~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

May 9, 2018

**S. 917**

Introduced by Senators Kimpson, Scott and Campsen

S. Printed 5/9/18--H.

Read the first time February 28, 2018.

**A** **BILL**

TO AMEND SECTIONS 6‑1‑530, 6‑1‑730, AND 6‑4‑10, ALL AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, ALL RELATING TO THE EXPENDITURE OF THE STATE ACCOMMODATIONS TAX, LOCAL HOSPITALITY TAX, AND LOCAL ACCOMMODATIONS TAX, RESPECTIVELY, SO AS TO ALLOW THE REVENUE TO BE EXPENDED FOR THE CONTROL AND REPAIR OF FLOODING AND DRAINAGE AT TOURISM‑RELATED LANDS OR AREAS.

Amend Title To Conform

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

SECTION 1. A. Section 6‑1‑530(A) of the 1976 Code is amended to read:

“(A) The revenue generated by the local accommodations tax must be used exclusively for the following purposes:

(1) tourism‑related buildings including, but not limited to, civic centers, coliseums, and aquariums;

(2) tourism‑related cultural, recreational, or historic facilities;

(3) beach access, renourishment, or other tourism‑related lands and water access;

(4) highways, roads, streets, and bridges providing access to tourist destinations;

(5) advertisements and promotions related to tourism development; ~~or~~

(6) water and sewer infrastructure to serve tourism‑related demand;

(7) subject to subsection (C), control and repair of flooding and drainage, including beach outfalls, within or on tourism‑related lands or areas; or

(8) site preparation including, but not limited to, demolition, repair, or construction, to be used for the subitems of this section.”

B. Section 6-1-530 of the 1976 Code is amended by adding a subsection at the end to read:

“(C)(1) The provisions of subsection (A)(7) only may be utilized in counties which have collected at least fourteen million dollars in state accommodations taxes as imposed pursuant to Section 12‑36‑920(A) in the most recent fiscal year for which full collection figures are available. Once a county meets this threshold it thereafter may utilize the provisions of subsection (A)(7).

(2) If applying the provisions of subsection (A)(7), the revenues must be expended exclusively on beach outfalls or other public works projects designed to eliminate or mitigate adverse effects of recurrent nuisance tidal flooding, including that which is attributable to sea-level rise, or other recurrent flooding. Such adverse effects include road closures and other transportation disruptions, storm‑water drainage issues, and compromised public infrastructure. The beach outfalls or other public works projects must be within or on tourism-related lands or areas. Revenues must not be used to pay claims or otherwise settle litigation that may arise from time to time due to the harmful impacts of nuisance or other flooding.

(3) A county may not expend more than thirty percent of the revenues of the local accommodations tax authorized in this article on the purposes set forth in subsection (A)(7).

(4) The provisions of subsection (A)(7) may not be utilized and the revenues may not be expended for such purposes after July 1, 2028. However, if a county has begun a project or pledges the revenues for the servicing of bonds on such projects before July 1, 2028, the provisions of subsection (A)(7) remain effective for that county until such project is completed or until the indebtedness on such bonds is discharged, as applicable.”

SECTION 2. A. Section 6‑1‑730(A) of the 1976 Code is amended to read:

“(A) The revenue generated by the hospitality tax must be used exclusively for the following purposes:

(1) tourism‑related buildings including, but not limited to, civic centers, coliseums, and aquariums;

(2) tourism‑related cultural, recreational, or historic facilities;

(3) beach access and renourishment;

(4) highways, roads, streets, and bridges providing access to tourist destinations;

(5) advertisements and promotions related to tourism development; ~~or~~

(6) water and sewer infrastructure to serve tourism‑related ddemand;

(7) subject to subsection (C), control and repair of flooding and drainage, including beach outfalls, within or on tourism‑related lands or areas; or

(8) site preparation including, but not limited to, demolition, repair, or construction, to be used for the subitems of this section.”

B. Section 6-1-730 of the 1976 Code is amended by adding a subsection at the end to read:

“(C)(1) The provisions of subsection (A)(7) only may be utilized in counties which have collected at least fourteen million dollars in state accommodations taxes as imposed pursuant to Section 12‑36‑920(A) in the most recent fiscal year for which full collection figures are available. Once a county meets this threshold it thereafter may utilize the provisions of subsection (A)(7).

(2) If applying the provisions of subsection (A)(7), the revenues must be expended exclusively on beach outfalls or other public works projects designed to eliminate or mitigate adverse effects of recurrent nuisance tidal flooding, including that which is attributable to sea-level rise, or other recurrent flooding. Such adverse effects include road closures and other transportation disruptions, storm‑water drainage issues, and compromised public infrastructure. The beach outfalls or other public works projects must be within or on tourism-related lands or areas. Revenues must not be used to pay claims or otherwise settle litigation that may arise from time to time due to the harmful impacts of nuisance or other flooding.

(3) A county may not expend more than thirty percent of the revenues of the hospitality tax authorized in this article on the purposes set forth in subsection (A)(7).

(4) The provisions of subsection (A)(7) may not be utilized and the revenues may not be expended for such purposes after July 1, 2028. However, if a county has begun a project or pledges the revenues for the servicing of bonds on such projects before July 1, 2028, the provisions of subsection (A)(7) remain effective for that county until such project is completed or until the indebtedness on such bonds is discharged, as applicable.”

SECTION 3. 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:

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

(ii) promotion of the arts and cultural events;

(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;

(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;

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

(vi) tourist shuttle transportation;

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

(viii) operating visitor information centers;

(ix) site preparation including, but not limited to, demolition, repair, or construction to be used for the subitems of this section; and

(x) control and repair of flooding and drainage, including beach outfalls, within or on tourism‑related lands or areas.

The provisions of item (b)(x) only may be utilized in counties which have collected at least fourteen million dollars in state accommodations taxes as imposed pursuant to Section 12‑36‑920(A) in the most recent fiscal year for which full collection figures are available. Once a county meets this threshold it thereafter may utilize the provisions of item (b)(x).

If applying the provisions of item (b)(x) relating to flooding and drainage, the revenues must be expended exclusively on beach outfalls and on other public works projects designed to eliminate or mitigate adverse effects of recurrent nuisance tidal flooding, including that which is attributable to sea-level rise, or other recurrent flooding. Such adverse effects include road closures and other transportation disruptions, storm‑water drainage issues, and compromised public infrastructure. The beach outfalls or other public works projects must be within or on tourism-related lands or areas. Revenues must not be used to pay claims or otherwise settle litigation that may arise from time to time due to the harmful impacts of nuisance or other flooding.

A county or municipality may not expend more than thirty percent of the revenues of the local accommodations tax on the purposes set forth in item (b)(x).

The provisions of item (b)(x) may not be utilized and the revenues may not be expended for such purposes after July 1, 2028. However, if a county or municipality has begun a project or pledges the revenues for the servicing of bonds on such projects before July 1, 2028, the provisions of item (b)(x) remain effective for that county or municipality until such project is completed or until the indebtedness on such bonds is discharged, as applicable.”

SECTION 4. This act takes effect upon approval by the Governor.

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