

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
March 10, 2003
Room 2D21 of the SC Department of Revenue, 11 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Lanneau Siegling, Vice Chairman; John Curry, Susan Cruse, Ron Carter, Rod Swaim, David Warren, Steven Stewart.

Non Committee Members/Guests in Attendance: Tom Sponseller, SC Hospitality Association; Damita Jeter, TERC Committee Staff; Julie Flowers, SC Parks Recreation and Tourism; Lorraine Abell and John Newman, Town of Blythewood.

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 February 12, 2003. The minutes were reviewed and approved as submitted. Mrs. Jeter also distributed ethics forms for various committee members to complete, distributed reimbursement checks and asked for completion of travel vouchers.

The Committee members then determined that Monday meeting dates would be best in the future.

Chairman Mustert informed the Committee about an article written by Zane Wilson of the Sun News regarding accommodations taxes. Mrs. Jeter said she would pull the article and place in the Committee news and media archives.

Chairman Mustert then formally introduced Damita Jeter as the new Committee staff person.

REVIEW OF QUESTIONABLE EXPENDITURES:

- **City of Greenville:** Letter will be drafted to them saying that their reporting was out of balance and the carry-forward amount is incorrect, however, their questionable expenditures were approved.
- **City of Florence:** The Committee reviewed their explanation of questionable expenditures and approved their original request. A letter will be drafted telling them such.
- **Anderson County:** The Committee will draft a letter stating that the Pendleton Merchant's Guild must incorporate as a non-profit or request funds under a nonprofit status before being eligible for funds. They must reimburse their a-tax fund for a-tax monies granted to the for-profit Guild.
- **City of Aiken:** The Committee passed a motion that we would withhold the City of Aiken's requested funds, totaling approximately \$32,000, until we have received a response from a letter sent to them by the Committee requesting more information. Mr. Paul Jarvis will be copied on the letter. (Upon closer review by SCDOR staff, the letter will actually say the City has 30 days to comply, and then funds will be withheld).

- **Folly Beach:** Although the Committee voted to send them a letter similar to the one it is sending to City of Aiken, it was discovered the original letter requesting clarifying information from them had never been sent. Staff has since sent the letter requesting additional information and will await a response before further action is taken.
- **City of Rock Hill:** A letter will be drafted and sent to them saying that their response did not answer the original request. Their new letter needs to answer specifically how these events promote and attracts tourists, or in the future, funds may be withheld.
- **Beaufort County:** A letter will be drafted and sent to them saying that their response did not answer the original request. Their new letter needs to answer specifically how these events promote and attracts tourists, or in the future, funds may be withheld.
- **Laurens County:** Their requests were approved. A letter will be drafted telling them such.
- **Orangeburg County:** Will send them a letter stating they must reimburse the a-tax fund for lights on U.S. 1, the SC Philharmonic Orchestra needs to be explained further or funds may be withheld. The Orangeburg Fair Association was approved.
- **Oconee County:** Carried over until May 5 meeting.
- **Town of Ridgeland:** Their requests were approved. A letter will be drafted telling them such.
- **Horry County:** Their requests were approved. A letter will be drafted telling them such.
- **Myrtle Beach:** Did not answer specific questions posed in our letter. A letter will be drafted saying please provide the number of total attendance to the event, the total number of tourists and the total budget. Should information not be forthcoming the committee may rule to withhold in the future.
- **Town of Mt. Pleasant:** Their requests were approved. A letter will be drafted telling them such.
- **Town of Summerville:** Their requests were approved. A letter will be drafted telling them such.
- **Dillon County:** The Committee passed a motion that we would withhold the County's requested funds, totaling approximately \$8,500, until we have received a response from a letter sent to them by the Committee requesting more information. Mr. Paul Jarvis will be copied on the letter. (Upon closer review by SCDOR staff, the letter will actually say the County has 30 days to comply, and then funds will be withheld).
- **Spartanburg County:** The Committee passed a motion to further question this County's expenditures to the Diamond Jubilee Celebration, considering the parent organization is the Miss South Carolina Pageant. The letter will ask them to clarify how the money is spent (how it promotes and attracts tourists) and whether or not the Miss South Carolina Pageant is a nonprofit. If the organization is a nonprofit, advertising must be conducted 50 miles outside of the area. If this expenditure does not meet the criteria above, the County's a-tax funds must be reimbursed.
- **Kershaw County:** A letter will be drafted questioning the expenditure of Evening Concert Series Promotions.
- **Dorchester County:** A letter will be drafted telling them they need to reimburse their a-tax fund \$500 for the repairs to the Timrod Library of Summerville.
- **Jasper County:** A letter will be drafted questioning the Jasper Soil and Water's Nature Trail and the "various events" reported by the Jasper County Cultural Society.
- **Georgetown County:** A letter will be drafted questioning the Committee for African American History Observatory's "repairs to Dreamkeepers Art Center." Also, the Jack Harvey Memorial 8K/Fun Run will be questioned.
- **Colleton County:** A letter will be drafted questioning the Arts Council "developing new program." Also, a question of the Istea Grant "Biker's Trail."
- **City of Greenwood:** A letter will be drafted questioning the Greenwood Community Theater and the Greenwood Museum's "promotion of arts and cultural events." It must be out of market advertising.

- **Town of Duncan:** A letter will be drafted questioning the James F. Byrnes Tournament of Bands, the S.C. Links, the Concoctions Cornerstone Theater, the YSSC Long Course Invitational, and the MTCC Challenge Golf Tournament.
- **City of Georgetown:** A letter will be drafted questioning the Cultural Council's expenditures for the Arts Exchange, Gallery Crawls and Concert. It will also question the Committee for African-American History Observances "building repairs." Also questioned will be the Jack Harvey Memorial Fun Run 2002. An additional letter will be drafted saying the City must reimburse their a-tax fund in the amount of \$1,000 for the Georgetown High School Booster Club's "operation backstop."
- **City of Gaffney:** A letter will be drafted questioning Limestone College Arts Council's "food and lodging for out of town entertainers."
- **Georgetown County (Blueprint Leadership Academy's Celebrity Golf Tournament):** The Committee discussed the issue of the Georgetown County A-Tax Committee's awarding \$30,000 to this organization pending the TERC's opinion. Upon review, the TERC's opinion is that although the Blueprint Leadership Academy is a very worthwhile charitable event, it does not meet the a-tax fund requirements of being primarily tourism-related. The only portion that is applicable at this time to receive A-tax funds would be the **out of market** advertising, such as that done in the Black Enterprise Magazine and the State Newspaper. In view of the lack of out of town visitors, the Committee questions whether or not this is a wise expenditure.
- **Florence County:** Frans agreed to compose a letter in reply to the written complaint and subsequent conversations relating to A-tax expenditures and other A-tax related issues.
- **Pickens County:** The Committee approved the use of a-tax funds to fund the Pickens County Brochure. A letter will be drafted telling them such.

OTHER BUSINESS:

Paul Jarvis's Question/Recommendation:

Paul Jarvis has asked what to do with the a-tax funds once a county or municipality has forfeited its rights to the funds. Mr. Jarvis suggests the Committee look into a change in statute that would provide specific direction on distributing the withheld funds. The Committee questioned whether or not the Treasurer's office could withhold both the a-tax and local option tax. Mr. Sponseller was asked to get an opinion from Bernie Maybank, SCDOR's director. In the meantime, the official response to Mr. Jarvis is that the Committee is still studying the issue. We have requested the Treasurer's Office continue to keep the funds in escrow.

Committee Appointments:

Mr. Sponseller advised Committee members that he has asked the Governor's Office to extend the term expirations of various Committee members whose terms were to expire in July of 2003. He asked Committee members to follow up with the organizations that nominated them for appointment.

A-Tax Education:

Mr. Sponseller advised the Committee that the SCDOR has made a request to excuse itself from A-Tax education. The Committee advised Mr. Sponseller that it felt the SCDOR should continue this service.

“Clean-Up Language”:

Mr. Sponseller presented the Committee with a draft of “clean up” language for “tourism-related” items. Upon several additions to the language, the Committee motioned and passed the draft be sent to the Committee for approval then to Bernie Maybank, SCDOR Director, in order to clarify the law.

Town of Blythewood:

Submitted a plan for a 13-acre Town Center for the Committee to review and provide comments. The Committee feels that the Town of Blythewood would first need to go through its local advisory committee. Lorraine Abell and John Newman attended the Committee meeting to ask questions about their request and the law in general. The Town said they are in the process of setting up a local advisory committee even though they do not have to because they are not over the \$50,000 threshold. They asked for guidance and training in the a-tax law. Chairman Mustert and Mr. Curry suggested they contact Tom Sponseller.

Tourism Marketing Partnership Program Form (TMPP):

Julie Flowers of SCPRT led discussion in how this form could benefit the TERC. The Committee agreed it would be good information for them to have. To obtain an electronic copy of this form, visit, http://www.discoversouthcarolina.com/documents/girTMPPForms_1.pdf

The next meeting scheduled of the TERC is scheduled for May 5, 2003 at 11 a.m. at the SCDOR, Room 2E21.

There being no other business, the Committee adjourned at approximately 4 p.m.

Respectfully Submitted,

Damita S. Jeter

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TERC Staff