
1 AN ORDINANCE AMENDING CHAPTER 2, ARTICLE VI, DIVISION 4,
2 ACCOMMODATIONS TAX, TO INSTITUTE A THREE PERCENT TAX,
3 EFFECTIVE IMMEDIATELY WITH IMPLEMENTATION TO BE EFFECTIVE JULY
4 1, 2019.

5 **Applicant/Purpose:** Staff/adopt 3% accommodations tax per SC Code §6-1-500 et. seq.

6
7 **Brief:**

- 8 • This ordinance amends the City’s current local accommodations tax ordinance,
9 increasing the rate from 0.5% to 3.0%, per statutory limits.
- 10 • Ordinance would be effective immediately; tax levy beginning July 1, 2019.
- 11 • In Council’s discretion, local accommodations tax revenue may be used:
 - 12 ○ To provide local funding for highways, roads, streets, & bridges
13 providing access to tourist destinations, such as I-73 project.
 - 14 ○ To finance certain operations & maintenance costs, including police,
15 fire service, emergency medical & emergency preparedness operations
16 attendant to facilities for which funds may be spent.
- 17 • South Carolina Code §6-1-530, also provides for certain other uses:
 - 18 ○ Tourism-related buildings such as civic centers, coliseums, & aquariums.
 - 19 ○ Tourism-related cultural, recreational, or historic facilities.
 - 20 ○ Beach access, renourishment, & other tourism lands and water access.
 - 21 ○ Advertisements & promotions related to tourism development.
 - 22 ○ Water & sewer infrastructure to serve tourism-related demand.

23
24 **Issues:**

- 25 • Under §6-1-520, a local governing body may adopt, by positive majority vote, a
26 local accommodations tax not to exceed 3%.
- 27 • A county may not impose a local accommodations tax in excess of 1.5% within
28 the boundaries of a municipality without the consent, by resolution, of the
29 appropriate municipal governing body.
- 30 • Cumulative rate of county & municipal local A-Taxes is limited to 3.0%.
- 31 • County has no local accommodations tax.

32
33 **Public Notification:** Normal meeting notification.

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35 **Alternatives:** Do not adopt the amendment.

36
37 **Financial Impact:** When taken together with the proposed credit for hospitality fees
38 paid to the city (see companion ordinance 2019-24), the net revenue increase is
39 projected at about \$8.1 million.

40
41 **Manager’s Recommendation:** The previous agreement, by which County collects its
42 1.5% hospitality fee inside the MB corporate limits, expired in 2017. It is important to
43 note that the approval of this action, together w/ approval of the credit in proposed
44 Ordinance 2019-24, does not increase the total amount of the tax burden on any given
45 taxpayer, just the distribution between the City & the County. I recommend 1st
46 reading.

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48 **Attachment(s):** Proposed ordinance.

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CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

**AN ORDINANCE AMENDING
CHAPTER 2, ARTICLE VI, DIVISION
4, ACCOMMODATIONS TAX, TO
INSTITUTE A THREE PERCENT TAX,
EFFECTIVE IMMEDIATELY WITH
IMPLEMENTATION TO BE EFFECTIVE
JULY 1, 2019.**

IT IS HEREBY ORDAINED THAT Chapter 2, Article VI of the Code of Ordinances of the City of Myrtle Beach is hereby amended in Division 4, Accommodations Tax, in Sections 2-273, with repealed language stricken through and amended language underlined.

Sec. 2-270

This division shall be referred to as the City of Myrtle Beach Accommodations Tax Ordinance, enacted pursuant to South Carolina Code 6-1-500 et seq.

Sec. 2-271

It is hereby found and declared by the City Council of Myrtle Beach that tourism is the major industry in the City, accounting for millions of visitors annually. The City supports and encourages this industry by budgeting city funds for operational costs and capital improvements to streets and roadways, beach access and renourishment, water, sewer and waste management, as well as enhanced police and fire protection. By way of *ad valorem* taxation, the local stable population of approximately ~~25,000~~ 32,000 citizens, ~~by 2018 estimates~~, bears the operational and capital costs of service provision made necessary by our annual visitors. The cost of providing the special or enhanced services required or made necessary by the tourism industry should be apportioned more equitably between the resident taxpayers and those who visit our City and enjoy the programs, events, benefits and municipal services, however briefly.

Sec. 2-272

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accommodations for transients includes the Accommodations specified in S. C. Code 1976 & 12-36-920, as amended from time to time, or any successor provision thereto, located within the jurisdiction of the city.

Department of finance means the financial services department of the city.

Finance director means the director of finance of the city.

~~**Sec. 2-273**~~

~~Upon the ninetieth day following second reading, t~~ There shall be imposed and shall immediately accrue as of the first day of the month following such date a collected

1 tax, as provided in this division, upon Accommodations for transients. The tax
2 imposed by this section shall not apply to additional guest charges as defined in S. C.
3 Code 1976 , & 12-36-920(B). The tax shall be established at the rate of ~~one-half of~~
4 ~~one percent~~ three percent (3%) of the gross proceeds derived from the rental or
5 charges for any Accommodations for transients.
6

7 Sec. 2-274

8 Taxes imposed by this division shall be due on the same date and in the same manner
9 as provided in S.C. Code 1976, & 12-36-2570, and in accordance with the provisions of
10 S.C. Code 1976, & 12-36-2570. The city shall provide the form for remittance of the
11 tax to the city. At the time of filing of such form, the business providing
12 Accommodations for transients shall pay to the finance department or its designee all
13 taxes due for the period for which the form applies.
14

15 Sec. 2-275

16 All taxes collected under this division shall be used solely in connection with the
17 tourism industry or economic development, in accordance with South Carolina Code 6-
18 1-530 (as amended 1999).
19

20 Sec. 2-276

21 If for any reason any tax imposed by this division is not paid when due, a penalty at
22 the rate of two percent per month on the amount of taxes which remain unpaid shall
23 be added and collected. Whenever any person shall fail to pay any tax as provided in
24 this division, upon the request of the city, an action may be brought by the city to
25 enforce the payment of such tax on behalf of the city in any court of competent
26 jurisdiction.
27

28 Sec. 2-277

29 Every business providing accommodations to transients in the city shall keep books and
30 records showing the prices, rents or charges made or charges and occupancies taxable
31 under this division. The finance director or his designee shall at all reasonable times
32 have full access to such books and records of such business.
33

34 Sec. 2-278

35 If the city shall find that any person has willfully avoided payment of the taxes
36 imposed by this division, the city may suspend or revoke all city licenses held by such
37 business in accordance with the ordinance pertaining to business licenses.
38

39 Sec. 2-279

40 If any provisions, clause, sentence, paragraph, section or part of this division, or the
41 application thereof to any person, firm, corporation, public agency or circumstance,
42 shall for any reason be adjudged by a court of competent jurisdiction to be
43 unconstitutional or invalid, such judgment shall not affect, impair or invalidate the
44 remainder of this division and the application of such provision to other persons, firms,
45 corporations, public agencies or circumstances, but shall be confined in its operation
46 to the provision, clause, sentence, paragraph, section or part thereof directly involved
47 in the controversy in which such judgment shall have been rendered and to the
48 person, firm, corporation, public agency or circumstances involved.
49

1 Sec. 2-280
2 An interest bearing and restricted account shall be established and known as the
3 Myrtle Beach Local Accommodations Special Revenue Fund. All revenue received
4 pursuant to this ordinance shall be deposited into this fund, and shall be expended
5 only pursuant to law and at the sole discretion of City Council.
6
7 Sec. 2-281
8 It shall be unlawful to fail to collect the tax in connection with the rental of
9 Accommodations to transients; or fail to remit to the City the tax collected, pursuant
10 to the ordinance; or knowingly provide false information on any form or return to the
11 City; or fail to provide books and records for the purpose of audit upon 24 hours'
12 notice. Upon conviction, the penalty shall be as prescribed by law.
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17 _____
18 BRENDA BETHUNE, MAYOR
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20 ATTEST:
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23 _____
24 Jennifer Stanford, City Clerk
25

26 1st Reading _____
27 2nd Reading _____
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