

TOWN OF HILTON HEAD ISLAND

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David Bennett
Mayor

February 8, 2017

Kim W. Likins
Mayor ProTem

House Business & Commerce Subcommittee Members
House Labor, Commerce & Industry Committee
Blatt Building
Columbia, SC 29201

Council Members

David Ames
Marc A. Grant
William D. Harkins
Thomas W. Lennox
John J. McCann

Re: H. 3650-S.C. Business License Standardization Act

Dear House Business & Commerce Subcommittee Members:

Stephen G. Riley
Town Manager

As we understand, H. 3650 (S.C. Business License Standardization Act), sponsored by Representative Sandifer, will be considered today by the House Business & Commerce Subcommittee. H. 3650 would reduce revenue to cities; remove local authority by shifting the responsibility to administer business license taxes from cities and towns to the Secretary of State resulting in growing state government and bureaucracy; exempt certain businesses from paying a business license tax, which will increase taxes for others; and create confusion for cities and businesses instead of streamlining business licensing procedures.

This legislation is in direct conflict with Home Rule by removing local control and placing it in the hands of the State. In addition, Business License taxes account for 22.5 percent of the Town of Hilton Head Island's general fund budget, which allocates funding for the critical services businesses demand. With this loss in revenue, the Town would have no choice but to cut and reduce funding for critical services such as police services, fire rescue services, street maintenance, etc. There is no alternative revenue stream for cities and towns to use to replace the gap that would be created if cities were to lose a significant amount in business license taxes. City and town leaders have little flexibility in raising revenue because of Act 388's millage and reassessment caps and restrictions on the use of other revenue sources such as hospitality and accommodations taxes.

The Town of Hilton Head Island is not opposed to business license standardization as proposed by the Municipal Association of South Carolina, but H. 3650 goes beyond standardization and reduces revenues to cities.

On behalf of the Town Council of the Town of Hilton Head we oppose H.3650, and we respectfully request you seek to defeat this bill and protect our residents, businesses, and visitors from a cut in critical services. We appreciate your consideration.

Sincerely,



David Bennett, Mayor

CC: Town Council

Stephen G. Riley, ICMA-CM., Town Manager
Beaufort County Legislative Delegation Members
Reba Campbell, Deputy Executive Director, MASC
Tigerron Wells, Government Affairs Liaison, MASC
Stu Rodman, Chairman, Beaufort County Governmental Committee