**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 6‑1‑180 SO AS TO PROHIBIT THE MUNICIPAL ASSOCIATION OF SOUTH CAROLINA OR ANY OTHER POLITICAL SUBDIVISION FROM COLLECTING CERTAIN BUSINESS LICENSE TAXES AND INSURANCE TAXES; TO AMEND SECTION 38‑45‑10, AS AMENDED, RELATING TO DEFINITIONS OF THE INSURANCE BROKERS AND SURPLUS LINES INSURANCE, SO AS TO DELETE THE DEFINITION OF “MUNICIPAL AGENT”; AND TO AMEND SECTION 38‑45‑60, AS AMENDED, RELATING TO THE ACCOUNTING OF THE STATE PORTION OF BROKER’S PREMIUM TAX RATE PAYMENT COLLECTED AND THE DISTRIBUTION FROM EARMARKED FUNDS, SO AS TO PROVIDE THAT THE AMOUNT MUST BE PAID TO THE MUNICIPALITY INSTEAD OF THE MUNICIPAL AGENT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 1, Title 6 of the 1976 Code is amended by adding:

“Section 6‑1‑180. Notwithstanding any other provision of law, the Municipal Association of South Carolina or any other nongovernmental entity may not collect business license taxes on behalf of a municipality or any other political subdivision. Notwithstanding any other provision of law, the Municipal Association of South Carolina or other nongovernmental entity may not collect a business license tax levied by a municipality on the sale of telecommunication services. Notwithstanding any other provision of law, the Municipal Association of South Carolina or any other nongovernmental entity may not collect an insurance premium tax or broker’s premium tax pursuant to Chapter 45, Title 38.”

SECTION 2. Section 38‑45‑10(9) of the 1976 Code is amended to read:

“(9) ~~‘Municipal agent’ means the Municipal Association of South Carolina or other designated agent of the municipality for the purpose set forth in this chapter.~~ Reserved”

SECTION 3. Section 38‑45‑60(B) of the 1976 Code is amended to read:

“(B) As soon as practical after December thirty‑first, but no later than July first of each year, the department shall distribute from the special earmarked fund, distinct from the general fund, the municipal portion of the broker’s premium tax rate payment collected for the prior tax year in accordance with the requirements of Sections 38‑45‑20(5) and 38‑45‑30(6). This amount must be paid directly to the ~~municipal agent~~ municipality with a full accounting, provided by the department, including, but not limited to, the name and address of the broker, and amount of the broker’s premium tax rate payment collected from each broker, and showing the counties in which the risk covered by the insurance is located. The ~~municipal agent~~ municipality shall distribute the funds annually to each municipality with which it contracts based on the data submitted by the department.”

SECTION 4. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑