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1 AN ORDINANCE AMENDING CHAPTER 2, ARTICLE VI, DIVISION 3,  
2 HOSPITALITY FEE, TO PROVIDE A CREDIT OF THE HOSPITALITY FEE  
3 AGAINST THE LEVY OF THE LOCAL ACCOMMODATIONS TAX AND THE  
4 LOCAL HOSPITALITY TAX, EFFECTIVE IMMEDIATELY WITH  
5 IMPLEMENTATION TO BE EFFECTIVE JULY 1, 2019.

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6 **Applicant/Purpose:** Staff/Provide for a credit for taxpayers who would pay both the  
7 City hospitality fee and a Local Accommodations or Local Hospitality tax under  
8 proposed Ordinances No. 2019-021 and 2019-022.  
9

10 **Brief:**

- 11 • This ordinance amends Sec. Chapter 2, Article VI, Division 3 of the City Code to  
12 provide that taxpayers who pay the City hospitality fee concurrently with the Local  
13 Accommodations Tax and/or Local Hospitality Tax would be entitled to a credit in  
14 the amount of their Hospitality Fee payments to be applied against their liability  
15 for one or more of these taxes.  
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17 **Issues:**

- 18 • Hospitality fee must not be repealed in favor of the local taxes, as they are  
19 pledged as security for several bond issues. The earliest those bonds could be  
20 called is 2024-25.  
21 • This credit will limit the City taxpayer's liability to a total of 3.0% for combined  
22 fee and tax charges on City accommodations-related levies and 2.0% on levies  
23 charged on sales of prepared foods & beverages.  
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25 **Public Notification:** Normal meeting notification.  
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27 **Alternatives:** Do not adopt the amendment.  
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29 **Financial Impact:** None.  
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31 **Manager's Recommendation:** I recommend 1st reading.  
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33 **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 3, HOSPITALITY  
FEE, TO PROVIDE A CREDIT OF THE  
HOSPITALITY FEE AGAINST THE LEVY  
OF THE LOCAL ACCOMMODATIONS TAX  
AND THE LOCAL HOSPITALITY 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 3, Hospitality Fee in Sections 2-273, with repealed language stricken through and amended language underlined.

DIVISION 3. - HOSPITALITY FEE

Sec. 2-260. - Authority.

This chapter is enacted pursuant to the authority of Title 5, Code of Laws of South Carolina (1976), including, without limitation, S.C. Code Ann. § 5-7-10 (Supp. 1992), and S.C. Code Ann. § 5-7-30 (Supp. 1992), which provide, in relevant part, that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality and further that municipalities may establish uniform service charges. Under a program established by the Manager, a taxpayer who concurrently pays to the City both the Hospitality Fee provided herein and either (a) a Local Accommodations Tax under authority of South Carolina Code, Title 6, Chapter 1, Article 5, the Local Accommodations Tax Act, or (b) a Local Hospitality Tax under authority of the South Carolina Code, Title 6, Chapter 1, Article 7, the Local Hospitality Tax Act, or (c) both taxes, is entitled to a credit, to be in the amount of the Hospitality Fees paid hereunder, against the Local Hospitality Tax or the Local Accommodations Tax levied within the same time period.

Sec. 2-261. - Declaration of purpose and intent.

This division is enacted to preserve the general health, safety and welfare of the general public within the City of Myrtle Beach, South Carolina, by creating a uniform fee for the purpose of creating a fund to pay in whole or in part for the current and future preservation, maintenance, nourishment, renourishment and improvement of the beaches of the city, and those public facilities related to the use of the beach; public transportation improvements, including street construction, storm drainage, right-of-way acquisitions, median and right-of-way enhancements and landscaping, walkways and bikeways; public park facilities, public parking and capital facilities and equipment necessary for the provision of police, fire and other public safety activities.

Sec. 2-262. - Hospitality fee.

A uniform fee equal to one percent is hereby imposed on all gross proceeds derived from:

- 1 (1) The rental or charges for any rooms, campground spaces, lodgings or sleeping  
2 accommodations furnished to transients by any hotel, inn, tourist court, tourist  
3 camp, motel, campground, residence or any place in which rooms, lodgings or  
4 sleeping accommodations are furnished to transients for a consideration. This fee  
5 shall not apply where the facilities consist of less than six sleeping rooms contained  
6 in a single building if the building is used as the owners primary place of abode. The  
7 gross proceeds derived from the lease or rental of sleeping accommodations supplied  
8 to the same person for a period of 90 continuous days are not considered proceeds  
9 from transients. This fee imposed by this subsection (1) shall not apply to additional  
10 guest charges as that term is defined in S.C. Code § 12-36-920(B).
- 11 (2) The sale of all food and beverages, served by a restaurant, hotel, motel or other  
12 food service facility within the city. In addition, the fee shall be imposed for all food  
13 and beverages prepared or modified by convenience stores or grocery stores within  
14 the city.
- 15 (3) Paid admissions to places of amusement within the city. Provided, however, that  
16 those places of admission which are specifically exempted from payment of the state  
17 license tax on admissions established in S.C. Code § 12-21-2420 shall also be exempt  
18 from this hospitality fee.

19 Sec. 2-263. - Payment of fee.

- 20 (a) Payment of the fee established herein shall be the liability of the consumer of the  
21 services or products described in section 2-263. The fee shall be paid at the time of  
22 delivery of the services or products to which the fee applies and shall be collected by the  
23 provider or seller of the service or products.
- 24 (b) The fees collected by the seller or provider of the services or products as required under  
25 section 2-263 shall be remitted to the city on a monthly basis along with such return or  
26 form as may be established by the city for such purpose.
- 27 (c) Fees and required reports shall be submitted to the city by the twentieth day of the  
28 month and shall cover sales of the previous month. Any fees not timely remitted shall be  
29 subject to a penalty of ten percent. The failure to collect from patrons the fee imposed  
30 by this division shall not relieve any establishment subject to the division from making  
31 the required remittance.
- 32 (d) Upon request from any person required to collect and remit the fees established herein,  
33 that person shall be permitted to remit fees every 28 days instead of monthly if that  
34 person remits sales tax returns to the state on a 28-day schedule. In such case, the 28-  
35 day period shall be the same as the period used for the state tax return and remittances  
36 shall be submitted to the city within 20 days following the period covered by the return.
- 37 (e) Notwithstanding the provisions of subsections (c) and (d) above, when the total tax for  
38 which any person is liable under this division does not exceed \$100.00 for any month, a  
39 quarterly remittance, instead of a monthly remittance, may be made on or before the  
40 20th day of the month following the end of the quarter for which the tax is due. Such  
41 quarterly payment shall only be authorized if the person also submits sales tax returns to  
42 the state on a quarterly basis.
- 43 (f) Any person violating any provision of this division shall be deemed guilty of an offense  
44 and shall be subject to punishment under section 1-9 upon conviction. Each day of  
45 violation shall be considered a separate offense. Punishment for violation shall not

1       relieve the offender of liability for delinquent fees, penalties and costs provided for  
2       herein.

3       Sec. 2-264. - Hospitality fee account.

4       The revenue account, to be known as the city hospitality fee account, shall be  
5       established and all revenues received from the hospitality fee shall be deposited into this  
6       account. The principal and any accrued interest from this account shall be expended only as  
7       permitted in section 2-266 below.

8       Sec. 2-265. - Permitted uses of funds.

9       The city council of the city is hereby authorized to utilize the funds collected from the  
10      imposition of the hospitality fee for the following purposes:

- 11      (1) Nourishment, renourishment and maintenance of the beaches; dunes restoration,  
12      including sand fencing, the planting of sea grass or other vegetation useful in  
13      preserving the dune system within the territorial limits of the city.
- 14      (2) Acquisition and maintenance of public beach access.
- 15      (3) Capital improvements to the beaches and beach related facilities which include, but  
16      are not limited to, public beach parks, public parking, public access, dune walkovers,  
17      public bathhouses and restrooms.
- 18      (4) Transportation improvements including construction and resurfacing of streets,  
19      stormwater drainage, sidewalks, bikeways, landscaping and all associated costs  
20      including right-of-way acquisition and engineering design.
- 21      (5) The acquisition of land and the construction of passive and active parks and  
22      facilities associated with parks including playground equipment, sports facilities and  
23      community recreation buildings.
- 24      (6) Acquisition of property and the construction of facilities required for the provision  
25      of police and fire service; the acquisition of capital equipment for the provision of  
26      police, fire and other public safety services.
- 27      (7) The payment of bonded indebtedness required to provide the above referenced  
28      uses.
- 29      (8) Administrative costs associated with collection, accounting for and applying the  
30      hospitality fees.

31      Sec. 2-266. - Authorization for use.

32      Authorization to utilize revenues from the hospitality fee account shall be by the annual  
33      budget ordinance duly adopted by the city council of the city.

34      Sec. 2-267. - Severability.

35      If any section, phrase, sentence or portion of this article is for any reason held invalid or  
36      unconstitutional by any court of competent jurisdiction, such section, phrase, sentence or  
37      portion shall be deemed a separate, distinct, and independent provision and such holding  
38      shall not affect the validity of the remaining sections, phrases, sentences or portions thereof.

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1 Secs. 2-269 - Reserved.

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BRENDA BETHUNE, MAYOR

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9 ATTEST:

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Jennifer Stanford, City Clerk

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1<sup>st</sup> Reading \_\_\_\_\_

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2<sup>nd</sup> Reading \_\_\_\_\_

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