



The Town of Hilton Head Island Accommodations Tax Advisory Committee Regular Meeting

**Thursday, September 4, 2014
9:00 a.m. – Benjamin M. Racusin Council Chambers**

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- 1. Call to Order**
- 2. Freedom of Information Act Compliance**
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Swearing in New Member**
 - a. Charles Miner – *Mayor Drew Laughlin*
- 4. Approval of Minutes**
 - a. Accommodations Tax Advisory Committee Meeting of July 15, 2014
- 5. Chairman's Report**
- 6. Unfinished Business**
None
- 7. New Business**
 - a. 9:00am: Calendar Year 2015 Accommodations Tax Grant Applicant Workshop to discuss the Application process, changes, and expectations, and to address Applicant questions and concerns.
 - b. 10:00am: Review of Non-Recurring Accommodations Tax Grant Applications; Committee / Applicant Question and Answer Sessions; determine Non-Recurring Accommodations Tax Grant award recommendations for Town Council's consideration.
- 8. Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: July 15, 2014 **Time:** 9:00 a.m.

Members Present: Mike Alsko, *Chairman*; Rob Bender, *Vice-Chairman*; Trish Heichel, Bob Spear, Brad Marra

Members Absent: Stewart Brown, Charles Miner

Staff Present: Steve Riley, *Town Manager*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Rene Phillips, *Website Administrator*; Erica Madhere, *Finance Assistant*

Council Present: Kim Likins

Others Present: Frank Soule, Members of the Public

Media: None

1. Call to Order:

The meeting was called to order at 9:00 a.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Swearing in of Reappointed and New Members:

Town Manager Steve Riley swore in reappointed committee member Trish Heichel and newly appointed committee member Brad Marra. Mr. Riley congratulated them and thanked them for their willingness to serve on the Accommodations Tax Advisory Committee.

4. Crystal Award Presentation:

Town Manager Steve Riley presented Frank Soule with a Crystal Award and thanked him on behalf of the Town of Hilton Head Island for his service on the Accommodations Tax Advisory Committee from July, 2008 through June, 2014.

Mr. Soule stated his appreciation for serving on the Committee, for being able to learn so much about the community in general, and his gratification for the improvements the Committee has accomplished over the last six years. He welcomed the new members and wished them luck.

5. Reception:

A short reception was held in recognition of the newly appointed, reappointed, and out-going members of the Committee.

6. Special Orders:

Election of Chairman and Vice Chairman:

- a. Trish Heichel nominated Mike Alsko as Chairman. Rob Bender seconded the motion. There were no other nominations. Mr. Alsko was elected unanimously. (5-0)
- b. Trish Heichel nominated Rob Bender as Vice Chairman. Bob Spear seconded the motion. There were no other nominations. Mr. Bender was elected unanimously. (5-0)

7. Approval of Minutes:

Ms. Heichel moved to approve the Minutes of April 3, 2014. Mr. Bender seconded the motion. The motion passed unanimously. (5-0)

8. Chairman's Report:

None

9. Unfinished Business

None

10. New Business:

a. Review and discuss revisions for the 2015 Accommodations Tax Grant Application

Formatting modifications have been made to the 2015 Accommodations Tax Grant Application in an effort to make it more clear and concise so that the Applicant can easily understand and provide the information the Committee needs in order to fully evaluate the request. Some of the major changes include consolidating information into a Summary Page, rearranging questions and adding word limits to the answer fields, and requesting two years of financial statements instead of three years. Rene Phillips, Website Administrator for the Town, suggested adding a specific option to include a USCB visitor survey as part of the upload process, and the Committee agreed this was a good idea since many organizations use this survey tool and it provides excellent data for analyzing the grant requests.

Another revision that has been discussed both prior to and at this meeting is a new process for applying for the Non-Recurring funds that remain from the previous grant cycle. One idea that had been debated was to offer two applications during the standard application period in the fall, one for the recurring funds and one for the non-recurring funds. On the other hand, it has recently been determined there is an immediate need within the community for the non-recurring funding. The Committee discussed various ways to accomplish expediting the process for awarding Non-Recurring grants so that applicants, the Committee and Town Staff are not overburdened. They decided it would be best to utilize a separate streamlined application for Non-Recurring funds, to request a budget for the specific project but only request financial statements if it is a new or joint organization, to request Board approval of the application, and to hold a short question and answer period instead of a formal hearing before the Committee. Susan Simmons, Finance Director for the Town, recommended stressing that strong preference for Non-Recurring grants will be given to unique one-time projects. She suggested making the streamlined Non-Recurring application available on July 28 and due on August 15, expanding the meeting and applicant workshop on September 4 to include the review of the Non-Recurring applications, along with brief applicant Q & A sessions, and

possible recommendations for the Non-Recurring grants the same day. The Committee discussed this timeline and agreed with it. Discussion regarding the separate Non-Recurring application process was opened up for public comment, and Mary Briggs, President of the Hilton Head Symphony Orchestra voiced a concern that many organizations operate with a reduced staff during the summer and the Board does not meet until the fall, which could make it difficult to get an official Board approval of the application. Kathi Bateson with the Arts Center echoed Ms. Briggs' concern and pointed out the method of an organization's approval should be based on the organization's rules. She stated the application for public funds could also be approved by an authorized delegate instead of a full Board, and the Committee agreed with this statement. Carolyn Vanagel with the Hilton Head Motoring Festival approached the Dias and asked for a guideline on who can apply for a Non-Recurring fund grant and for what sort of projects. Mr. Alsko explained that no qualifying organization will be prohibited from applying and the type of project cannot be mandated, however, the Committee suggests that the application should be for a one-time project that will positively impact tourism on the Island. The Non-Recurring grant is not meant for traditional operating expenses, but something more unique. He reminded the audience that every application the Committee reviews, whether for Recurring or Non-Recurring funds, will be analyzed for how well tourism will be driven or enhanced.

Ms. Heichel made a Motion to expedite the Non-Recurring funding by having a modified application available to the public on July 28 at 8:00 am and with a deadline for submission by 4:00 pm on August 15, to reconvene on September 4 for the standard applicant workshop at 9:00 am and the Non-Recurring application review, Q & A sessions, and recommendations beginning at 10:00 am on the same day. Mr. Bender seconded the motion. The motion passed with a vote of 5-0. Ms. Heichel and Mr. Bender agreed to work on the modified application with Mr. Alsko and submit it to the Town as soon as possible. Erica Madhere, Finance Assistant for the Town, will revise the schedule and send an email explaining the changes to all known ATAX applicants. Rene Phillips will also send out a notice of the changes via the Town's e-subscription service.

Next, Mr. Bender made a motion to approve the revised standard 2015 Accommodations Tax Grant Application. Mr. Spear seconded the motion. The motion passed with a unanimous vote (5-0).

11. Adjournment:

Ms. Heichel made a motion to adjourn the meeting and Mr. Bender seconded the motion. All voted in favor and the meeting was adjourned at 10:20 a.m.

Approved:

Respectfully submitted:

Mike Alsko, Chairman

Erica Madhère, Secretary



**ACCOMMODATIONS TAX ADVISORY COMMITTEE
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

2015 Accommodations Tax Grant Application

All applications must be fully completed and submitted electronically to the Town of Hilton Head Island no later than 4:00 p.m. on Friday, September 26, 2014.

This application package includes the following:

1. Guideline for Applications
2. Accommodations Tax Funds Application
3. Accommodations Tax Advisory Committee Members
4. Announcement of Application Preparation Workshop
5. Meeting Schedule
6. Copy of Accommodations Tax Laws

Applications will first be subjected to Town Staff and Committee review for compliance with the law as to eligibility. For those applications passing the initial review, the applicants will be asked to make personal presentations at Committee hearings. These presentations are scheduled for **October 30 and November 6, 2014**. All applicant presentations will be held in the Benjamin M. Racusin Council Chambers at Town Hall. Each applicant will be notified by email (please make sure to provide a valid email address) of the time scheduled for its presentation.

The Committee requests each applicant to adhere strictly to the guidelines and requirements provided herein.

Failure to correctly complete the application in its entirety, including the necessary board resolution and financial data, may disqualify what may be an otherwise qualifying application.

GUIDELINES FOR APPLICATIONS FOR ACCOMMODATIONS TAX FUNDS

A. INTRODUCTION

1. As applicable to Hilton Head Island, the State law (see copy attached and section 6-4-10 in particular) specifies three groups, in general, which are entitled to receive bed tax funds after other mandated distributions have been made from the total funds available:
 - a. Town government: *"Based on the estimated percentage of costs directly attributed to tourists," Town expenditures for "the criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities." See 6-4-10(b) and (b.4).*
 - b. Qualified groups advertising and promoting tourism in order to develop and increase tourism. *See 6-4-10(b.1).*
 - c. Qualified sponsors of arts and cultural events and for construction, maintenance and operation of facilities for civic and cultural activities. *See 6-4-10(b.2 and b.3).*
2. The law requires that the funds be used for **tourism-related expenditures** "primarily in the geographical area ... (of Hilton Head Island)." See 6-4-10(d). Therefore, the committee will not look with favor on applications for funds to be spent outside the Town or for activities or enterprises conducted outside the Town. The Accommodations Tax Advisory Committee will consider how applications either drive tourism to the Town or enhance our visitors' experience.
3. Applications must be filed by the publicly announced filing deadline, except the Committee may, for extraordinary reasons which prevent timely filing, extend the filing deadline.

B. NOTES REGARDING THE APPLICATION

1. **Organization**

- a. Provide the organization name and the name of the project or event.
- b. Provide the requested contact information for the organization and a primary contact.
- c. List the organization's total annual budget and its 2015 grant request amount.
- d. Provide a brief description of the intended use of the grant and outline how the money would be used. *The Committee uses this as a cover page summary – applicants will have an opportunity to provide more detail in the application.*
- e. Describe how the organization either drives tourism to the Island or enhances the visitor experience. Show how this is currently being measured. *This provides the Committee with the necessary insight as to how the organization/event impacts the general tourism industry on the Island.*
- f. Provide the annual number of patrons served by the organization/ event. Also provide the total number of tourists served in this total annual number. *This provides the Committee with an estimated tourist ratio which may be used to determine grant award allocation based off of TERC recommended practices.*
- g. Requests for funding must be submitted by a non-profit organization. Applications cannot be accepted from individuals, for-profit entities, or ad-hoc committees. Proof of non-profit status must accompany first time applications, e.g., IRS 501 (c) (3) letter.

- h. Applicants must include a copy of their organization's official minutes wherein the organization approves the application and commits the organization to financial responsibility for carrying it out to the stage of completion contemplated in the application, should funding be approved.
- i. The full name, postal mailing address, email address and telephone number of a primary contact person, given the authority and responsibility to represent the application before the Committee, must be included on both the title page of the application and in this section.

2. **Description of Operations**

- a. Describe the organization/event purpose and overall operation.
- b. The description must state what is intended to be accomplished by Accommodation Tax funds, and the source and amount of other funds to be committed to the operations.
- c. Describe the impact to the organization should it not be fully funded for the 2015 grant request.
- d. The "Impact on or Benefit to Tourism" statement should be supported by data and other records or history insofar as possible. All applicants must be able to provide the number of visitors served on an annual basis, or at the event for which funds are requested, and state how this number is calculated. Whenever possible, applicants should provide additional data on how its attendance numbers drive tourism. *(The State's legal definition of a "visitor" is someone who travels from beyond the government's limits, i.e., outside the Town of Hilton Head Island; however, strong consideration will be given to the State's Tourism Expenditure Review Committee (TERC) preferred definition that a "tourist" is someone who travels from outside a 50 mile radius.)*
- e. Per State requirements, please show how the grant request would be classified (as a percentage) by the categories listed. The total amount must equal 100%.

3. **Funding**

- a. Provide a brief description on how the organization is currently funded.
- b. As a percentage, show how the current funding is categorized.
- c. Please list the top 3 sources of public funding applied for, or received, for 2014 and 2015.

Prior Accommodations Tax Funds Recipients:

- a. Provide a description of how the funds were used.
- b. Describe how the organization plans to reduce its dependency on ATAX funds in the future or increase its impact on tourism.

4. **Description of Grant Request**

- a. To qualify for an award, all planned expenditures must fall into the categories described in Section B.2 of this application (Section 6-4-10 of State Law).
- b. Please ensure that the entire grant request is eligible and adequately described in Sections B.1-3 and H. of this application. All details described must reconcile with the total request.

2015

ACCOMMODATIONS TAX FUNDS REQUEST APPLICATION

For Office Use Only	Time Received:	By:
Date Received:		

Applications will not be accepted if submitted after 4:00 P.M. on September 26, 2014

A. Summary of Grant Request:

ORGANIZATION NAME: _____

Project/Event Name: _____

Contact Name: _____ Title: _____

Address: _____

Email Address: _____ Contact Phone: _____

Event Date: _____ Event Location: _____

Total Budget: _____ **Grant Amount Requested:** _____

Provide a brief summary on the intended use of the grant and how the money would be used. (100 words or less)

How does the organization/event either drive tourism to Hilton Head Island or enhance the visitor experience on Hilton Head Island? How is this impact being measured? (100 words or less)

Total Number of Patrons Served, including Visitors: _____

Documented Number of Visitors Served: _____

How was the Number of Visitors Documented? _____

B. DESCRIPTION OF OPERATIONS:

1. **For state reporting purposes, give a brief description of the organization.** (250 words or less)

2. **Describe in detail how the requested grant funding would be used?** (250 words or less)

3. **What impact would partial funding have on the activities, if full funding were not received? What would the organization change to account for partial funding?** (100 words or less)

4. **What is the expected economic impact and benefit to the Island's tourism?** (100 words or less)

5. In order to comply with the State's *Tourism Expenditure Review Committee* annual reporting requirements, **please classify the current grant request into the following authorized categories:**

- | | | |
|---|--|---------|
| 1 - <u>Destination Advertising/Promotion</u> | | _____ % |
| | <i>Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity</i> | |
| 2 - <u>Tourism-Related Events</u> | | _____ % |
| | <i>Promotion of the arts and cultural events</i> | |
| 3 - <u>Tourism-Related Facilities</u> | | _____ % |
| | <i>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</i> | |
| 4 - <u>Tourism-Related Public Services</u> | | _____ % |
| | <i>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. It also includes public facilities such as restrooms, dressing rooms, parks and parking lots)</i> | |
| 5 - <u>Tourist Public Transportation</u> | | _____ % |
| | <i>Tourist shuttle transportation</i> | |
| 6 - <u>Waterfront Erosion/Control/Repair</u> | | _____ % |
| | <i>Control and repair of waterfront erosion</i> | |
| 7 - <u>Operation of Visitor Information Centers</u> | | _____ % |
| | <i>Operating visitor information centers</i> | |

Total: 100 %

6. **If not covered elsewhere in the application, please describe (a) how the organization will collaborate with other organizations to enhance tourism efforts, and (b) provide a venue or service not otherwise available to visitors to the Town of Hilton Head Island.**

7. **Additional comments**

C. FUNDING:

1. **Please describe how the organization is currently funded. (100 words or less)**

2. **Please also estimate, as a percentage, the source of the organization's total annual funding.**

_____ Public Sources

_____ Private Contributions

_____ Corporate Support

_____ Other

3. **Has the organization requested other ATAX or any other funding from other public sources or organizations? If so, please list top 3 sources and amounts.**

D. FINANCIAL INFORMATION:

Fiscal year disclosure: Start Month: _____ End Month: _____

Financial Statement Requirements:

1. The upcoming year's operating budget for the organization.
2. The previous two years and current year profit and loss reports for the organization.
3. The previous two years and current year balance sheets.
4. The previous two years and current year IRS Form 990 or 990T.

E. FINANCIAL GUARANTEES:

Provide a copy of the **official minutes** wherein the organization approves the submission of this application.

F. PRIOR RECIPIENT'S REPORT:

If you received 2013 or 2014 HHI ATAX funds

1. **List any ATAX award amounts received in 2013 and/or 2014? How were the ATAX funds used? Were your objectives achieved? (100 words or less)**

2. **What impact did this have on the success of the organization/event and how did it benefit the community? (100 words or less)**

3. **How does the organization measure the effectiveness of both the overall activity and of individual programs? (100 words or less)**



**ACCOMMODATION TAX ADVISORY COMMITTEE
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

APPLICATION FINAL CHECKLIST

(Complete and return this list with the application)

- The application is being filed by the **September 26, 2014, 4:00 PM** deadline.
- We have reviewed and followed the application guidelines.
- We have provided a Board Resolution approving this application.
- We have supplied the requested Financial Data.
- We will be prepared to make a verbal presentation to the Committee and answer questions when we are scheduled to do so.

ACCOMMODATIONS TAX ADVISORY COMMITTEE

NAME & SEAT	TERM EXPIRATION
Mike Alsko, Chairman Lodging	June 30, 2015 (7/12-6/15)
Robert Bender, Vice-Chairman Hospitality	June 30, 2016 (7/13-6/16)
Trish Heichel At-Large	June 30, 2017 (7/11-6/14) & (7/14-6/17)
Stewart D. Brown At-Large	June 30, 2015 (7/12-6/15)
Robert Spear Hospitality	June 30, 2015 (7/13-6/15)
Brad Marra Lodging	June 30, 2017 (7/14-6/17)
Charles Miner Cultural	June 30, 2017 (7/14-6/17)

NOTICE

ACCOMMODATIONS TAX ADVISORY COMMITTEE

will hold a workshop

September 4, 2014 at 9:00 a.m.

Benjamin M. Racusin Council Chambers

The purpose of this workshop is to assist potential applicants with completing the applications for Accommodations Tax funds.

It is recommended applicants attend this session.

Please contact Erica Madhere at 843-341-4646 or email her at ericam@hiltonheadislandsc.gov if you have any questions or concerns.

NOTE: A Town Council quorum may result in the event four or more Council members attend this meeting.

**ACCOMMODATIONS TAX ADVISORY COMMITTEE
2014 SCHEDULE**

Tuesday	February 18	9:00 a.m. – Special Meeting - Non-Recurring Funds	Council Chambers
Thursday	April 3	9:00 a.m. – DMO Budget & Marketing Plan Presentation	Council Chambers
Tuesday	July 15	9:00 a.m. – Swearing in of members, Election of officers	Council Chambers
Monday	July 28	8:00 a.m. – “ <i>Non-Recurring Fund</i> ” Grant Application Available for electronic filing	www.hiltonheadislandsc.gov
Friday	August 15	4:00 p.m. – “ <i>Non-Recurring Fund</i> ” Application Deadline	www.hiltonheadislandsc.gov
Monday	August 25	8:00 a.m. – Grant Application available for electronic filing (Standard Application)	www.hiltonheadislandsc.gov
Thursday	September 4	9:00 a.m. – ATAX Applicant Workshop (Standard Application) 10:00 a.m. – “ <i>Non-Recurring Fund</i> ”: Applicant Q&A Sessions, ATAC Review & Recommendations	Council Chambers
Friday	September 26	4:00 p.m. – Application Deadline (Standard Application)	www.hiltonheadislandsc.gov
Thursday	October 16	9:00 a.m. – Preliminary Review of Applications	Council Chambers
Thursday	October 30	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	November 6	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	November 13	9:00 a.m. – 2:00 p.m. Review and Recommendations	Council Chambers

Notes: A Special Town Council meeting to award the (Standard) Accommodations Tax Grants will be held on Tuesday, December 9, 2014 at 4:00 pm in Council Chambers.

The date and time of the Town Council meeting to award the “*Non-Recurring*” Accommodations Tax Grants is October 7, 2014 at 4:00 pm in Council Chambers.

CHAPTER 4.

ALLOCATION OF ACCOMMODATIONS TAX REVENUES

SECTION 6-4-5. Definitions.

As used in this chapter:

- (1) "County area" means a county and municipalities within the geographical boundaries of the county.
- (2) "Cultural", as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.
- (3) "Hospitality", as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.
- (4) "Travel" and "tourism" mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.

SECTION 6-4-10. Allocation to general fund; special fund for tourism; management and use of special fund.

The funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax provided in Section 12-36-2630(3) must be allocated in the following manner:

- (1) The first twenty-five thousand dollars must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (2) Five percent of the balance must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (3) Thirty percent of the balance must be allocated to a special fund and used for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county 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 municipality or county which distributed them.
- (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:

1. advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
2. promotion of the arts and cultural events;
3. 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;
4. 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;
5. public facilities such as restrooms, dressing rooms, parks, and parking lots;
6. tourist shuttle transportation;
7. control and repair of waterfront erosion;
8. operating visitor information centers.

(c) Allocations to the special fund must be spent by the municipality or county within two years of receipt. If the allocations are not spent within two years, the municipality or county is subject to the provisions of Section 6-4-30(6). However, the time limit may be extended upon the recommendation of the county or municipality and approval of the South Carolina Accommodations Tax Oversight Committee in Section 6-4-30. An extension must include provisions that funds be committed for a specific project or program.

(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 6-4-15. Use of revenues to finance bonds.

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 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 6-4-20. Administration account established; State Treasurer’s duties; distribution of account revenues; exceptions to tourism spending mandate.

(A) An accommodations tax account is created to be administered by the State Treasurer.

(B) At the end of each fiscal year and before August first a percentage, to be determined by the State Treasurer, must be withheld from those county areas collecting four hundred thousand dollars or more from that amount which exceeds four hundred thousand dollars from the tax authorized by Section 12-36-2630(3), and that amount must be distributed to assure that each county area receives a minimum of fifty thousand dollars. The amount withheld from those county areas collecting four hundred thousand dollars or more must be apportioned among the municipalities and the county in the same proportion as those units received quarterly remittances in Section 12-36-2630(3). If the total statewide collections from the local accommodations tax exceeds the statewide collections for the preceding fiscal year then this fifty thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. The difference between the fifty thousand dollars minimum and the actual collections within a county area must be distributed to the eligible units within the county area based on population as determined by the most recent United States census.

(C) At the end of each fiscal year and before August first, the State Treasurer shall distribute to each county area collecting more than fifty thousand dollars but less than four hundred thousand dollars an additional fifteen thousand dollars. If the total statewide collections from the local accommodations tax exceed the statewide collections for the preceding fiscal year, this fifteen thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. This amount must be distributed in the same manner as the fifty thousand dollars in subsection (B). The amount paid those qualified county areas under this subsection must be paid from the account created under this section.

(D) The amount withheld in excess must be distributed to the county areas whose collections exceed four hundred thousand dollars based on the ratio of the funds available to the collections by each county area.

(E) The accommodations tax funds received by a municipality or county in county areas collecting fifty thousand dollars or less are not subject to the tourism-related provisions of this chapter.

(F) Two percent of the local accommodations tax levied pursuant to Section 12-36-2630(3) must be remitted quarterly and equally to the eleven agencies designated by law and regional organizations to administer multi-county tourism programs in the state tourism regions as identified in the promotional publications of the South Carolina Department of Parks, Recreation and Tourism. This remittance is in addition to other funds that may be allocated to the agencies by local governments.

(G) The State Treasurer may correct misallocations to counties and municipalities from accommodations tax revenues by adjusting subsequent allocations, but these adjustments may be made only in allocations made in the same fiscal year as the misallocation.

SECTION 6-4-25. Advisory Committee; guidelines for expenditures; annual reports; reports to Accommodations Tax Oversight Committee.

(A) A municipality or county receiving more than fifty thousand dollars in revenue from the accommodations tax in county areas collecting more than fifty thousand dollars shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the accommodations tax. The advisory committee consists of seven members with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry members must be from the lodging industry where applicable. One member shall represent the cultural organizations of the municipality or county receiving the revenue. For county advisory

committees, members shall represent the geographic area where the majority of the revenue is derived. However, if a county which receives more in distributions of accommodations taxes than it collects in accommodations taxes, the membership of its advisory committee must be representative of all areas of the county with a majority of the membership coming from no one area.

(B) A municipality or county and its advisory committee shall adopt guidelines to fit the needs and time schedules of the area. The guidelines must include the requirements for applications for funds from the special fund used for tourism-related expenditures. A recipient's application must be reviewed by an advisory committee before it receives funds from a county or municipality.

(C) Advisory committees shall submit written recommendations to a municipality or county at least once annually. The recommendations must be considered by the municipality or county in conjunction with the requirements of this chapter.

(D) Municipalities and counties annually shall submit to the South Carolina Accommodations Tax Oversight Committee:

(1) end-of-the-year report detailing advisory committee accommodations tax recommendations;

(2) municipality's or county's action following the recommendations;

(3) list of how funds from the accommodations tax are spent, except for the first twenty-five thousand dollars and five percent of the balance in Section 6-4-10(2) allocated to the general fund. The list is due before October first and must include funds received and dispersed during the previous fiscal year;

(4) list of advisory committee members noting the chairman, business address if applicable, and representation of the hospitality industry including the lodging industry and cultural interests.

(E) The regional tourism agencies in Section 6-4-20 annually shall submit reports on their budgets and annual expenditure of accommodations tax funds pursuant to this chapter to the Accommodations Tax Oversight Committee.

SECTION 6-4-30. Repealed by 2003 Act No. 96, Section 3.MM, eff June 18, 2003.

SECTION 6-4-35. Tourism Expenditure Review Committee.

(A) There is established the Tourism Expenditure Review Committee consisting of eleven members as follows:

(1) one member appointed by the Speaker of the House;

(2) one member appointed by the President Pro Tempore of the Senate;

(3) the Director of the South Carolina Department of Parks, Recreation and Tourism, or his designee, ex officio;

(4) eight members appointed by the Governor as follows:

(a) one member on the recommendation of the South Carolina Association of Tourism Regions;

(b) one member on the recommendation of the South Carolina Association of Convention and Visitors Bureaus;

(c) one member on the recommendation of the South Carolina Travel and Tourism Coalition;

(d) one member on the recommendation of the Municipal Association of South Carolina;

(e) one member on the recommendation of the South Carolina Association of Counties;

- (f) one member on the recommendation of the Hospitality Association of South Carolina;
- (g) one member on the recommendation of the South Carolina Arts Commission;
- and
- (h) one member at large.

Appointed members shall serve for terms of four years and until their successors are appointed and qualify, except that of those first appointed by the Governor, four shall serve for a term of two years and the term must be noted on the appointment. Regardless of the date of appointment, all terms expire July first of the applicable year. Members shall serve without compensation but may receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term.

(B)(1)(a) The Tourism Expenditure Review Committee shall serve as the oversight authority on all questionable tourism-related expenditures and to that end, all reports filed pursuant to Section 6-4-25(D)(3) must be forwarded to the committee for review to determine if they are in compliance with this chapter. The municipality or county must be notified if an expenditure is questioned, and the committee may consider any further supporting information the municipality or county may provide. If the committee finds an expenditure to be in noncompliance, it shall certify the noncompliance to the State Treasurer, who shall withhold the amount of the expenditure found in noncompliance from subsequent distributions in accommodations tax revenue otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(b) If the committee determines that a municipality or county has failed to file the reports required pursuant to Section 6-4-25(D)(3), it may impose a fee of five hundred dollars a month or part of a month for each month the report is not filed, but not more than five thousand dollars. The committee shall certify the penalty to the State Treasurer, who shall withhold the amount of the penalty from subsequent distributions otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(c) Allocations withheld must be reallocated proportionately to all other recipients.

(2) The committee has jurisdiction to investigate and research facts on written complaints submitted to it with regard to the appropriate tourism-related expenditures and resolve these complaints as provided in item (1) of this subsection.

(3) The committee shall forward copies of information submitted by the local governments and regional tourism agencies pursuant to Section 6-4-25 arising under the tourism provisions of this chapter to the Department of Parks, Recreation and Tourism, which shall publish an annual report on the information submitted.

Calendar Year 2015 Accommodations Tax Advisory Committee Recommendations

	2014				2015 NON-RECURRING			2015 NON-RECURRING	
	Town Council Award	Specific from Non-Recurring	ATAC Recommended Restrictions	Town Council Additional Restrictions	2015 Applicant Request	ATAC Recommendation	ATAC Restrictions	Town Council Award	TC Add'l Restrictions
Art League of Hilton Head	45,000		all advertising		11,301				
Arts Center of Coastal Carolina	365,000		94.5k adv		-				
Arts Center of Coastal Carolina - Capital Improvement	86,000	86,000	non-recurring	hold \$ pending study	260,850				
Beaufort County Black Chamber of Commerce	-				-				
Beaufort County Government (Hilton Head Air Day)	-				-				
Center for Service Leadership	-				-				
David M. Carmines Memorial Foundation	4,000		all advertising		-				
Experience Green	-				-				
Harbour Town Merchants Assoc.	9,000				-				
Hilton Head Choral Society	18,000		\$3.8k for prof org; rest for adv	suggest but not require	4,790				
Hilton Head Concours d'Elegance	134,000		all advertising		85,000				
Hilton Head Dance Theater	12,000		all advertising		-				
HHI Audubon Society			N/A		30,000				
HHI Institute	-	-			-				
HHI Land Trust					15,000				
HHI St. Patrick's Day Parade	12,000				-				
HHI Wine and Food, Inc.	100,350		all advertising		25,000				
Hilton Head Island-Bluffton Chamber of Commerce VCB	330,000		all adv excludes meeting planner	suggest bullet pt- Ironman	340,000				
Hilton Head Symphony Orchestra	200,000		\$120k adv		82,800				
Hilton Head Symphony Orchestra-Hilton Head Choral Society Joint					30,200				
Hilton Head Island Visitors and Convention Bureau					250,000				
Italian American Club of Hilton Head	5,000		all advertising		-				
Lowcountry Golf Course Owners Association	50,000		all advertising		42,510.26				
Main Street Youth Theater	12,000		all advertising	plan/improve app, esp	-				
Mitchelville Preservation Project	28,000		all advertising		-				
Native Island Business & Community	95,000		all advertising		-				
SC Lowcountry & Resort Islands Tourism	15,000		digital mkt of HHI		-				
Shelter Cove Harbour Company	9,000	-	rec for Tues	Tues not approved	73,929				
Skull Creek July 4th Celebration	9,000				-				
South Carolina Repertory Company	12,000		all advertising		-				
The Coastal Discovery Museum	185,000		\$10k mkt; Ft Mit		102,613				
The Heritage Library	17,150	2,150	\$2.15k non-rec		8,421				
The Sandbox	50,000		\$25k advertising		102,623				
Town of Hilton Head Island	999,776				-				
Subtotal of Current Year Requests/Recommendations/Awards	2,802,276	88,150			1,465,037	-		-	
Non-recurring Funds Reserved for allocation after CY14 awards	478,460				478,460				
Totals	3,280,736	88,150							

Remaining Balance Available to Award

	CY2013	CY2012	Total
Grant Funds Available for CY 2014	3,157,869	122,867	3,280,736
Non-Recurring Funds	(443,743)	(122,867)	(566,610)
Recurring Funds available for 2014 Grants	2,714,126	-	2,714,126
		ATAC	Town Council
Total Grant Funds Awarded for 2014 Grants		2,812,276	2,802,276
Less Non-Recurring Funds Awarded		(98,150)	(88,150)
Recurring Funds Awarded		2,714,126	2,714,126
Balance of Non-Recurring Funds to be awarded		468,460	478,460

(986,577) 478,460 478,460