



Finance Committee Meeting

Chairman
MARK LAWSON

Vice Chairman
CHRIS HERVOCHON

Committee Members
GERALD DAWSON
STU RODMAN
BRIAN FLEWELLING

Interim County Administrator
ERIC GREENWAY

Clerk to Council
SARAH W. BROCK

Staff Support
RAYMOND WILLIAMS
WHITNEY RICHLAND

Administration Building
Beaufort County Government
Robert Smalls Complex
100 Ribaut Road

Contact
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228
(843) 255-2180
www.beaufortcountysc.gov

Finance Committee Agenda

Thursday, February 25, 2021 at 2:00 PM

[This meeting is being held virtually in accordance with Beaufort County Resolution 2020-05]

ALL OF OUR MEETINGS ARE AVAILABLE FOR VIEWING ONLINE AT WWW.BEAUFORTCOUNTYSC.GOV AND CAN ALSO BE VIEWED ON HARGRAY CHANNELS 9 AND 113, COMCAST CHANNEL 2, AND SPECTRUM CHANNEL 1304

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. *PUBLIC NOTIFICATION OF THIS MEETING HAS BEEN PUBLISHED, POSTED, AND DISTRIBUTED IN COMPLIANCE WITH THE SOUTH CAROLINA FREEDOM OF INFORMATION ACT*
4. APPROVAL OF AGENDA

DISCUSSION ITEMS

5. DISCUSSION OF 2020 AWARDS OF LOCAL ACCOMMODATIONS TAX AND HOSPITALITY TAX

ACTION ITEMS

6. RECOMMENDATIONS TO FINANCE COMMITTEE FOR THE 2021 AWARDS OF LOCAL ACCOMMODATIONS AND HOSPITALITY TAX

CITIZEN COMMENTS

- 7. CITIZENS COMMENTS** – CITIZENS MAY JOIN VIA WEBEX USING THE LINK AND MEETING INFORMATION BELOW:

[MEETING LINK](#)

Meeting number: 129 809 4409

Password: BC123

(ANYONE who wishes to speak during the Citizen Comment portion of the meeting will limit their comments to no longer than three (3) minutes (a total of 15 minutes) and will address Council in a respectful manner appropriate to the decorum of the meeting, refraining from the use of profane, abusive, or obscene language)

8. ADJOURNMENT



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
<i>Discussion of 2020 Awards of Local Accommodations Tax and Hospitality Tax</i>
MEETING NAME AND DATE:
Finance Committee 02/25/2021
PRESENTER INFORMATION:
<i>Shannon Milroy Grants Accountant</i> <i>15 minutes</i>
ITEM BACKGROUND:
<i>Last year Beaufort County Awarded \$1,165,600 from Local Accommodations Tax and Local Hospitality Tax to various agencies located in Beaufort County.</i>
PROJECT / ITEM NARRATIVE:
We will go over the expenditures and progress of each award with the Finance Committee.
FISCAL IMPACT:
<i>Not Applicable</i>
STAFF RECOMMENDATIONS TO COUNCIL:
<i>Not Applicable</i>
OPTIONS FOR COUNCIL MOTION:
<i>Not Applicable</i>

Beaufort County
Report on Local Accommodations and Hospitality Awards from 2019-2020

Awarded Organization	Award Amount	Project Description	Report Received	Amount Expended to Date	Award Remaining	Applied for 2021 Funding?	Comments
Entities who did <u>not</u> apply for 2021 funding:							
Beaufort County Open Land Trust	\$ 25,000	Capers Creek Access Purchase for Reconstruction Era National Park	Yes	\$ 18,350.00	\$ 6,650.00	No	Closing on Penn Center tract pending; Funds spent to date are in accordance with statute
Bluffton Historical Preservation Society	\$ 10,000	Heyward House Museum and Welcome Center Improvements	Yes	\$ 5,688.13	\$ 4,311.87	No	Marketing funds will be expended by June 2021; funds spent to date are in accordance with statute
Campbell Chapel Community Development	\$ 140,000	Planning for restoration of Campbell's Historic Chapel	Yes	\$ 41,904.79	\$ 98,095.21	No	Preservation plan 80% complete with expected project completion December 31, 2021; funds spent to date are in accordance with statute
Friends of Hunting Island	\$ 65,000	Virtual Lighthouse in Museum	Yes	\$ 17,832.34	\$ 47,167.66	No	Design underway; COVID has delayed process. Funds spent to date are in accordance with statute
Port Royal Sound Foundation	\$ 500,000	Construction of a multi-purpose pavilion next to the Maritime Center in Okatie	Yes	\$ -	\$ 500,000.00	No	Start of construction anticipated Winter 2021-2022; no funds spent to date
Beaufort County Black Chamber of Commerce	\$ 13,500	African Fashion Week 2020	Yes - Incomplete	Unclear	Unclear	No	Repurposed to Black Beaufort Art Show
Entities who did apply for 2021 funding:							
Beaufort Area Hospitality Association	\$ 10,000	Print advertising across SC, GA and NC as well as social media marketing	Yes	\$ 10,000.00	\$ -	Yes	Project Complete; Funds expended in accordance with statute
Beaufort Area Hospitality Association	\$ 10,000	Advertising and promotion - Radio and TV Marketing of event	Yes	\$ 6,814.00	\$ 3,186.00	Yes	Project Complete; Funds expended in accordance with statute, but not all funds expended
Beaufort County Black Chamber of Commerce	\$ 11,700	Gullah Christmas 2020	Yes - Incomplete	Unclear	Unclear	Yes	Event downsized due to COVID; 3 weekend events held
Beaufort County Black Chamber of Commerce	\$ 11,700	Kentucky Derby 2020	Yes	\$ -	\$ 11,700.00	Yes	Event Cancelled due to COVID; rescheduled to 2021
Beaufort County Black Chamber of Commerce	\$ 11,700	Southeast Regional Business Summit	Yes - Incomplete	Unclear	Unclear	Yes	In-person event cancelled due to COVID; one virtual meeting held
Beaufort County - Public Works	\$ 196,000	CC Haigh Landing Improvements	Yes	\$ 10,540.41	\$ 185,459.59	Yes	Surveying and Geotechnical complete; engineering and permitting ongoing. Funds spent to date are in accordance with statute
Beaufort County - Engineering Department	\$ 160,000	Spanish Moss Trail Planning	Yes	\$ 31,280.88	\$ 128,719.12	Yes	Engineering services ongoing; approx. 35% complete. Funds spent to date are in accordance with statute
Historic Port Royal Foundation & Museum	\$ 1,000	Partial salary for marketing duties and purchase of promotional materials	Yes	\$ 993.45	\$ 6.55	Yes	Project Complete; Funds expended in accordance with statute
Total Awarded	\$ 1,165,600			\$ 143,404.00	\$ 985,296.00		



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
<i>Recommendations to Finance Committee for the 2021 Awards of Local Accommodations and Hospitality Tax.</i>
MEETING NAME AND DATE:
Finance Committee 02/25/2021
PRESENTER INFORMATION:
<i>Hayes Williams Finance Director</i> <i>1 hour</i>
ITEM BACKGROUND:
<i>Beaufort County started the Local Accommodation Tax and Local Hospitality Tax application process in September of 2020, with the closing of applications on December 31, 2020. The applications were reviewed by the Local Accommodation Tax and Local Hospitality Tax Committee for compliance with the Local Statutes and their individual need and merit. The Committee will present the recommendations to the Finance Committee.</i>
PROJECT / ITEM NARRATIVE:
<i>The Local Accommodation Tax Fund has approximately \$1,651,428 to award, and Local Hospitality Tax Fund has approximately \$1,981,105 to award for combined total of \$3,632,533 available to award for 2021.</i>
FISCAL IMPACT:
<i>Recommendations of \$3,530,656 to be provided out the Local Accommodations Tax Fund and the Local Hospitality Tax Fund.</i>
STAFF RECOMMENDATIONS TO COUNCIL:
<i>Approval of recommendations Local Accommodation Tax and Local Hospitality Tax.</i>
OPTIONS FOR COUNCIL MOTION:
<i>Approve the motion for First Reading at the next County Council meeting.</i> <i>Deny the motion.</i>

Beaufort County
2021 Local Accommodations and Hospitality Tax

Event	Sponsor	Requested Source of Funding	Amount Requested	Group Award	Reason
Whitehall Boardwalk	City of Beaufort	Local Atax	\$ 350,000.00	\$ 350,000.00	Bridge to connect to Whitehall Park Resolution 2019/31 states "Applicants must submit final accounting reports for an award before receiving a subsequent award". Penn Center still has \$800,000 remaining in Phase I that they have not spent.
Phase II Penn Center Website Development	Penn Center	Local Atax	\$ 968,000.00	\$ -	Penn Center will need to apply next year.
Reconstruction Era Park - Porter's Chapel	Historic Port Royal Foundation & Museum Website	Local Atax	\$ 5,000.00	\$ 5,000.00	The only amount included in the budget
	Town of Port Royal	Local Atax	\$ 240,500.00	\$ 240,500.00	Reconstruction Era Park town put in an additional \$60,000
Southeast Business Summit	Beaufort County Black Chamber of Commerce	Local Atax	\$ 11,700.00	\$ -	Resolution 2019/31 states "Applicants must submit final accounting reports for an award before receiving a subsequent award".
Kentucky Derby	Beaufort County Black Chamber of Commerce	Local Atax	\$ 11,700.00	\$11,700 rolled over from prior year	Resolution 2019/31 states "Applicants must submit final accounting reports for an award before receiving a subsequent award".
Gullah Christmas Jazz & Art Festival	Beaufort County Black Chamber of Commerce	Local Atax	\$ 11,700.00	\$ -	Resolution 2019/31 states "Applicants must submit final accounting reports for an award before receiving a subsequent award".
Broad River Fishing Pier	Beaufort County Capital Projects	Local Atax	\$ 114,000.00	\$ 114,000.00	95,000 plus 20% contingency
Beaufort Oyster Festival	Beaufort Area Hospitality Association	Local Htax	\$ 10,000.00	\$ 2,460.00	Only for marketing and promotional , police fire & security
Beaufort Oyster Festival	Beaufort Area Hospitality Association	Local Atax	\$ 10,000.00	\$3,186 rollover from prior year	Only marketing in Local Accommodations tax is allocated to DMO's
Stokes Cottage (1313 Congress Street)	Community Foundation of the Lowcountry	Local Atax	\$ 149,850.00	\$ -	These are privately owned, the owners will not transfer property
Brick Baptist Church Study House	Community Foundation of the Lowcountry	Local Atax	\$ 267,255.00	\$ 267,255.00	Reconstruction Era Park
Grand Army Hall	Community Foundation of the Lowcountry	Local Atax	\$ 115,200.00	\$ 115,200.00	Reconstruction Era Park
Dixie Jr. Boys and Dixie Boys State	Beaufort County Parks & Recreation	Local Atax	\$ 28,500.00	\$ 28,500.00	Marketing and promotional needs for the tournament
Dixie Softball State Tournament	Beaufort County Parks & Recreation	Local Atax	\$ 28,500.00	\$ 28,500.00	Marketing and promotional needs for the tournament
Marketing	Hilton Head Island Airport	Local Htax	\$ 30,000.00	\$ 30,000.00	Marketing and promotional items
Annual Boat Landing Maintenance	Beaufort County Public Works	Local Htax	\$ 250,000.00	\$ 200,000.00	Boat landing improvements and study
Beaufort Executive Terminal Renovation	Beaufort Executive Airport	Local Htax	\$ 80,000.00	\$ 80,000.00	Needed improvements to bring new tourism
Spanish Moss Trail Battery Creek Bridge Repair	Beaufort County Capital Projects	Local Htax	\$ 359,500.00	\$ 359,500.00	
Coastal Discovery Museum	Building of a Museum on HHI	Local Htax	\$ 750,000.00	\$ 750,000.00	
Renovation of Boundary Street Tennis Courts	Beaufort County Parks & Recreation	Local Htax	\$ 384,741.00	\$ 384,741.00	
Mitchellville Freedom Park	Building of a Museum on HHI	Local Htax	\$ 575,000.00	\$ 575,000.00	Awarded from HTAX
			\$ 4,751,146.00	\$ 3,530,656.00	
			\$ 3,632,533.00	\$ 3,632,533.00	
			\$ (1,118,613.00)	\$ 101,877.00	

Sec. 66-531. - Authority.

This article is enacted pursuant to the authority S.C. Code § 4-9-30 (1976, as amended) which provides that the county may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the county and for the preservation of the general health, peace and order in the county and S.C. Code § 6-1-700 et seq. (1976, as amended) which expressly provides authorization for the imposition of a hospitality tax.

(Ord. No. 2005/9, § 1, 3-28-2005)

Sec. 66-532. - Hospitality tax—Definitions.

- (a) *Local hospitality tax* is a tax imposed within the unincorporated areas of Beaufort County on the sales of prepared meals and beverages sold in establishments or sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine. In addition, the tax shall be imposed for all food and beverages prepared or modified by convenience stores or grocery stores within the unincorporated areas of Beaufort County.
- (b) *A hospitality tax equal to two percent* is hereby imposed on the gross proceeds derived from the sale of prepared meals and beverages sold in establishments located in unincorporated areas of Beaufort County.
- (c) *Beverages* shall include all beverages, including, but not limited to, alcoholic beverages, beer, wine, and any nonalcoholic beverage.
- (d) *Establishments* shall mean any individual, partnership, corporation or business entity, regardless of form which, as a part of its business offers prepared meals, whether for consumption on the premises or off.
- (e) *Establishments licensed for on-premises consumption of alcoholic beverages, beer or wine* shall mean any individual, partnership, corporation or business entity, regardless of form, which is licensed by the State of South Carolina alcoholic beverage commission to offer alcoholic beverages, beer or wine for sale or consumption on its premises.
- (f) *Gross sales price* shall mean the total charge for any prepared meal or beverage, exclusive of any other taxes, fees or gratuity.
- (g)

Prepared meals shall mean any prepared food item prepared or offered for sale by any establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine, whether consumed on the premises or off.

(Ord. No. 2005/9, § 2, 3-28-2005; Ord. No. 2009/35, 10-12-2009; Ord. No. 2012/1, 2-13-2012.)

Sec. 66-533. - Payment of hospitality tax.

- (a) Payment of the local hospitality tax shall be the liability of the consumer of prepared meals and beverages as described in section 66-532. The local hospitality tax shall be paid at the time of the purchase of the prepared meals and beverages and shall be collected by the establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine selling the prepared meals and beverages.
- (b) The county shall provide a hospitality tax return, which shall be utilized by the provider of the services to calculate the amount of hospitality taxes collected and due. Payment shall be made to Beaufort County and shall be made at the same time as the return is required to be filed as provided below.
- (c) The hospitality tax collected by the provider of the services as required herein shall be remitted to the County of Beaufort, South Carolina, as follows:
 - (1) Payment shall be collected and remitted monthly starting January 1, 2010 and each month thereafter.
 - (2) Payments are due on or before the twentieth day following the end of the filing period.
- (d) An interest-bearing restricted account, kept in a separate fund segregated from the county's general fund and to be known as "The County of Beaufort, South Carolina, Local Hospitality Tax Account" is hereby established. All revenue and interest generated by the local hospitality tax shall be deposited into this account. The County of Beaufort, South Carolina, Hospitality Tax Account, shall be controlled by the county administrator for the County of Beaufort, South Carolina. The principal and any accrued interest thereon shall be spent only as provided herein.
- (e)

Deposits into "The County of Beaufort, South Carolina, Hospitality Tax Account" may also include appropriations from the general fund by the county council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided herein.

(Ord. No. 2005/9, § 3, 3-28-2005; Ord. No. 2009/35, 10-12-2009)

Sec. 66-534. - Permitted uses of hospitality tax funds.

- (a) The county council is hereby authorized to utilize the funds collected from the imposition and collection of the hospitality tax and other funds deposited into "The County of Beaufort, South Carolina, Hospitality Tax Account." 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, historic facilities, or land acquisition;
 - (3) River/beach access and renourishment;
 - (4) Highways, roads, streets, bridges and boat ramps providing access to tourist destinations;
 - (5) Advertisements and promotions related to tourism development;
 - (6) Water and sewer infrastructure to serve tourism-related demand; and
 - (7) The operation and maintenance of those items provided in (a)(1) through (a)(6) above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.
 - (8) For all other proper purposes including those set forth herein.
- (b) Authorization to utilize any funds from the "County of Beaufort, South Carolina, Hospitality Tax Account," shall be by ordinance duly adopted by the county council for the County of Beaufort, South Carolina.

(Ord. No. 2005/9, § 4, 3-28-2005)

Sec. 66-535. - Inspections and audits.

- (a)

For the purpose of enforcing the provisions of this article, the license official or other authorized agent of the County of Beaufort, South Carolina, is empowered to enter upon the premises of any person or establishment subject to this article to make inspections, examine and audit books and records of such person or establishment.

- (b) It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon 24 hours' written notice. In the event that the audit reveals that false information has been filed by the remitter, the costs of the audit shall be added to the correct amount determined to be due in addition to the penalties provided herein. The license official may make systematic inspections of all businesses within the unincorporated areas of the County of Beaufort, South Carolina, to ensure compliance with this chapter.

(Ord. No. 2005/9, § 5, 3-28-2005; Ord. No. 2009/35, 10-12-2009)

Sec. 66-536. - Violations and penalty.

- (a) It shall be a violation of this chapter to:
- (1) Fail to collect the hospitality tax in connection with the sale of prepared meals and beverages sold in establishments in the unincorporated areas of Beaufort County.
 - (2) Fail to remit to the County of Beaufort, South Carolina, any hospitality taxes collected pursuant to this article by the twentieth day of the following month, as set forth herein.
 - (3) Knowingly provide false information on a return submitted to the County of Beaufort, South Carolina, as set forth herein.
 - (4) Fail or refuse to provide books and records to an authorized agent of the County of Beaufort, South Carolina, for the purpose of an examination or audit upon 24 hours' written notice as provided herein.
- (b) In the event that hospitality taxes are not timely remitted to the County of Beaufort, South Carolina as provided herein, the person or establishment failing to remit shall also pay a penalty equal to one and one-half percent of the unpaid amount for each month or portion thereof that such taxes remain unpaid.
- (c)

A person or establishment failing or refusing to timely file a return and make appropriate payment and/or provide books and records as provided herein may be subject to a conviction for a violation hereof. The violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-6 of the Code of the County Council of Beaufort County, South Carolina.

- (d) Upon identification of a delinquent account, the director of business license or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based on the revenue procedures as adopted with this amendment.

(Ord. No. 2005/9, § 6, 3-28-2005; Ord. No. 2009/35, 10-12-2009)

Sec. 66-537. - Management and use of hospitality tax.

- (a) Fund the approved annual operating expenditures of the program at an amount not to exceed eight percent of the funds collected;
- (b) Allocate the remaining balance through the county's annual budget process; except
- (c) County council may make emergency appropriations as provided in 2020 Ordinance number 2020/46 by approval of a resolution.

(Ord. No. 2005/9, § 7, 3-28-2005; Ord. No. 2020/46, § 3, 10-26-2020)

Sec. 66-538. - Applicability and effective date.

- (a) This article shall become effective on October 12, 2009.
- (b) The director of business license department is authorized to adopt guidelines, policies and procedures to implement this article.

(Ord. No. 2009/35, 10-12-2009)

Sec. 66-539. - Severability.

If any part of the ordinance is held by a court of competent jurisdiction be unconstitutional, illegal, or invalid for any reason, it shall be construed to have been the legislative intent of the County Council of Beaufort County, South Carolina, to pass this Ordinance [Ord. No. 2009/35] without such unconstitutional, illegal or invalid provision, and the remainder of this Ordinance shall be deemed and held to be constitutional, lawful and valid as if such portion had not been included. If this article or any provision thereof is held by a court of competent jurisdiction to be

Item 6.

inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

(Ord. No. 2009/35, 10-12-2009.)

Sec. 66-41. - Authority.

This article is enacted pursuant to the authority S.C. Code § 4-9-30 (1976, as amended) which provides that the county may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the county and for the preservation of the general health, peace and order in the county and S.C. Code § 6-1-500 et seq. (1976, as amended) which expressly provides authorization for the imposition of a local accommodations tax.

(Ord. No. 2002-11, § 1, 3-11-2002; Ord. No. 2005/10, § 1, 3-28-2005)

Sec. 66-42. - Local (3%) accommodations tax—definitions.

- (a) *Tourist* and *transient* means a person traveling to and staying in places outside his or her usual environment for one night or more for leisure, business, or any other purpose for consideration within the unincorporated areas of Beaufort County, South Carolina. A person meeting this definition may be staying in places of public accommodations such as hotels, motels, inns, condominium, bed and breakfasts, tourist courts, campgrounds or the residences of family or friends for consideration.
- (b) *Local accommodations tax* means a tax on the gross proceeds derived from the rental or charges for any rooms, campground spaces, lodgings, or sleeping accommodations furnished to transients by any hotel, inn, tourist court, tourist camp, motel, campground, residence or any place in which rooms, lodgings, or sleeping accommodations are furnished to transients for consideration. This tax does not apply where the facilities consist of less than six sleeping rooms, contained on the same premises, which is used as the individual's place of abode. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person for a period of 90 continuous days are not considered proceeds from transients. The tax imposed herein does not apply to additional guest charges as defined in S.C. Code § 12-36-920(B) (1976, as amended).
- (c) A local accommodations tax equal to three percent is hereby imposed on the gross proceeds derived from the rental of any room(s) (excluding meeting rooms) as provided above.

(Ord. No. 2002-11, § 2, 3-11-2002; Ord. No. 2005/10, § 2, 3-28-2005; Ord. No. 2009/15, 3-30-2009)

Sec. 66-43. - Payment of local (3%) accommodations tax.

- (a)

Payment of the local accommodations tax established herein shall be the liability of the consumer of the services described herein. The local accommodations tax shall be paid at the time of delivery of the services to which the local accommodations tax applies, and shall be collected by the provider of the services.

- (b) The county shall provide a local accommodations tax return, which shall be utilized by the provider of the services to calculate the amount of local accommodation taxes collected and due. Payment shall be made to Beaufort County and shall be made at the same time the return is required to be filed as provided below.

Real estate agents, brokers, corporations, or listing services required to remit taxes under this article must notify the county if rental property, previously listed by them, is dropped from their listings. The notice shall be on a form provided by the county.

- (c) The local accommodations tax collected by the provider of the services as required herein shall be remitted to the County of Beaufort, South Carolina, as follows:
- (1) Payment shall be collected and remitted monthly starting January 1, 2010 and each month thereafter.
 - (2) Payments are due on or before the twentieth day following the end of the filing period.
- (d) An interest-bearing restricted account, kept in a separate fund segregated from the county's general fund and to be known as "The County of Beaufort, South Carolina, Local Accommodations Tax Account" is hereby established. All revenue and interest generated by the local accommodations tax shall be deposited into this account. "The County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be controlled by the county administrator for the County of Beaufort, South Carolina. The principal and any accrued interest thereon shall be spent only as provided herein.
- (e) Deposits into "The County of Beaufort, South Carolina, Local Accommodations Tax Account" may also include appropriations from the general fund by the county council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided herein.

(Ord. No. 2002-11, § 3, 3-11-2002; Ord. No. 2005/10, § 3, 3-28-2005; Ord. No. 2009/15, 3-30-2009; Ord. No. 2009/36, 10-12-2009.)

Sec. 66-44. - Permitted uses of local (3%) accommodations tax funds.

- (a) The county council is hereby authorized to utilize the funds collected from the imposition and collection of the local accommodations tax and other funds deposited into "The County of Beaufort, South Carolina, Local Accommodations Tax Account." 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) Cultural, recreational, or historic facilities;
 - (3) River/beach access and renourishment;
 - (4) Highways, roads, streets, bridges and boat ramps providing access to tourist destinations;
 - (5) Advertisements and promotions related to tourism development;
 - (6) Water and sewer infrastructure to serve tourism-related demand; and
 - (7) The operation and maintenance of those items provided in (a)(1) through (a)(6) above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.
 - (8) For all other proper purposes including those set forth herein.
- (b) Authorization to utilize any funds from the "County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be by ordinance duly adopted by the county council for the County of Beaufort, South Carolina, except for expenditures following an emergency as provided in Ordinance 2020/46, which may be authorized by approval of a resolution.

(Ord. No. 2002-11, § 4, 3-11-2002; Ord. No. 2005/10, § 4, 3-28-2005; Ord. No. 2009/15, 3-30-2009; Ord. No. 2020/46, § 2, 10-26-2020.)

Sec. 66-45. - Inspections and audits.

- (a) For the purpose of enforcing the provisions of this article, the license official or other authorized agent of the County of Beaufort, South Carolina, is empowered to enter upon the premises of any person or establishment subject to this article to make inspections, examine and audit books and records of such person or establishment.
- (b) It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon 24 hours' written notice. In the event that the audit reveals that false information has been filed by the remitter, the

costs of the audit shall be added to the correct amount determined to be due in addition to the penalties provided herein. The license official may make systematic inspections of all businesses within the unincorporated areas of the County of Beaufort, South Carolina, to ensure compliance with this chapter.

(Ord. No. 2002-11, § 5, 3-11-2002; Ord. No. 2005/10, § 5, 3-28-2005; Ord. No. 2009/36, 10-12-2009)

Sec. 66-46. - Violations and penalty.

(a) It shall be a violation of this chapter to:

- (1) Fail to collect the local accommodations tax in connection with the rental of accommodations to tourists or transients as set forth herein.
- (2) Fail to remit to the County of Beaufort, South Carolina, any local accommodations taxes collected pursuant to this article by the twentieth day of the following month, as set forth herein.
- (3) Knowingly provide false information on a return submitted to the County of Beaufort, South Carolina, as set forth herein.
- (4) Fail or refuse to provide books and records to an authorized agent of the County of Beaufort, South Carolina, for the purpose of an examination or audit upon 24 hours' written notice as provided herein.

(b) In the event that local accommodations taxes are not timely remitted to the County of Beaufort, South Carolina as provided herein, the person or establishment failing to remit shall also pay a penalty equal to one and one-half percent of the unpaid amount for each month or portion thereof that such taxes remain unpaid.

(c) A person or establishment failing or refusing to timely file a return and make appropriate payment and/or provide books and records as provided herein may be subject to a conviction for a violation hereof. The violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-6 of the Code of the County Council of Beaufort County, South Carolina.

(d) Upon identification of a delinquent account, the director of business license or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based on the revenue procedures as adopted with this amendment.

(Ord. No. 2002-11, § 6, 3-11-2002; Ord. No. 2005/10, § 6, 3-28-2005; Ord. No. 2009/36, 10-12-

2009)

Sec. 66-47. - Management and use of local (3%) accommodations tax.

[The management and use of local accommodations tax is as follows:]

- (a) Fund the approved annual operating expenditures of the program at an amount not to exceed eight percent of the funds collected.
- (b) Allocate \$350,000.00 annually for advertising and promotion programs related to tourism development (subsection 66-44(a)(5)). These funds shall be allocated as follows:
 - (1) One hundred fifty thousand dollars shall be allocated to the Greater Beaufort-Port Royal Convention and Visitors Bureau for advertising, promotion and events to increase tourism within the county.
 - (2) One hundred fifty thousand dollars shall be allocated to the Hilton Head - Bluffton Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (3) Fifty thousand dollars shall be allocated to the Beaufort County Black Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (4) Funds shall be distributed to the designated organizations on a quarterly basis no later than 30 days after the end of the quarter.
 - (5) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
- (c) Allocate the remaining balance of collections as follows:
 - (1) Twenty percent to establish a reserve fund for emergency or other unforeseen needs;
 - (2) Twenty percent for river/beach access and renourishment (subsection 66-44(a)(3));
 - (3) Sixty percent for tourism-related buildings, including, but not limited to, civic centers, coliseums and aquariums (subsection 66-44(a)(1)); cultural, recreational, or historic facilities; highways, roads, streets, bridges and boat ramps providing access to tourist destinations (subsection 66-44(a)(2)); water

and sewer infrastructure to serve tourism-related demand (subsection 66-44(a) (6); the operation and maintenance, including police, fire protection, emergency medical services and emergency preparedness operating directly attendant to those facilities as referenced above (subsection 66-44(a)(7)); and for all other proper purposes (subsection 66-44(a)(8)).

(d) In accordance with state law, the three chambers 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 county.

(e) Any changes to this section of the code shall go into effect after July 1, 2009.

(Ord. No. 2002-11, § 7, 3-11-2002; Ord. No. 2005/10, § 7, 3-28-2005; Ord. No. 2009/15, 3-30-2009; Ord. No. 2018/22, 6-11-2018.)

Sec. 66-48. - Applicability and effective date.

(a) This division shall become effective on October 12, 2009.

(b) The business license department is authorized to adopt guidelines, policies and procedures to implement this division.

(Ord. No. 2009/36, 10-12-2009)

Sec. 66-49. - Severability.

If any part of the ordinance is held by a court of competent jurisdiction be unconstitutional, illegal, or invalid for any reason, it shall be construed to have been the legislative intent of the County Council of Beaufort County, South Carolina, to pass this Ordinance [Ord. No. 2009/36] without such unconstitutional, illegal or invalid provision, and the remainder of this division shall be deemed and held to be constitutional, lawful and valid as if such portion had not been included. If this division or any provision thereof is held by a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

(Ord. No. 2009/36, 10-12-2009)

Sec. 66-50. - Reserved.

ORDINANCE NO. 2021/ ____

AN ORDINANCE TO APPROPRIATE GRANT AWARDS TO LOCAL ENTITIES FROM THE COUNTY'S LOCAL (3%) ACCOMMODATIONS TAX AND LOCAL HOSPITALITY TAX COLLECTIONS FOR THE YEAR ENDING JUNE 30, 2021.

WHEREAS, Beaufort County Council ("County Council") is authorized to utilize Local Accommodations Tax ("Local A-Tax") Funds for limited tourism-based purposes described in Beaufort County Code Ordinance Sec. 66-44; and

WHEREAS, Beaufort County Ordinance Sec. 66-534 describes permitted uses of the hospitality tax fund

WHEREAS, Beaufort County Code Ordinance Sec. 66-44(b) states "authorization to utilize any funds from the 'County of Beaufort, South Carolina, Local Accommodations Tax Account' shall be by ordinance duly adopted by the County Council; and

WHEREAS, Section 66-534(b) states "authorization to utilize any funds from the "County of Beaufort, South Carolina Hospitality Tax Account," shall be by ordinance duly adopted by the county council; and

WHEREAS, Beaufort County started the Local Accommodation Tax and Local Hospitality Tax application process in September of 2020, with the closing of applications on December 31, 2020. The applications were reviewed by the Local Accommodation Tax and Local Hospitality Tax Committee for compliance with the Local Statutes and their individual need and merit; and

WHEREAS, County Council finds that it is in the best interest of its citizens, residents, visitors and tourists to provide the recommended funds to local entities and projects as set forth in the attached "Exhibit A" which is incorporated herein by reference.

NOW, THEREFORE, BE IT ORDAINED BY BEAUFORT COUNTY COUNCIL, that appropriations shall be made in the form of grant awards to local entities from Beaufort County's Local (3%) Accommodations Tax Funds as set forth in the attached Exhibit A.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____

Joseph Passiment, Jr.

ATTEST:

Sarah Brock, Clerk to Council

Chronology:
Third and Final Reading: _____
Public Hearing: _____
Second Reading: _____
First Reading: _____