

TOWN OF HILTON HEAD ISLAND  
**INTERGOVERNMENTAL RELATIONS COMMITTEE**

Minutes of the Tuesday, December 15, 2009  
Regular Meeting

*Members Present:* George Williams, *Chairman*; Ken Heitzke, Bill Harkins

*Members Absent:* None

*Others Present:* John Safay, *Council Member*; Steve Riley, *Town Manager*; Warren Harley, *Governmental Affairs Liaison, Municipal Association of South Carolina*; Joe Croley, *Hilton Head Area Association of Realtors*

*Staff Present:* Greg DeLoach, *Assistant Town Manager*; Faidra Smith, *Administration Manager/ Public Information Coordinator*; Anne Cyran, *Planner*; Vicki Pfannenschmidt, *Administrative Assistant*

*Media Present:* None

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**I CALL TO ORDER**

The meeting was called to order at 2:00 p.m.

**II FOIA COMPLIANCE**

Public notification of this meeting has been published, posted and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirement.

**III APPROVAL OF MINUTES**

Mr. Heitzke moved to approve the October 20, 2009 minutes. Mr. Harkins seconded the motion. The October 20, 2009 minutes were approved unanimously. (3-0)

**IV CHAIRMAN'S REPORT**

**V UNFINISHED BUSINESS**

**VI NEW BUSINESS**

• **Review of the 2010 MASC Legislative Agenda (MASC Working Document)**

Mr. Williams introduced Mr. Warren Harley, Government Affairs Liaison with the Municipal Association of South Carolina. Greg DeLoach stated Mr. Harley would update the Committee members on the MASC Legislative Agenda. Mr. Williams invited him to begin.

Mr. Harley stated the legislative agenda was presented to the board last week and approved. He explained this is the second year of the legislative session and bills not completed last year are still in play. The Association has chosen ten bills that they feel will move in the next session. He then reviewed the annexation bill introduced by Representative Herbkersman, noting it is a complicated issue to say the least and the Association will continue to attend meetings and work on a compromise to current law. He also brought up the past cut to local governments from 122 million dollars to 54 million dollars was only effective for one year and the legislature is looking at another

5% cut to their current budget. The concern is the Legislature may ask for another cut this year. Mr. Harley also noted there were two bills concerning business license fees introduced several times. He said they haven't moved and doesn't anticipate them moving. There is concern some groups show an interest in introducing something in the near future. Mr. Harley then reviewed the bill concerning capital project sales tax which is currently in the Senate. He noted the Association has supported this type of legislation in the past and explained it would provide a way for cities and towns to pay for projects even if a county does not have a capital project sales tax. Mr. Harley then discussed the expungement bill which passed last year. This bill requires expungement of records when a defendant is found not guilty. He stated the problem with it was that traffic tickets and DNR tickets were included and the intent got overlooked when interpreted. The Association will work to amend the bill by excluding these types of tickets. Mr. Harley also stated the Association is committed to support funding for transportation and infrastructure needs. He said they are trying to develop a better relationship with the department of Transportation to be able to better handle issues. There was discussion that every Department of Transportation grant has been turned in to a Community Development Grant Project and problems have arisen from that. Mr. Harley then reviewed the point of sale bills and discussion ensued. Mr. Harley explained the original intent of S.388 was that long time home owners not be taxed out of their home. He explained H.3272 limits increases in fair market value of sold properties to 15 percent at the point of sale. This is in addition to the existing cap of 15 percent over five years at reassessment. There was lengthy discussion concerning both bills. Mr. Harley noted that H.3272 is fast tracked and it will move quickly when the session begins. He stated the Association is in favor of allowing the Taxation Realignment Commission to examine the state's entire tax structure, including Act 388, and provide recommendations to the General Assembly. After discussion, Mr. Heitzke moved to recommend to Town Council at the January 4 Town Council meeting a letter be sent under the Mayor's signature in support of the MASC position.

Discussion then ensued on the issue of the Okatie Crossing Development-Proposed Tax Incentives which are being discussed. Steve Riley explained that the state legislature is looking at a sales tax reduction initiative for the proposed shopping center to be located in Jasper County. He stated that if approved there would be a 3% reduction in sales taxes for customers of that location. All Committee members agreed this would have a negative impact on the local area. After discussion, it was decided the Committee would recommend to Town Council a letter be sent under the Mayor's signature imploring the Beaufort County Legislative Delegation to look in to the matter before they commit to anything.

## **VI ADJOURNMENT**

Mr. Heitzke moved to adjourn the meeting and Mr. Harkins seconded the motion. The meeting adjourned at 3:15 p.m.

Respectfully submitted:

Approved: 2/17/2010

Vicki Pfannenschmidt,  
Administrative Assistant

George Williams, Chairman