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COMMITTEE REPORT

May 15, 2014

**S. 294**

Introduced by Senators Cleary and Ford

S. Printed 5/15/14--H.

Read the first time March 11, 2013.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (S. 294) to amend Section 6‑4‑10, as amended, Code of Laws of South Carolina, 1976, relating to the expenditure of local accommodation tax revenues, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

W. BRIAN WHITE for Committee.

**A** **BILL**

TO AMEND SECTION 6‑4‑10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EXPENDITURE OF LOCAL ACCOMMODATION TAX REVENUES, SO AS TO CLARIFY THAT IN CERTAIN SITUATIONS, FUNDS MAY BE USED FOR BEACH RENOURISHMENT, AND TO ALLOW A MUNICIPALITY OR COUNTY, IN CERTAIN SITUATIONS, UPON A TWO‑THIRDS VOTE OF THE MEMBERSHIP OF THE LOCAL GOVERNING BODY, TO HOLD THE FUNDS FOR MORE THAN TWO YEARS IF THE FUNDS ARE DESIGNATED FOR THE CONTROL AND REPAIR OF WATERFRONT EROSION, INCLUDING BEACH RENOURISHMENT.

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

SECTION 1. Section 6‑4‑10(4)(b) of the 1976 Code is amended to read:

“(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

‘Tourism‑related expenditures’ include:

~~1.~~( i) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;

~~2.~~(ii) promotion of the arts and cultural events;

~~3.~~(iii) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

~~4.~~(iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

~~5.~~(v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

~~6.~~(vi) tourist shuttle transportation;

~~7.~~(vii) control and repair of waterfront erosion, including beach renourishment;

~~8.~~(viii) operating visitor information centers.”

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

“(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. ~~If the allocations are not spent within two years, the municipality or county is subject to the provisions of Section 6‑4‑30(6).~~ However, the time limit may be extended upon the recommendation of the local governing body of the county or municipality and approval of the ~~South Carolina Accommodations Tax Oversight Committee in Section 6‑4‑30~~ oversight committee established pursuant to Section 6‑4‑35. An extension must include provisions that funds be committed for a specific project or program.

(ii) Notwithstanding the provisions of subsubitem (i), upon a two‑thirds affirmative vote of the membership of the appropriate local governing body, a county or municipality may carry forward unexpended allocations to the special fund beyond two years provided that the county or municipality commits use of the funds exclusively to the control and repair of waterfront erosion, including beach renourishment. The county or municipality shall annually notify the oversight committee, established pursuant to Section 6‑4‑35, of the basic activity of the committed funds including, beginning balance, deposits, expenditures, and ending balance.”

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

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