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Municipal Clerks Institute – ATAX

4.8.21

State Code of Laws

- Title 6, Chapter 4 – Allocation of Accommodations Tax Revenues
 - Know this
 - Print it out and keep it handy
 - Talk to your City/Town Attorney

Waterfall of funds

- State Law dictates how the funds are to be distributed:
- 1st \$25,000 goes to the City's General Fund
- 5% of the remaining balances goes to the City's General Fund
- 30% of the same remaining balance allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity
 - To manage and direct the 30% expenditure the City shall select one ore more organizations such as a chamber of commerce, visitor and convention bureau, or regional tourism commission
- Remaining 65% must be allocated to a special revenue fund and used for tourism-related expenditures

Bonds

- A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities for civic activities, the arts, and cultural events which fulfill the purpose of this chapter.
 - Can only use the 65% of the funds
- BE CAREFUL, VERY CAREFUL – This funding stream is not stable and is effected by market trends.....it goes up and it goes down

Robin Hood Clause

- At the end of each fiscal year and before August first a percentage, to be determined by the State Treasurer, must be withheld from those county areas collecting four hundred thousand dollars or more from that amount which exceeds four hundred thousand dollars from the tax authorized by Section 12-36-2630(3), and that amount must be distributed to assure that each county area receives a minimum of fifty thousand dollars.

Advisory Committee

- Collecting more than \$50,000 in a County collecting more than \$50,000 – must appoint an Advisory Committee to make recommendations to City Council
- 7 Members:
 - majority being selected from the hospitality industry of the municipality
 - (4 slots)
 - At least two of the hospitality industry members must be from the lodging industry
 - Two more from the hospitality industry (i.e., restaurants, amusements, zoos, etc...)
 - One member shall represent the cultural organizations of the municipality
 - Two at-large committee members

Schedule

- You must set a schedule
- A municipality or county and its advisory committee shall adopt guidelines to fit the needs and time schedules of the area.
- Advisory committees shall submit written recommendations to a municipality or county at least once annually.
- Myrtle Beach process
 - Begin early
 - Applications due in October
 - Presentations to the ATAX Advisory Committee in November
 - Brought before City Council in the Spring

Reports and Reporting – Due to DOR; Tourism Expenditure Review Committee

- **(D) Municipalities and counties annually shall submit to the South Carolina Accommodations Tax Oversight Committee:**
 - (1) end-of-the-year report detailing advisory committee accommodations tax recommendations;
 - (2) municipality's or county's action following the recommendations;
 - (3) **list of how funds from the accommodations tax are spent, except for the first twenty-five thousand dollars and five percent of the balance in Section 6-4-10(2) allocated to the general fund. The list is due before October first and must include funds received and dispersed during the previous fiscal year;**
 - (4) list of advisory committee members noting the chairman, business address if applicable, and representation of the hospitality industry including the lodging industry and cultural interests.
- (E) The regional tourism agencies in Section 6-4-20 annually shall submit reports on their budgets and annual expenditure of accommodations tax funds pursuant to this chapter to the Accommodations Tax Oversight Committee.

Tourism Expenditure Review Committee.

- 11 members:
 - (1) one member appointed by the Speaker of the House;
 - (2) one member appointed by the President of the Senate;
 - (3) the Director of the South Carolina Department of Parks, Recreation and Tourism, or his designee, ex officio;
- eight members appointed by the Governor as follows:
 - (a) one member on the recommendation of the South Carolina Association of Tourism Regions;
 - (b) one member on the recommendation of the South Carolina Association of Convention and Visitors Bureaus;
 - (c) one member on the recommendation of the South Carolina Travel and Tourism Coalition;
 - (d) one member on the recommendation of the Municipal Association of South Carolina;
 - (e) one member on the recommendation of the South Carolina Association of Counties;
 - (f) one member on the recommendation of the Hospitality Association of South Carolina;
 - (g) one member on the recommendation of the South Carolina Arts Commission; and
 - (h) one member at large.
