

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
June 2, 2003
Room 2E21 of the SC Department of Revenue, 11 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; John Curry, Susan Cruse, Isabell Hill, Rod Swaim, David Warren.

Non Committee Members/Guests in Attendance: Tom Sponseller, SC Hospitality Association; Damita Jeter, TERC Staff; Paul Ayers, Spartanburg County.

CALL TO ORDER AND ADMINISTRATIVE TASKS:

Chairman Mustert called the meeting to order at 11 a.m., and asked the Committee to review the minutes from the last meeting on May 5, 2003. The minutes were reviewed and approved as submitted. Mrs. Jeter asked for completion of travel vouchers.

QUESTIONS FROM PAUL AYERS, SPARTANBURG COUNTY

Mr. Ayers, a representative from the local a-tax committee in Spartanburg County, asked the Tourism Expenditure Review Committee for clarification on several issues. 1) He wanted clarification on the "50-mile" guideline. Chairman Mustert said that although it was not in the law, the Committee looked to several travel industry organizations as well as the SCPRT for further guidance on the definition of a tourist. The 50-mile guideline was adopted, but the Committee looks at everything on a case-by-case basis. 2) How do a-taxes relate to the cultural community? Chairman Mustert explained that the law states that accommodations taxes may be used to fund cultural events, as long as they attract and provide for tourists. 3) What criteria does an event/project have to meet before it can be used for accommodations taxes? Chairman Mustert further explained the law and Mrs. Jeter distributed a copy of the revenue ruling and guidelines to Mr. Ayers. Chairman Mustert also told Mr. Ayers that the TERC sees local advisory committees as an extension of the state Committee.

REVIEW OF MEDIA TALKING POINTS, A-TAX REPORTING PACKET, BUSINESS CARDS, COMMITTEE APPOINTMENTS AND NEWSLETTER

- Mrs. Jeter presented the Committee with a list of media talking points. Because not all Committee members were there, however, Chairman Mustert asked her to carry over this agenda item to the next meeting.
- The Committee reviewed the a-tax reporting packet, which included new language regarding the 50-mile guideline. After some discussion, Ms. Hill agreed to draft a position paper concerning the 50-mile guideline. After Committee review and approval, this language will be added to the a-tax reporting package.
- The Committee also reviewed the newsletter and decided to add excerpts from Ms. Hill's paper to the newsletter. Mrs. Jeter said her goal was to send the newsletter out, primarily via email, in late June.
- Mr. Sponseller reminded Committee members that certain members' appointments were up in June. Chairman Mustert then asked Mrs. Jeter to draft a letter to the appropriate associations

asking them to offer their recommendations for appointment or re-appointment to the Governor's Office.

- Mrs. Jeter shared with the Committee the fact that she was designing business cards for them, which were going through the SCDOR "printing process." The Committee decided to wait until after the Governor made his appointments to the Committee to get business cards printed.

REVIEW OF QUESTIONABLE EXPENDITURES:

- **City of Aiken:** The Committee reviewed their explanation of questionable expenditures and approved expenditures for **Aiken Choral Society, Aiken Camilla Society Show, Aiken Center for the Arts Operating Expenses, Aiken Center for the Arts Lamar Dodd Exhibit and Aiken PRT Park Brochures**. The Committee asked Mrs. Jeter to call Mr. Parker with City of Aiken and ask for further explanation of **Marine Corp League Memorial Day Parade, Aiken Downtown Dev. Association, Operating Expense, Aiken Downtown Development Association Concert, and Links-Festival of Trees**. The Committee thought that these projects might not be primarily for tourism. They also questioned whether or not they were for operational purposes. If the case, the Committee voted to withhold funds for these project based on noncompliance.
- **City of Greenville:** The Committee reviewed an explanation regarding the City's out of balance report. Mrs. Jeter will communicate with them that Committee accepted their response.
- **City of Hardeeville:** The Committee reviewed explanation of their questionable expenditures and approved their original request. A letter will be drafted telling them such.
- **Oconee County:** The Committee finished reviewing this County's explanation of questionable expenditures. On May 5, the Committee voted that the beauty pageant could not be funded out of accommodations taxes. On June 2, the Committee voted that everything else was acceptable. A letter will be drafted telling them such.
- **City of Hartsville:** The Committee reviewed this entity's reporting form, which had never been reviewed. All expenditures were approved.
- **City of Gaffney:** This City's questionable expenditures were approved, although, the Committee asked Mrs. Jeter to put in the letter that the Committee encourages the City to continue to track tourist information, such as attendees to events who take advantage of bus transportation and, therefore, take advantage of the retail opportunities in the area.
- **Jasper County:** The Committee reviewed explanation of their questionable expenditures and approved their original request, although the Committee stated they were being lenient in the case of the Jasper County Soil and Water Nature Trail. A letter was drafted telling them that although the Committee approved, they did so on the basis that Jasper County use this Trail as an investment for tourism.
- **Clarendon County:** The Committee reviewed this entity's reporting form, which had never been reviewed. All expenditures were approved.
- **Pickens County:** The Committee reviewed a request from Pickens County regarding the Upper Piedmont Heritage Association using accommodations tax funds to help with this project. The Committee agreed this was a tourism-related project worthy of a-tax funds.

OTHER BUSINESS:

Legislative Update:

Mr. Sponseller updated the Committee on accommodations tax related issues at the statehouse. He said the SCDOR was still working on language in the "BAT" bill that addressed Sunday alcohol sales. Mr. Sponseller also said he was invited by the Municipal Association of SC to speak at a meeting regarding accommodations taxes. Chairman Mustert also told the Committee that Mr. Tom Ellenburg, city attorney for Myrtle Beach, asked a member of the TERC to speak at its attorneys meeting in December. The

Committee agreed it would wait to retain legal counsel and have its attorney conduct education such as that.

TMPP Update:

The Committee agreed not to use this and take it off the agenda.

Pawley's Island:

Chairman Mustert and Mr. Swaim intend to visit the Mayor of Pawley's Island to discuss certain issues.

Florence County:

Chairman Mustert told the Committee that he has written a letter to both Florence County and the Attorney General's office answering questions from concerned citizens in Florence County regarding misuse of accommodations tax funds. Chairman Mustert's letter addresses the concern of the local a-tax committee having vacant seats, the committee only being allowed to vote on a percentage of available funds and the Council using a-tax funds to retire a civic center debt. Mrs. Barbara Brown at the SCDOR will review the letter before being sent.

The next meeting scheduled of the TERC is scheduled for August 4, 2003 at 11 a.m. at the SCDOR, Room 2E21.

There being no other business, the Committee adjourned.

Respectfully Submitted,

Damita S. Jeter

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TERC Staff