**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 6‑4‑36 SO AS TO PROVIDE FOR THE NOTIFICATION OF A MUNICIPALITY OR COUNTY BY THE TOURISM EXPENDITURE REVIEW COMMITTEE IF THE COMMITTEE FINDS AN EXPENDITURE TO BE IN NONCOMPLIANCE, TO PROVIDE FOR A PROCEDURE FOR REFUNDING THE AMOUNT FOUND IN NONCOMPLIANCE, TO PROVIDE FOR ACTIONS TO BE TAKEN AGAINST A MUNICIPALITY OR COUNTY THAT DOES NOT REFUND THE NONCOMPLIANT AMOUNT, TO PROVIDE A PROCEDURE FOR CERTIFICATION BY THE MUNICIPALITY OR COUNTY TO THE COMMITTEE THAT NONCOMPLIANT AMOUNTS HAVE BEEN REFUNDED, TO PROVIDE THE FISCAL YEARS TO WHICH THE ABOVE PROVISIONS APPLY, AND TO PROVIDE THAT THIS SECTION IS REPEALED JUNE 30, 2015.

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

SECTION 1. Chapter 4, Title 6 of the 1976 Code is amended by adding:

“Section 6‑4‑36. (A) In addition to the provisions of Section 6‑4‑35(B)(1)(a), if the Tourism Expenditure Review Committee finds an expenditure to be in noncompliance, the committee must notify the municipality or county of the finding. Upon notification, the municipality or county may refund an amount equivalent to the amount determined to be in noncompliance to the appropriate fund. If the municipality or county certifies to the committee that the amount has been refunded, the municipality or county is not subject to future withholdings of the amount determined to be in noncompliance. After the amount determined to be in noncompliance has been refunded, the municipality or county may expend the funds for a compliant tourism‑related purpose. Any subsequent expenditure of a refunded amount is subject to the reporting and review requirements of this chapter. If the committee informs the county or municipality of an expenditure determined to be in noncompliance and the county or municipality does not refund the noncompliant amount, the committee shall certify the noncompliance to the State Treasurer as provided in Section 6‑4‑35(B)(1)(a) for the actions to be taken as required therein. If the committee determines an expenditure of any refunded amount to be in noncompliance, the municipality or county may not refund an equivalent amount in order to avoid future withholdings.

(B) The provisions of subsection (A) apply to accommodations tax allocations for Fiscal Year 2008‑2009. For this fiscal year, any municipality or county subject to a determination of noncompliance by the committee may utilize the refunding procedures provided by this section. If the municipality or county certifies to the committee that the amount previously determined to be in noncompliance has been refunded to the appropriate fund, then any amount withheld from the municipality or county from subsequent allocations must be returned in same amount and manner that it was withheld.

(C) The provisions of this section are repealed effective June 30, 2015.”

SECTION 2. This act takes effect upon approval by the Governor.

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