**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4213**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Dillard

Companion/Similar bill(s): 284

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Introduced in the House on March 29, 2023

Currently residing in the House Committee on **Ways and Means**

Summary: Development of Workforce Housing

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/29/2023 House Introduced and read first time ([House Journal‑page 70](h:\hj\20230329.docx))

3/29/2023 House Referred to Committee on **Ways and Means** ([House Journal‑page 70](h:\hj\20230329.docx))

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**VERSIONS OF THIS BILL**

[03/29/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4213_20230329.docx)

A bill

to amend the South Carolina Code of Laws by amending Section 6‑1‑530, relating to Use of revenue from local accommodations taxes, so as to provide that the development of workforce housing is one of the purposes for which local ACCOMMODATIONS taxes may be used; by amending Section 6‑1‑730, relating to Use of revenue from local hospitality tax, so as to provide that the development of workforce housing is one of the purposes for which local hospitality taxes may be used; by amending Section 6‑4‑10, relating to A special fund for tourism, management and use of special fund, so as to provide that the development of workforce housing is one of the purposes for which the special fund may be used; and by amending Section 6‑4‑15, relating to Use of revenues to finance bonds, so as to provide that the development of workforce housing is one of the purposes for which bonds may be issued.

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

SECTION 1. Section 6‑1‑530(A) of the S.C. 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. or

(7) development of workforce housing.

SECTION 2. Section 6‑1‑730(A) of the S.C. 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;

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

(7) control and repair of flooding and drainage within or on tourism‑related lands or areas; or

(8) site preparation for items in this section including, but not limited to, demolition, repair, or construction.: or

(9) development of workforce housing.

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

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism‑related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism‑related expenditures.

(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) development workforce housing.

(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. However, the time limit may be extended upon the recommendation of the local governing body of the county or municipality and approval of the 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 or development of workforce housing. The county or municipality annually shall 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.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism‑related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

SECTION 4. Section 6‑4‑15 of the S.C. Code is amended to read:

Section 6‑4‑15. 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, or workforce housing which fulfill the purpose of this chapter. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

SECTION 5. This act takes effect upon approval by the Governor.

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