Committee
 - Environment and Wildlife Committee
 - Public Safety Committee
 - Public Works Committee

- **Special Committees**
- **Ad Hoc Committees**
- **Board of Zoning Appeals**
- **Planning Commission**
- **State Accommodations Tax Advisory Committee**
- **Utility Commission**

7. Reports Town Officers:

- **Mayor**
 - Update Concerning Town’s Application for Public Assistance (Hurricane Ian)
 - Update Concerning Charleston Regional Hazard Mitigation Plan
 - Update from Recent Informal Discussions with Representatives of the Club, Marina, and Seabrook Island Property Owners Association (SIPOA)
 - Follow-up Regarding Letter Expressing Opposition of the Town to State Budget Proviso 113.11 (Providing for Budgetary Consequences to Municipalities that Prohibit Short-Term Rentals)
- **Town Administrator**
 - Update on Seabrook Island Road Pathway Improvements
- **Town Clerk/Treasurer**
 - Report of Financials for the Month of March 2023
- **Town Attorney**
- **Zoning Administrator**
 - Code Enforcement Summary
- **Communications & Events Manager**

8. Ordinances for Second Reading:

- Ord. 2023-03: An ordinance authorizing and directing the Town of Seabrook Island to enter into an intergovernmental agreement relating to South Carolina Local Revenue Services; to participate in one or more local revenue services programs; to execute and deliver one or more participant program supplements; and other matters relating thereto.

9. Ordinances for First Reading: *There are no ordinances for first reading.*

10. Other Action Items:

- Committee Appointment: Request to remove Joe Pontuti for cause (unresponsive to inquiries as to intentions for continued service following ending of relationship with Seabrook Island Club).
- Local Revenue Services Agreement: Agreement concerning with the Municipal Association of South Carolina for the Town’s participation in South Carolina Local Revenue Services.
- Proclamation: A proclamation to for the Town of Seabrook Island to proclaim May 7 to May 13, 2023, as “Shorebirds Celebration Week”.

11. Items for Information or Discussion: *There are no Items for Information or Discussion*

12. Citizen Comments: *Any citizen may speak pertaining to any town matter, except personnel matters. Each speaker shall be limited to 3 minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for citizen comments. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/treasurer of a desire to speak prior to the start of the meeting.*

13. Council Comments

14. Adjournment

TOWN OF SEABROOK ISLAND

Town Council Meeting
March 28, 2023



[Watch Live Stream \(YouTube\)](#)

AGENDA

1. Call to Order – Roll Call – Freedom of Information – Pledge of Allegiance

Mayor Gregg called the March 28, 2023, Town Council Regular Meeting to order at 2:30PM. Councilwomen Finke and Fox, Councilmen Goldstein and Kortvelesy, Town Administrator Cronin, Zoning Administrator Newman, Communications & Events Manager Ochoa, and Town Clerk Watkins participated in the meeting. The Town Clerk confirmed that notice of the meeting was properly posted, and the requirements of the Freedom of Information Act had been met.

2. Approval of Minutes:

- Town Council Regular Meeting Minutes – February 28, 2023
- Town Council Work Session Meeting Minutes – March 14, 2023

Councilwoman Finke moved to approve the previous meeting minutes of February 28; Councilwoman Fox seconded. All voted in favor.

The previous meeting minutes of February 28th were approved.

Councilwoman Finke moved to approve the previous meeting minutes of March 14; Councilwoman Fox seconded. All voted in favor.

The previous meeting minutes of March 14th were approved.

3. Presentations:

None.

4. Public Hearing Items:

- Ord. 2022-08: An ordinance to grant to Berkeley Electric Cooperative, Inc., the non-exclusive right, power, and authority to erect and to install, maintain, and operate in, over, under, and upon the streets, alleys and public places of the Town of Seabrook Island, its electric lines, poles, wires, guys, push braces, and appurtenant electric distribution facilities, whether used to render service to the town or not, together with any necessary right of access thereto, for such period as the same are needed by the Cooperative to render electric service to its customers in the Town of Seabrook Island,

South Carolina; ; also to set the amount of the franchise fee to be paid by Berkeley Electric Cooperative, Inc., to the Town of Seabrook Island, South Carolina

- Ordinance 2023-01: An ordinance amending the zoning map of the Town of Seabrook Island so as to change the zoning designation for Charleston County tax map number 149-06-00-003, containing approximately 0.25 +/- acres located at 2754 old forest drive, from the moderate lot single-family (R-SF2) district to the conservation (CP) district.
- Ordinance 2023-02: An ordinance (“FRANCHISE ORDINANCE” or “AGREEMENT”) to grant to Dominion Energy South Carolina, INC. its successors and assigns, the limited non-exclusive right, power, and authority to erect and install, maintain, and operate on, along, across, in over, above, upon and under the streets, alleys and other public places of the Town: (1) electric lines, poles, wires, guys, push braces, transformers and appurtenant facilities and (2) communication lines and facilities for use by the company or any designee under the terms set forth in this agreement, together with any necessary right of access thereto, for such period as the same is needed by the company to render service to its customers in the Town of Seabrook Island, South Carolina from those facilities; to set the amount of franchise fee to be paid by Dominion Energy South Carolina, INC. to the Town; If so required, to levy franchise fees on third parties selling electricity using the company’s electric systems; to allow for the establishment of a fund and underground Utility Districts for electric non-standard service; be it ordained by the Mayor and Council of Seabrook Island in Town Council assembled.

Paul McLaughlin, Baywood Drive, asked for clarification for the various franchise agreements between Berkeley Electric Cooperative and Dominion Energy. Mayor Gregg clarified the rationale for the need for both franchise agreements for both electric service providers.

Mayor Gregg closed the public hearing at 2:39PM.

5. Citizens Comments:

Town Clerk Watkins listed the individuals who submitted public comments prior to the meeting.

A copy of the comments is available with these minutes and upon request.

6. Reports of Town Boards, Commissions, and Committees:

- **Advisory Committees**
 - Community Promotions and Engagement Committee

Councilwoman Fox summarized the previous Community Promotions & Engagement Committee meeting on March 16th.

Councilwoman Fox noted that the Community Promotions Grant Process there is some confusion from applicants requesting these grants and might need to have another grant avenue available.

Councilwoman Fox noted the next Community Promotions and Engagement Committee meeting will be held on April 20th.

- Environment and Wildlife Committee

Councilwoman Fox summarized the March 9th Environment & Wildlife Committee, and the next meeting will be on April 13th.

A discussion was had on the potential WHSRN recognition designation would not have regulations along with it, just a network.

- Public Safety Committee

Councilman Kortvelesy noted in lieu of a Public Safety Committee meeting there was a Disaster Recovery Council (DRC) meeting and summarized the DRC meeting.

Councilman Kortvelesy noted the upcoming Disaster Awareness Day is tentatively on June 1st at the Island House.

- Public Works Committee

Councilman Goldstein updated Council on the status of repaving Seabrook Island Road and the status of the Town Hall Annex & Garage.

- **Special Committees**

None.

- **Ad Hoc Committees**

- Short-Term Rental Ad Hoc Committee

Councilwomen Finke and Fox presented the Short-Term Rental Ad Hoc Committee Report update since the original report in 2022.

The council clarified whether the report will be used to update the Short-Term Rental Ordinance and the timeline on when the proposed ordinance will be presented to Council.

The council inquired when the renewals for short-term rentals are due and when that data can be available. Town Administrator Cronin updated Council on the renewal process for the license year 2023-24.

- **Board of Zoning Appeals**

None.

- **Planning Commission**

None.

- **State Accommodations Tax Advisory Committee**

None.

- **Utility Commission**

Commissioner Smith-Jones summarized the Seabrook Island Utility Commission meetings held on March 15th, and the financials and operations for February.

The Council inquired when the new agency took over the contract running the utility commission and if they can give an update on how the Utility Commission is running.

The Council inquired on when the State would be reviewing the Utility Commission's application.

Paul McLaughlin inquired about water issues on Nancy Island Road.

7. Reports Town Officers:

- **Mayor**

- Update Regarding Town's Request for Public Assistance (Hurricane Ian)

Mayor Gregg updated Council on the status of the request for public assistance from Hurricane Ian.

- Notification of Agreement Ancillary to Business License Reform and Related Ordinance

Mayor Gregg summarized Ordinance 2023-03 along with the governmental agreement to continue to use the Municipal Association of South Carolina to collect business license fees on the Town's behalf.

- Update Concerning Charleston Regional Hazard Mitigation Plan

Mayor Gregg updated Council on the status of the updates to the Charleston Regional Hazard Mitigation Plan.

- Update from Recent Informal Discussion with Representatives of Club, Marina, and SIPOA

Mayor Gregg summarized a recent informal discussion had with representatives of the Club, Marina, and the Seabrook Island Property Owners Association (SIPOA).

- **Town Administrator**

- 2023-24 Business License & Short-Term Rental Permit Renewals

Town Administrator Cronin updated Council on the status of the 2023-24 Business License & Short-Term Rental Permit Renewals and the process for this year.

- 2023 Election Cost Estimate

Town Administrator Cronin noted the increase in election fees for this year as compared to the previous election in 2021.

- Beach Patrol Update

Town Administrator Cronin noted that the Beach Patrol Contract is scheduled to start on April 1st and the peak season beach rules go into effect on April 1st.

- Spring Shred Day Event

Town Administrator Cronin noted the upcoming Shred Day Event on April 14th from 10:00am to 1:00pm.

- Town Administrator Cronin updated on the proposed State Legislation in the bills and in the budget proviso regarding short-term rentals.

- **Town Clerk/Treasurer**

- Report of Financials for the Month of February 2023

Town Clerk Watkins summarized the February Financials as follows:

- Total fund balance ending on February 28, 2023, was \$8,432,700 an amount about \$1,550,287 more than the balance as of February 28, 2022.
- Unrestricted revenue for February totaled \$283,394 representing about 20.2% for the 2023 annual budget and being about \$258,276 more than for the same period in 2022.
 - Town Clerk Watkins noted the increase in revenue is due to the Berkeley Electric Franchise Fee that was collected in February and is accrued to FY2022.
 - Without this reflected in the financials, the total revenue is about \$119,870.
- Expenditures for February totaled \$147,738 which is 14.3% of the 2023 annual budget. Expenditures for the year were about \$108,033 more compared to the same period of 2022.
- Excess of expenditures over revenues, using those not reflecting the Berkeley Electric Franchise Fee, was \$27,868 for February compared to an excess expenditure over revenues of \$52,743 in the same period of 2022, representing an increase in revenue from this year compared to last.

Town Clerk Watkins updated Council Members on the status of the FY 2022 audit and noted the first disbursement of the Local ATAX disbursements from the County.

- **Town Attorney**

None.

- **Zoning Administrator**

- Code Enforcement Summary

Zoning Administrator Newman summarized the code enforcement summary since the previous Council meeting.

Zoning Administrator Newman added there will be interviews for additional code enforcement officers for the peak season.

Town Administrator Cronin noted the budget for peak season.

- **Communications & Events Manager**

- Disaster Awareness Day (June 1st: 10:00 am to 1:00 pm @ SIC Island House)

Communications & Events Manager Ochoa noted the upcoming Disaster Awareness Day will be held on June 1st from 10:00am and 1:00pm and the Seabrook Island Club Island House, and which entities will be in attendance.

- Chow Town Food Truck Rodeo Approval for Beer & Wine

Communications & Events Manager Ochoa noted feedback from last year's Chow Town Food Truck Rodeo to allow beer & wine vendors to attend this year's event, and to obtain liability insurance to cover the sale of alcohol at the event.

The council inquired about the cost for all food truck events, and whether it would be allowed to be brought in, and if there is a minimum needed to sell alcohol.

The council inquired about what the liability insurance covers.

Councilwoman Finke moved to approve to obtain the liability insurance to have beer & wine at the Chow Town Food Truck Rodeo's; Councilwoman Fox seconded. All voted in favor.

Staff were approved to obtain the liability insurance to have beer & wine at the Chow Town Food Truck Rodeo's.

8. Ordinances for Second Reading:

- Ord. 2022-08: An ordinance to grant to Berkeley Electric Cooperative, Inc., the non-exclusive right, power, and authority to erect and to install, maintain, and operate in, over, under, and upon the streets, alleys and public places of the Town of Seabrook Island, its electric lines, poles, wires, guys, push braces, and appurtenant electric distribution facilities, whether used to render service to the town or not, together with any necessary right of access thereto, for such period as the same are needed by the Cooperative to render electric service to its customers in the Town of Seabrook Island, South Carolina; ; also to set the amount of the franchise fee to be paid by Berkeley Electric Cooperative, Inc., to the Town of Seabrook Island, South Carolina

Councilwoman Finke moved to approve Ord. 2022-08; Councilwoman Fox seconded. All voted in favor.

Ord. 2022-08 passed second reading and was adopted.

- Ord. 2023-01: An ordinance amending the zoning map of the Town of Seabrook Island so as to change the zoning designation for Charleston County tax map number 149-06-00-003, containing approximately 0.25 +/- acres located at 2754 Old Forest Drive, from the moderate lot single-family (R-SF2) district to the conservation (CP) district.

Councilwoman Finke moved to approve Ord. 2023-01; Councilwoman Fox seconded. All voted in favor.

Ord. 2023-01 passed seconded reading and was adopted.

- Ord. 2023-02: An ordinance (“FRANCHISE ORDINANCE” or “AGREEMENT”) to grant to Dominion Energy South Carolina, INC. its successors and assigns, the limited non-exclusive right, power, and authority to erect and install, maintain, and operate on, along, across, in over, above, upon and under the streets, alleys and other public places of the Town: (1) electric lines, poles, wires, guys, push braces, transformers and appurtenant facilities and (2) communication lines and facilities for use by the company or any designee under the terms set forth in this agreement, together with any necessary right of access thereto, for such period as the same is needed by the company to render service to its customers in the Town of Seabrook Island, South Carolina from those facilities; to set the amount of franchise fee to be paid by Dominion Energy South Carolina, INC. to the Town; If so required, to levy franchise fees on third parties selling electricity using the company’s electric systems; to allow for the establishment of a fund and underground Utility Districts for electric non-standard service; be it ordained by the Mayor and Council of Seabrook Island in Town Council assembled.

Councilwoman Finke moved to approve Ord. 2023-02; Councilwoman Fox seconded. All voted in favor.

Ord. 2023-02 passed second reading and was adopted.

9. Ordinances for First Reading:

- Ordinance 2023-03: An ordinance authorizing and directing the Town of Seabrook Island to enter into an intergovernmental agreement relating to South Carolina Local Revenue Services; to participate in one or more local revenue services programs; to execute and deliver one or more participant program supplements; and other matters relating thereto.

Councilwoman Finke moved to approve Ord. 2023-03; Councilwoman Fox seconded. All voted in favor.

Ord. 2023-03 passed first reading.

10. Other Action Items:

- Resolutions 2023-01 thru 2023-23: Resolutions to appoint and commission multiple code enforcement officers for the proper security and general welfare for the Town of Seabrook Island [Beach Patrol]

Councilwoman Finke moved to approve Resolutions 2023-01 thru 2023-23; Councilwoman Fox seconded. All voted in favor.

Resolutions 2023-01 through 2023-23 were approved.

- Electric Service Rights Agreement: Agreement concerning electric service rights between Berkeley Electric Cooperative, Inc., and Dominion Energy South Carolina, Inc.

Councilwoman Finke moved to approve the Electric Service Right agreement with Berkely Electric Cooperative and Dominion Energy; Councilwoman Fox seconded. All voted in favor.

The electric service rights between Berkeley Electric Cooperative Inc. and Dominion Energy South Carolina Inc. were approved.

- Committee Appointment: Request to appoint one member to the Public Safety Committee to fill the remainder of an unexpired term

Councilman Kortvelesy nominated John Kinne to fulfill the unexpired term on the Public Safety Committee; all voted in favor.

Mr. Kinne was appointed to the Public Safety Committee.

11. Items for Information or Discussion:

None.

12. Citizen Comments:

Paul McLaughlin, 3061 Baywood Dr., commented on the Short-Term Rental Ad Hoc Committee report and on short-term rental regulations for Seabrook Island compared to the Charleston Area, and would like to present at the upcoming Town Council Meeting.

Mary Jo Manning, Deshoroau Drive (confirm address), thanked the Short-Term Rental Ad Hoc Committee and asked if some of the stakeholder meetings could include the residents as well, and would like to talk about environmental issue.

Bernie McLaughlin, 3020 Baywood Drive, recognized the hard work done by the Short-Term Rental Ad Hoc Committee and disagreed with the committee's report.

13. Executive Session

- **Discussion of Personnel Matter (S.C. Code Sec. 30-4-70(a)(1))**
 - *Please Note: Town Council may take action on Executive Session Items listed on the agenda when they come back into Public Session*

Councilwoman Finke move to adjourn into Executive Session; Councilwoman Fox seconded. All voted in favor.

Council adjourned into Executive Session at 4:51PM.

Councilwoman Finke moved to come out of Executive Session; Councilwoman Fox seconded. All voted in favor.

Council came back from Executive Session at 5:05PM.

14. Council Comments

None.

15. Adjournment

Councilwoman Finke moved to adjourn the meeting; Councilwoman Fox seconded. All voted in favor.

The meeting adjourned at 5:06PM.

Date: April 24, 2023

Prepared by: *Katharine E. Watkins*
Town Clerk/Treasurer

TOWN OF SEABROOK ISLAND

Town Council – Work Session

April 11, 2023

[Watch Live Stream \(YouTube\)](#)



Minutes

Call to Order – Roll Call – Freedom of Information

Mayor Gregg called the April 11, 2023, Town Council Work Session to order at 1:00PM. Councilwomen Finke and Fox, Councilmen Goldstein and Kortvelesy, Town Administrator Joe Cronin, Zoning Administrator Tyler Newman, and Town Clerk Katharine Watkins participated in the meeting. The Town Clerk confirmed that notice of the meeting was properly posted, and the requirements of the Freedom of Information Act had been met.

Due to a COVID exposure at Town Hall, the Work Session was made virtual via Zoom.

Mayor John Gregg

- Update Concerning Charleston Regional Hazard Mitigation Plan

Mayor Gregg noted that on April 7, proposed updates for the Town’s “Action Report” for the 2023 update of the Charleston Regional Hazard Mitigation Plan were submitted to and acknowledged by Charleston County. With that submission, it was noted that the Town would rely on updates of data by Charleston County for the Town’s “Problem Assessment” portion of the Plan update.

- Update Concerning Receipt of Mitigation Grant Funding (SIUC Grant Application)

Mayor Gregg noted that on April 5, the Town received payment of \$200,533.59 as reimbursement under a Federal Emergency Management Agency (“FEMA”) grant application by Seabrook Island Utility Commission for pump station generators procured under a FEMA hazard mitigation program associated with hurricane Irma (September 2017).

- Accommodations Tax Advisory Committee Update

Mayor Gregg noted at the upcoming Town Council Regular Meeting in May, there will be an item on the agenda to remove Mr. Joe Pontuti from the Accommodations Tax (ATAX) Advisory Committee. Mr. Pontuti no longer is a representative of the Club, and Town Clerk Watkins noted that the Town has reached out to Mr. Pontuti to confirm that he no longer wishes to serve on the committee.

Town Clerk Watkins summarized the qualifications needed to serve on the ATAX Advisory Committee as specified in State Law.

Town Council Members:

- **Jeri Finke**

None.

- **Patricia Fox**

Councilwoman Fox noted the Community Promotions & Engagement Committee next meeting will be held on April 20th at 1:00PM.

Councilwoman Fox summarized the communications from the Town and the recent long range planning meeting with the Seabrook Island Property Owners Association (SIPOA).

- **Barry Goldstein**

None.

- **Dan Kortvelesy**

Councilman Kortvelesy noted the upcoming Public Safety Committee next meeting will be held on Tuesday April 18th at 10:00am.

Town Administrator Joe Cronin

- Action Items for April 25, 2023, Meeting

- Ordinance 2023-03: An ordinance authorizing and directing the Town of Seabrook Island to enter into an intergovernmental agreement relating to South Carolina Local Revenue Services; to participate in one or more local revenue services programs; to execute and deliver one or more participant program supplements; and other matters relating thereto (*Public Hearing and Second Reading*)
- Local Revenue Services Agreement: Agreement concerning with the Municipal Association of South Carolina for the Town's participation in South Carolina Local Revenue Services.

Town Clerk Watkins summarized Ordinance 2023-03 for second reading and the Local Revenue Services Agreement associated with Ordinance 2023-03.

- Items for Information

- Discussion of letter from the mayor in opposition to Proviso 113.11 in the State General Appropriations Bill (2023-24) Passed in the S.C. House on March 15th, 2023.

Town Clerk Watkins and Town Administrator Cronin summarized Proviso 113.11 in the State General Appropriations Bill (2023-24) Passed in the S.C. House on March 15th, 2023, and how the Town would be impacted.

Town Council voted unanimously to write a letter to both Senate and House Representatives for Seabrook Island in opposition to Proviso 113.11.

Other Action Items

- Res. 2023-24: A resolution to appoint and commission Cassandra Albenesius as a Code Enforcement Officer for the proper security and general welfare of the Town of Seabrook Island

Zoning Administrator Newman summarized Ms. Albenesius qualifications for the position.

Councilwoman Finke moved to approve Resolution 2023-24; Councilwoman Fox seconded. All voted in favor.

Resolution 2023-24 passed.

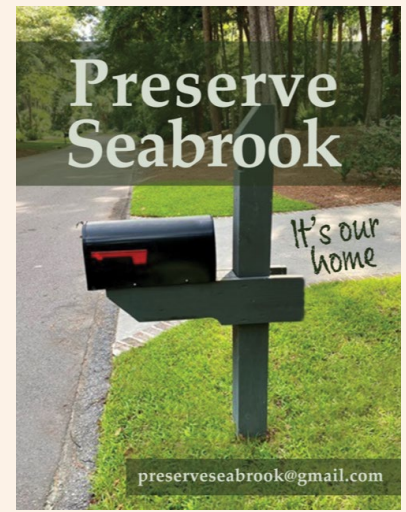
Adjourn

Councilwoman Finke moved to adjourn; Councilwoman Fox seconded. All voted in favor.

The meeting adjourned at 1:24PM.

Date: April 24, 2023

Prepared by: *Katharine E. Watkins*
Town Clerk/Treasurer



Short-Term Rentals: Issues & Recommendations

Presented by Preserve Seabrook

We are ready to partner with you!

The time has come for SIPOA and the Town to partner with Preserve Seabrook and the people who have no business interests in STRs to address the Uncontrolled Growth of STRs.

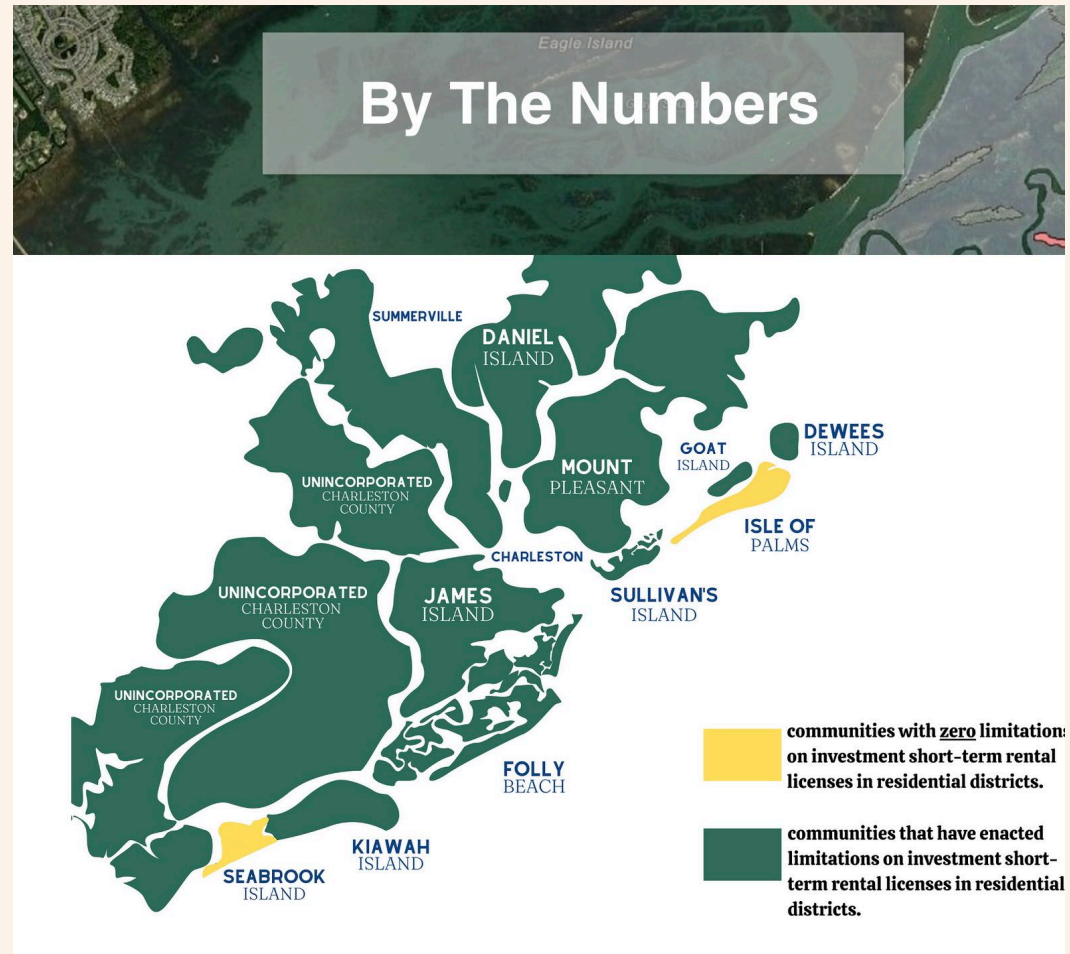
Neither the Town or SIPOA are economic development agencies. They serve the ALL the people to live and own here, not the few who own and operate businesses.

The Town's Update: Incomplete and mistaken look

- We do have “uncontrolled” growth and the data shows it
- We have a capacity problem driven by growing number of renters coming onto the Island
- Absurd data is “mistakenly” used to make point it does not make, but may offer insight into what is happening on Seabrook.

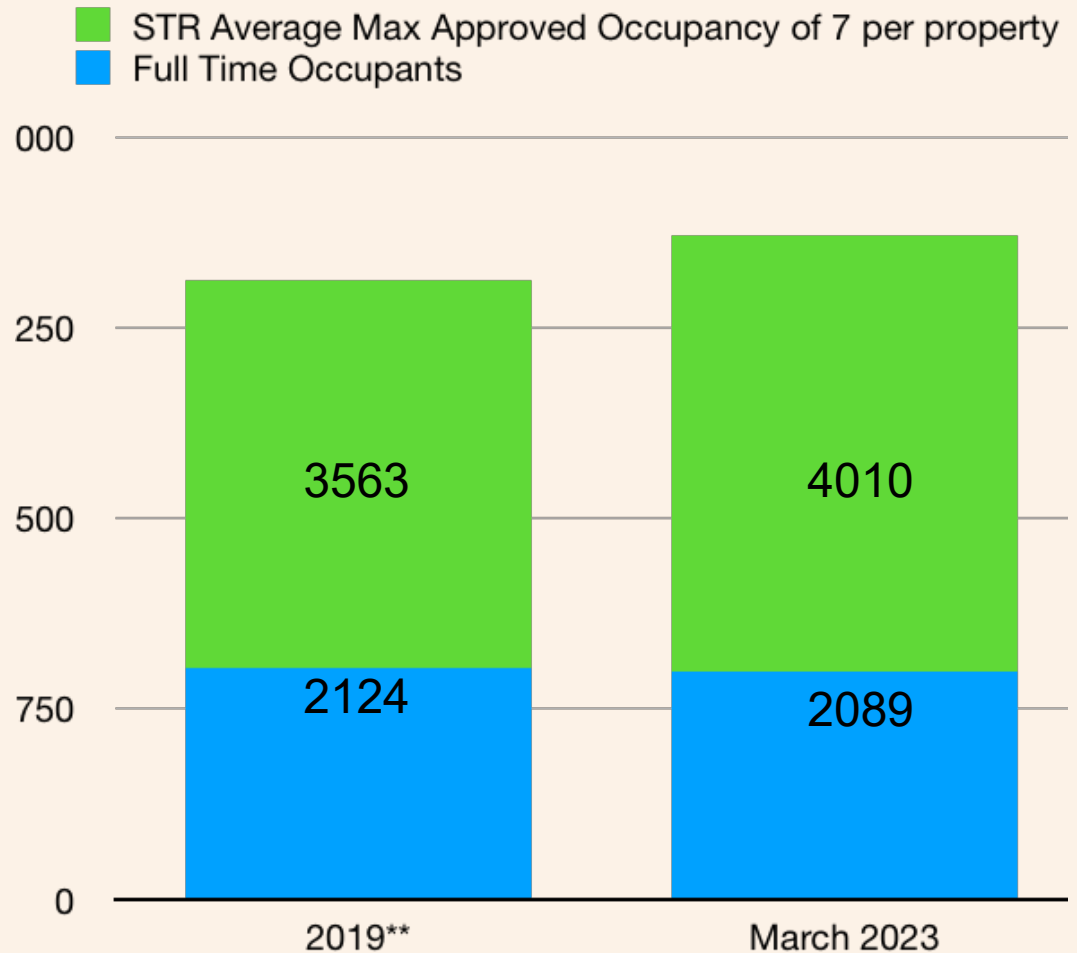
Seabrook Island = Uncontrolled Growth

- SI is 1 of 2 that has **no limitation** on the number of STRs
- Isle of Palms will soon take up the matter.
- Hilton Head is taking up a cap.
- Myrtle Beach prohibits STRs in residential neighborhoods...



- **Full-time occupancy has fallen** by almost by 2%
- **Approved STR occupancy** grew by 12%

In 2019 there were no occupancy limits - **the sky was the limit. PS used the prevailing average of approved occupancy.



The Island Is Changing

The Absurd: Visitor Passes Don't Measure STRs, BUT...

- The Town's use of gross visitor pass data measures all vehicles entering without a bar-code pass.
- Passes do not take into account the number of people in the vehicles.
- They can measure on the number of people coming and going, **if used properly**

	2019	2020	2021	2022
Visitors Passes	107,343	105,262	123,359	115,006
Occupants in Car 2	214,686	210,524	246,718	230,012
Occupants in Car 3	322,029	315,786	370,077	345,018
Occupants in Car 4	429,372	421,048	493,436	460,024

...BUT if 1/2 the passes were STR occupant owned vehicles

- These data are intended to illustrate scale - **CAPACITY**
- Not a statement of fact. It serves an **approximation model.**
- The Town's focus should be the number of renters.

	2019	2020	2021*	2022
Visitors Passes	53672	52631	61680	57503
Occupants in Car 3	161,015	157,893	185,039	172,509
Average Weekly Occupancy	3,096	3,036	3,558	3,317
percentage Approved to Weekly Occupied	0.869	0.841	0.931	0.834

*2021 Voter records contained the dead and relocated, and have since been purged by SC.

Ironies and Issues

- The Update uses data that excludes SI, but in other instances excludes relevant data and research that are not SI exclusive.
- It excludes data and information that was contained in the 2022 Reports that served as rationale for policy decisions.
- It is silent on the report at a public meeting last Spring that there were then 487 STRs.
- SIPOA reports a rise in Visitor Passes in 2023 over 2022, not a decline.
- If 580 STRs with approved occupancy of 4000+ and housing thousands renters each year is not the tipping to act on limiting STRs, **WHAT IS?**

Overview of proposals

- What Is Preserve Seabrook?
- Issues Related to STRs
- Current STR Rules
- Proposed Policy Changes
 - The Town of Seabrook Island
 - SIPOA
 - SIC The Club
- What are Other Towns Doing?
 - We are far behind
 - Our proposals place us within the range of other towns

Who and What is Preserve Seabrook?

Preserve Seabrook

A voluntary group of neighbors who believe:

- Seabrook Island is unique.
- We should preserve what is special.
- We need thoughtful and experienced-based strategies that address issues.
- Voters must be heard.
- Our elected leaders must be responsive.
- PS's supporters are in excess of the number of votes any candidate received in the last Town election.

Our Principles

1. Actively engage all stakeholders
2. Listen to and talk with our neighbors
3. Speak to elected leaders
4. Support candidates for election who
 - Listen to the community
 - Are not beholden to special interests

Our Objectives

1. A healthy balance of residents and renters
2. Fair and reasonable rules that are enforced
3. Ensure that property owners are not supporting businesses and renters
4. SIPOA facilities for homeowners
5. SIC facilities for club members
6. Enact and enforce effective rules - not sound bites

Issues Related to STRs on Seabrook

An Imbalance has Occurred

1. Focus on capacity - Growing number of people crowding into the same sized Island.
2. Currently 572 STR properties
 - 25% of all residences
3. Maximum approved occupancy of STRs is 4,000
 - Compared to 2,089 registered voters
4. High occupancy rates approved:
 - Villas average 6 adults
 - Houses average 11 adults
 - **Private residences average 2 adult occupants**

The Power of Revenue...

- The Town estimates in 2023
 - \$1.1 million in revenue
 - \$280,000 in expenses
- SIC Reports
 - \$2.5 million in revenue
 - Provides no expense data
- SIPOA **refused** to release any information

The Current STR Rules

Town Rules

Main concern is the focus is on collecting revenue, not Seabrook's quality of life

1. Basic health and safety rules
2. Occupancy limits
 - Properties less than 2,500 sq feet (2 persons per bedroom plus 2)
 - Properties greater than 2,500 sq ft (2 person per bedroom plus 4)
3. Erases any violation if addressed within two hour window after notice is given.
 - This means recidivism is never considered!

SIPOA Rules

Main problems are rooted in ambiguities and lack of enforcement

1. Conflate “guest” and “renter”
2. Registration of STRs required, but
 - No fee
 - No enforcement
3. Gate Passes
 - Fee only \$45
 - Too many vehicles allowed – 1 per bedroom
 - No enforcement
4. Homeowner Facilities open to renters
 - Club’s amenity card provides free access to SIPOA facilities
 - Free outdoor pool open
 - Only \$15 for gym usage

Proposed Policy Changes

Proposals for Town and SIPOA

1. Institute a central portal for SIPOA and Town complaints
2. Reciprocal respect of each other's enforcement and sanctions - one sin
3. Town and SIPOA should coordinate rules and sanctions for violating rules
 - Parking
 - Noise and outdoor gatherings
 - Trash violations
 - Violation for over capacity
 - Towels on railings, bike storage
 - Set coordinated sanctions..

Proposals for Town

1. Limit STRs to 500 (with grandfathering)
2. Limit occupancy
 - 2 per bedroom + **2** for all properties
3. Raise STR permit fees and licenses to Max allowed by law
4. Establish minimum stay rules
 - 7 nights during high season
 - 2 nights during off season
5. Record all violations and cease two hour correction window
6. Make sanctions an administrative procedure instead of judicial.

Proposals for SIPOA

1. STR Fee
 - \$150 x Max Occupancy if property is taxed at 4%
 - \$400 x Max Occupancy if property is taxed at 6%
2. Penalty for renting unregistered - \$1,000 per occurrence
 - Institute a “**Stop Operation**” for unregistered operating properties
3. Car Pass Fee
 - Increase to \$150 per car
 - Penalty of \$250 for failure to preregister vehicle rules
4. Make Lake House and Oyster Catcher only for property owners and their “guests.”
5. Institute meaningful sanctions and enforcement of violations of STR rules

Proposals for SIC

Currently we have no proposals for The Club

- Many recent changes
- Many proposals still on the table

We are Currently Behind the Curve

The City of Charleston, Daniel Island, and James Island

- Requires the property to owner occupied
- Whole house STRs are banned
- Prohibits investment properties from being STRs
- Max occupancy is 4 adults
- Daniel Island only permits properties that qualify for the 4% property tax and has strict application rules

Myrtle Beach

- prohibits STRs in residential neighborhoods

Mt Pleasant

- Cap of 400 properties (there are 40,000 housing units in MP)

Georgetown

- Caps the numbers by wards to 6

Sullivan's Island

- Prohibits STRs

Kiawah

- Limits 2 occupants per bedroom plus 2, regardless of sq. ft. .
- 20% cap in residential areas

Beaufort

- Limits STRs to 6% of the total number of properties in residential areas
- Limits 2 person per bedroom,
- \$1000 assessment for operating without a permit
- **North Charleston**
 - Caps occupancy to 8 persons, including children
 - 3 violations results permit being revoked
 - Max 4 cars

TOWN OF SEABROOK ISLAND

ORDINANCE NO. 2023-03

ADOPTED _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE TOWN OF SEABROOK ISLAND 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 Town of Seabrook Island (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; and

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"); and

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; and

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; and

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; and

WHEREAS, the Municipality currently participates in [ITP, BTP, and TTP]; 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, the Municipality enacted Ordinance No. 2021-15 on December 14], in order to comply with the requirements of the Standardization Act (the "Current Business License Ordinance"); and

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; and

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; and

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”; and

WHEREAS, the Town 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 Town of Seabrook Island, 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 Mayor (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, the BTP, and the 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.

SIGNED AND SEALED this ____ day of _____, 2023, having been duly adopted by the Town Council for the Town of Seabrook Island on the ____ day of

_____, 2023.

First Reading: March 28, 2023

Public Hearing: April 25, 2023

Second Reading: April 25, 2023

TOWN OF SEABROOK ISLAND

John Gregg, Mayor

ATTEST

Katharine E. Watkins, Town Clerk

Date: February 28, 2023

To: Mayors, Managers, Administrators, Clerks and
Local Revenue Service Contacts

From: Caitlin Cothran, Manager for Local Revenue Services

Re: Ordinance, Agreement, and Supplement for Local Revenue Service Programs
PROMPT ACTION REQUIRED

For many years, the Municipal Association has offered collection programs for certain business license taxes. These programs include the Insurance Tax Collection Program, the Brokers Tax Collection Program, and the Telecommunication Tax Program. The Municipal Association has collectively rebranded these programs as Local Revenue Services and has renamed the three business license programs as the Insurance Tax Program (ITP), the Brokers Tax Program (BTP), and the Telecommunication Tax Program (TTP).

In addition, by Act 176 of 2020,¹ the General Assembly standardized business licensing in the State of South Carolina. Following the adoption of this Act, the Municipal Association provided a revised model business license ordinance. Every municipality in the State has adopted a revised business license ordinance based on Act 176 and the new model ordinance.

As a result of the Local Revenue Services rebranding and the adoption of new local business license ordinances under Act 176, the Association is required to update the ordinances and agreement by which municipalities may participate in Local Revenue Services. Please note as follows:

- There are THREE attachments to this memo: (1) an ordinance to participate in Local Revenue Services, (2) an intergovernmental agreement for the programs, and (3) a program participant supplement by which a municipality elects which programs to join.
- In order to continue to participate in Local Revenue Services, **your municipality must (1) enact the attached ordinance and, (2) once the ordinance is enacted, sign the attached agreement and supplement.**
- The ordinance must be **completed where highlighted and then enacted exactly as written.**
- The agreement must be **signed exactly as written.**
- The supplement must be **completed where highlighted and then signed exactly as written.**
- The Setoff Debt Program is not affected by the attached documents, which relate only to ITP, BTP, and TTP.
- The Association must have a certified copy of your amended ordinance, together with the original signed agreement and supplement, by **May 26, 2023**. We will send you a copy of the final agreement with the Municipal Association's signature for your file. If you require an original signed agreement for your files, provide two signed agreements to the Municipal Association.

¹ The Business License Standardization Act, found at S.C. Code Sec. 6-1-400 to -420.

The new program documents will not substantially change the operation of the Local Revenue Services programs from your perspective. The Municipal Association will continue to administer and collect business license taxes within ITP, BTP, and TTP. The rates for the Municipal Association's services will remain exactly the same as they are now. Finally, distributions of collected amounts will be made in the same manner and at approximately the same times as they are now.

The substantial changes to the Local Revenue Services programs 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.

If you have questions about the attached documents, please contact Caitlin Cothran at (803) 354-4786 or ccothran@amsc.sc.

If your municipal attorney has questions about the attached documents, please direct him or her to contact Eric Shytle, General Counsel of the Municipal Association, at (803) 933-1214 or eshytle@masc.sc.

LOCAL REVENUE SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____ A.D., 20____, by and among the Municipal Association of South Carolina (the "Association") and all the parties who are now or may hereafter become participants ("Participants") in South Carolina Local Revenue Services, a division of the Association ("LRS"),

WITNESSETH:

WHEREAS, certain governmental functions may be more efficiently and effectively provided in cooperation with other governments, particularly when the sharing of such functions may deliver economies of scale, avoid redundancies in staffing, facilitate intergovernmental communication and coordination, benefit the citizens and taxpayers of the State by offering single points of contact, and allow retention of highly trained and specialized staff or private contractors in situations in which it would not be cost effective for a single government to retain such professionals;

WHEREAS, Article VIII, sec. 13 of the South Carolina Constitution provides that any incorporated municipality "may agree with . . . any other political subdivision for the joint administration of any function and exercise of powers and the sharing of the costs thereof," and that "[n]othing in this Constitution may be construed to prohibit the State or any of its counties, incorporated municipalities, or other political subdivisions from agreeing to share the lawful cost, responsibility, and administration of functions with any one or more governments, whether within or without this State;"

WHEREAS, S.C. Code § 4-9-41(A) provides that any "incorporated municipality ... may provide for the joint administration of any function and exercise of powers as authorized by Section 13 of Article VIII of the South Carolina Constitution;"

WHEREAS, certain municipalities in the State have determined that it would be effective and efficient to jointly perform certain functions, including without limitation the business license functions more fully described below;

WHEREAS, LRS is a division of the Association and a committee of the board of directors of the Association and will establish or continue one or more Revenue Service Programs (as hereinafter defined); and

WHEREAS, the Participants, through action of their respective governing bodies, have elected to comply with the conditions of this Agreement and to authorize LRS to perform the functions and exercise the powers herein described;

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and obligations herein contained, which are given to and accepted by each signatory hereof to the other, the parties hereto agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

- (a) "Appeals Board" means the board created pursuant to Section 8 hereof for purposes of hearing and determining appeals under this Agreement.
- (b) "Association" means the Municipal Association of South Carolina.
- (c) "Gross Proceeds" means, with respect to any Revenue Service Program and for any period of calculation, the total amount of Impositions collected by LRS during such period.
- (d) "Imposition" means any tax, fee, rate, charge, fine, penalty, or interest charge that has been lawfully imposed by a Participant and for which a Revenue Service Program has been established. Such Impositions include, without limitation, Statewide Business License Taxes.
- (e) "LRS" means South Carolina Local Revenue Services, established by this Agreement.
- (f) "LRS Board of Directors" means the board of directors of LRS.
- (g) "LRS Business License Official" shall mean the person designated from time to time by the LRS Board of Directors to act as the business license official (as such term is used in S.C. Code §§ 6-1-400 to -420) with respect to one or more Revenue Service Programs. The LRS Board of Directors may, but need not, designate different persons as the LRS Business License Official for different Revenue Service Programs.
- (h) "Participant" means a local government that has become a participant in LRS by applying to LRS for admission and, if approved, accepting the terms of participation in LRS by ordinance and signing this Agreement in counterpart.
- (i) "Net Proceeds" means, with respect to any Revenue Service Program and for any period of calculation, the amount of Gross Proceeds that remain for distribution to Participants after the payment of operation and maintenance expenses (including, without limitation, LRS's compensation) for such period.
- (j) "Revenue Service Programs" means any one or more programs established or continued by LRS to administer, assess, collect, and enforce Impositions. Such Revenue Service Programs may include, without limitation, programs for the administration, assessment, collection, and enforcement of Statewide Business License Taxes.
- (k) "S.C. Code" means the South Carolina Code of Laws of 1976, as amended.
- (l) "State" means the State of South Carolina.
- (m) "Statewide Business License Taxes" means business license taxes that, pursuant to the S.C. Code, are applicable in a manner or at a rate that applies throughout the State. Such 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; to telecommunications companies under Title 58, Chapter 9, Article 20 of the S.C. Code; and such other business license taxes as may now or hereafter be made

applicable throughout the State in a manner or at a rate that has been established by State law.

Section 2. Authorization of LRS. The municipalities that are initial signatories hereto do hereby establish LRS and authorize it to perform the functions and exercise the powers described in this Agreement. The functions to be performed hereunder are more specifically described in Section 5 below and the powers to be exercised are more specifically described in Section 6 below. The Participants, regardless of their respective dates of admission to LRS, further agree as follows:

- (a) The functions and powers described in this Agreement would be more efficiently and effectively performed and exercised in cooperation with other governments through LRS;
- (b) The Participants shall comply with the conditions of this Agreement and, by joining LRS, shall jointly perform the functions and exercise the powers herein described by contract with LRS.

Section 3. Participation. The right to participate in LRS shall be limited to local governments within the State. A qualifying entity may become a Participant by applying to LRS for admission and, if approved, accepting the terms of participation in LRS by ordinance and signing this Agreement in counterpart. LRS shall be sole judge of whether an applicant shall be admitted as a Participant. A Participant may be suspended or expelled by the LRS Board of Directors from LRS, provided that such suspension or expulsion shall not be effective until 30 days after written notice of suspension or expulsion has been mailed to it.

Section 4. LRS Board of Directors. LRS shall be governed by a Board of Directors containing five Directors. The members of the Association's Executive Committee (comprising the President, First Vice President, Second Vice President, Third Vice President, and Immediate Past President of the Association) shall serve *ex officio* as Directors of LRS, with terms of office coterminous with their terms as officers of the Association. The President of the Association, or in his or her absence the First Vice President of the Association, shall serve as chair at meetings of the LRS Board of Directors. With respect to LRS's officers, the members of the LRS Board of Directors shall occupy the same offices as they do with respect to the Association.

Section 5. Functions of LRS. LRS may, and at the direction of and subject to the control of the LRS Board of Directors shall, establish or continue one or more Revenue Service Programs including, without limitation, for the administration, assessment, collection, and enforcement of Statewide Business License Taxes and other Impositions related to Statewide Business License Taxes. LRS's functions with respect to the Revenue Service Programs shall include, without limitation, training employees; developing resources to assist business license functions; making necessary investigations into entities or individuals subject to Impositions; developing databases for the application, calculation, allocation, and distribution of Impositions; establishing procedures for determining and calculating the amounts due as Impositions; communicating with entities or individuals subject to Impositions; collecting current and delinquent Impositions;

initiating, defending, managing, resolving, and settling disputes or litigation matters that affect more than one Participant; and acquiring, licensing, developing, improving, maintaining, and protecting software and other information technology infrastructure.

Section 6. Powers of LRS. LRS shall have the following powers:

- (a) adopt bylaws for the regulation of its affairs and the conduct of its business and prescribe rules and policies and promulgate regulations in connection with the performance of its functions and duties;
- (b) adopt an official seal and alter it at its pleasure;
- (c) maintain an office at a place it determines;
- (d) sue and be sued in its own name and plead and be impleaded;
- (e) require documentation of amounts due from taxpayers, including without limitation by requiring reconciliation reports in which the taxpayer provides sufficient information to verify whether revenues of the taxpayer are appropriate for exclusion as non-municipal revenues and to determine the proper allocation of Impositions among Participants;
- (f) receive, administer, and comply with the conditions and requirements of a gift, grant, or donation of property or money;
- (g) acquire by purchase, lease, gift, or otherwise, or obtain options for the acquisition of, any property, real or personal, improved or unimproved, including an interest in land less than the fee thereof in conformity with state law;
- (h) sell, lease, exchange, transfer, mortgage, or otherwise dispose of, or grant options for any such purposes with respect to, any real or personal property or interest therein in conformity with state law;
- (i) make and execute contracts, agreements, or other undertakings with such agents, service contractors, persons, firms, corporations, and attorneys as it deems appropriate to perform its functions and exercise its powers;
- (j) acquire, license, develop, improve, maintain, and protect software and other information technology infrastructure;
- (k) employ professionals, support staff, attorneys, appraisers, financial advisors, and other consultants and employees as required in the judgment of LRS and fix and pay their compensation from funds available to LRS for that purpose;
- (l) transact any lawful business that will aid the purposes and functions of LRS;
- (m) make payments or donations, or do any other act, not inconsistent with law, that furthers the business and affairs of LRS; and
- (n) do all things necessary or convenient, not inconsistent with law, to further the activities and affairs of LRS

Section 7. Attorney-in-Fact Designation; Dispute Resolution and Conduct of Litigation. Each Participant hereby appoints LRS and its designees as its agent and attorney-in-fact to act on its behalf with respect to Impositions. As agent and attorney-in-fact, LRS shall be fully empowered to initiate, defend, manage, resolve, and settle any disputes or litigation (whether in its own name or in the name of the Participants) relating to Impositions owing or payable to one or more Participants; to pay all expenses, costs, and judgments that might be incurred against LRS when acting on behalf of its Participants for communication, investigation, negotiation, enforcement, defense, or settlement with respect to Impositions; and to take all other actions as may be necessary to administer, collect, investigate, enforce, and implement the Revenue Service Programs. Each Participant, pursuant to Rule 17 of the S. C. Rules of Civil Procedure and Rule 17 of the Federal Rules of Civil Procedure, specifically acknowledges the standing of LRS to prosecute a civil action for collection in its behalf and hereby ratifies any such action that LRS may commence.

The LRS Board of Directors may, by majority vote, authorize a third party (including without limitation the Association) to act as attorney-in-fact to the same extent as set forth in this section on behalf of the Participants.

LRS's authority to initiate, defend, manage, resolve, and settle disputes and litigation shall be subject to the following terms and conditions:

- (a) If, with respect to any particular dispute, a proposed compromise or settlement would reduce the amount asserted by LRS to be payable to an individual Participant by more than ten percent (10%) of the total amount remitted by LRS to such Participant in the immediately preceding year for the relevant Revenue Service Program, then, notwithstanding subsections 7(b) and 7(c) below, LRS shall be required to secure the written consent of such Participant before compromising or settling such dispute with respect to such Participant. Otherwise, LRS shall be entitled to compromise or settle such dispute on behalf of each Participant without further authorization by such Participants beyond that contained herein.
- (b) Any proposed compromise or settlement that would result in a reduction of \$100,000 or less from the amount originally claimed to be due and owing by LRS may be approved or denied by LRS without separate approval by the LRS Board of Directors. The LRS Board of Directors shall, by appropriate action from time to time, designate one or more staff members or contractual counterparties who are authorized to compromise or settle such disputes.
- (c) Any proposed compromise or settlement that would result in a reduction of more than \$100,000 from the amount originally claimed to be due and owing by LRS must be approved or denied by the LRS Board of Directors.

- (d) Any proposed compromise or settlement that would result in a waiver of penalties, interest, late charges, or other amounts owing due to late payment of an Imposition must be approved or denied by the LRS Board of Directors.

Section 8. Appeals Process. The Participants acknowledge that, pursuant to local ordinances, regulations, and rules, each Participant has its own procedures by which matters relating to the calculation, assessment, and collection of business license taxes may be appealed. With respect to Impositions subject to this Agreement, however, each Participant has enacted a local ordinance by which appeals relating to such Impositions are excluded from the otherwise applicable local ordinance. Each Participant agrees that the appeals process described in this Section shall apply to all appeals relating to Impositions subject to this Agreement. Each Participant hereby consents to the adoption of the appeals process described in this Section; specifically declares its intention that such appeals process shall be deemed an exception to its otherwise applicable local ordinances, regulations, and rules; and agrees that it has or will approve such appeals process by appropriate local action.

- (a) There is hereby created a board for purposes of hearing appeals pursuant to this Section (the "Appeals Board"). The Appeals Board shall contain three members. The President of the Association, the Executive Director of the Association, and the President of the South Carolina Business Licensing Officials Association ("BLOA") shall each serve *ex officio* as members of the Appeals Board, with terms of office coterminous with their terms as officers of the Association or BLOA, as appropriate. The President of the Association, or in his or her absence the Executive Director of the Association, shall serve as chair at meetings of the Appeals Board.
- (b) With respect to the calculation, assessment, and collection of Impositions, the following appeals process, as required by Section 6-1-410, shall apply.
- (1) If a taxpayer fails or refuses to pay an Imposition by the date on which such Imposition is due, the LRS Business License Official may serve notice of assessment of the Imposition 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.
- (2) 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.

- (3) 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. LRS May Be Separately Organized. Hereafter, the LRS Board of Directors may determine, for corporate governance, recordkeeping, and operational purposes, that LRS should be established as a separate entity, either under the South Carolina Nonprofit Corporation Act, currently codified at Title 33, Chapter 31 of the S.C. Code, or otherwise. If the LRS Board of Directors so determines, it may take all such actions as may be necessary to organize LRS as a separate entity without further approval by the Participants, provided that such organization shall not otherwise vary or modify the terms of this Agreement except to the extent necessary to reflect the new organizational structure of LRS.

Section 10. Participation in a Revenue Service Program. A Participant may elect to participate in a Revenue Service Program by signing and delivering a separate supplement to this Agreement with respect to such Revenue Service Program (each, a "Participant Program Supplement"). The Participant Program Supplements shall be substantially identical within each Revenue Service Program. The form of the Participant Program Supplement is attached hereto as Appendix A.

Section 11. Collection of Impositions; Distributions; Payment for Services; Prohibition on Lobbying Activity.

- (a) LRS shall collect, subject to the Participant Program Supplements, all Impositions subject to this Agreement.

- (b) The Participants will compensate LRS for its services. Initially, such compensation shall be in the amount of four percent of Gross Proceeds collected for the benefit of each Participant within each Revenue Service Program, subject to any volume discount approved from time to time by the LRS Board of Directors, together with any interest earned on funds held on deposit prior to disbursement. The Participants acknowledge that this amount represents operating expenses payable to LRS for services rendered. For accounting and recordkeeping purposes, LRS will apply this rate to each Participant separately within each Revenue Service Program. Hereafter, and notwithstanding Section 13 below, the LRS Board of Directors by majority vote may amend the compensation method by giving notice to all participating Participants at least ninety days prior to the effective date of such amendment. Such amendment shall become effective after the ninety-day notice period with respect to each Participant without further action by such Participant, provided that such Participant may withdraw from participation at any time within ninety days after notice of the amendment is provided.
- (c) LRS will regularly, and not less than once in each calendar quarter, distribute the Net Proceeds to Participants.
- (d) No funds or personnel of LRS may be used or employed to influence any election; support or oppose any partisan organization; support or oppose the enactment, repeal, or modification of any federal or state legislation; or seek to influence any federal or state local government officials in the discharge of their official functions.

Section 12. Fiscal Year. LRS shall operate on a fiscal year from 12:01 a.m. January 1 of each year to 12:00 midnight December 31 of the succeeding year (the “LRS Year”). Application for participation, when approved in writing by LRS shall constitute a continuing contract for each succeeding LRS Year unless cancelled by LRS.

Section 13. Amendment. This Agreement may be amended by an agreement executed by those Participants constituting a majority of the Participants in LRS during the current LRS Year. In lieu of this amendment procedure, the Participants hereby appoint a 4/5 majority (i.e., at least four Directors) of the LRS Board of Directors agents to make any amendments to this Agreement that would not fundamentally alter the contemplated arrangement. Written notice of any amendment proposed for adoption by the LRS Board of Directors shall be mailed to each Participant not less than 30 days in advance. Written notice of amendments finally adopted by the LRS Board of Directors shall be mailed to each Participant not more than 30 days after adoption.

Section 14. Terms Applicable on Admission. Any entity that formally applies to participate in LRS and is accepted by LRS shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof. A Participant may withdraw from participation by delivery of written notice of withdrawal at least 90 days prior to the end of an LRS Year, to be effective as of the end of such LRS Year.

Section 15. Term; Dissolution. LRS has been established with the bona fide intention that it shall be continued in operation indefinitely and that the contributions to LRS shall continue for an indefinite period. However, the LRS Board of Directors reserves the right at any time to terminate LRS by a written instrument to that effect executed by at least four-fifths (4/5) of the members of the LRS Board of Directors. Such written termination notice shall be delivered to each Participant no less than 120 days prior to the effective date of termination. In the event of such termination, Participant contributions shall cease as of the date of termination and the assets then remaining in the fund shall continue to be used and applied, to the extent available, for the (a) payment of claims arising prior to such termination and (b) payment of reasonable and necessary expenses incurred in such termination. Any monies or other assets thereafter remaining in LRS shall be distributed pro rata to the Participants in LRS as of the day of termination. In no event shall any such assets be returned or distributed to any individual. Upon such termination, the LRS Board of Directors shall continue to serve for such period of time and to the extent necessary to effectuate termination of LRS.

[signatures appear on following page]

IN WITNESS WHEREOF, the Participants listed below acknowledge their participation in LRS and acceptance of obligations thereunder, by the due execution hereof, following appropriate governmental body approval, by its mayor or other duly authorized official. Further, LRS has caused these presents to be signed by its President and attested by its Vice President.

MUNICIPAL ASSOCIATION OF SOUTH CAROLINA

B. Todd Glover, Executive Director

**LOCAL REVENUE SERVICES, A DIVISION OF THE
MUNICIPAL ASSOCIATION OF SOUTH CAROLINA**

Mayor Rick Osbon, President of LRS

ATTEST:

Mayor Barbara Blain-Bellamy, Vice President of LRS

PARTICIPANT SIGNATURE PAGE

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

Name: John Gregg

Title: Mayor

ATTEST:

Name: Katharine E. Watkins

Title: Town Clerk

APPENDIX A: FORM OF PARTICIPANT PROGRAM SUPPLEMENT

WHEREAS, the Town of Seabrook Island (the "Municipality") has applied for and been approved to participate in South Carolina Local Revenue Services ("LRS");

WHEREAS, the Municipality has executed a counterpart of the Local Revenue Services Agreement (the "Agreement") by and among itself and all other participants in LRS;

WHEREAS, capitalized terms used and not otherwise defined herein have the meaning given to such terms in the Agreement;

WHEREAS, pursuant to the Agreement, LRS has established Revenue Service Programs for Statewide Business Licenses and other Impositions; and

WHEREAS, the Municipality now desires to agree to participate in one or more Revenue Service Programs;

NOW, THEREFORE, the Municipality hereby agrees with LRS as follows:

Section 1. Participation in Revenue Service Programs. The Municipality hereby elects and agrees to participate in the following Revenue Service Programs: ITP / BTP / TTP.

Section 2. Term. This Participant Program Supplement is effective until December 31, 2023, and shall continue from year-to-year thereafter until terminated by either party upon notice delivered in writing given at least 90 days prior to the next upcoming December 31.

Section 3. Payment for Services. The Municipality agrees that it will compensate LRS for its services as set forth in the Agreement. Initially, such compensation shall be in the amount of four percent of Gross Proceeds collected for the benefit of the Municipality within each Revenue Service Program, subject to any volume discount approved from time to time by the LRS Board of Directors, together with any interest earned on funds held on deposit prior to disbursement. The Municipality acknowledges that this amount represents operating expenses payable to LRS for services rendered. For accounting and recordkeeping purposes, LRS will apply this rate to the Municipality separately within each Revenue Service Program.

Section 4. Expenses; Fund Accounting.

(a) The rate for services established herein shall be inclusive of all administrative expenses of LRS, except legal expenses incurred in connection with the services rendered. Legal expenses incurred by LRS are not included in the base rate and shall be prorated to all Participants in direct relationship to the disbursements of the Revenue Service Program to which the legal expenses relate.

(b) LRS will deposit all funds received in an appropriate account for which accurate records will be maintained. Business license taxes collected for the Municipality, less the service charge herein agreed to, will be disbursed to the Municipality on or before March 1 of each calendar year and thereafter as remaining collections permit.

Section 5. Special Provisions for BTP.

(a) Pursuant to Title 38, Chapter 45 of the South Carolina Code of Laws (the “Brokers Insurance Statute”), the Municipality designates the Municipal Association of South Carolina as the municipal agent to act on behalf of the municipality for the purposes of the Brokers Insurance Statute.

(b) The Brokers Insurance Statute governs the receipt from the South Carolina Department of Insurance (“DOI”) and distribution to the Municipality of all municipal premium taxes from brokers for non-admitted surplus lines insurance. Upon receipt of the taxes from the DOI, LRS will deposit all funds received in an appropriate account for which accurate records will be maintained. Taxes will be disbursed to the Municipality, less the service charge herein agreed to, as collections permit.

PARTICIPANT PROGRAM SUPPLEMENT

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WHEREAS, the Municipality has executed a counterpart of the Local Revenue Services Agreement (the "Agreement") by and among itself and all other participants in LRS;

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TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

Name: John Gregg
Title: Mayor

ATTEST:

Name: Katharine E. Watkins
Title: Town Clerk

Town of Seabrook Island Proclamation

Shorebirds Celebration Week

WHEREAS, Shorebird populations worldwide have declined by as much as 85 percent over the last 40 years and face continued environmental threats, including critical habitat loss;

WHEREAS, The Seabrook Island community has successfully conserved and managed its beach and dune areas to provide critical habitat for wildlife, including a vast variety of shorebirds;

WHEREAS, Every year Seabrook Island hosts thousands of migratory, wintering, and resident shorebirds, many that are protected under state or federal law and regulation, who depend on our island resources to survive;

WHEREAS, Recent research has shown that Seabrook Island, along with Kiawah Island and Deveaux Bank, to be of hemispheric importance for the protected *Rufa* Red Knot population, providing a feeding and resting stopover for at least 40 percent of the species population during its long-distance northern migration;

WHEREAS, The Town of Seabrook Island wishes to encourages its property owners, their families and guests, to enjoy and appreciate all the shorebirds who share our beach;

WHEREAS, the Town of Seabrook Island wishes to support the first Sea Islands Shorebirds Festival and recognize the Festival's celebration of shorebirds and the importance of educating community members and visitors on how to respect and protect these magnificent birds;

NOW, THEREFORE, I, John Gregg, by virtue of the authority vested in me as Mayor of the Town of Seabrook Island, do hereby proclaim **May 7 to May 13, 2023** as:

Shorebirds Celebration Week

SIGNED AND SEALED this _____ Of April _____ 2023, having been duly voted on by the Town Council for the Town of Seabrook Island on the _____ day of April 2023.

Signed: _____
John Gregg, Mayor

Witness: _____
Katharine E. Watkins, Town Clerk