

July 20, 2017

The Honorable Henry McMaster
State House
1100 Gervais Street
Columbia, SC 29201

Dear Governor McMaster,

On behalf of the Kershaw County Chamber of Commerce, we thank you for establishing a framework for reviewing current and new state regulations, as outlined in Executive Order No. 2017-09. We wholeheartedly agree that South Carolina regulatory standards and procedures should “be reasonable, practical, productive and not unduly burdensome” to our “main street” businesses. We were also happy to hear about your visits to large area chambers, to hear directly from business owners themselves about regulations and red tape that makes it difficult to do business in South Carolina.

In an effort to learn more from Kershaw County businesses regarding their challenges with state regulations, we held our own round table meeting on Wednesday, June 28, 2017 at the Historic Robert Mills Courthouse in Camden. The attached report outlines specific concerns that were shared and some recommendations for improvements to the issues. The specific topics discussed focused primarily on the Department of Transportation (DOT) regulations, paving standards, prioritization of projects and timely communications. However, there was additional discussion about transportation, social service wages, and state programs and taxation.

We hope that you will review these concerns and follow up with the appropriate individuals within the state government that can improve or address the issues. If you have any questions or would like to speak with any of the individuals involved, please feel free to contact me.

Thank you again for your interest in supporting small businesses in South Carolina. If the Kershaw County Chamber of Commerce can assist you in any additional way, please let us know.

Sincerely,

Amy Kinard
Executive Director

Topic Area: Department of Transportation

- Codes are being enforced in some areas/counties and not others: a local business owner learned that the DOT representative in Florence County was/is not holding businesses there to the same standard as this local Kershaw County business. In addition, this same local business owner was told that DOT is now enforcing codes that have not been enforced in the past; therefore, many businesses have not been held to the standard that this business is now being held to. (Concern: Inconsistent application of regulation)
- Requiring a greater thickness in paving: a local business owner has been told that he has to have his new business' parking lot pavement thicker than what is on the roadway in front of the business; thus, increasing cost from approximately \$10,000 to \$30,000. (Concern: Inconsistent requirement and financial burden)
- Recommended change in property line: a local business owner has two properties side-by-side (one is an empty lot and the other contains an office building). The owner would like to open a new restaurant on the vacant lot. DOT says that the owner must have one driveway in the middle of the lot (versus two separate entrances on either side of the property – which is needed to allow delivery trucks to access the parking lot); DOT says the owner cannot do two entrances because the current property line is not wide enough to accommodate both entrances. Therefore, DOT personnel suggested that the owner move the property line from the office property to enlarge the current vacant lot to allow the width needed for the entrance/exit. (Concern: Unreasonable and impractical expectations)
- Slow responses to questions: When a local business owner asks questions to DOT about paving/driveway/curb issues for their new business, it takes 2-3 weeks to get a response. In addition, responses are often shared with “I think...” Responses need to be more timely (the longer the wait, the greater delay in the project and ultimately, the greater the loss in revenue) and based on fact, not what they “think.” (Concern: Unproductive time and opinion-based responses)

The concerns above center around two Kershaw County business projects that will provide considerable investment. Specifically, one project has planned a \$500,000 investment with 20 new jobs (with current DOT requirements, costs are increasing to as high as \$800,000), and the other project has a \$3.8 million investment planned.

- Quality of SC paving/road work is substandard (as compared to surrounding states): a paving company who works in surrounding states has shared with an area business man that SC paving standards are less than the states he works in and perhaps that's one of the reasons SC roads are in such bad shape. One area of concern (as an example) is on I-20 near Bishopville exit #116: the road is being paved and even before it is finished, the newly paved area already has damage. (Concern: Unproductive use of resources and burdensome to businesses and others traveling the roads)



- Communication issue: The City of Camden received notice that DOT would begin paving the main business thoroughfares within a short amount of time. The City has great concerns about the timeline due to city events and activities planned in those areas. DOT should try to coordinate/plan with cities/towns/counties before setting a pavement schedule, so that the financial impact on both the city/town/county and businesses is kept to a minimum. (Concern: Burdensome to businesses and lacks goodwill between government entities)
- Multiple roadway projects overlap: While we are appreciative that DOT is taking care of roadway issues in the area, working on multiple projects in the general area at the same time makes it difficult and frustrating for customers to get to businesses. Customers can and are taking their business elsewhere where they do not have to navigate the challenges of road construction and road detours or blocks. Therefore, DOT should consider the impact of their projects on the area, and again, work with local leaders to prioritize and stagger work to minimize the negative impact on businesses or tourism. (Concern: Burdensome to customers and businesses)

Other Topics

- Transportation options in rural areas: there is a need for transportation options in rural areas so that individuals can get to work, shopping, and health services. There are county residents who are interested and willing to work but do not have the transportation needed to get to work or other important locations. Therefore, transportation in rural areas should be a priority for state funding and/or transportation business tax incentives. (Concern: Reduction in workforce accessibility)
- Retail sales tax: all companies that make retail sales in South Carolina should be held to the same tax requirements. It is inappropriate that brick-and-mortar retail businesses must charge sales tax but many online companies are not required to charge sales tax. This practice is pushing customers to online shopping and away from local small business shops. (Concern: Inconsistent application of sales tax)
- Benefit and insurance options: to help support small businesses and non-profit organizations in the state, it would be very helpful if the state offered benefit and insurance packages that these organizations could participate in. This would help small businesses provide benefits to their employees, which would attract a higher caliber worker as well as provide their employees with better benefits overall. (Concern: Impedes progress & growth of small business)
- Social service wages: employees in state-run social service front-line positions (ex. DHEC, DSS) are paid at/below poverty level. These employees' roles are crucial to providing the citizens of South Carolina the services that they need. These employees cannot do their best to help others when they are worried about their own situation (distracts from work). (Concern: Unreasonable expectations)
- Taxing on non-profit fundraising activities: a local non-profit organization (made up of local business leaders) that uses their fundraising dollars to provide scholarships feel that the taxes on fundraising activities, such as admissions tax and raffle fees, are extreme. Therefore, they would like the state to consider some exemptions for situations like theirs, when the collected monies go directly towards scholarships. (Concern: Unreasonable tax burden)