

REPORT OF THE LICENSES, FEES, INSURANCE TAX & OTHER CHARGES SUBCOMMITTEE

(Neal, Bingham, Cole & Erickson - Staff Contact: Alyssa Weeks)

HOUSE BILL 5011

H. 5011 -- Reps. Clemmons, Fry, Johnson, Duckworth, Hardee, Anderson, Goldfinch, George and Hayes: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 4-10-980 SO AS TO PROVIDE FOR THE REIMPOSITION OF THE LOCAL OPTION TOURISM DEVELOPMENT FEE.

Summary of Bill:

Allows the local option tourism development fee to be renewed and imposed within a municipality in the same manner as it was authorized for the initial imposition of the fee. Any reimposition of the fee is effective immediately upon the termination of the fee previously imposed.

Introduced: 02/25/2016

Received by Ways and Means: 02/25/2016

Estimated Fiscal Impact:

This bill would have no state expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds.

Due to the permissive nature of this bill, the local revenue impact is undetermined.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

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SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 5011
Author: Clemmons
Subject: Local Option Tourism Fee
Requestor: House Ways and Means
RFA Analyst(s): Wren
Impact Date: March 1, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	Undetermined	\$0

Fiscal Impact Summary

This bill would have no state expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds.

Due to the permissive nature of this bill, the local revenue impact is undetermined.

Explanation of Fiscal Impact

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill adds Section 4-10-980, which states that the local option tourism development fee may be renewed and imposed within a municipality in the same manner as authorized for the initial imposition of the fee. Any reimposition of the fee is effective immediately upon the termination of the fee previously imposed.

The tourism development tax may only be imposed by a municipality located in a county where revenue from the state accommodations tax is at least \$14 million in a fiscal year. Based upon

the Department of Revenue's Information Letter #16-3, currently only Horry County meets this criteria. Therefore, only municipalities in Horry County may impose this tax and Myrtle Beach is the only municipality that imposes the local option tourism development fee. The bill provides for the method by which a qualifying municipality may reimpose an existing fee. Upon expiration, the bill would allow for Myrtle Beach to reimpose the fee. However, this will be dependent upon the outcome of the required referendum. Due to the permissive nature of this bill, the local revenue impact is undetermined.



Frank A. Rainwater, Executive Director

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A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,
1976, BY ADDING SECTION 4-10-980 SO AS TO PROVIDE
FOR THE REIMPOSITION OF THE LOCAL OPTION
TOURISM DEVELOPMENT FEE.

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

SECTION 1. Article 9, Chapter 10, Title 4 of the 1976 Code is
amended by adding:

“Section 4-10-980. The fee authorized in this article may be
renewed and imposed within a municipality in the same manner as
authorized by this article for the initial imposition of the fee. If the
fee is reimposed pursuant to Section 4-10-930(A)(2), the
referendum on the question of reimposition of the fee must not be
held earlier than within the calendar year which is two years before
the calendar year in which the fee then in effect is scheduled to
terminate. Notwithstanding Section 4-10-930(D) and (E), any
reimposition of the fee is effective immediately upon the
termination of the fee previously imposed. Revenues from the
reimposition must be expended for the same purposes as set forth in
this article, and the provisions of Section 4-10-970(A)(2) apply
immediately upon reimposition.”

SECTION 2. This act takes effect upon approval by the Governor.

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