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FREE CONFERENCE COMMITTEE REPORT ADOPTED -- NOT PRINTED

June 3, 2010

**S. 304**

Introduced by Senators Leatherman, Alexander, Land, Campsen and Grooms

S. Printed 5/13/09--H.

Read the first time March 25, 2009.

**A** **BILL**

TO AMEND SECTION 6‑1‑760, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO MUNICIPAL OR COUNTY ORDINANCES IMPOSING AN ACCOMMODATIONS FEE AND THE USE OF THE REVENUE FROM THE FEES INCLUDING THE ISSUANCE OFCERTAIN BONDS SO AS TO PROVIDE THAT THE PROCEEDS OF LOCAL ACCOMMODATIONS FEES, HOSPITALITY FEES, AND STATE ACCOMMODATIONS FEES MAY BE PLEDGED AS SECURITY FOR THE PAYMENT OF BONDS FOR CAPITAL PROJECTS USED TO ATTRACT AND SUPPORT TOURISTS; AND TO AMEND SECTION 6‑4‑10, RELATING TO STATE ACCOMMODATIONS TAXES, SO AS TO PROVIDE THAT REVENUES ALLOCATED FOR TOURISM ADVERTISING AND PROMOTION MAY NOT BE PLEDGED AS SECURITY FOR CERTAIN BONDS OR TO RETIRE SUCH BONDS.

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

SECTION 1. Section 6‑1‑760 of the 1976 Code is amended to read:

Section 6‑1‑760. (A) With respect to capital projects and as used in this section, ‘tourist’ means a person who does not reside in but rather enters temporarily, for reasons of recreation or leisure, the jurisdictional boundaries of a municipality for a municipal project or the immediate area of the project for a county project.

(B) Notwithstanding any provision of this article, any ordinance enacted by county or municipality prior to March 15, 1997, imposing an accommodations fee which does not exceed the three percent maximum cumulative rate prescribed in Section 6‑1‑540, is calculated upon a base consistent with Section 6‑1‑510(1), and the revenue from which is used for the purposes enumerated in Section 6‑1‑530, remains authorized and effective after the effective date of this section. ~~and the enacting~~ Any county or municipality is authorized to issue bonds, pursuant to Article X, Section 14(10) of the Constitution of this State, utilizing the procedures of Section 4‑29‑68, Section 6‑17‑10 and related sections, or Section 6‑21‑10 and related sections, for the purposes enumerated in Section 6‑1‑530, to pledge as security for such bonds and to retire such ~~debt using~~ bonds with the proceeds of ~~such an accommodations fee ordinance~~ accommodations fees imposed under Article 5 of this chapter, hospitality fees imposed under this chapter, state accommodations fees allocated pursuant to Section 6‑4‑10(1), (2), and (4), or any combination thereof, and the pledge of such other nontax revenues as may be available for those purposes for capital projects used to attract and support tourists.”

SECTION 2. Section 6‑4‑10(3) of the 1976 Code is amended to read:

“(3) Thirty percent of the balance must be 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 expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists, the municipality or county shall create an organization with the same membership standard in Section 6‑4‑25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them. Fees allocated pursuant to this subsection must not be used to pledge as security for bonds and to retire bonds. Also, fees allocated pursuant to this subsection must be 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, and not used to pledge as security for bonds and to retire bonds.”

SECTION 3. This act takes effect upon approval by the Governor.

/s/Sen. William H. O’Dell /s/Rep. Tracy R. Edge

/s/Sen. J. Yancy McGill /s/Rep. Gilda Cobb-Hunter

/s/Sen. J. Michael Mulvaney /s/Rep. Dwight A. Loftis

On Part of the Senate. On Part of the House.

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